

SHAPING A TASTY FUTURE 2023 SUSTAINABLY

ANNUAL
INTEGRATED
REPORT

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ABOUT THIS REPORT

NAME OF THE ORGANISATION

Vandemoortele Group

LOCATION OF HEADQUARTERS

The company's registered head office is located at Ottergemsesteenweg-Zuid 816, 9000 Ghent, Belgium.

SCOPE OF CONSOLIDATION

The Vandemoortele Group encompasses both the operational holding company Vandemoortele NV and all companies that are united in the International Financial Reporting Standard (IFRS) consolidated annual accounts of Vandemoortele NV. The scope of the consolidation of the Vandemoortele Group includes Vandemoortele NV and 40 subsidiaries which are fully consolidated. This includes Vandemoortele Europe NV and its branches. This is collectively referred to as 'Vandemoortele Group' or simply 'Vandemoortele'.

Vandemoortele NV is a public liability company under Belgian law. Its shares are not listed on the stock exchange. Since issuing retail bonds, Vandemoortele NV has made public offerings of securities under Article 1:12, 2° of the Belgian Code of Companies & Associations ("CCA") (Wetboek van Vennootschappen en Verenigingen; Code des Sociétés et Associations).

The company's number in the Central Register of Enterprises (KBO) is 0429.977.343. Vandemoortele has various direct and indirect subsidiaries and branches, both in Belgium and abroad.

This annual integrated report complements the financial figures and sustainability information for 2023 that are applicable to the entire Vandemoortele Group. The sustainability information also covers the value chain upstream and downstream when it is defined as material in the double materiality assessment. Vandemoortele has not omitted a specific piece of information corresponding to intellectual property, know-how or the results of innovations.

For a limited number of sustainability KPIs, the data of the subsidiaries Paindor and Vandemoortele Ghislenghien SA are not included, due to these having a different Enterprise Resource Planning (ERP) system for data gathering. The subsidiary Paindor will be included in our ERP system in 2024. We are developing KPI factsheets where the scope of all sustainability KPIs will be included. These KPI factsheets will also include the reasoning behind selecting the base year for each KPI. However, since this process is ongoing, this information cannot be included in the 2023 report. Generally, the baselines differ among sustainability KPIs due to the evolution of our strategy and the addition of new KPIs. Additionally, stakeholder feedback has influenced changes in the scope or definition of certain KPIs. Lastly, significant progress in some KPIs has prompted a reevaluation of their base years.

REPORTING PERIOD

Publication date: 18 March 2024
 Reporting period: 1 January 2023 – 31 December 2023
 The annual report is accessible online at www.vandemoortele.com, where our previous annual, financial and sustainability reports are also available.

The Vandemoortele Group reports its financial and sustainability results twice a year. The mid-year financial and sustainability results cover the first six months of the year. The annual report and the financial statements cover the entire year, from January to the end of December.

EXTERNAL AUDIT

A voluntary limited assurance was conducted by our external assurance provider, Deloitte, on a selection of 2023 Vandemoortele Group sustainability data.

CONTACT DETAILS

For questions regarding this report:
 Aurélie Comhaire, Group Sustainability Manager:
aurelie.comhaire@vandemoortele.com
 Herman Van Steenstraeten, CFO:
herman.vansteenstraeten@vandemoortele.com

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FINANCIAL STATEMENTS 2023

The Financial Report 2023, which has been drawn up in compliance with IFRS guidelines, is included in the Annex of the Annual Integrated Report 2023 from page 191 onwards.

TOWARDS THE CSRD

On 5 January 2023, the Corporate Sustainability Reporting Directive (CSRD) came into effect. This new EU directive requires organisations to report sustainability information on an annual basis. It covers all relevant Environmental, Social and Governance elements and aims to increase

investments in sustainable economic activities, in line with the European Green Deal and the Sustainable Finance Action Plan.

In 2025, Vandemoortele will publish its first CSRD-compliant report on financial year 2024. In preparation for this, we carried out a double materiality analysis in 2023, to determine our material topics and our sustainability strategy for the coming years. In the current report, on financial year 2023, we already cover as many CSRD reporting requirements as possible. The last gaps to become fully compliant will be closed in 2024.



“A LONG-TERM VIEW, A DESIRE TO INNOVATE, AND THE COURAGE TO MAKE DECISIONS: THAT IS THE SECRET BEHIND VANDEMOORTELE”

Amid an uncertain economy, political tension and legislative shake-ups, 2023 was shaped by big challenges and opportunities. Chairman Jean Vandemoortele and CEO Yvon Guérin look back on the past twelve months and shed light on the future of our company.

How do you look back on 2023? Are you satisfied with the results?

Jean Vandemoortele: 2023 was marked by very strong results in both of our business lines. This proves that our business strategy is working. Throughout the year, we focused on higher added value and a better product, channel and country mix, while maintaining our operational excellence.”

Yvon Guérin: “In addition to our excellent financial results, we also made a great deal of progress in terms of sustainability. Most notable were our outstanding safety results and the very high quality of our products. The results of our annual Associate Engagement Survey were the best ever. All in all, we’ve set the bar very high for 2024.”

Which specific business achievements are you most proud of?

Jean Vandemoortele: “There are many, but the most noteworthy for me was our strong market development in Central Europe. This was partly the result of the efforts of our commercial team, but the high quality of our products also played a role. I am likewise very proud of our innovative new production process for laminating margarine: our customers say that our product has a higher functionality than anything else on the market.”

