



EST. **LINKOSUO** 1936

Sustainability report summary 2023



Sustainability at Linkosuo Corporate



Sustainability is at the core of our operations, and it is essential to understand the environmental impact of our business. We have composed a sustainability program in order to develop our sustainability work and to monitor our goals. The sustainability program is based on the expectations of our stakeholders, the megatrends that shape our operating models and the United Nations' Sustainable Development Goals. Our sustainability work is divided into three main themes: innovative high-quality products, towards carbon neutral operations, fair and successful cooperation at the core.

The sustainability themes and their sustainability promises for 2030 are common for the entire Linkosuo Corporation. The short-term promises are company specific for Linkosuo Bakery and Linkosuo Cafe, and they can be found in our comprehensive sustainability report. On the following pages, we review the sustainability achievements in 2023 by company.

Innovative high-quality products

We want to provide wellbeing through healthy products for our customers. We ensure continuous product development, that is driven by consumer expectations and desires. Our operations rely on monitored product safety and open and clear communication.

Towards carbon neutral operations

We reduce the carbon footprint of our operations in many varying ways, such as domestic and local raw materials and production, that are at the core of our business. Our goal is to transfer towards carbon neutral operations, and we are constantly looking for sustainable packaging solutions and waste minimization.

Fair and successful cooperation at the core

Diverse personnel and successful customer relations enable our operation. We take care of our employee satisfaction and their possibilities for skills development. We confirm that we continue to be economically viable and practice ethical business.

Linkosuo Bakery – Achievements in 2023

Wellbeing through healthier products

We invest significantly in the product development of healthier snack alternatives. In 2023, in addition to our own products, we launched products in collaboration with Finnish flavor oriented company called Poppamies. Alongside introducing new products, we also implemented a design update for our flagship products, which are Rye and Oat Chips. Our customers are actively involved in our development efforts, and we value their feedback. Over the past year, we conducted 10 different consumer researches, with nearly 1700 customers participating.

Meaningful place to work

The bakery is a meaningful place for our staff to work, where they can utilize their own skills. We successfully achieved the goal set for the personnel well-being survey: at least a score of 7 on a scale of 1-10, with the overall result for 2023 being 7.4. This result showed a slight decrease from the previous year's result of 7.5. Improvement to 2022 survey was noted in the personnel assessment of job security and continuity. Currently, 94% of the bakery's employees work full-time, and 97% of hold permanent positions.

Certified quality standard

Linkosuo Bakery has IFS FOOD 7 standard in use, which operation is annually audited and certified. The last audit was in October, during which we achieved a higher level than in previous years, an excellent grade level of 95,24%. The results provide strong evidence that Linkosuo is capable of delivering safe, high-quality, and compliant products to its customers. Additionally, we have continued the development of the self-monitoring system and the implementation of sensory evaluation as part of daily operations, exemplified by personnel training.

Domestic and local

In 2023, 100% of the grain used for baking remained domestic, as in the previous year. However, a weak potato harvest season in 2023 led to increased prices for potato flakes and posed availability challenges. Nevertheless, we successfully sourced all our requirements from domestic suppliers. The "Hyvää Suomesta" label was awarded to ten new products that are manufactured and packaged in Finland, and whose raw materials are at least 75% domestic.

Minimization of waste

Linkosuo Bakery's strategic goal is to reduce waste. In 2023, the amount of waste generated was approximately 335 tons, which is more than 30 tons less than in 2022. Food production generates by-products that cannot be used in the final product, known as side streams. In our case, side streams include waste bread, rye straw, and machine flour. We collaborated with students from Häme University of Applied Sciences, assigning student groups the task of examining effective utilization methods for production side streams.

Actions to reduce the carbon footprint

The first full year of district heating reduced the emissions caused by the Linkosuo Bakery's energy consumption. The Bakery transitioned to district heating at the end of 2022, utilizing it to heat the Leipomo property and its service water. Previously, we relied on a natural gas heating system, which resulted in unnecessary waste heat within the premises. The new district heating system is both easy to maintain and does not generate additional waste heat.

Linkosuo Cafe – Achievements in 2023

Consumer-driven product development

We carefully listen to our customers' preferences and tailor our selection accordingly. Throughout 2023, our product and feature development were guided by insights from 12 consumer researches. Over 1 300 customers participated in these researches. Customer satisfaction remains under constant study on our cafes and restaurants. We provide customers with the opportunity to offer feedback through feedback devices, allowing them to evaluate their experiences at our cafes and restaurants. We also developed the Cafe's brand image together with Tampere University students and with our customers.

Workplace team spirit has evolved

In cafes and restaurants, overall workplace satisfaction increased from the previous year. We successfully met the goal set for the personnel well-being survey, achieving a score of at least 7 on a scale of 1-10, with a total result of 7.8 in 2023. Linkosuo's cafes and restaurants were rated as excellent workplaces where individuals can be themselves, and the workplace teamspirit has improved over the past year. While we aspire for further development in salary levels and company management, we are headed in the right direction, with results showing more positive results compared with the previous year. Of the employment relationships, 56% are full-time, and 98% are permanent.

Certified quality standard

We optimized the self-monitoring system that was implemented in 2022. The system aids in quality control and its monitoring. The effectiveness of self-monitoring is assessed through Oiva inspections, with results available in both cafes and restaurants as well as on our website.



