



Lorenz

**SUSTAINABILITY
PROGRESS
REPORT
2023**

CONTENTS

Foreword	3
We are Lorenz	4
Our strategic approach	5
Progress against targets	6
Sustainability management	8
Lorenz stories	11
Our fields of action	15
Figures at a glance	30
Lorenz & UN Global Compact	33
Our commitments and memberships	34
About this report	35
GRI index	37
Legal information	41



DEAR READERS,

Here's one thing that is crystal-clear for us: we want to bring the carefree joy of life of our brands together with our sense of responsibility towards people and the environment, and push our sustainable development forward.

For us, this means doing as much as possible to ensure that the world is handed over to the next generation as we received it. Maybe even a little better. To achieve this it is essential that we integrate sustainability into our entire value chain, starting from our raw materials and going all the way through to our consumers.

We firmly believe that the best way to achieve this is by working together – in other words, standing shoulder-to-shoulder with all of our employees, suppliers and business partners, as well as stakeholders in the areas of policy, society and business. Collaboration and participation in initiatives – such as the UN Global Compact, Supplier Ethical Data Exchange, Cashew Development Fund and many others – helps our organisation to learn and to develop and implementing appropriate measures. At the same time such involvement gives us the opportunity to share our own expertise while contributing resources and skills to advance joint projects.

The 2023 reporting year included a special milestone, when our climate goals were confirmed by the Science Based Targets initiative. In the previous year, we joined the initiative and started stepping up our climate protection ambitions. Thanks to the incredible dedication of many colleagues, we are now one of the first companies in our industry to have added reduction targets in the agricultural area and a long-term net zero goal

alongside the standard reduction targets. We started implementing these ambitions in 2023, with the initiation of a project to promote regenerative measures in potato cultivation representing a key step towards achieving our climate targets.

We have been able to progress with many new projects in our other fields of action too, such as the Lorenz Nutrition Profile and the Supplier Engagement Programme, while also continuing our existing activities. We are really encouraged by this progress. However, our target achievement figures show that we have not advanced as far as planned in every area. If we are going to reduce our absolute plastic consumption, for example, we need to take a long-term perspective when rethinking and developing alternative solutions. We will keep evolving, continually challenge our actions and adequately adapt our plans as we resolutely keep pursuing our path.

We are deeply grateful to our employees, partners and all our other fellow travellers who are supporting us on the journey to a more sustainable future!

**Yours sincerely,
Moritz, Rabea, Thomas and Holger**



**Moritz
Bahlse**



**Rabea
Habel-Beck**



**Thomas
Altendorfer**



**Holger
Rothfuchs**

WE ARE LORENZ

ONE WORLD – ONE LORENZ

We have been creating snacks for people all over the world – for four generations and over more than 130 years. We are now one of the leading suppliers on the European snack market. Our brands and products make life's precious moments just that little bit more special – in over 80 countries worldwide.

2023 CELEBRATIONS

88 years of **Saltletts**

30 years of **NicNac's**

60 years of **ErdnußLocken**

Our brands and products embody a colourful diversity that reflects the world we live in:

Potato chips, lye baked goods, crackers, nuts, popcorn and snack mixes. We love our established Lorenz brands, such as **Crunchips**, **Saltletts**, **ErdnußLocken**, **NicNac's** and **Naturals** as much as our new **potato**, **chickpea** and **lentil chips**!

ONE THING THAT IS OF HUGE IMPORTANCE ACROSS EVERYTHING WE DO:

WE CONNECT JOY OF LIFE AND RESPONSIBILITY



As a family business, we think for the longterm and operate sustainably. We do not think in terms of quarters, but in generations.

That is why we shoulder responsibility not only for the high quality of our products, but also for the ecologically and socially sustainable further development of our company.

We do our best to live up to this every day.



Over **3.000** people

deliver high quality and joy – at our headquarters in Neu-Isenburg (near Frankfurt Germany), in eight international country and sales companies and at six production sites.

OUR STRATEGIC APPROACH

Our mission: to bring joy to people with our snacks and at the same time take responsibility. We are committed to continually improving the environmental and social impact of our activities.

After all, when it's joy of life that drives us, we must always put people at the core of what we do. And to be able to take carefree joy of life into the future as well, we need nature and the environment to stay safe and unharmed. As a food manufacturer, we are aware that we have a particular responsibility here.

PEOPLE AND PLANET

Though we deliver joy of life with our products, we also use extensive resources to do so. That's why we are firmly committed to taking the bold steps which are needed, and will do everything we can to ensure that our path puts us and the planet on a sustainable footing for the future. By doing so we aim to preserve, expand and develop our company for future generations.

Under the People & Planet heading, we have identified seven key fields of action in which we can make significant headway. Our extensive and diverse activities are grouped into these fields of action, and many of them are backed-up with specific, measurable goals.

The pages ahead report the progress we have made in the 2023 calendar year, illustrate our current position in terms of achieving our goals, and give an overview of measures in the individual fields of action.

01

HEALTH & NUTRITION



02

PACKAGING



03

RESPONSIBLE SOURCING



04

CLIMATE & RESOURCES



05

REGENERATIVE AGRICULTURE



06

OUR EMPLOYEES



07

CORPORATE CITIZENSHIP



PROGRESS AGAINST TARGETS

		Objective	Target value	by	2022	2023
01	HEALTH & NUTRITION	By 2025 we will reduce the salt content in our entire brand product portfolio by 15 percent (compared to the base year 2019).	-15%	2025	3.2%	-2.1%
		By 2025 100 percent of new products will contain at least 15 percent less salt on average than existing products of the corresponding brand (compared to the base year 2019).	100%	2025	54%	94%
02	PACKAGING	By 2025 we will reduce plastic consumption for primary packaging across our entire brand portfolio by 15 percent (compared to the base year 2019).	-15%	2025	19.9% ¹	14.8%
		By 2025 all primary packaging across our entire brand portfolio will, at a minimum, be highly recyclable. ²	100%	2025	46.9%	44.1%
		By 2023 we will cooperate with initiatives in Germany, Poland and Austria to provide information to consumers about waste separation and recycling.	3	2023	0	2
		<i>new</i> By 2026 we will collect five million plastic bottles together with our partner Plastic Bank.	5 million	2026	1 million	2 million
03	RESPONSIBLE SOURCING	By 2023 all our raw material and packaging suppliers will have responded to the Sedex questionnaire.	100%	2023	61%	36% ³
		By 2023 our Tell us! whistleblower system will be accessible by external parties.	yes	2023	no	yes
		<i>new</i> By 2024 our two preproduction sites (India, South Africa) will have undergone SMETA audits.	2	2024	0	1

¹ This value was retrospectively corrected due to a recalculation. Additional information can be found in the [About this report](#) section.

² During the reporting year we adjusted the objective from "recyclable" to "at a minimum highly recyclable". According to the CHI standard developed by Institut cyclos-HTP, the recyclable proportion necessary to qualify as "highly recyclable" is > 90–95% (AA classification). Because of this, the share of packaging has decreased in comparison to the 2022 Sustainability Progress Report (88.4%).

³ This value only includes questionnaires that were answered in full, whereas in 2022 partially answered questionnaires were also included.

		Objective	Target value	by	2022	2023
04	CLIMATE & RESOURCES	<i>new</i> By 2030 we will reduce our total Scope 1 and 2 greenhouse gas emissions by 42 percent (compared to the base year 2020). ¹	-42%	2030	-18.9%	-21.4%
		<i>new</i> By 2030 we will reduce our total Scope 3 FLAG greenhouse gas emissions by 30.3 percent (compared to the base year 2020). ²	-30.3%	2030	0.7%	2.6%
		<i>new</i> By 2030 we will reduce our total Scope 3 greenhouse gas emissions by 25 percent (compared to the base year 2020) ³	-25%	2030	-6.4%	-4.6%
		<i>new</i> By 2050 we will achieve net zero greenhouse gas emissions along the entire value chain.	-100%	2050	-1.8%	0.1%
		<i>new</i> By 2050 we will reduce our total Scope 1 and 2 greenhouse gas emissions by 90 percent (compared to the base year 2020). ¹	-90%	2050	-18.9%	-21.4%
		<i>new</i> By 2050 we will reduce our total Scope 3 FLAG greenhouse gas emissions by 72 percent (compared to the base year 2020). ⁴	-72%	2050	4.0%	5.5%
		<i>new</i> By 2050 we will reduce our total Scope 3 greenhouse gas emissions by 90 percent (compared to the base year 2020). ⁵	-90%	2050	-5.1%	-1.6%
		By 2023 we will only use electricity from renewable sources at all of our own Lorenz sites.	100%	2023	100%	100%
		By 2026 we will supply 25 percent of the electricity consumed in our German and Polish plants with self-generated electricity from renewable sources.	25%	2026	3.5%	5.6%
05	REGENERATIVE AGRICULTURE	<i>new</i> By 2025 we commit to achieving zero deforestation for our primary commodities linked to deforestation.	yes	2025	not specified ⁶	no
		By 2024 we will have 50 of our contracted farmers in potato cultivation signed up to actively implement regenerative farming methods.	50	2024	not specified ⁶	12
		<i>new</i> By 2030 we will reduce our greenhouse gas emissions in potato cultivation by 100,000 tonnes, by implementing regenerative agriculture together with our contracted farmers.	-100,000 t CO _{2e}	2030	not specified ⁶	-2,079 t CO _{2e}
07	CORPORATE CITIZENSHIP	We donate locally to social initiatives in Germany, Poland and Austria.	Number	annually	38	36

¹ This target includes land-related emissions and removals from bioenergy feedstocks. Target coverage: excludes Scope 1 of Kirishi site.

² FLAG emissions are specifically related to land-intensive forestry, farming and agriculture sectors. The target includes FLAG emissions as well as removals. Target coverage: 68.2 percent.

³ The target includes the categories 3.1 Purchased goods and services, 3.3 Fuel- and energy-related activities 3.4 Upstream transportation and distribution. Target coverage: 68.2 percent.

⁴ The target includes FLAG emissions as well as removals. Target coverage: 91.9 percent.

⁵ Target coverage: 91.2 percent.

⁶ The target was set in 2023, so we cannot report any data for 2022.

We plan to develop new targets for our field of action 06 Our Employees as the targets have lapsed.