Yvon Guérin: “Innovation was key in 2023. Our new Secrets croissant was a success, due to its superb taste and its artisan shape. We also changed the name of our second business line to Plant-Based Food Solutions. Our new plant-based approach is very strong: we have adopted a new strategy, and we are developing several new plant-based products.”

What was the biggest challenge for Vandemoortele in 2023?

Jean Vandemoortele: “Throughout the year, we worked on many internal transformational projects.

For example, our two transport companies merged into one: Vandemoortele Transport Solutions. We also reviewed the back office processes of our sales departments, we introduced unified software solutions, and we launched Finance for the Future: a new approach for our financial department. In the midst of all that, we adhered to our strategy and still managed to achieve very good business results.”

Yvon Guérin: “On top of our internal transformations, the first half of 2023 was still marked by inflation. As in 2022, we were faced with rising prices, higher labour costs, etc. Both our business lines handled this very well: our sales volumes remained steady, while our

“Despite many internal transformations, we still achieved outstanding business results in 2023”

Jean Vandemoortele – Chairman of the Board



Jean Vandemoortele – Chairman of the Board



Yvon Guérin – CEO

turnover went up. By implementing cost reduction measures and a few necessary price rises, we managed to balance our own growing costs. In the second half of 2023, our sales volumes also started to rise once more.”

The 2023 business results were very good. Are you equally satisfied with the sustainability results?

Jean Vandemoortele: “Our main sustainability achievement in 2023 was the thorough update of our Sustainability Strategy. We needed to fall in line with the CSRD, the new European sustainability reporting directive. Over the course of several months, we conducted a very broad and in-depth stakeholder consultation exercise. The results will serve as a compass for our future sustainability efforts. By tackling this new legislative challenge in a timely manner, we also hope to gain a competitive advantage.”

Yvon Guérin: “Even with that exercise going on in the background, we still made much progress on our existing targets and KPIs. We are coming up to speed in terms of carbon reduction, especially with regard to our indirect – or ‘scope 3’ – emissions. To reduce these, we are placing a strong focus on teamwork and collaboration. Our habit of building long-term partnerships with our suppliers will help us with this.”

In 2024, Vandemoortele will celebrate its 125th birthday. How will you mark the occasion?

Yvon Guérin: “Most companies only exist for a few decades, so we are proud that we are still around after 125 years. More than that: we are bigger and stronger than ever! We are planning a few small events for our stakeholders, but we will mainly celebrate this anniversary with our associates, because they are the ones who make it all happen.”

Jean Vandemoortele: “The secret behind our success is our mindset: we are characterised by a long-term view, a desire to innovate, and the courage to make decisions. As a family-owned company, we stick to our long-term goal without deviating from our strategy. At the same time, we have always aimed at being pioneers, and we don’t hesitate to make difficult decisions when necessary. This has allowed us to build and expand our company for 125 years.”

“Our long-term relationships with suppliers will help us to reduce our scope 3 carbon emissions”

Yvon Guérin – CEO

Which challenges, risks and opportunities do you see for 2024?

Jean Vandemoortele: “In 2024, we will aim for growth. With our enlarged production capacity, we are ready to increase our sales volumes, even in a difficult economic environment. To support our growth strategy, we can count on the superior quality of our products, our drive to innovate, a customer-centric approach and enhanced marketing and sales capabilities. At the same time, we aim to accelerate our digital transformation, particularly in the commercial area.”

Yvon Guérin: “Starting from 2024, we will push our brands and our value-added products, and give them the attention they deserve. We will also continue to make progress on sustainability. In addition, we will continue to put our people first. From operational excellence to sales and marketing, our success is largely determined by our associates. Therefore, they will always be the beating heart of our company.”

COMPANY MILESTONES



Launch of Vandemoortele Transport Solutions and its first e-truck

In 2023, our separate transport companies Metro & Panalog merged into one large company: Vandemoortele Transport Solutions. The new company carries out our transports, and offers transport management and logistics support. In 2023, the company took a significant green step by introducing its first electric truck in France. By using an e-truck, we reduce our carbon emissions by 40 tonnes per year.

New energy-saving measures

Through the installation of solar panels, Vandemoortele is able to generate its own renewable energy. In 2023, we commissioned our first photovoltaic system in Eeklo. Others will soon follow in Santa Perpetua, Eeklo, Izegem/ Kachtem and Seneffe. On average, these installations will meet 10% to 20% of local energy needs. We are also exploring the possibilities of windmills on our sites.



Launch of 'Finance for the Future'

In May 2023, we introduced the Finance for the Future project. The aim: to further align and standardise the activities of our financial teams. By creating one virtual location for many recurring tasks, such as collecting invoices, transactional activities become a team effort. The Virtual Delivery Centre (VDC) increases our efficiency and allows us to better manage our workload across countries.



New employer branding

A strong employer brand is important to attracting and retaining talent. In 2023, we unveiled our new employer brand story. This includes a tagline – **'Share our taste for life'** – and five unique traits to persuade promising candidates. With our Employer Brand Book, our Recruitment Toolbox and a Careers web page, we facilitate the implementation of our employer brand strategy at both local and global scales.

Future-proof production in PBFS

We also introduced several innovative technologies within our Plant-Based Food Solutions (PBFS) business line. Our order pickers in Izegem tried out Vision Picking, a system that uses smart glasses to show the ordered items. In Zeewolde, we commissioned our first production line for pumpable shortenings. And in Dresden we installed a 10 kg block line, based on new processing technology.



