



European Association of Industrial Bakers

EU CODE OF CONDUCT ON RESPONSIBLE FOOD BUSINESS AND MARKETING PRACTICES

*A common aspirational path
towards achieving sustainable food systems*

- Annual Report – 2024-2025

- General information

Name in full + acronym	International Association of Industrial Bakers (AIBI)
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N° in the transparency register*	558 35028 654-55
Date of signature of the Code	14/09/2021
Step of the food chain represented (ex: primary production, production, processing, trade, retail, ...)	Food processing / staple food
Who do you represent? (e.g. number of members, companies, SMEs)	AIBI currently includes 16 national associations from 15 countries, as well as three corporate members. In total, these represent over 500 companies. With an €110 billion turnover and production of approximately 30 million tons, our sector is the third largest food processing sector in Europe. On average, EU consumers eat approximately 54 kg of bread per person per year.

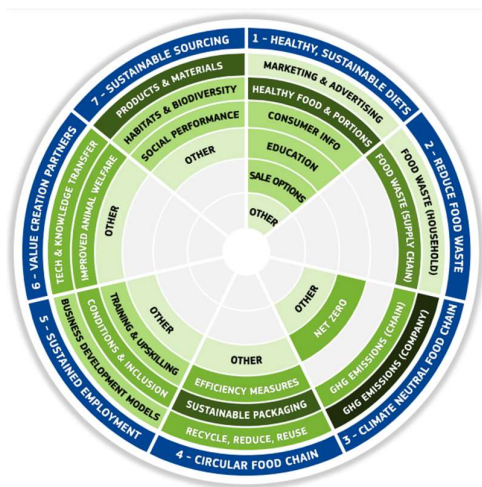
Through its pledge in 2021, AIBI committed to the following:

- Support and contribute to the aspirational objectives that are applicable to our sector
- Promote and disseminate the Code in our constituency
- Explore and develop initiatives and tools supporting the objectives of the Code
- Pursue dialog with other sectors/stakeholders
- Contribute to periodical monitoring of progresses achieved

The present report is structured along these commitments.

- *Endorse, support and contribute to the aspirational objectives set out in this Code that are applicable to our sector*

AIBI subscribes to the Code's aspirational objectives and subcategories, which provide a proper framework for interpreting most actions and initiatives taken to increase the sector's sustainability. However, not all of the objectives and subcategories may be relevant or given the same level of priority.



- *Promote and disseminate this Code in our constituency;*

The Code was endorsed under a mandate given to the Secretariat by the organization's Board and AGM. AIBI was actively involved in preparing and drafting the Code, providing regular input and reporting to and from the members during this period. Endorsement was contingent upon a thorough understanding of the Code's content and purpose, as well as a commitment to supporting the EU's transition to more sustainable food systems from the outset. The membership shared a consensus that they wanted to actively contribute to this transition. In this context, the point is not just to disseminate the Code, but to remind members of it and maintain the coordination triggered by the Code at the food chain level. This is done on a regular basis through the Association's meetings and

strategic reflections. It is important to note that we operate in a context where business-level sustainability objectives are triggered by many other initiatives and systems. It is perceived that one of the main values of the Code is to map the sector's sustainability efforts and strategy from a common EU perspective in light of the Code's aspirational objectives and subcategories, rather than to trigger the initiatives themselves.

- *Encourage members to align their sustainability actions and/or business practices to the aspirational objectives and targets of the Code and invite them, on a voluntary basis, to adhere to this Code, as appropriate;*

Leading EU bakery manufacturers have adopted comprehensive sustainability targets at the company level. Smaller operators and/or specific countries, however, may be struggling with operational challenges and have more recently begun to do so. The driving forces behind these sustainability targets are numerous and include demands from downstream chain partners, shareholders, company business strategy, and pressure from financial markets to name a few. Several prominent tools have emerged from this, particularly the SBTi commitment system, under which a growing number of our members operate. In a context where companies are already subject to heavy certification and reporting burdens (legal and voluntary Corporate Sustainability Reporting, SBTi, customer systems, etc.), the added value of individual commitments (and reporting) under the Code might not be immediately obvious. This does not in any way question the fact that companies are actively moving in the directions identified by the Code. The association's commitment is an important interface between this institutional tool and business reality.