SUSTAINABILITY MANAGEMENT



HOW WE MANAGE SUSTAINABILITY

OUR SUSTAINABILITY MANAGEMENT STRUCTURE

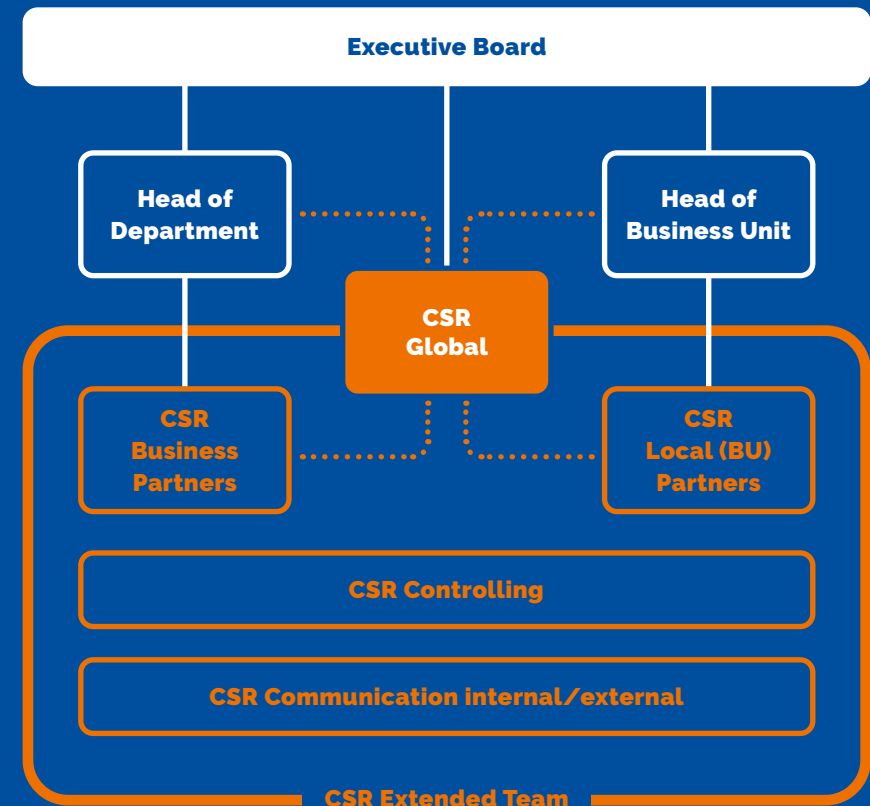
At Lorenz, we want drive sustainability forward together. That's why sustainability, also referred to as Corporate Social Responsibility (CSR), is a top-level management issue for us: the Executive Board bears overall responsibility for and makes decisions about strategic sustainability goals for the entire Lorenz Group. The Head of CSR Global reports strategic decisions, developments and regulatory conditions to the Executive Board on a regular basis, and liaises with it annually about target achievement. Our CSR Global team is responsible for managing the sustainability programme and overseeing its implementation throughout the company. To ensure that sustainability becomes an increasingly prominent and better integrated component of our activities, the team works closely with various departments and divisions in our company.

What that means in concrete terms is that the CSR Global team develops our group-wide sustainability goals, defines the respective action frameworks, and coordinates the implementation of activities for the entire

Lorenz Group. The team is supported in this process by CSR Local Partners, in Poland and Austria for example. At the same time, colleagues from central departments – such as packaging development, product development, purchasing and engineering – take on centralised projects and activities under their own responsibility, as CSR Business Partners. To ensure that all the involved parties can exchange relevant information, members of this CSR Extended Team convene at monthly meetings to report on the current status as well as future projects.

CSR Business Partners are also responsible for subject-specific and cross-functional networking on sustainable topics in the company, whether at a local or international level. With this networked and agile organisational structure we will be able to advance, and even more firmly anchor our fields of action in all business areas going forward.

STRUCTURE OF OUR SUSTAINABILITY MANAGEMENTs



— Hierarchical reporting line

..... Effective communication line

WHAT OUR ACTIONS ARE BUILT ON

We have pledged at the highest level to interact responsibly with people and the environment. We are committed to following the rules we have developed and which are set out in our Code of Conduct. Together with our business partners, we undertake to conduct ourselves in an ethically, legally and economically faultless manner, and have expanded the content of our principles in the reporting year with matters such as climate protection, energy efficiency and conservation, waste and water management as well as the preservation of biological diversity. The Code of Conduct is based on the following standards and guidelines:

- UN Guiding Principles on Business and Human Rights
- United Nations Universal Declaration of Human Rights
- The International Labour Organization's (ILO) Fundamental Principles and Rights at Work
- The principles of the UN Global Compact
- Agenda 2030: the 17 Sustainable Development Goals of the United Nations (SDGs)
- The Ethical Trading Initiative's Base Code
- The Paris Climate Protection Agreement



80%
OF OUR EMPLOYEES
completed training on corruption prevention in 2023

Our employees receive training to ensure that our principles are put into practice. Any suspected breaches of our Code of Conduct or relevant laws and specifications can be reported via our Tell us! whistleblower portal. This is available to all of our employees and has been open to reports from outside the Lorenz Group since 2023 – which also represents fulfilment of a 2022 objective. Tell us! is provided by an external service provider and guarantees anonymity on request. We are always open to hearing about any concerns and we foster an open corporate culture. This means we are able to react at an early stage, counter possible misconduct, resolve conflicts and avoid damage. This approach was also applied to all cases notified in the reporting year, which we were able to resolve conclusively.

OUR CODE OF CONDUCT

Selected extracts:



We decisively reject corruption



We disclose and resolve conflicts of interest



We believe in fair competition



We have a responsibility toward the environment

OUR MANAGEMENT SYSTEMS AND CERTIFICATIONS

All sites in Germany and Poland are certified by means of a quality management system in accordance with **ISO 9001**.

Our German sites operate certified energy management in accordance with **ISO 50001**. At the Stanowice site in Poland, we have implemented corresponding processes for energy management. All production sites in Germany and Poland are also certified in accordance with the **IFS Food** standard, and in Poland additionally in accordance with the **BRC Global Standard for Food Safety**.

ALL CERTIFICATIONS AT A GLANCE



QUALITY MANAGEMENT
in accordance with
ISO 9001
(Germany, Poland)

ENERGY MANAGEMENT
in accordance with
ISO 50001
(Germany)

FOOD STANDARDS
in accordance with
IFS Food
(Germany, Poland)

FOOD STANDARDS
in accordance with
BRC Global Standard for Food Safety
(Poland)

IFS LOGISTICS CERTIFICATION
(Germany)

IFS BROKER CERTIFICATION
(Switzerland)



IN DIALOGUE WITH OUR STAKEHOLDERS

Because we are convinced that the way to achieve the greatest progress for a sustainable future is through joint action, we maintain a regular dialogue with our stakeholders. These are our Management Board, employees, consumers, retail partners, suppliers, legislators as well as active parties in policy, business and society. This exchange supports us in learning, as well as when developing and implementing appropriate measures in our fields of action. It also gives us the opportunity to share our own know-how as well as to contribute resources and expertise to joint activities.

We conduct this communication using diverse methods which are adapted to each respective stakeholder group; our management panels and informational events for employees for example, which consistently feature issues from our fields of action.

And of course we regularly use opportunities for reporting and discussion of our plans, projects and achieved targets – including internally on our social intranet and employee magazine “Snack News”, and externally on our social media channels and website.

What’s more, we undertake numerous projects and collaborate with other stakeholders to develop solutions for challenges in our supply chain and throughout our fields of action. This includes a number of projects with our suppliers as well as active membership of schemes such as the Sustainable Nut Initiative, not to mention, of course, our commitments to the UN Global Compact and the Science Based Targets initiative. More details about this are available in [Our commitments and memberships](#).



“We have initiated major topics across various fields of action in this reporting year as well. This would not have been possible without the great dedication of our motivated colleagues and external partners – we are very grateful for everything they have done. At Lorenz, we want to generate a positive impact and create real change across our entire value chain. To do this, we need to refine structures and processes in the organisation and bring people along with us. The task requires persistence, persuasion, a far-sighted strategic view and courage. We learn more every day and make use of these learnings as we take the next steps together!

Ines Dzeko

Head of CSR Global, Lorenz

OUR CONTRIBUTION TO THE GLOBAL GOALS

We are a signatory to the UN Global Compact (see [Page 33](#)) and actively support the UN’s 2030 Agenda including its 17 Sustainable Development Goals. These global goals (SDGs) are intended to facilitate decent living conditions worldwide by 2030 and at the same time help preserve natural resources for the long term. The SDGs are geared toward the global community and as such also toward companies. As an international company, we believe it is important to sign up to this agenda. We carefully examined the SDGs through the lens of our materiality analysis, in order to determine which of them we are best able to address by making positive changes. As a result we have committed ourselves to the following five SDGs:



Good health and well-being

We can actively contribute to this with our measures in the Health & Nutrition field of action (see [page 16 to 17](#)).



Decent work and economic growth

We are working on this goal by means of our Responsible Sourcing field of action (see [page 20 to 21](#)) and the field of action Our Employees (see [page 27 to 28](#)).



Responsible consumption and production

This point is addressed by our activities in the Health & Nutrition field of action (see [page 16 to 17](#)) and the Packaging field of action (see [page 18 to 19](#)).



Climate action

Our efforts in the Climate & Resources field of action are moving this goal forward (see [page 22 to 24](#)).



Partnerships for the goals

Partnership already plays a part in all of our fields of action, and will continue to do so in future – because we achieve more together. You can see examples of this in our update concerning the Responsible Sourcing field of action (see [page 20 to 21](#)) and in Our commitments and memberships (see [page 34](#)).

LORENZ STORIES

UPHOLDING HUMAN RIGHTS IN OUR SUPPLY CHAINS



We have spent many years working with renowned service provider Sedex to ensure transparency and high ethical standards in our supply chains. All of our sites in Germany and Poland successfully completed auditing by SMETA in 2022; in winter 2023 we added the first non-European site to the list, when Lorenz Snacks India was audited.

Since 2021 we have been operating an India-based plant for processing peanuts, in Rajkot – a city of around 1.3 million inhabitants, in the state of Gujarat. The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) development agency supported us with implementation of a project that has been running since the start of 2022, in which we are working with a cooperative of smallholder farmers in Gujarat to achieve sustainable and traceable supply chains for peanuts and sesame. Our goal here is to ensure social standards and transparency throughout the supply chain. According to “Radar”¹ from Sedex, there are particularly high risks to the health and safety of people employed in the peanut supply chain in India.

To ensure that the extent of these risks at the smallholder level would be assessed accurately, human rights experts from Lorenz and the Löning Human Rights consultancy company attended our factory and other shell-ing businesses in Rajkot in May 2023. We also visited our partner cooperative of connected smallholders in Junagadh, to understand the risks that exist all the way up to the farmers. The team was able to get an overview of the conditions on-site and ask a lot of questions, for example about safety at work, payment, hygiene, satisfaction, gender roles and freedom of association.

“The information and recommendations that we were able to gather from the interviews and the on-site visit helped us define specific measures for alleviating the risks. The findings also proved to be valuable in terms of preparing for the SMETA audit, which was performed and completed at the site for the first time at the end of 2023.

Julien Lavarini

Manager, Responsible Supply Chain, Lorenz



¹ “Radar” is a comprehensive risk management and analysis tool that helps companies identify risks in their supply chains based on the sector and geography.



AWARD-WINNING CO₂ SAVINGS IN LOGISTICS!



We are delighted to receive this award and to have been able to significantly reduce our logistics-related CO₂ emissions within a short period. It has only been possible thanks to close and positive collaboration with our retail and logistics partners.

Stefan Bender
Head of Logistics, Lorenz

There was no doubt that the German logistics team, having already received a 1st Star from the Lean & Green Initiative in 2020 – in recognition of a 24 percent carbon reduction in logistics – would continue to work on reducing carbon emissions.

And continue they did, with considerable success! They have since reduced transport and logistics-related greenhouse gas emissions in Germany by a further 11 percent; this means that 35 percent less CO₂ per cubic metre of transported goods is being generated compared with the starting year of 2014. This achievement was honoured at the 2023 German Logistics Congress in Berlin, with the awarding of a Lean & Green 2nd Star by the Lean & Green non-profit initiative together with GS1 Germany GmbH.

To achieve this we concentrated not only on optimising transport capacity utilisation in our delivery to customers and internal goods transport, but also on minimising heating requirements to lower CO₂ emissions. By working with our customers and making internal network optimisations, we reduced the number of transports by 38,000 between 2014 and 2022. The energy requirement is now 22 percent lower than in 2014, as significantly less natural gas is needed for heating. Furthermore, in 2022 giga liners were used for around 750 transports between the production facilities and logistics locations in Hankensbüttel, Lower Saxony, and in Neunberg vorm Wald, Bavaria.