Larger capacity in BP

In 2023, we further expanded our production capacity in the Bakery Products business line. After five years of R&D and the investment in a new production line of pinched croissant in Torcé 2, we launched our Bake'Up® pinched croissant in the USA. We also commissioned a new ciabatta line in Ravenna, updated our production lines in Worcester, and launched new bun innovations in Łódź.



Gaining market share

In 2023, our market position in Central and Eastern Europe improved, especially in Retail and Food Service. In China, Vandemoortele started distributing Banquet d'Or® items to Metro retail stores and to the Nayuki tea chain, which has more than 1,000 outlets. We also expanded our operations to Vietnam, where we distribute 9 products to 100 Starbucks stores, and we signed a contract with PANDA, the largest retail company in Saudi Arabia.





PART I

OUR COMPANY

“THE FURTHER IMPLEMENTATION OF OUR STRATEGY WAS AN IMPORTANT DRIVER FOR OUR SUCCESS”

2023 was a year marked by steep inflation and political unrest. Managing Directors Sabine Sagaert (Bakery Products) and Bart Bruyneel (Plant-Based Food Solutions) reflect on the past twelve months and look ahead to 2024.

How do you look back on 2023? Are you satisfied with the results?

Bart Bruyneel: “2023 was another year of uncertain conditions. Inflation impacted purchasing power, especially in the first half of the year, making our sales figures difficult to predict. But in the end, both our business lines achieved excellent financial results for the second year in a row. Despite the wars in Israel and Ukraine, we restored our supply chain and greatly improved our service levels. Our profitability continued to progress, and our sales volumes remained stable. In this way, we strengthen our company for the future.”

Sabine Sagaert: “In Bakery Products, we can also look back on substantial qualitative developments.

The further implementation of our strategy was definitely an important driver for our good results, just like our ‘glocal’ culture (*think global, act local, ed.*) and the further professional development of our teams. We are increasingly becoming a customer-centric organisation, developing targeted solutions that address specific customer needs.”

“In addition, we are investing heavily in product and process innovation, based on new consumer insights. Think, for example, of our new Secrets croissants and chocolate rolls, and many other innovations based on taste and craftsmanship. Our innovation efforts enhance customer satisfaction and are another important driver of our success. To keep up with the growth of our BP business line, we have also opened a new pastry production line in Torcé, France.”

Which specific achievements are you most proud of?

Bart Bruyneel: “In 2023, we successfully upgraded our factory in Dresden from a retail manufacturer to a larger plant that can make both retail and professional products. Our new production line

will soon be operational. We also commissioned a new plant in Zeewolde, for pumpable shortenings: semi-liquid fats that large industrial customers can use immediately in their production processes. That plant is now fully operational, and our customers are very pleased with the quality of its products.”

“We are also stepping up our efforts in our journey towards more plant-based food solutions. In the past year, we installed several pilot production units, and we recruited research teams to develop new products. We intend to bring these to market in the short-to-medium term, to expand our plant-based portfolio.”

“We are strongly committed to becoming a customer-centric organisation”

Sabine Sagaert – Managing Director BP

Sabine Sagaert –
Managing Director Bakery Products





Bart Bruyneel – Managing Director Plant-Based Food Solutions

Sabine Sagaert: “In terms of sustainability, we once again achieved a top-tier classification in the official FINN ranking of sustainable Belgian companies. That’s certainly something to be proud of! We have also established a long-term climate action plan under the Science Based Targets initiative (SBTi). In addition, the tightening of European rules on deforestation by the end of 2024 is an important matter, and we are determined to rise to the challenge they pose. We have already taken significant steps in terms of traceability, sustainable certification and a grievance mechanism.”

What challenges, risks and opportunities do you see for 2024?

Bart Bruyneel: “After a year in which our volumes remained stable, we are now aiming for growth again. We have already increased our production

“After a year in which our volumes remained stable, we are now aiming for growth again”

Bart Bruyneel – Managing Director PBFS

capacity. Of course, there are still challenges to face: the global political situation remains complex, and temporary shortages of energy or raw materials cannot be ruled out. Even labour shortages remain high. But we are maintaining our investment strategy, and we have every confidence in a successful future. We are already undertaking some initial testing of new plant-based products that we want to bring to market.”

Sabine Sagaert: “2024 will remain a year with of a lot of uncertainty, but as far as our markets are concerned we remain optimistic. We will progressively focus our strategy on our strong brands, and we are highly engaged in capacity building and investment. We continue to offer superior quality and build partnerships with our suppliers.”

“Consumer- and customer-centricity remain key in our strategy. We are increasingly offering customised solutions based on consumer insights. Together with our associates, we are building an ambitious, proactive and customer-centric company culture, which helps us satisfy our customers’ needs in an ever-competitive market. We have every confidence in the future, thanks to our superior brands, an ambitious company culture and a winning team.”



VANDEMOORTELE AT A GLANCE

OUR BUSINESS

Vandemoortele was founded in 1899 as a Belgian family business, and has continued to grow and develop ever since. Over the last two decades, we have become a European market leader in two business lines: **Bakery Products and Plant-Based Food Solutions**. Both lines aim to meet and exceed customer expectations in terms of taste, quality, convenience and value for money. We are known for supplying innovative and high-quality products.