Linkosuo Cafe – Achievements in 2023

Domestic and local

In Linkosuo's cafes and restaurants we prefer to use local ingredients in their food and make sure those follow official origin labels. We only use domestic poultry, beef, and pork. The fish we use is responsibly sourced, whether caught or farmed. Additionally, we follow seasonal availability for root vegetables and vegetables, promoting the use of fresh, domestic produce.

Minimization of food waste

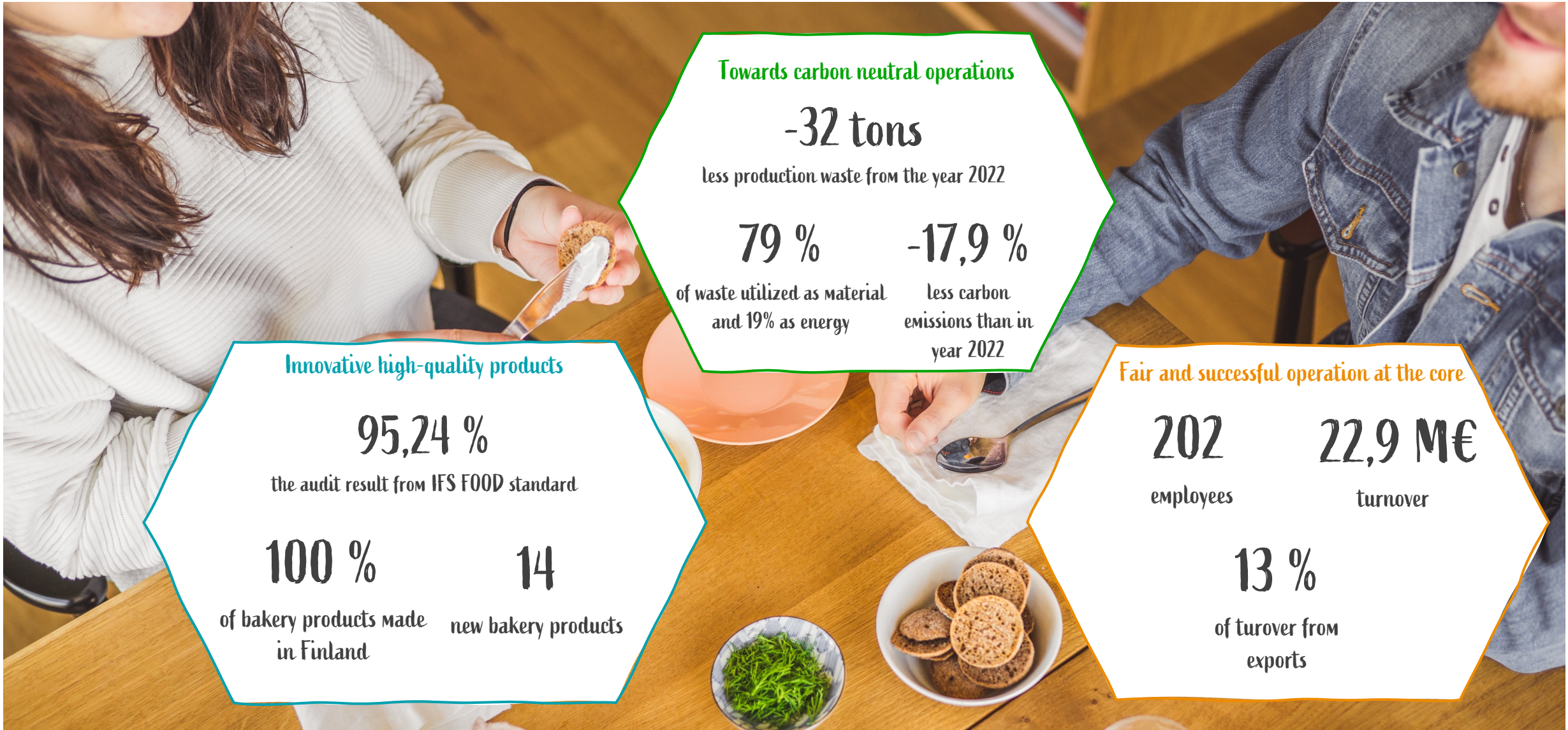
In 2023, we significantly improved our monitoring of food waste. We discussed the resulting waste amounts in our weekly meetings, where we collectively addressed possible deviations and their underlying reasons. We organized food waste themed weeks in cafes, aimed at intensifying waste monitoring. Throughout 2023, we implemented three two-week periods for enhanced waste monitoring, accurately weighing and recording waste generated at each location.

Actions to reduce the carbon footprint

The Cafe's carbon footprint accounts for approximately 10% of the Linkosuo's total emissions. Our cafes have received numerous honorable mentions for their use of the ResQ Club application, which helps sell products that would otherwise go to waste. In 2023, we saved nearly 14 000 portions from being wasted through the application, a slight decrease (-0.3%) compared with 2022. However, this still translates to over 34 700 kg of saved carbon dioxide emissions



Linkosuo Corporation's key sustainability figures in 2023



Towards carbon neutral operations

-32 tons

less production waste from the year 2022

79 %

of waste utilized as material
and 19% as energy

-17,9 %

less carbon
emissions than in
year 2022

Innovative high-quality products

95,24 %

the audit result from IFS FOOD standard

100 %

of bakery products made
in Finland

14

new bakery products

Fair and successful operation at the core

202

employees

22,9 M€

turnover

13 %

of turnover from
exports



EST. **LINKOSUO** 1936

Linkosuo Corporation
PL 77
33101 Tampere

In co-operation with



This document is only for the client, and should not be handed over
other for modifications. The client is entitled to publish the report.