Awarding of the Lean & Green 2nd Star to Lorenz in Berlin at the end of October, at the German Logistics Congress. GS1 Germany, sponsor of the Lean & Green initiative in Germany, hands the award to Lorenz for successfully reducing CO₂ emissions in storage and logistics processes. From left: Aljoscha Rix (Lean & Green Germany), Thomas Fell (GS1 Germany GmbH) and Bernard Magin (Lorenz). Picture credit: BVL – Federal Association of Logistics

ANOTHER ONE MILLION PLASTIC BOT TLES COLLECTED



RAISING AWARENESS FOR RECYCLING TOGETHER



One of our objectives is that we support initiatives in Germany, Austria and Poland to raise consumer awareness of issues associated with waste separation and recycling of packaging. Why is this important to us? Valuable materials can only be returned to the cycle if waste – such as packaging – is appropriately separated. With this in mind, we want to work with partners to take action beyond our products.

In Austria, we have been collaborating with Digi-Cycle since 2023, which is a joint venture by the companies Altstoff Recycling Austria and Saubermacher. Consumers

in countries which do not yet have a comprehensive infrastructure for waste management, we collaborate with Plastic Bank. We are very pleased and grateful to have been able to continue our partnership with Plastic Bank in 2023 – this time in Indonesia. In 2022, our joint effort had already stopped a million plastic bottles in Egypt from ending up in the sea. The two-year balance sheet:

a total of two million plastic bottles were collected and recycled. At the same time, the lives of 309 collectors in 52 municipalities in Egypt and Indonesia have been impacted in a positive way. We know this for sure: we will also be involved with Plastic Bank again in 2024!



mers can use an app to scan the barcode on packaging and they receive location-specific separation instructions as well as being directed to the nearest collection point via the recycling guide. The app currently covers around 30,000 collection points across Austria, and around 25,000 items are scannable via barcode. The whole Lorenz range in Austria has been available on the app since the start of 2023.

In Poland, all companies that put packaged products into circulation have an obligation to inform consumers about appropriate methods of disposal. We collaborate with Interzero Group and the Eko Cykl packaging recovery organisation to undertake education and information campaigns, aimed at teachers and school-aged children for example, about environmental protection and waste separation. In addition, the marketing teams at Lorenz and Lajkonik have also developed their own marketing campaigns to provide consumers with information about the subject of waste

separation by means of a “Yellow to yellow” appeal, which can be found on the packaging for Lajkonik products. We further boost this messaging with communication on social media, and have successfully reached over 200,000 people.

In Germany we have been a new partner in the “Mülltrennung wirkt” (“Waste separation works”) initiative since January 2024. Together with the dual systems, we use a humorous online campaign to explain to consumers how to correctly dispose of empty packaging in the yellow bin or yellow bag. “So that the environment doesn’t have to chew on it – please put crisp bags into the yellow bin,” is the main message. The online campaign is communicated via the web platforms as well as the social media channels operated by Lorenz and the “Mülltrennung wirkt” initiative.



OUR FIELDS OF ACTION

HEALTH & NUTRITION



DELICIOUS SNACKS THAT BRING JOY

OUR APPROACH

As a family-owned business, we have had just one thing on our mind for generations: joy of life. Snacking is certainly a part of that.

But for us it also means taking responsibility. After all, at Lorenz we understand the role snacks can play in balanced nutrition, and we know the importance of responsible consumption. That's why we continuously develop our recipes – in part to adapt our snack products to changing eating habits, but also to optimise their nutritional value.

To enhance these processes we have developed a system we call the Lorenz Nutrition Profile, which supports our teams in the analysis and refinement of our products and recipes. One priority is to reduce the salt content in our snack products. We have set ourselves clear and measurable targets in this respect.

MORE TRANSPARENCY

Transparency is important to us – and that means not only here in our sustainability reporting, but also directly in shop shelves. That's why in 2021 we set ourselves the objective of using the Nutri-Score for our brands in Germany and Austria. The five-level colour and letter scale makes it possible to compare the nutritional values of foods within a category at a glance. We have been gradually integrating the Nutri-Score on the front of the packaging for an increasing number of products. Since 2023, we have been printing the Nutri-Score on all products in the standard range for the German and Austrian market.¹

We develop recipes that suit a range of dietary requirements and lifestyles, and to communicate this we provide information on the packaging about particular product features. To this end we have developed our own icons to identify, for example, the vegan, vegetarian and gluten-free options in our range. We have already equipped 92 percent of our brands with icons that distinguish specific product features for easier orientation.



LESS SALT IN NEW PRODUCTS



Our objective: by 2025, 100 percent of our new products will contain at least 15 percent less salt on average than existing products of the corresponding brand (compared to the base year 2019).

For example, new products in the Crunchips product family can only contain a maximum salt content of 1.5 g per 100 g. In 2023, our new Limited Edition Falafel Style Crunchips and Crunchips Sour Cream products in the German market, and Crunchips FrytStyle in the Polish market met this specification.



100 %
OF OUR
NEW PRODUCTS
have at least
15% less salt²

OBJECTIVE

94 %
OF OUR
NEW PRODUCTS
have at least
15% less salt²

STATUS
QUO

2023 2025

¹ Exceptions: products in our factory shops and overstock retailers as well as promotional items.

² Compared with the previous average value for the brand in question (compared with the 2019 base year).

BETTER NUTRIENT PROFILES

Our products are not vegetables – and we know that. Nonetheless, we want to fit into a manner of eating that is modern and as balanced as possible. That is why we keep continually working on the recipes for our products and are firmly committed to constantly improving our snack portfolio in terms of nutritional considerations.

Guided by the recommendations of renowned organisations such as the WHO, we developed an internal nutrient profile for our snacks in 2023: our Lorenz Nutrition Profile. This serves as a basis for assessing our snack portfolio in terms of nutrition-relevant ingredients and nutrients – both when developing new products and revising existing recipes. Our system focuses on ingredients such as salt, saturated fatty acids and sugar, which we would prefer to reduce we refer to these as our footprint criteria.

At the same time, we are continuing to work on increasing the proportion of ingredients which are nutritionally and physiologically beneficial, such as fibres, proteins, micronutrients, legumes, wholegrain products, nuts and seeds; we refer to these as our handprint criteria. Examples of work we have done here include our Saltletts PausenCracker, in which we use wholemeal flour, chia seeds, flaxseed and sesame; Saltletts wholemeal sticks with wholemeal flour; and Kichererbsen-Chips with chickpea flour.



**WIEJSKIE
ZIEMNIACZKI**
in Poland contains
25% less salt
compared to
the previous
recipe

PROJECT OIL CHANGE

Our Crunchips, Pomsticks and other products are fried so that they are deliciously crunchy. Historically we have always used 100 percent sunflower oil for frying our crisps, crisp-like products, and ErdnußLocken peanut snacks. However, since 2022, we along with other manufacturers had to deal with limited availability and extraordinary increases in purchasing prices, particularly with respect to sunflower oil. This led us to investigate new solutions.

In 2023 we switched all corresponding production lines in the Hankensbüttel, Neunburg und Stanowice plants to use a mixture of sunflower and rapeseed oil. Using this mix means we are able to react better to harvest fluctuations and market bottlenecks, and therefore ensures that our snacks will also be available at all times in future. But in making this decision we also considered environmental matters such as carbon footprint, as well as quality and nutritional aspects.



WHAT DO WE CARE ABOUT IN OUR PRODUCTS?

- Avoiding allergens
- Vegan, vegetarian and fat-reduced options
- Gluten-free products in the chips range

**15%
LESS SALT
BY 2025**

Reducing salt is not always easy considering our wide-ranging product portfolio. And when people enjoy our products, they do so with all their senses. That's why we impose the highest standards for our ingredients, manufacturing procedures and product quality. And nothing will change that. Whenever we make changes, we test in advance to see they will affect product properties such as texture, taste and even shelf life. This requires good preparation and sufficient time for this.

The first salt reductions in our brands are already evident on the recipe balance sheet: in 2023 we used 2.1 percent less salt on average across the entire brand product portfolio than in the 2019 base year.

But referring to our target, we would like to have achieved more progress in terms of our average reduction over the entire range. So we will continue to reduce the salt content in other brands.

IN 2023 WE REDUCED THE SALT CONTENT IN THESE BRANDS:

- Crunchips
- Rohscheiben
- Wiejskie Ziemniaczki
- Naturals
- Pommels

FOR 2024 WE ARE PLANNING TO REDUCE SALT IN OTHER INTERNATIONAL BRANDS SUCH AS:

- Crunchips
- ErdnußLocken/Curly
- Saltletts
- NicNac's



PACKAGING



LESS PLASTIC, MORE RECYCLING

OUR APPROACH

As a consumer goods manufacturer, when we sell our products we are always also putting packaging materials into circulation. We are aware of our responsibility in this area and are intensively working to optimise our packaging. In this field of action, the primary approach we take to sustainability is avoiding everything that is not absolutely essential.

But because packaging is unavoidable for us – to guarantee product protection and to meet our high quality standards – we also work very hard on increasing the recyclability of our and, where possible, we use materials which are more sustainable and more environmentally compatible. So the principle we follow is: reduce, recycle, replace.

What does that actually mean? We are continually looking for improvement potential, assessing the recyclability of our packaging based on the CHI standards of the Institut cyclos-HTP, and analysing innovative packaging possibilities. At the same time, we support initiatives in Poland, Germany and Austria to raise awareness among consumers for more conscious consideration of packaging and better recycling practices.

REDUCING PLASTIC

Our objective is clear: we want to use less plastic. We saved a total of 93 tonnes of plastic across nine brands in 2023. But we have still not made as much progress on this goal as we would have liked. Why is that? Primarily because in 2023 we increased our sales compared to the base year, with the result that our absolute plastic consumption was also higher.

So even though we have realised savings on plastics in the last few years, overall consumption has not yet fallen significantly. That's why in 2024 we are going to undertake additional packaging changes, and review implementation potentials. In the long run, we must identify new ways to reduce plastic.

EXAMPLE: CRUNCHIPS



49 T
LESS PLASTIC
per year¹ due to
thinner films

¹ with sales staying the same

OUR OBJECTIVE: PLASTIC REDUCTION

By 2025 we want to reduce plastic consumption for primary packaging across our entire brand portfolio by 15 percent (compared to the base year 2019).

93 T
PLASTIC
was saved
in 2023

In 2023 we saved a total of around 93 tonnes of plastic across nine brands. We did this by switching the packaging for our Saltlets, Clubs and Naturals to thinner films for example, while for Rohscheiben, wasabi peanuts and ErdnußLocken peanut snacks, we optimised the packaging dimensions even though the grammage did not change.

We initiated the following measures:

Reduction in film-wall thickness and sealing areas



Optimising packaging dimensions

Evaluation of all packaging formats for material efficiency, for example flat pouches versus stand-up pouches



We eliminated extras made from plastic, such as bag reclosure mechanisms, advertising stickers and sleeves

INCREASING RECYCLING

It is important to us not only to reduce packaging material but also to improve the recoverability of our plastic packaging. Here, it is important to note that recyclability is determined by all components of the packaging, and the recoverable material proportion can vary greatly depending on the packaging type. So, using the standard developed by the independent Institut cyclos-HTP as a guide, in the reporting year we have achieved further improvements. Around 92 percent of our packaging meets the minimum standard of well recyclable¹, and around 44 percent is even classified as highly recyclable or better. Our goal is that by 2025 all of our primary packaging will be highly recyclable at the least.

To achieve this, we specifically targeted packaging groups with low recyclability in 2023. Some of our Naturals packaging in our export business and a significant proportion of our nut product packaging have already been switched to recyclable packaging materials. Other products, such as our lentil peanuts, were successfully reviewed at the end of last year and switched at the start of 2024.