Bakery Products

The **Bakery Products (BP)** business line targets professional chefs and bakers. Our frozen bakery products are further crafted, baked or simply defrosted and sold to consumers as fresh bakery goods and snacks. We also supply our bakery products to retail customers.

Plant-Based Food Solutions

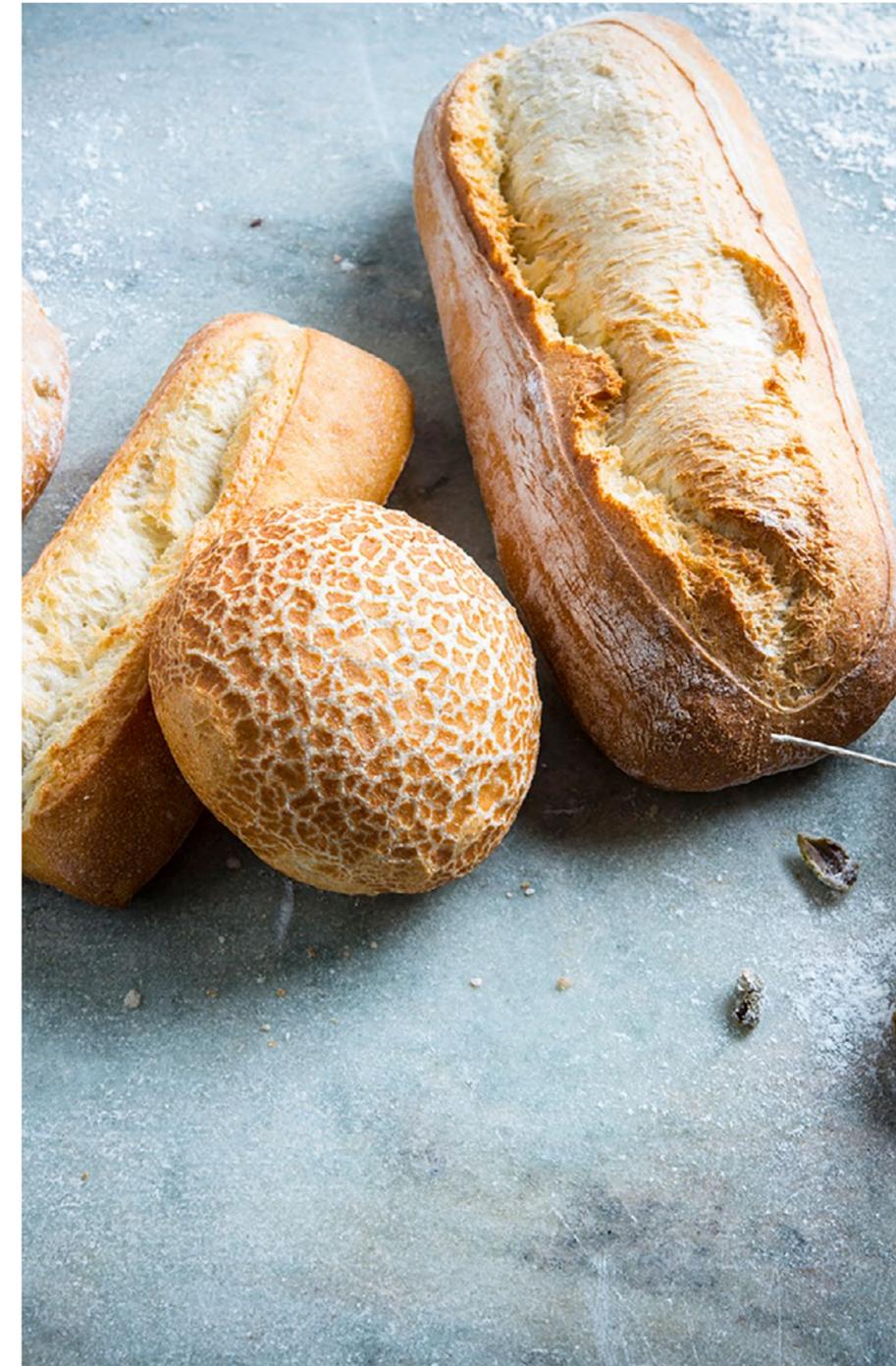
Our second business line, **Plant-Based Food Solutions (PBFS)**, targets professionals who use tasty and high-quality margarines, culinary oils and fats, sauces and dressings, and other fat-related products. It also develops and manufactures private labels for retailers across Europe.

In addition, Vandemoortele owns retail brands across Germany and the Benelux region. With the PBFS business line, we actively contribute to a positive change in the food industry, with a focus on two major trends: health and sustainability.

Our customers

Our operating segments predominantly include **business-to-business activities**. Our customers are food sellers in all shapes and sizes, from supermarkets and hotels to restaurants, petrol stations and artisan bakers. We sell our products across four distribution channels:

1. **Our retail customers** sell our branded and private label products directly in their supermarkets.
2. Our product range for **artisan bakers** consists of puff pastry sheets, bread, donuts, patisserie, savoury and margarines.
3. In **the food service sector**, our extensive range of convenience products responds to the latest food trends and consumer needs.
4. And finally, we also supply specialised margarines to **other food processors** in the food industry.