- *Explore the possibility of developing sector-specific tools and initiatives in support of this Code;*

Over the reporting period, AIBI developed and implemented a comprehensive initiative that falls under the following objectives and sub-categories of the Code:

- 3. Climate neutral food chain
 - 3.1. Reduce emission from companies
 - 3.2. Reduce emissions from the supply chain
 - 3.4. Net Zero
- 7. Sustainable sourcing
 - 7.1. Sustainable sourcing of food products and materials
 - 7.2. Habitat and biodiversity
 - 7.3. Social performance

Under the governance of AIBI, a group of 20 CEOs from leading bakery companies have prioritized sustainability in the bakery industry through the **Sustainable Wheat Initiative**. European bakeries rely on healthy soils for the availability and quality of their main raw material: wheat. While many bakery companies are pursuing ambitious greenhouse gas reduction strategies that prioritize regenerative agriculture, these efforts remain largely

scattered and experimental. This makes it difficult to create a roadmap and value model for transitioning to regenerative agriculture on a large scale. The European bakery sector, including the industrial sector and artisan bakers, is responsible for over 10 million tons of greenhouse gas emissions linked to wheat and wheat flour each year. Through their combined buying power, bakery companies have the opportunity and responsibility to accelerate the adoption of low-carbon wheat.



Through the **Sustainable Wheat Initiative**, we have created a shared vision among the bakery industry, millers, and agriculture. This vision is based on overarching targets and a framework of mutual trust. It allows us to evolve in a more efficient and orchestrated way towards net zero by 2050, with an important first milestone in 2030.

As the European bakery sector, we are committed to reducing our wheat and wheat flour emissions by 30% by 2030 compared to 2022, in line with the latest climate science. This ambition represents a gradual shift of conventional wheat and wheat flour volumes to sustainable wheat and wheat flour with a 30% lower carbon footprint per kilogram by 2030. This process is supported by the signing of a manifesto by corporate entities that commit to reducing emissions and by any stakeholders that support it.

A coalition of action was launched during a symposium on June 4-5, 2025, which brought together over 200 bakery sector participants and members of the entire bakery value chain, from farmers to retail and including EU authorities. Companies continue to join the 60+ signatories of the Manifesto and collaborate with their suppliers to gradually shift their supplies.

Comprehensive guidance was developed to support the implementation of the Manifesto, as well as guidance on accounting and reporting instructions. Several technical groups (including multisectorial ones) were established to support these living tools.

As part of their commitment, signatories will report on their progress through corporate communications.

Although this initiative was triggered by the bakery industry, a strong sense of cooperation and shared ownership of the objectives and associated responsibilities exists throughout the entire chain.

More information is available from www.sustainablewheatinitiative.eu

- *Continue to engage in dialogue with other food chain/systems actors and EU and international policy-makers to forge (new) relationships, exchange good practices and discuss challenges encountered, learn from each other (studies, projects) and create better mutual understanding, and identify opportunities for collaboration and potential partnership.*

As part of the engagement with the chain under the Sustainable Wheat Initiative, AIBI held several interactions with the European Commission (DG Agri) regarding its ongoing consideration of "sustainability agreements." Clearly, a high level of ambition and the sharing of the economic burden of the sustainability transition across the supply chain, particularly from the primary production perspective, presents significant challenges in terms of how competition and antitrust are managed. The ongoing reflection aims to develop a cooperation model that meets ambitious sustainability objectives while respecting appropriate competition. This approach is new for everyone, and AIBI welcomes its dialogue with DG Agri on this topic.

- *Contribute to periodical monitoring of progresses achieved*

The Sustainable Wheat Initiative is a significant step toward sustainability for the bakery sector and its value chain. This report aims to incorporate it into the Code's monitoring system.