SMALL-SCALE MEASURES ALSO CONTRIBUTE TO IMPROVING RECYCLABILITY:

- Most of the **reverse sides of our packaging have only used a white background since the end of 2022** – this makes sorting easier and conserves resources
- Switch to **flexographic printing technology** (e.g. Saltlets and Clubs)
- Some instances of **reduced ink application** during printing

In our paper-based packaging materials, we strive to be environmentally friendly. For all of our cardboard packaging, composite boxes and blank boxes, POS materials² and paper labels, we have been exclusively using FSC®-certified paper materials since 2022. (FSC-C133957).



ALTERNATIVE MATERIALS

We have also intensified our research into alternative packaging materials, and are specifically examining alternative material possibilities that use paper-based, biomass-based and compostable components.

To facilitate better comparison of the environmental impacts of our current materials as well as potential new options, we have been assessing these since 2023. We do this by means of a software-based lifecycle assessment tool which makes it possible to directly compare different packaging. Because we know that to develop truly sustainable better solutions, we need to analyse and understand complex environmental impacts. The eventual findings will be further utilised in future for the development of alternative packaging.

¹ As per the CHI standard developed by the Institut cyclos-HTP, the recyclable proportion necessary to be assessed as **well recyclable** is 70-90% (classification A) and as **highly recyclable** is > 90-95% (classification AA).

² Point-of-sale materials

OUR OBJECTIVES

By 2025 all primary packaging across our entire brand portfolio will, at a minimum, be highly recyclable.¹



WE ACHIEVE MORE TOGETHER

To keep as many resources in the cycle as possible, everyone needs to pull together. That is why it's important that we work with partners to take action beyond our products. In Poland, Austria and Germany, we support initiatives to raise consumer awareness on the topics of waste separation and recycling and to motivate people to get involved.

In countries which do not yet have a comprehensive infrastructure for waste management, we have been working with the social enterprise Plastic Bank since June 2022. Plastic Bank has set itself the goal of establishing sustainable recycling systems in newly industrialising countries and developing countries, aiming to counter plastic pollution in oceans as well as poverty in those locations.



[More information on our activities in Lorenz stories](#)

RESPONSIBLE SOURCING



TRANSPARENT & FAIR SUPPLY CHAINS

OUR APPROACH

We feel a responsibility to the people connected to Lorenz, and compliance with human rights is fundamentally important to us. That is why we want to work together with our farmers and other suppliers to ensure fair and appreciative working conditions along our entire value chain, “from farm to fork”.

Our approach: we pursue direct contact with participants along the supply chains and maintain long-term partnerships which are based on mutual respect as well as collaboration based on trust. In this context, it is important to us not only that our suppliers act in line with our Code of Conduct, but also that we include and strengthen the people at the sites.

To identify possible risks in the countries of origin of our raw materials, we assess our supply chains annually using our Sustainability Risk Matrix. We add our suppliers to the Sedex online platform and survey them on social and environmental topics.¹ In the framework of SMETA audits, we review our own sites in terms of sustainable and ethical conduct. In addition, we are engaged in local communities alongside our partners.

RESPONSIBLE SOURCING

To produce our snacks we need to obtain a lot of raw materials from various regions of the world. Wherever possible, we source these directly from our contractual partners. For example, the potatoes for our crisps are predominantly supplied from the regions surrounding the respective production sites in Poland and Germany. We source other raw materials, such as peanuts and cashews, from countries such as Mozambique, South Africa and India. In these processes too, it is important – and as such constitutes a fixed component of our sourcing concept – that we pursue direct contact with farmers and suppliers, establish partnerships based on trust, and engage directly at local level.

SOCIAL AND ENVIRONMENTAL STANDARDS IN INDIA

In India, we have been operating our own plant for the further processing and quality assurance of peanuts since 2021. As well as a laboratory, we also operate a production line for cleaning the peanuts. This enables us to better control the supply of high-quality peanuts as well as to uphold EU standards.

¹Sedex is a platform for companies to use for managing and improving working conditions in global supply chains. The SMETA audit procedure developed by Sedex reviews compliance with labour laws, health and safety standards, environmental standards, and business ethics.

²With exception of Kirishi in Russia

PROMOTING HUMAN RIGHTS AND ETHICAL CONDUCT

Respect for human rights is absolutely non-negotiable for us – which is one reason why we signed the UN Global Compact. We have already carried out SMETA audits at our European sites in recent years.

During the reporting year, we also added the branch in India to this list. Our majority holding Vaalharts Groundnuts Marketing (Pty) Ltd (VGM) in South Africa will follow in 2024, meaning that in future we will have all production sites² as well as the preproduction sites (shelling and sorting nuts) covered, and they will be subject to regular SMETA audits every three years.



95%

OF OUR RAW AND PACKAGING MATERIAL SUPPLIERS

have signed our Code of Conduct or committed to their own comparable code.

88%

OF OUR INDIRECT SUPPLIERS

have signed our Code of Conduct or committed to their own comparable code.

100%

OF OUR BUYERS RECEIVED

training on sustainable sourcing practices in 2023.



Here we are working on both creating more transparency in the supply chain and improving social standards. Additionally, since the start of 2022 we have been implementing a project in Gujarat for sustainable and traceable supply chains for peanuts and sesame, with the support of the development agency Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) ([more information in Lorenz stories](#)).

SUSTAINABLE CULTIVATION METHODS IN SOUTH AFRICA

We have held a majority stake in South Africa peanut specialist VGM since mid-2022. At the end of February 2023, VGM successfully concluded a seven-year loan agreement with AfricaConnect – a programme initiated by the Federal Ministry of Economic Cooperation and Development (BMZ) and implemented by the German Investment Corporation (DEG). This collaboration makes it possible for the site to be modernised in terms of working safety and nutritional safety, thereby guaranteeing a long-term high degree of food safety and quality. Another objective of the programme is to actively minimise environmental impact. As a starting point we examined the use of chemicals in agriculture, and developed a plan for gradually phasing out their use. We also performed a living-wage analysis to facilitate assessment of our employees' current wage and benefits packages. We took these steps because we want to ensure that employees earn an income that is high enough for a satisfactory living standard.



Stephan Hochstein
Managing Director,
Lorenz Switzerland

OPEN TO HEARING FROM EVERYONE

Our **Tell us!** whistleblowing portal can be used to report any breaches of our Code of Conduct, specifications and laws. Whistleblowers can remain anonymous if they wish.



ENGAGEMENT IN MOZAMBIQUE

In Mozambique, we have been involved with the Cashew Development Fund operated by GIZ since 2018, and so far we have trained over 3,800 farmers in good agricultural practice and methods which aim to increase their economic revenue and the quality of their raw materials. In 2023, we bought 90 tonnes of cashews via a cooperative. In the regions of Nampula and Zambezia, we support micronurseries and our partner Central Nursery Namaita (CNN), which in the reporting year together nurtured and distributed around 600,000 seedlings. Members of the GIZ, our processors and the cooperatives attended the Anuga food trade fair in Germany in October 2023 as well as our production site in Kreba, for a valuable knowledge exchange and dialogue.



As a long-standing member of the Sustainable Nut Initiative (SNI), we are committed to more transparency and higher sustainability standards, specifically in the nut supply chain. Stephan Hochstein, Managing Director Lorenz Switzerland, was appointed to the Executive Board in 2023. He will be even more involved in this area in the future. The SNI is a pre-competitive association that brings together international stakeholders in the nut supply chain to work toward greater sustainability in the nut sector.

ACHIEVING MORE TOGETHER

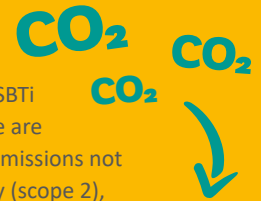


SUSTAINABILITY AT OUR SUPPLIER ORGANISATIONS

In the reporting year, we added around 98% of raw and packaging material suppliers to the Sedex platform and asked them to respond to a self-assessment questionnaire covering the areas of labor, health and safety, the environment and business ethics. Of those asked, 36 percent completed the survey in full.

THE CHALLENGE OF SCOPE 3 EMISSIONS

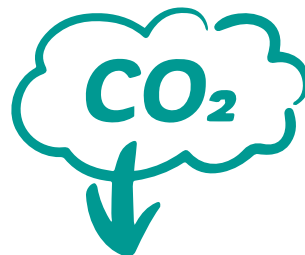
Our science-based climate targets were validated by the SBTi in 2023. Now, to ensure we also achieve these targets, we are developing concrete action plans that take into account emissions not only from our production (scope 1) and purchased energy (scope 2), but in particular also indirect emissions from our supply chain (scope 3). After all, that is where – before and after production – most greenhouse gases are emitted, particularly in the area of raw materials and packaging materials. Achieving change in this area is more challenging because we can only have an indirect influence.



As such, it is all the more important that we actively involve our suppliers in the process, this is why we launched the "Supplier Engagement Programme" in 2023. We inform our suppliers about our climate goals and raise their awareness that a collaborative approach is necessary to be able to limit global warming in accordance with the Paris Agreement. The first meeting on this subject took place in September 2023, with Lorenz's international Purchasing team and CSR team. In 2024, we will work with our suppliers to build on this foundation and create a concrete action plan for reducing greenhouse gases as per our targets.



CLIMATE & RESOURCES



OUR COMMITMENT TO CLIMATE PROTECTION

OUR APPROACH

The Intergovernmental Panel on Climate Change (IPCC) has declared that it is still possible to limit global warming to 1.5°C. To do so, our commitment to the fight against climate change is crucial. As a manufacturing company, we are aware that our activities and global value chain can potentially have a negative impact on the climate.

We have to consider ourselves as part of the solution and commit to reducing our greenhouse gas emissions so we can minimise negative effects as much as possible. That's why we have set ourselves ambitious science-based climate targets with the aim of achieving net zero greenhouse gas emissions along the entire value chain by 2050. We are doing this with measurable reduction measures and are also looking for solutions in a targeted way – including with our suppliers and business partners. After all, a significant amount of our emissions are created in our upstream and downstream value chain.

Our publicly accessible [Environmental Policy](#) sets out a framework for the prudent handling of resources and implementation of advanced environmental practices. Via the Code of Conduct, we also commit our suppliers and ourselves to use resources responsibly.

OUR GREENHOUSE GAS EMISSIONS

In recent years we have done the groundwork for reducing our CO₂e footprint: we have analysed, identified and measured our reduction potential and taken the first steps. Now we are performing a very comprehensive assessment of our greenhouse gas emissions based on the globally recognised Greenhouse Gas Protocol (GHG Protocol).

To ensure we contribute as much as we can to the 1.5-degree target of the Paris Climate Agreement, we have set ourselves science-based targets. In the course of this process we have adjusted the base year, which is used as the reference for the measured reduction, from 2019 to 2020. To achieve our validated net zero target by 2050, we are concentrating primarily on reducing direct emissions (decarbonisation) and will neutralise all remaining emissions in line with the SBTi criteria before the target is achieved.

¹ This target includes land-related emissions and removals from bioenergy feedstocks. Target coverage: excludes Scope 1 of Kirishi site.

² FLAG emissions are specifically related to land-intensive forestry, farming and agriculture sectors. The target includes FLAG emissions as well as removals. Target coverage: 68.2 percent.

³ The target includes the categories 3.1 Purchased goods and services, 3.3 Fuel- and energy-related activities 3.4 Upstream transportation and distribution. Target coverage: 68.2 percent.

⁴ The target includes FLAG emissions as well as removals. Target coverage: 91.9 percent.

⁵ Target coverage: 91.2 percent.