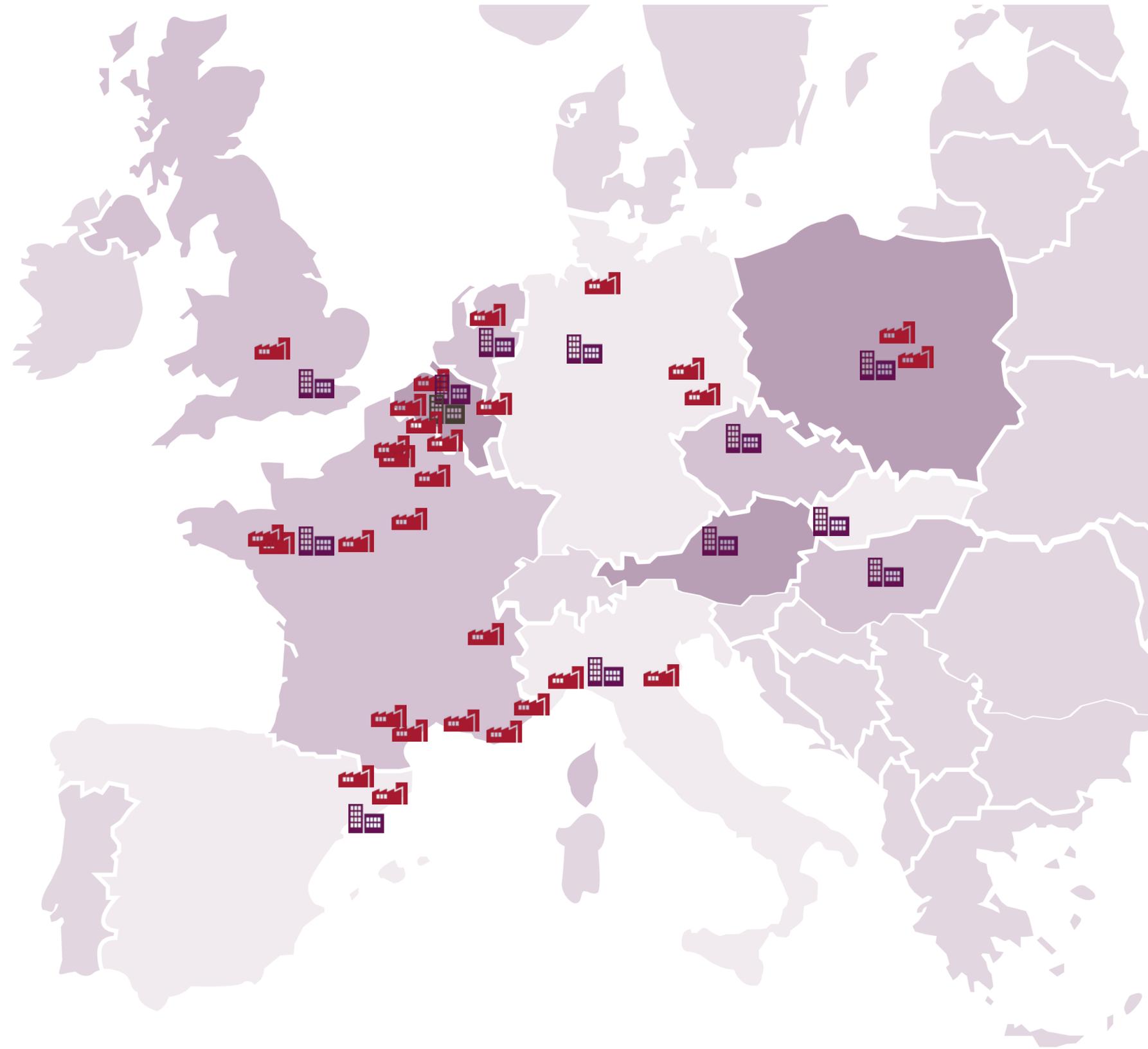


OUR OPERATIONS

The Vandemoortele Group headquarters are located in Ghent, Belgium. The site was developed as a Food Experience Centre, to familiarise our customers and associates with our products. We have commercial offices in **12 European countries**, as well as in **the United States and Asia**. We manufacture our products in **29 top-notch production sites** all over Europe, in order to ensure proximity to all of our key markets. The most significant markets for Vandemoortele are France, Germany and Belgium, but we export to **72 countries worldwide**.

29**production sites all over Europe**

-  Headquarters
-  Production site
-  Commercial office



KEY FIGURES 2023

Company figures



808 ktonnes
sales volume



5,557
products in our assortment



29
production sites

Financial performance	BP	PBFS	TOTAL
Revenue	€1,178 million	€762 million	€1,925 million
Adjusted EBITDA	€128 million	€88 million	€216 million
EBIT	€68 million	€74 million	€141 million
Senior net financial debt			€2 million