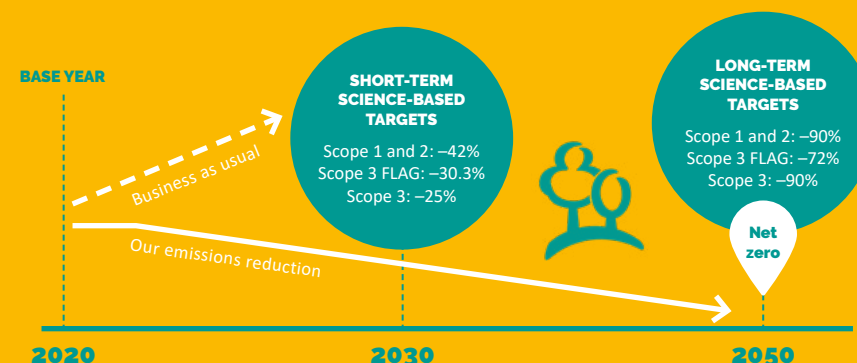
OUR SCIENCE-BASED CLIMATE TARGETS



In December 2023, our ambitious climate goals were validated by the Science Based Targets initiative (SBTi), which we signed up to at the end of 2022.

This makes us one of the first companies in our industry to have added reduction targets in the agricultural area (FLAG) and a long-term net zero goal alongside the standard reduction targets.

- **By 2030 we will make the following reductions compared to the 2020 base year:**
 - 42 percent reduction in Scope 1 and 2 greenhouse gas emissions¹
 - 30.3 percent reduction in our total Scope 3 FLAG greenhouse gas emissions²
 - 25 percent reduction in our total Scope 3 greenhouse gas emissions³
- **By 2050 we will make the following reductions compared to the 2020 base year:**
 - reduce our total Scope 1 and 2 greenhouse gas emissions by 90 percent¹
 - reduce our total Scope 3 FLAG greenhouse gas emissions by 72 percent⁴
 - reduce our total Scope 3 greenhouse gas emissions by 90 percent⁵
- **By 2050 we will reach our goal of net zero greenhouse gas emissions along the entire value chain.**
- **By 2025 we commit to achieving zero deforestation for our primary commodities linked to deforestation.**



Around 13 percent of our emissions are directly associated with our sites (scope 1 and 2). However, the majority of the emissions are from upstream and downstream activities in our value chain (scope 3) in the categories of scope 3.1 Purchased goods (including raw and packaging materials) as well as scope 3.4 Upstream transportation and distribution. We use primary data

from our suppliers and business partners for calculation where we can, or alternatively industry data. To achieve reductions here, we have informed the most relevant suppliers in our value chain about these targets and requirements and underlined the importance of their participation, and have also opened dialogue about existing targets and approaches to achieving reductions.

OUR GREENHOUSE GAS EMISSIONS (T CO₂E)

	2020 ¹ (base year)	2022 ¹	2023	Comparison: 2023 to 2022	Comparison: 2023 to 2020
Total	565,823	555,478	566,306	2.0%	0.1%
Scope 1	63,907	67,517	68,412	1.3%	7.0%
Scope 2	18,442	3,438	3,164	-8.0%	-82.8%
Scope 3	483,474	484,523	494.730 ²	2.1%	2.3%

We provide a detailed overview of our emissions, including the individual scope 3 factors, in our [Figures at a glance](#).

OUR ENERGY BALANCE

Our production processes, such as frying potato crisps, require a lot of energy. Up to now we have mostly used natural gas for these processes, which is a fossil fuel. There continue to be very few alternatives which are more sustainable. As such, we remain focused on reducing use. For example, we use recuperators and energy-efficient machinery, and continually track our consumption in real time so that discrepancies can be quickly recognised and remedied. In the reporting year our total energy consumption was 382,278 MWh, corresponding to 2.5 percent more than in 2022 and 6.1 percent more compared with the base year of 2020. This is

due to various factors including increased production. We already procure 100 percent of the power for our production sites from renewable energies.

By 2026 we want to supply 25 percent of the power requirements of our five German and Polish sites as self-generated energy from renewable sources. In 2023 we produced 5.6 percent of our power requirements ourselves, by means of a photovoltaic plant at the Hankensbüttel site as well as biogas plants in Neunburg and Stanowice and our cogeneration units in Neunburg and Kreba. We have photovoltaic concepts developed

for the other production sites, which we will implement in the coming years. We are also looking into the use of wind power. Through the implementation of these measures, we are trying to gradually reduce our dependence on non-renewable energy sources, and make a contribution to a more sustainable energy landscape.

**WE ARE
ALREADY
IMPLEMENTING THESE
MEASURES
TODAY:**

- **100% power from renewable energies** at our production sites
- **In-house energy production** at various sites
- **Certified energy management** at German sites
- **Process optimisation** and use of advanced systems
- Promotion of **regenerative agriculture**
- **Supplier management** in terms of **decarbonisation**



¹ For validation by the SBTi, we have revised our greenhouse gas inventory and also retrospectively adapted the values. More information is provided in the [About this report](#) section.

² Our total Scope 3 emissions for 2023 already include reductions and removals that we have achieved through our project to promote regenerative agriculture (2,079 t CO₂e). For details on this project, please see [Regenerative agriculture](#).

PROTECTING OUR RESOURCES

Responsible handling of resources is very important to us. That's why we review our Environmental Policy every year, and have revised it in the reporting year. It is based on environmental legislation and regulates various matters including the management of waste, water and logistics.



OUR WASTE MANAGEMENT

We want to minimise the volume of waste we produce and refine our processes to move towards a circular economy. We analyse and sort our material flows and direct them to the best possible recovery option. Depending on the site, we supply production residues of crisps and doughs to our own or external biogas plants for energy extraction, or redirect them to other local value chains.

OUR WATER MANAGEMENT

We are conscious of the fact that water is a precious resource, comply with the applicable standards, and constantly optimise our water management. Through reprocessing and repeated use of the water that we utilise for prewashing our cut potatoes, we have been able to significantly reduce not just freshwater consumption but also the wastewater introduced. We also operate a water treatment plant at two production sites. In addition to activities at our own sites, we also work to reduce water consumption along the value chain.



OUR LOGISTICS MANAGEMENT

By sourcing from local farmers in potato cultivation and suppliers who are mainly located in Europe, we already keep travel distances short and therefore transport-related emissions low. Nonetheless, we want to work together with our partners to make our processes even more efficient and contribute to a more sustainable logistics system. Among other factors this includes coordinating our vehicles efficiently, to ensure maximum capacity utilisation and minimal empty runs. With measures like these we have already reduced our transport- and logistics-related greenhouse gas emissions at our German sites by 11 percent compared with 2020. We are also working on using digitisation in logistics management to reduce consumables and paper documents.

WE ARE PROACTIVE

To minimise the risk of local and accidental pollution of water, air and the soil, we implement preventive measures such as regular plant maintenance and training for our employees. Additionally, we have strict protocols in place for the handling, storage and disposal of hazardous materials to prevent possible release into the environment.

REGENERATIVE AGRICULTURE

HEALTHY SOIL & BIODIVERSITY

OUR APPROACH

Raw materials are at the heart of our snacks. The way these are cultivated and processed has a major influence on people and the environment. For example, overly intensive soil processing, monoculture and heavy use of fertilisers and pesticides can lead to soil erosion and contamination. The associated loss of fertile topsoil and biodiversity has far-reaching consequences.

It is in our own interest to promote environmentally friendly and resource-conserving cultivation to minimise the impact of our activities and also ensure the availability of raw materials. We work towards this with our long-standing contracted farmers and engage in various projects together with other strategic partners. After all, only by working together can we develop long-term solutions that bring ecological and economic benefits.

We rely on long-term partnerships
in controlled contract farming
for potatoes with around

210

FARMERS,
some for more than 50 years.¹

TRUSTED ACROSS GENERATIONS

We have always set great emphasis on long-term and partnership-based relationships with our raw materials suppliers in the farming regions. In potato cultivation, some of our partnerships with farmers span multiple generations. The close collaboration starts with jointly selecting land areas and continues with the selection of the seed stock and through to harvest. Because agriculture impacts the environment and at the same time is the “victim” of negative consequences, we also use our trust-based collaboration to shape sustainable change together.

¹ As of 2024



ACHIEVING
MORE TOGETHER

We want to support farmers and smallholders in using regenerative agricultural methods with the goal of promoting soil health and reducing emissions.

After all, healthy soil is the basis for food security, clean drinking water and soil biodiversity, and also a valuable storer of carbon. At the start of 2023, we worked with Klim to launch a project with our farmers in Germany promoting regenerative agriculture in potato cultivation.

The expert team at Klim GmbH supports us with its comprehensive expertise in scaling-up of regenerative agriculture systems, provides the platform for data collection and verification, and offers options for dialogue among farmers, which we also promote with financial incentives. The long-standing relationships we have with many of our potato farmers support the transformation of this raw material that is so important for Lorenz.

Our objective is to embed regenerative agriculture so successfully that by 2030 we have reduced our emissions from potato cultivation by 100.000 t CO₂e, and facilitated long-term storage in the soil.

WHAT WE ACHIEVED IN 2023:

- By the end of 2023, **27** of our German farmers had registered on the platform and **12** were actively taking part
- **1,291 ha** have been cultivated with regenerative farming methods
- **2,079 t CO₂e** has been saved through these measures, of which 324 t CO₂e was from the reduction of operating supplies (such as fertilisers or diesel) and 1,755 t CO₂ due to long-term carbon storage in the soil, predominantly through additional biomass on the field (e.g. catch crops and undersown crops)



In 2024 we will continue the project in Germany and also start with the first farmers in Poland. We want to have 50 of our farmers on board and actively using regenerative agricultural methods by the end of 2024.

FROM THE CHALLENGE TO THE SOLUTION

Healthy, humus-rich soil is a natural repository for nutrients and carbon. It is key to the productivity of a harvest and at the same time has more resilience against climatic changes. That is why we consider regenerative agriculture to be a critical lever for enabling us to overcome current challenges in agriculture. What this means for our raw material cultivation is applying different agricultural methods, with the goal of not just preserving soil health and biodiversity, but increasing it. Resilient soil and biodiversity are also of crucial importance for ensuring our future raw material supply. The reduction and long-term storage of CO₂ (removals) supports us in achieving our net zero goal ([more information on this is available in the Climate & Resources field of action](#)).



MORE BIODIVERSITY

Preserving biodiversity is hugely important to us. The role wild bees and other insects play in the pollination of wild plants and crops is of immense value to our ecosystems. We have been engaging in wildflower projects with farmers and beekeepers for several years. In these projects we either provide the seeds directly or provide financial sponsorship while the farmers take care of sowing and upkeep. In our project in Poland, we also promote dialogue between farmers and beekeepers through networking.

In the reporting year we created a total of 14 hectares of wildflower meadows in three projects, at the perimeter of our German sites in Hankensbüttel und Neunburg. In Poland we have already implemented 70 hectares of wildflower meadow, involving five farmers and three beekeepers. The seeds in these meadows include radish, clover, sunflower and phacelia, which in German is also known as “bee’s friend”. This green manure binds nitrogen in the soil and at the same time functions as a natural deterrent to pests such as the potato beetle. We look forward to continuing our successful collaborations with our farmers and local beekeepers in the coming year.

70 ha

14 ha

CREATED WILDFLOWER MEADOWS

In Poland

70 ha (Stanowice: 5 farmers, 3 beekeepers)

In Germany

0.3 ha (Hankensbüttel: the von der Ohe family)

1.7 ha (Hankensbüttel: Dirk Niebuhr)

12 ha (Neunburg: collaboration with 19 farmers)



PROMOTING REGENERATIVE AGRICULTURE IN ARGENTINA

Argentina is one of the major peanut farming countries of the world and it is where we procure a large proportion of our peanuts. Though there has been some progress made in recent years in terms of the sustainable cultivation of peanuts, conventional farming methods continue to prevail.

As a member of the SAI platform, a global initiative for promoting sustainable agriculture, we participate in an industry-wide peanut project in Argentina alongside other companies. The pilot project will run over a period of one year. We aim to gain an understanding of how more sustainable and regenerative agricultural practices have the potential to reduce greenhouse gas emissions and develop resilience in the face of increasing drought and climate impacts.

The project is being implemented by [GapGreen](#), a local partner with extensive knowledge and understanding of the sector. We will collaborate with 25 agricultural enterprises in the region and, as peanuts are grown in rotation, we will also include other crops (soya, wheat and corn) in our scope. The focal point of the project will be establishing the greenhouse gas emissions and regenerative agriculture principles for the participating operations. It will then be possible to prepare a roadmap for each individual operation. The knowledge gained from this project will be made available to all farmers within the sector, and we will work together with the SAI platform and the other project members to see what the next steps could be.



OUR EMPLOYEES

GETTING BETTER TOGETHER

OUR APPROACH

Lorenz is the more than 3,000 colleagues at many international locations – in the plants, in the field and in the offices. Our common goal: to get a little better at what we do each day. We fulfil this goal by being a learning organisation, in which everyone takes responsibility. We foster an open corporate culture where everyone can grow, develop and actively shape the future of our family business.

To ensure that our staff are healthy, qualified and motivated, we offer further educational and training opportunities. We document and analyse the effectiveness of our occupational safety measures and provide additional medical services in our health and safety management catalogue.



RESPONSIBLE COOPERATION

Our business activities are based on value-based, ethical, legal and economically sound conduct. To ensure this we have imposed rules on ourselves, which we compiled into a charter in 2019 to guide our actions across the entire Lorenz Group – our Code of Conduct.

All Lorenz Group employees receive training to ensure that this attitude is thoroughly embedded. If employees identify any possible violations of our Code of Conduct or applicable laws and regulations, they can report the information – anonymously if preferred – via our “Tell us!” portal.

COMPLIANCE MANAGEMENT SYSTEM

In 2023 we implemented a new international Compliance Management System which closely links compliance with ethical corporate governance. The new system includes all of the tools and processes necessary to ensure that we are meeting both compliance standards and our company’s ethical guidelines. In collaboration with the Haufe Akademie, we have developed a training programme that is integrated into the Lorenz Campus. It consists of a broad course programme covering topics such as data protection, health and safety at work, preventing corruption, the Supply Chain Act and much more.

OFFERINGS FOR EMPLOYEES



Promoting the health and well-being of our employees is very important to us. In 2023, we can once again look back on many different actions in this regard, including:

- In Germany and Poland: **Company doctor offering services including flu vaccination**
- In Germany and Austria: **Sports offerings and group events such as running and tennis**
- **Health days**, e.g. in Neu-Isenburg and Hankensbüttel
- In Germany and Austria: **Offerings from pme Familienservice (family service)**
- **Operational integration management** at German sites
- **JobRad (e-bike leasing)** at German sites
- **Grants for glasses for employees using screen workstations** at German sites





We also undergo regular external audits. In 2022 and 2023, all of our European production sites and our administrative site in Neu-Isenburg passed the external SMETA audit¹. This reviewed working conditions, health and safety at work, environmental management and business ethics. The results show that we are setting a good example, especially in the area of health and safety at work.

OUR EMPLOYER BRAND

We know that it's not the snacks that are the most important thing – it's the people. It is our employees who support the success of Lorenz and make our snacks what they are. To ensure that we can attract new talent to Lorenz and retain our existing employees, we established an international employer branding team in 2023 with the aim of gaining a comprehensive understanding of the needs of existing, new and future employees.

One of the tasks it has is to take a look at and enhance employee satisfaction measures at all sites. Initiatives including health-related offerings, the JobRad e-bike leasing programme and a wide range of advanced training opportunities have already proven valuable here.

One particular challenge we face is inspiring new colleagues to pursue positions at our production sites worldwide. During the reporting year, we focused on seeking opportunities to connect more intensively with young talent and to start conversations by means of campaigns at trade fairs, schools and universities. We also invested in raising our profile on regional labour markets, for example through targeted social media videos, the first of which were created in 2023.

WORKING WITHIN AN AGILE FRAMEWORK WITH OKR

Our modern working world is undergoing continuous change and it is hugely challenging to know how to respond flexibly while not losing sight of our overarching goals. With this in mind, we engaged intensively with the OKR framework in 2023 and gained initial experience with a pilot department. The further rollout of OKR throughout the entire Lorenz Group will begin in 2024.

OKR, which stands for Objectives and Key Results, describes an agile framework for the implementation of strategies, which uses clear and focused targets as a way to help an organisation move together in one direction – and to adapt that direction regularly. It creates a framework which enables our teams to contribute towards our company's vision and strategy in the most effective way possible.

¹ SMETA auditing checks for compliance with labour, health and safety standards, environmental standards and business ethics within the supply chain.

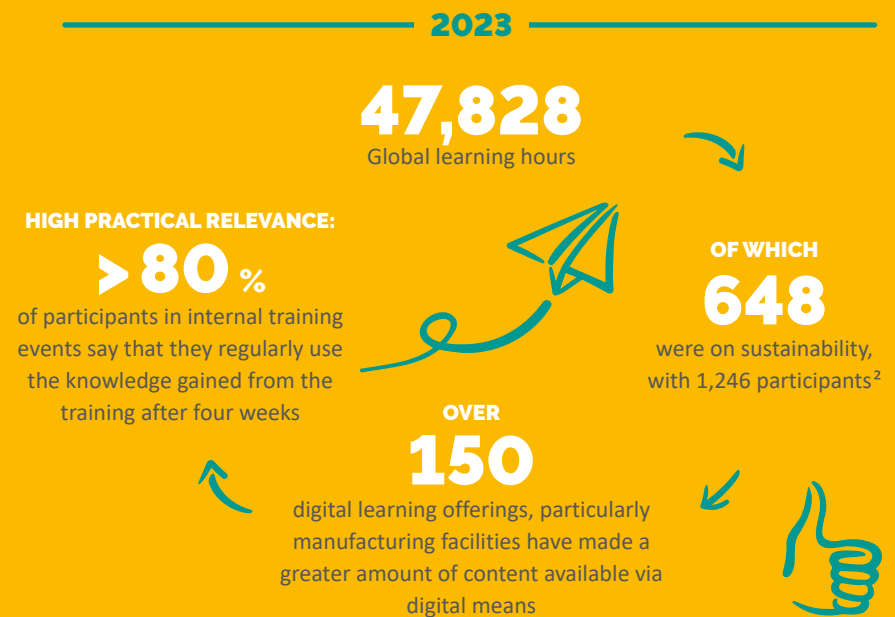
² No data about our Russian sites due to the current situation.

FURTHER TRAINING: OUR LORENZ CAMPUS



Our internal "Lorenz Campus" platform offers our employees across the world a wide range of learning opportunities, ranging from specialist knowledge, personal development, methodology skills all the way to leadership training.

Many of our training offerings also focus on sustainability topics of all kinds. This gives employees the opportunity to inform themselves beyond their actual fields of activity and to gain fundamental knowledge about sustainability as well as deepen their expertise in our fields of action. We are continuously expanding our offer with the help of internal experts and speakers. Every contribution from departments and individuals within the company matters – because we can only advance the sustainable transformation at Lorenz together.



CORPORATE CITIZENSHIP



GIVING BACK AND SHARING JOY

OUR APPROACH

As a family-run company, we are firmly rooted in our locations – not just economically, but also socially. It is important for us to be a good and reliable partner for people in the local area as well as the wider region, and to be socially responsible in our actions.

We want to create added value for society through what we do, give something back to local communities and stand up for people who need help. At many Lorenz sites, we support charitable organisations and social initiatives by means of financial contributions and in-kind donations – and in some cases have been doing so for many years. Our employees are also actively engaged within their local communities on a regular basis. Examples of our engagement:

GERMANY: LONG-STANDING PARTNERSHIP WITH THE BÄRENHERZ FOUNDATION

The Bärenherz Foundation in Wiesbaden exists to support seriously ill children and their relatives. We have been supporting the Foundation financially for many years, donating some 21,000 euros during the reporting year.

→ [More about the Bärenherz Foundation](#)

GERMANY:

COLLABORATION WITH TAFEL FOOD BANKS

Tafel food banks collect food from retailers and manufacturers and distribute it to those affected by poverty. Additionally to distributing food, many of the 970+ Tafel food banks located throughout Germany offer additional services such as a hot meal, extra tuition or childcare. In addition to social support, Tafel food banks also make an important contribution to climate protection by rescuing food that would otherwise go to waste.

As a long-standing partner of Tafel food banks, we regularly present the Tafel Deutschland umbrella organisation with in-kind donations, which are then redistributed among the local food banks as required.

→ [More about Tafel Germany](#)

GERMANY:

WISH TREE CAMPAIGN TO LIGHT UP CHILDREN'S EYES

Once again this year, our colleagues at the Neu-Isenburg site participated in the Frankfurter Kinderbüro children's help group initiative to help make Christmas wishes come true for children growing up in difficult situations. The campaign invited the 75 children staying in the temporary accommodation facility operated by the Arbeiter-Samariter-Bund humanitarian organisation, aged between four months and 14 years, to write their Christmas wishes on a card. In no time at all, these cards were whisked away and each wished-for Christmas wish was obtained and lovingly wrapped by our colleagues – much to the joy of the children who received them for Christmas.



CELEBRATING AND HELPING TOGETHER

Poland:

WOŚP (Wielka Orkiestra Świątecznej Pomocy) is the most prominent non-state-operated charitable organisation in Poland. The centrepiece of the organisation's efforts is an annual fundraising campaign, which has its high point on one Sunday in January when thousands of volunteers all make an incredible contribution. On this day, donations are collected across the country for a specific medical purpose.

In 2023, Crunchips was one of the partners for the grand finale for the second time. Our activities in connection with the campaign included releasing a limited edition flavour of Crunchips, auctioning an FC Kaiserslautern jersey on Allegro, Poland's largest online retail platform, and actively collecting donations as well as conducting internal auctions. At the grand finale on 29 January 2023, a team of our Polish colleagues even went to the studio of a Polish television station to appear live on television, bringing incredibly positive energy to the broadcast.

Our activities raised a total of 66,391 Zloty (15,262 euros) – and we're going to do it all again this year!

→ [More about WOŚP](#)



AUSTRIA/CARINTHIA: SUPPORT FOR PEOPLE IN NEED WITHIN THE REGION

Our colleagues in Austria regularly support the "Kärntner in Not" non-profit aid organisation. In 2023 their donation of 5,000 euros enabled the organisation to support a single mother and her disabled child. The donation was used to purchase aids that make day-to-day care easier.

FIGURES AT A GLANCE

Further information about data collection is available in [About this report](#).