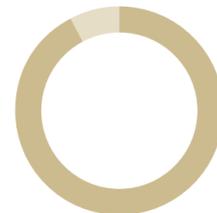
Associates figures

4,080
associates in total

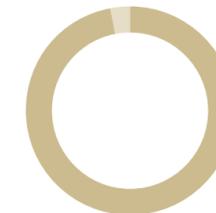
2,211
blue-collar workers

1,097
white-collar workers

772
management



3,770 full-time associates
310 part-time associates



3,962 permanent associates
118 temporary associates*

Male/female ratio

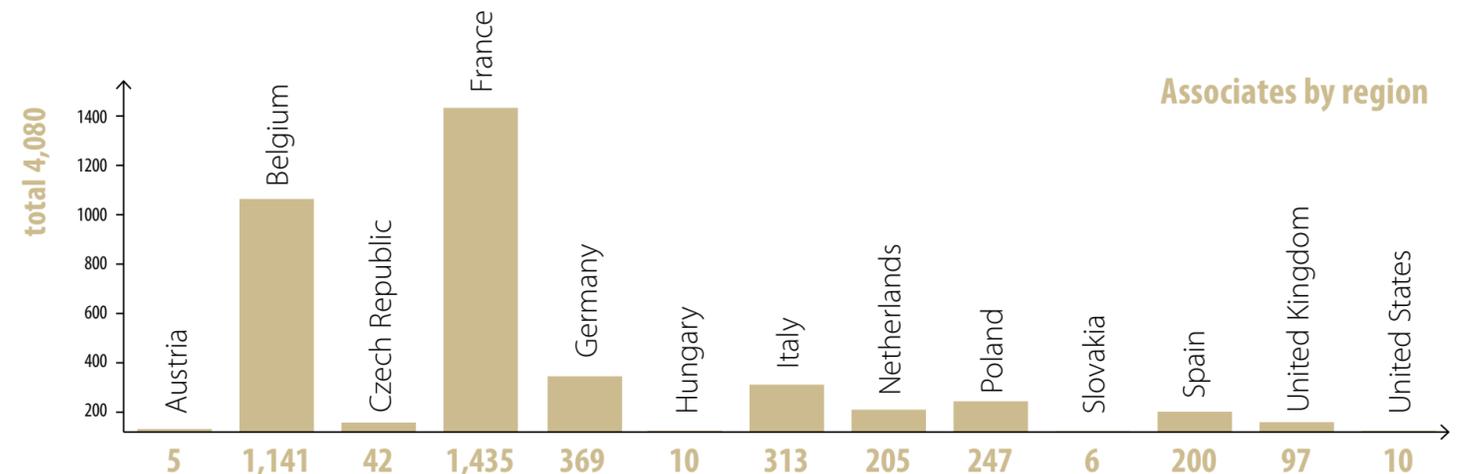
2,584
men



1,496
women

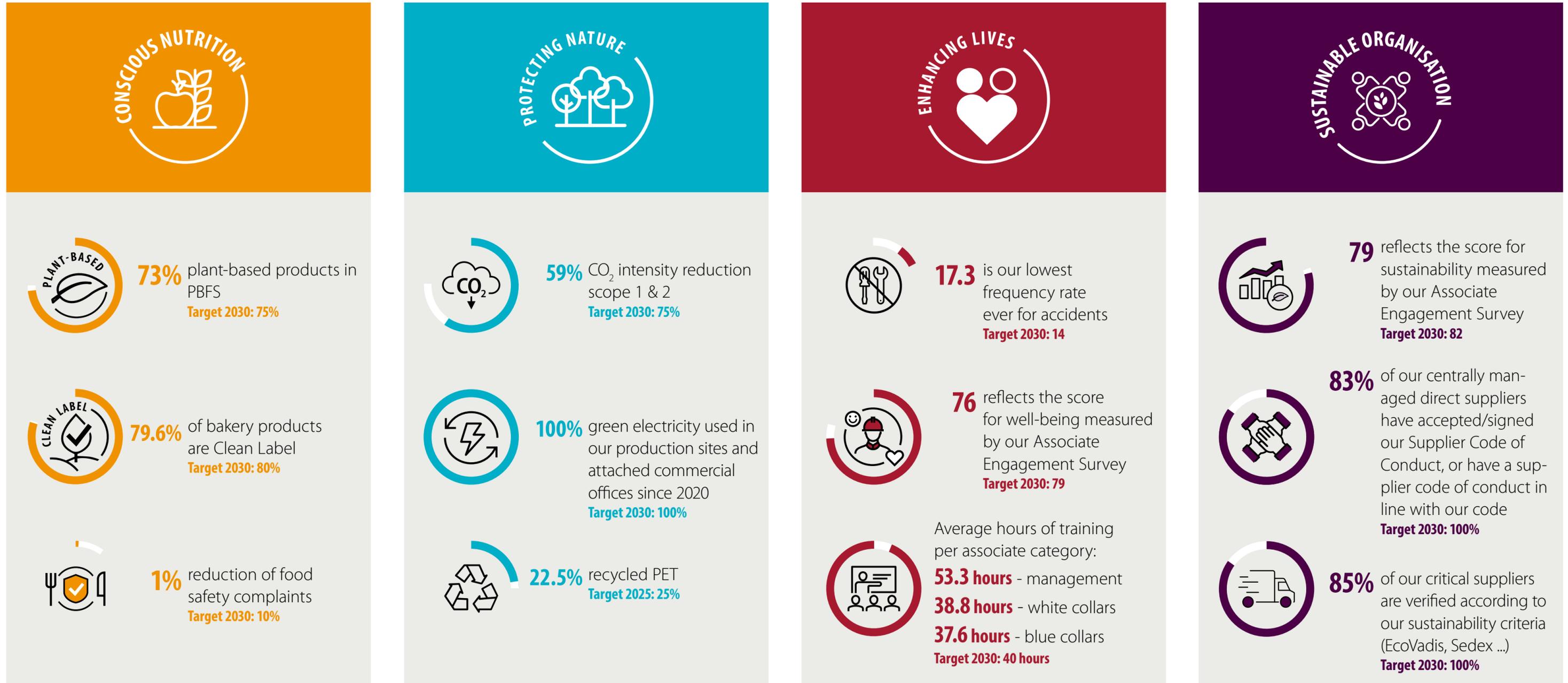


70
nationalities



* Temporary workers are employed by a fixed-term contract. As the CSRD requires to report on non-employees as well, e.g. interim workers and self-employed workers, they will be taken into account as of next year.