ENVIRONMENT

	Unit	2020 ¹	2022 ¹	2023
CLIMATE				
Total greenhouse gas emissions	t CO ₂ e	565,823	555,478	566,306
Total Scope 1 greenhouse gas emissions	t CO ₂ e	63,907	67,517	68,412
Total Scope 2 greenhouse gas emissions (market-based)	t CO ₂ e	18,442	3,438	3,164
Total Scope 2 greenhouse gas emissions (location-based)	t CO ₂ e	44,985	47,266	46,048
Total Scope 3 greenhouse gas emissions	t CO ₂ e	483,474	484,523	494,730 ²
Scope 3 upstream greenhouse gas emissions	t CO ₂ e	468,375	474,051	484,002
Scope 3.1 Purchased goods and services	t CO ₂ e	387,750	413,980	415,452
Scope 3.2 Capital goods	t CO ₂ e	14,833	11,186	12,033
Scope 3.3 Fuel- and energy-related activities	t CO ₂ e	16,118	15,762	15,289
Scope 3.4 Upstream transportation and distribution	t CO ₂ e	43,487	26,567	33,880
Scope 3.5 Waste generated in operations	t CO ₂ e	1,543	1,901	2,416
Scope 3.6 Business travel	t CO ₂ e	219	224	232
Scope 3.7 Employee commuting	t CO ₂ e	4,377	4,397	4,670
Scope 3.8 Upstream leased assets	t CO ₂ e	48	34	30
Scope 3 Downstream greenhouse gas emissions	t CO ₂ e	15,099	10,472	10,728
Scope 3.9 Downstream transportation and distribution	t CO ₂ e	5,703	3,535	3,500
Scope 3.12 End-of-life treatment of sold products	t CO ₂ e	9,396	6,937	7,228

	Unit	2020 ¹	2022 ¹	2023
Total greenhouse gas emissions saved through the regenerative agriculture methods used by our contracted potato farmers	t CO ₂ e	n/a	n/a	2,079
Total greenhouse gas emissions per employee	t CO ₂ e	174	179	183.3
Total power consumption	MWh	57,311	65,114	62,088

	Unit	2022	2023
OTHER ENVIRONMENTAL DATA			
Total energy consumption	MWh	373,067	382,278
Gas	MWh	315,197	321,247
Electricity	MWh	57,870	61,031
Share of self-produced energy from renewable sources	%	3.5	5.6
Share of renewable energy to total power consumption	%	100	100
Contracted potato farmers actively using regenerative agriculture methods	total	n/a	12
Area cultivated by contracted potato farmers using regenerative agriculture methods	ha	n/a	1,291
Wildflower meadows planted per year	ha	118.3	84

¹ For validation by the SBTi, we have revised our carbon footprint and also retroactively adapted values. As a result, data for 2022 is not directly comparable with reported data in the Progress Report 2022.

² Our absolute scope 3 emissions for 2023 already include reductions and removals that we have achieved through our project to promote regenerative agriculture (2,079 t CO₂e). For details on this project, please see [Regenerative agriculture](#).

PRODUCT

	Unit	2022	2023
HEALTH & NUTRITION			
Share of new products containing at least 15 percent less salt than existing products in the respective brand (compared to base year 2019)	%	54	94
Average salt content in our brand recipes	%	1.91	1.90
Salt content listed in the nutritional information per brand			
Crunchips	%	1.72 ¹	1.55
Naturals	%	2.15 ¹	1.90
Wiejskie	%	1.89 ¹	1.30
Curly/Erdnußlocken	%	2.16 ¹	2.16
Saltletts	%	3.27 ¹	3.54
Lajkonik salted crackers	%	2.49 ¹	2.65
NicNac's	%	2.03 ¹	1.99
Share of vegetarian products	%	57.3	55
Share of vegan products	%	40.5	29
Share of certified chocolate (Rainforest Alliance)	%	n/a	97.1
Share of brands with Responsibility icon on the packaging	%	84	91.7
PACKAGING			
Share of FSC®-certified packaging materials	%	100	100
Plastic insert (primary packaging)	t	4433 ¹	4,246
Plastic insert (primary packaging) per tonne of product	t	0.04	0.04
Plastic saved through reduction measures	t	56	93
Share of good recyclable films used in total portfolio ²	%	91.5	92
Share of highly recyclable films used in total portfolio ²	%	34.1	29.4
Share of excellent recyclable films used in total portfolio ²	%	12.8	14.7
Plastic bottles collected together with our collaboration partner Plastic Bank ³	million	1	1
Plastic collected with our collaborating partner Plastic Bank ³	kg	20,000	20,000

SOURCING AND CORPORATE GOVERNANCE

	Unit	2022	2023
SUPPLY CHAIN			
Share of raw material and packaging material suppliers who have signed our Code of Conduct or their own comparable code	%	96	95
Raw materials	%	94	95
Packaging materials	%	98	93
Share of raw material and packaging material suppliers which have completed Sedex questionnaires	%	61 ⁵	36
Raw materials	%	66	43.2
Packaging materials	%	45	18.3
Share of raw material and packaging material suppliers in the high-risk group which have been audited in accordance with SMETA or a comparable standard	%	n/a	35.4
Raw materials	%	n/a	34.8
Packaging materials	%	n/a	50
OWN COMPANY			
Production sites with SMETA audit	total	5	5
Share of production sites with SMETA audit	%	83.3	83.3
Share of buyers who have received training on sustainable sourcing practices	%	n/a	100
Share of employees who have completed corruption prevention training ⁴	%	60.1	79.7
Reported cases of corruption relating to reporting year	total	0	0
Reported cases of corruption relating to the previous year	total	0	0
Tell us! cases	total	4	8
Share of Tell us! cases resolved	%	100	100

¹ Value corrected retrospectively due to recalculation.

² Recyclability levels based on the requirements and assessments catalogue (CHI-Standard) by German Institute cyclos-HTP:

Class A (70-90%): good recyclable
 Class AA (90-95%): highly recyclable
 Class AAA (> 95%): excellent recyclable

³ Collection campaigns start during the year. Data refers to the respective campaign beginning during the reporting year.

⁴ Part of the training on the Code of Conduct.

⁵ This value only includes questionnaires that were answered in full, whereas in 2022 partially answered questionnaires were also included.

EMPLOYEES AND CORPORATE CITIZENSHIP¹

	Unit	2022	2023
EMPLOYEES			
Employees	total	3,314	3,089
Female employees	total	1,674	1,480
Male employees	total	1,640	1,609
Employees per age group			
<20 years	total	42	36
20–29 years	total	520	385
30–39 years	total	796	726
40–49 years	total	817	812
50–59 years	total	850	814
≥ 60 years	total	289	316
Share of employees per age group			
<20 years	%	1.3	1.2
20–29 years	%	15.7	12.5
30–39 years	%	24	23.5
40–49 years	%	24.7	26.3
50–59 years	%	25.6	26.3
≥ 60 years	%	8.7	10.2
Average duration of employment	years	10.9	11.7
Women in management positions	total	154	139
Share of women in management positions	%	37.4	35.7
Nationalities working at Lorenz	total	30	29
Employees with severe disabilities	total	85	83
Share of employees with severe disabilities to total employees	%	2.6	2.7

	Unit	2022	2023
TRAINING			
Total hours of training	hours	49,768	63,338
Female employees	hours	18,908	29,081
of which in management positions	hours	3,995	2,162
Male employees	hours	30,860	34,257
of which in management positions	hours	7,212	4,421
Average hours of training per employee	hours	15	20.5
Female employees	hours	18.4	19.6
of which in management positions	hours	28.3	15.6
Male employees	hours	11.5	21.3
of which in management positions	hours	25.9	17.7
Employees covered under collective bargaining (Germany only)	total	1,111	1,077
Share of employees covered by collective bargaining agreements	%	33.5	34.9
CORPORATE CITIZENSHIP			
Donations to non-profit organisations	Euros	741,000	590,000
Number of beneficiary organisations	total	38	36
Donations to political organisations	Euros	n/a	0

¹ The company “House of Bakery” was integrated in 2021 and 2022. As of 2023, it is no longer part of the scope of consolidation. Therefore, data for 2023 deviate, making comparability limited.

WE ARE SIGNATORIES TO THE UN GLOBAL COMPACT

In December 2020 we signed the UN Global Compact, making us part of the world's largest initiative for responsible corporate governance.

WE SUPPORT



"We want to not only change ourselves, but also contribute to solutions for global ecological and social challenges. That is why, by signing up to the United Nations Global Compact, we have made a commitment to upholding and promoting its ten principles. We are committed to upholding human rights, creating fair working conditions, promoting environmental and climate protection and preventing all forms of corruption within the scope of our influence."

Moritz Bahlsen

→ [More about our progress reports on the UN Global Compact](#)

→ [More about the UN Global Compact](#)

THE 10 PRINCIPLES OF THE UN GLOBAL COMPACT

PRINCIPLE 1

Respect of international human rights

PRINCIPLE 2

Avoidance of human rights violations

PRINCIPLE 3

Upholding freedom of association and collective bargaining

PRINCIPLE 4

Elimination of forced labour

PRINCIPLE 5

Abolition of child labour

PRINCIPLE 6

Elimination of discrimination

PRINCIPLE 7

Preventative principle in dealing with environmental problems

PRINCIPLE 8

Promoting environmental awareness

PRINCIPLE 9

Environmentally friendly technologies

PRINCIPLE 10

Fighting against corruption

OUR COMMITMENTS AND MEMBERSHIPS

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

We support the 17 Sustainable Development Goals of the United Nations. By doing so we make our contribution to enabling decent living standards worldwide by 2030 and to preserving the natural basis for life in the long term.

→ [More info](#)

UN GLOBAL COMPACT (UNGC)

As part of the world's largest initiative for responsible corporate governance, we are actively committed to the ten universal principles of the UN Global Compact.

→ [More info](#)

SCIENCE BASED TARGETS INITIATIVE (SBTi)

As a member of SBTi, we are committed to achieving climate protection through science-based targets in line with the 1.5 degree target of the Paris Climate Agreement.

→ [More info](#)

"CLIMATE-FRIENDLY SMES" VEA INITIATIVE

By signing the voluntary commitment, we are working with many other companies to develop a climate-friendly SME sector in Germany.

→ [More info](#)

SUPPLIER ETHICAL DATA EXCHANGE (SEDEX)

Our membership of the Sedex global organisation helps us, together with our suppliers, to establish responsible and sustainable business practices along the entire supply chain.

→ [More info](#)

INITIATIVE FOR SUSTAINABLE AGRICULTURAL SUPPLY CHAINS (INA)

As a member of the INA, we work with many stakeholders from the private sector, civil society and politics to promote sustainable global agricultural supply chains that also improve the living conditions of smallholder farmers.

→ [More info](#)

SUSTAINABLE NUT INITIATIVE (SNI)

As a member of the SNI, we join forces with a range of stakeholders from the international nut industry and campaign for more transparency and higher sustainability standards, especially in the nut supply chain.

→ [More info](#)

CASHEW DEVELOPMENT FUND (CDF)

Since 2018, we have been actively involved with the CDF in Mozambique to promote social and economic development and strengthen the income situation of smallholder farmers.

SUSTAINABLE AGRICULTURE INITIATIVE PLATFORM (SAI)

Together with over 170 other companies, we are working towards a sustainable, healthy and resilient agricultural sector while creating strong and secure supply chains.

→ [More info](#)

EU PLEDGE

As a signatory to this voluntary initiative of leading food and beverage companies, we commit not to advertise to target groups under 14 years of age.

→ [More info](#)

NUTRI-SCORE

Voluntary, consumer-friendly food labelling provides more transparency regarding nutritional values in processed foods.

→ [More info](#)

OFT LÄNGER GUT

We are taking part in Too Good To Go's "Oft länger gut" ("Often good for longer") awareness campaign to help prevent food waste. We place the label on many of our products.

→ [More info](#)

POLSKI PAKT PLASTIKOWY

Together with other stakeholders, we are involved in the Polish Plastic Pact which aims to establish a closed loop for plastic packaging in Poland by 2025.

→ [More info](#)

ROUNDTABLE ON SUSTAINABLE PALM OIL (RSPO)

We are a member of the Roundtable on Sustainable Palm Oil (RSPO) through our chip and extruder sites.

→ [More info](#)

FOREST STEWARDSHIP COUNCIL (FSC®)

We are a member of the FSC®, have pursued FSC® certification for excellence in forestry for our sites in Germany, Poland and Austria and have exclusively used FSC®-certified packaging materials (FSC-C133957) since 2022.

→ [More info](#)



ABOUT THIS REPORT

This is the fourth Sustainability Progress Report published by the Lorenz Group. We use this voluntary reporting to regularly inform stakeholders and interested members of the public about how we integrate sustainability into our corporate strategy. We do this by presenting the focal areas of our sustainability management, our approaches and selected targets, target progress and key figures.

This Sustainability Progress Report is valid for the 2023 financial year (January 1 to December 31, 2023) and was published in July 2024. The copy deadline was June 3, 2024; and no external audit was performed. The previous Sustainability Progress Report was published in July 2023 for the 2022 financial year.

CONSOLIDATED COMPANIES

The consolidated companies for this Sustainability Progress Report include enterprises involved in the branded and own-brand business of the entire Lorenz Group for savoury snacks which employ people and in which we have a majority stake – meaning that we can control and influence them from a strategic and operational perspective. In this regard, we distinguish between production sites, distribution enterprises and enterprises that provide services. These include:

Germany

- Lorenz Bahlsen Snack-World GmbH & Co. KG Germany

Poland

- Lorenz Bahlsen Snack-World Sp. z o.o.
- Lajkonik Snacks Sp. z o.o.
- Lorenz Services Sp. z o.o.

Austria

- Lorenz Bahlsen Snack-World GmbH Austria

Other international sites

- Lorenz Snack-World China Co. Ltd.
- Lorenz Switzerland AG including Lorenz Snacks India Private Limited and Lorenz South Africa (Pty) Ltd
- Vaalharts Groundnuts Marketing (Pty) Ltd (VGM)
- Lorenz Snack-World Russia and Lorenz Snack-World Production Kirishi Ltd (operating independently since 2022)

DATA COLLECTION

All data and information were obtained from our responsible departments. Unless otherwise specified, this data covers the following aspects of our consolidated companies:

- Data on climate, employees and corporate governance includes the entire Lorenz Group.
- We collect other environmental data for the production sites in our European national subsidiaries.
- Data on the fields of action for Responsible Sourcing and Corporate Citizenship pertains to the Lorenz Group (excluding the Russian business units Lorenz Snack-World Russia and Lorenz Snack-World Production Kirishi Ltd).
- Data on the fields of action for Health & Nutrition and Packaging pertains to the product brands of the Lorenz Group (excluding the Russian business units Lorenz Snack-World Russia and Lorenz Snack-World Production Kirishi Ltd).
- Vaalharts Groundnuts Marketing (Pty) Ltd (VGM) in South Africa, in which we hold a majority stake, is only consolidated for the data on climate.

GREENHOUSE GAS INVENTORY CALCULATION METHOD

Our greenhouse gas emissions are calculated annually by our Corporate Carbon Footprint (CCF), in accordance with the official standard set out in the Greenhouse Gas Protocol (GHG Protocol). The operational control approach is used when determining the system boundaries. This means that all emissions arising from companies over which we have operational control are included in the calculation of our CCF. Accordingly, emissions arising from companies in which we hold shares but over which we do not have operational control are not included in the calculation.

We calculate our Scope 1 and Scope 2 emissions fully in accordance with the GHG Protocol. We calculate Scope 2 emissions using both the market-based approach and the location-based approach. Scope 2 emissions are listed in the report using the market-based approach. We have established 2020 as the base year and this serves as the comparative basis for emissions trends.

In order to select the relevant Scope 3 emissions, an evaluation was performed wherein ten of 15 Scope 3 categories were classified as significant. These include categories 3.1 to 3.9 as well as category 3.12. Categories 3.10, 3.11, 3.13, 3.14 and 3.15 are not applicable to Lorenz. Categories 3.10 and 3.11 are not applicable because neither “processing of sold products” nor “use of sold products” takes place after sale. As Lorenz does not rent or lease out any fixed assets and also does not offer any franchise business model, categories 3.13 and 3.14 are also not applicable. In addition, Lorenz does not engage in any investments that fall under categories 3.15.

We use primary data to calculate our emissions. We obtain the emissions factors used either directly from our suppliers (e.g., energy or raw material suppliers) or from approved databases. We are striving to work more closely with our suppliers to continuously improve our carbon footprint through the use of primary emissions factors.

RESTATEMENTS AND SIGNIFICANT CHANGES

The development of our reporting has resulted in re-statements and significant changes. These include a more detailed outline of our consolidated companies, reporting with reference to the GRI Standards 2021 published by the Global Reporting Initiative (GRI) and the adaptation of our climate targets on the basis of our SBTi commitments. In the course of these changes we have also standardised the wording of targets and adapted it in some cases.

In addition, we revised our carbon footprint during the year under review for the validation of our climate targets by the SBTi. The calculation of our Scope 3 emissions was extended to include categories 3.2 Capital goods and 3.9 Downstream transportation and distribution. Furthermore, we integrated our majority shareholding VGM in South Africa into the calculation, and our Scope 1 and 2 emissions have changed as a result. The emissions factors were also adjusted extensively during the year under review to allow for an even more precise calculation basis. The recalculation has given rise to considerable changes in our Scope 3 emissions. In compliance with the SBTi regulations, we have also adjusted our emissions retrospectively, with the result that they are not comparable with those outlined in the Sustainability Progress Report 2022. We identify adjusted data in the relevant sections of this report.

The number of our national subsidiaries and distribution companies has decreased from nine to eight because the subsidiary in Egypt no longer exists. Unlike the 2020/21 and 2022 reports, the key figures concerning our employees no longer include House of Bakery employees because the company is no longer one of our consolidated companies. The corresponding key figures have not been corrected retrospectively.

Due to the aggregation of data from different systems and the introduction of new classifications into the calculation basis for our plastic consumption, we have

performed a recalculation and corrected our 2022 data retrospectively. Figures are not directly comparable with those from the Sustainability Progress Report 2022.

In light of the current situation, the data for the Health & Nutrition, Packaging, Responsible Sourcing and Corporate Citizenship fields of action do not include any information about our Russian business units Lorenz Snack-World Russia and Lorenz Snack-World Production Kirishi Ltd. The Russian national company and production facility were deconsolidated by Lorenz in 2022 and separated from the Group. The Russian company has been operating independently since then.

Other changes are noted directly at the relevant points within this report.



This Sustainability Progress Report is publicly accessible on our website as a PDF file and is also available in German and Polish language versions. In the event of linguistic deviations between the different versions of the report, the German version shall be authoritative.

If you have any questions concerning sustainability or about our reports, please contact Ines Dzeko: ines.dzeko@lbsnacks.com

GRI- INDEX

This sustainability progress report was prepared with reference to the GRI Standards 2021 and the GRI 1: Foundation 2021 guideline published by the Global Reporting Initiative (GRI) and is valid for the 2023 financial year (1 January to 31 December 2023). GRI Sector Standards are not applicable. The specifications correspond to the most recent respective version of the GRI standards, which can be accessed [here](#).

Disclosure		Pages	Comments
GRI 2: General Disclosures 2021			
1. The organisation and its reporting practices			
2-1	Organisational details	4, 35	
2-2	Entities included in the organisation's sustainability reporting	35	
2-3	Reporting period, frequency and contact point	35–36	
2-4	Restatements of information	36	
2-5	External assurance	35	
2. Activities and workers			
2-6	Activities, value chain and other business relationships	4, 20–21	
2-7	Employees	32	only by gender, only employees with guaranteed working hours
3. Governance			
2-12	Role of the highest governance body in overseeing the management of impacts	8	
2-13	Delegation of responsibility for managing impacts	8	
2-14	Role of the highest governance body in sustainability reporting	8	
2-17	Collective knowledge of the highest governance body	8	
4. Strategy, policies and practices			
2-22	Statement on sustainable development strategy	3	
2-23	Policy commitments	9	
2-24	Embedding policy commitments	9, 20–21	
2-25	Processes to remediate negative impacts	9–10, 20–21, 27	
2-28	Membership associations	34	
5. Stakeholder engagement			
2-29	Approach to stakeholder engagement	10	
2-30	Collective bargaining agreements	32	

GRI- INDEX

Disclosure			Pages	Comments
GRI 3: Material Topics 2021				
3-1		Process to determine material topics	5, 10	
3-2		List of material topics	5	
GRI-Standard			Pages	Comments
Health & Nutrition				
GRI 3-3: Management of material topics			6, 16	
GRI 416: Customer health and safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	16–17, 31	
GRI 417: Marketing and labeling 2016	417-1	Requirements for product and service information and labeling	16–17	
Packaging				
GRI 3-3: Management of material topics			6, 18	
GRI 301: Materials 2016	301-1	Materials used by weight or volume	31	for key packaging materials
	301-3	Reclaimed products and their packaging materials	18–19, 31	for key packaging materials
Responsible Sourcing				
GRI 3-3: Management of material topics			6, 20	
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	9, 20, 27, 31	
	205-3	Confirmed incidents of corruption and actions taken	31	
GRI 308: Supplier environmental assessment 2016	308-2	Negative environmental impacts in the supply chain and actions taken	20–21, 31	
GRI 412: Human rights assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	20, 31	
	412-2	Employee training on human rights policies or procedures	20, 31	
GRI 414: Supplier Social Assessment 2016	414-2	Negative social impacts in the supply chain and actions taken	20–21, 31	

GRI- INDEX

GRI-Standard	Disclosure		Pages	Comments
Climate & resources				
GRI 3-3: Management of material topics			7, 22	
GRI 201: Economic performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	22, 25	
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	23, 30	
	302-3	Energy intensity	30	
	302-4	Reduction of energy consumption	23, 30	
GRI 303: Water and effluents 2018	303-1	Interactions with water as a shared resource	24	
	303-2	Management of water discharge-related impacts	24	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	23, 30, 36	
	305-2	Energy indirect (Scope 2) GHG emissions	23, 30, 36	
	305-3	Other indirect (Scope 3) GHG emissions	23, 30, 36	
	305-4	GHG emissions intensity	30	
	305-5	Reduction of GHG emissions	23, 30, 36	
GRI 306: Waste 2020	306-2	Management of significant waste-related impacts	24	
Regenerative agriculture				
GRI 3-3: Management of material topics			7, 25	
Activities aimed at promoting soil health and reducing greenhouse gas emissions			25–26, 30	
Promoting biodiversity by creating wildflower meadows			26, 30	

GRI- INDEX

GRI-Standard	Disclosure		Pages	Comments
Our employees				
GRI 3-3: Management of material topics			27	
GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	27	Our company benefits are equally available to full- and part-time employees.
GRI 403: Occupational health and safety 2018	403-1	Occupational health and safety management system	27–28	examples
	403-5	Worker training on occupational health and safety	24, 27	examples
	403-6	Promotion of worker health	27–28	
GRI 404: Training and education 2016	404-1	Average hours of training per year per employee	28, 32	
	404-2	Programs for upgrading employee skills and transition assistance programs	27–28, 32	skills only
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	32	employees only
Corporate Citizenship				
GRI 3-3: Management of material topics			7, 29	
GRI 415: Public Policy 2016	415-1	Political contributions	32	
Collaborations with non-profit organisations			29, 32	



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STEINBACH STRATEGIEN Hamburg

CONCEPT, LAYOUT AND TYPESETTING

Cash Cow Farmers Hamburg

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