Sustainability performance





OUR MISSION, VISION AND VALUES

OUR MISSION

Shaping a tasty future sustainably

Bringing great taste, in your kitchen, at your table and on the go. We believe people's everyday food should be an everyday enjoyment: from breakfast to dinner, from healthy lunches to moments of indulgence. We offer convenient solutions for professionals and products the consumer can trust. As a leading food company, we focus on taste, making positive choices for people, planet and society, while delivering sustainable growth.

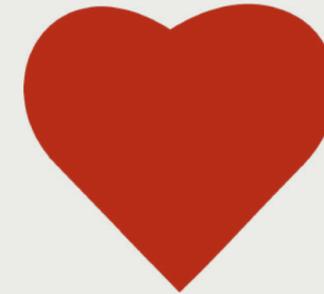
OUR VISION

We aspire to be a leading sustainable European food company in our Frozen Bakery Products and Plant-Based Food Solutions businesses, by offering our customers and consumers the best solutions in taste, quality and service.

Our core values

Vandemoortele lives by three corporate values: respect, cooperation and ambition. These lie at the heart of our corporate culture.

RESPECT



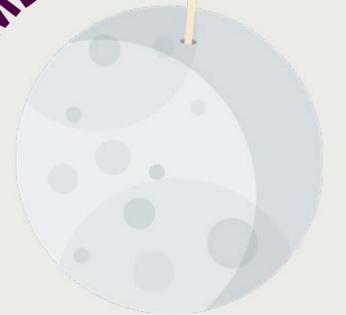
Respect is the foundation of our actions and our external and internal relationships. We act with integrity and respect, both towards others and in relation to the environment.

COOPERATION



The spirit of **cooperation** can be found within our teams and between ourselves and our partners. We are open-minded and value each individual contribution. We share our knowledge and expertise, and enjoy working together.

AMBITION



Our **ambition** is to deliver the Vandemoortele promise: best taste, best quality, best service. We take ownership of the company's goals, and are committed to delivering an outstanding performance in a sustainable way, for our customers and ourselves alike. We are passionate, engaged and energised.

OUR BUSINESS MODEL

OUR BUSINESS STRATEGY

Vandemoortele seeks to become **a top three, profitable and sustainable European market leader** in both of its business lines: Bakery Products (BP) and Plant-Based Food Solutions (PBFS). Our business strategy entails forming partnerships with customers, accelerating growth in professional channels and value-added products, and leveraging brands and global opportunities. We aim to provide our customers and consumers with the best solutions in terms of taste, quality and service. To achieve our goals, we seek to excel in terms of **profit, partnerships, people and the planet**.

Profit and partnerships

With regard to profit, our goal is to secure a position among the top three market leaders in the European Union. This will be achieved through an **excellent market mix, product mix and channel mix**. Our market mix strategy involves **mergers and acquisitions**, not only to strengthen our position in the European market, but also to expand into the USA and Asia. Our product mix focuses on **value-added products** such as frozen raw or part-baked products and plant-based food solutions. The channel mix aims to broaden our

reach by focusing on **professional channels and offering our customers tailor-made solutions**. Additionally, we seek to establish partnerships with customers in areas such as sustainable raw materials, food waste reduction, conscious nutrition and service offerings, exploring further options for these in the future. A crucial aspect of our strategy is **the recognition of both B2B and consumer brands**, which we will strengthen through marketing campaigns. We make sure that our marketing strategy is correct and transparent, and that we avoid greenwashing at all costs.

Our goal is to secure a position among the top three market leaders in the European Union





People

In terms of people, Vandemoortele is committed to **creating a safe, engaging and inclusive work environment**. This involves implementing a variety of strategies, on topics like health and safety, learning and development, compensation and benefits, and diversity, equity and inclusion. Prioritising the well-being, workload and stress levels of our associates is crucial, especially given our main growth strategy, which has the potential to generate more work. We also pay attention to **our workers in the value chain**. The production of raw materials such as cocoa, soya and palm is sporadically linked to work issues such as **health and safety matters, forced labour or even child labour**. With our sourcing strategy, we focus on the social issues in our supply chain, and try to have a positive impact on the workers across the value chain.

The **nutrition profile of our products** is a key focus for Vandemoortele, in line with the growing consumer demand for healthier products. Maintaining a **balance between indulgence products and healthy alternatives** is a challenge, given the rising issues of overweight and obesity. Nevertheless, Vandemoortele remains committed to expanding its current portfolio with healthier food options.

Planet

Concerning the planet pillar, our primary focus is **CO₂ reduction**, with Vandemoortele aspiring to a leadership role in this regard. We reduce our own greenhouse gas emissions, minimise our energy use, maximise the use of renewable energy sources, and use fossil fuels and refrigerants as cleanly and efficiently as possible. However, the focus points of our business strategy – **our overseas geographical expansion and our frozen product portfolio that requires temperature-controlled transport** – are proving to be challenging in terms of carbon reduction. We continue to make efforts to this end, and we are continuously looking for sustainable transport innovations.

In addition, we seek to reduce the impact of our products by expanding **our plant-based portfolio and opting for certified sustainable raw materials**. Responding to consumer demand for **products with a smaller environmental footprint**, we will offer a wider range of plant-based food solutions. We choose sustainable raw materials to decrease our impact on climate and biodiversity. Deforestation issues, which are often linked to key raw materials such as palm oil, soya, and cocoa, are addressed through partnerships with suppliers. In addition, we are exploring opportunities for regenerative and sustainable agricultural practices to grow wheat for flour.

OUR KEY CATEGORIES AND BRANDS

Bakery Products

Our Bakery Products (BP) business line includes five product categories: **Pastry, Bread, Sweet Treats, Italian Savoury and Patisserie**. These are distributed through a range of channels: artisan bakery, food service, retail chains and industry. Our customers can simply bake or defrost our products and sell them directly to consumers as freshly baked goods. Our most important and well-known bakery brands are:



Banquet d'Or® has been an established brand since 1983, and through it we deliver

easy-to-bake and easy-to-love products. The Banquet d'Or® baked goods are **easy to prepare** and consist of **ingredients of natural origin**, with which you can achieve **expert-level results every time**. We have been bringing the **delicious and unique taste of French bakery and pastry** products (*viennoiserie*) to European consumers **for 40 years**, and are now expanding to the USA and Asia. Since 1899, Vandemoortele has been continuously innovating, resulting in our patented technology used for the **Bake'Up®** range. It is designed **to make bakers' lives easier**, as the products can go directly from freezer to oven and are ready in just 25 minutes. The main advantage

of our Bake'Up® technology is that it **eliminates the labour** and typical early morning start of our bakers through an **easy and convenient process** that offers a broad range of high-quality, freshly baked pastries. Banquet d'Or® offers a wide range of bread, pastry and patisserie at different convenience levels.



The **true taste of pure, high-quality Italian products** can easily be found in the

Lanterna® brand assortment. Lanterna®'s origins lie in the port city of Genoa, the birthplace of **the authentic focaccia**. Genoa has a rich history, which dates back to the early medieval period, just like the famous lighthouse 'La Lanterna'. Lanterna® comprises a high-quality range of Italian classics, including focaccias made from fresh ingredients, **free from aromatic substances, colourings and flavourings**. After baking, the products are immediately frozen, so that the freshness and the delicious taste are preserved to the fullest extent.





In 2023 we had a deep dive on all our patisserie brands and decided to create one unified specialist brand for all our cakes and desserts solutions so we can respond more effectively to the market and the desire of our customers. **Patisserie du Chef**® is a specialist in frozen patisserie for over 30 years. With our wide range of product solutions, from timeless classics to modern delights, we help our customers to serve **high-quality and delicious cakes & desserts** with ease and pleasure. Think of Patisserie du Chef as an assistant chef who lends an imaginary hand so you can focus on your business.



The breads in this bread range are **pre-baked in a floor oven** and are made from high-quality ingredients like **natural liquid sourdough and Label Rouge**® flour, providing the bread with its typical French flavour. **The kneading and rising are performed slowly and with care**, giving the bread its **specific taste and character**.



America is known for its variety of sweet snacks. **With My Originals**® donuts, muffins, cookies, brownies and cakes, Vandemoortele aims to meet high expectations. The brand represents the full taste of authentic American recipes. With My Originals®, our customers can respond quickly and easily to the different cravings of every consumer.



PLANT-BASED FOOD SOLUTIONS

Our Plant-Based Food Solutions business line include various product categories: **margarines, butters, blends, deep-frying oils and fats, culinary oils, mayonnaises, sauces and dressings, plant-based creams (as opposed to dairy creams) and dough improvers.** Our products combine functionality with a pleasing taste and texture, as well as high nutritional values. They are marketed through artisan and industrial bakeries, food service outlets, and retail stores. Our Plant-Based Food Solutions range contains both private labels, which we develop for customers, and our own brands. Our best-known brands are:



Vandemoortele® is a consumer brand with **a rich history in the culinary oil segment,** and is therefore known as **an expert in the category.** The Vandemoortele® brand translates its expertise into a wide range of **plant-based oil products,** such as frying oils and cooking oils. On top of this, it offers a large variety of **vinaigrettes and mayonnaises.** As a result, Vandemoortele® has become indispensable in the kitchen for many culinary preparations. As a culinary brand, Vandemoortele® is continuously launching new recipes. It has a place **in the heart of every Belgian food lover.**



Risso® offers a broad range of **convenient and tasty products for professionals,** made with the best and primarily plant-based ingredients. This results in successful products covering **all types of applications,** whether in the kitchen, at the table or on the go.



St-Auvent® margarine blends offer **an indulgent taste, a full colour and a high functionality.** They contain only **the finest selection of vegetable oils and fats.** Our products are rooted in expertise, and meet the specific needs of artisan bakers. Their signature taste profile boosts **the quality of your creations with an intense flavour.**

Our products combine functionality with a pleasing taste and texture, as well as high nutritional values



Risso®



St. Villepré®



The St. Villepré® **butter range addresses the needs of true craftspeople**, who are convinced that pure dairy ingredients hold a place in the heritage of artisan bakery. For such bakers, St. Villepré® brings a **dairy solution for professional use**, excelling in terms of **taste, quality and functionality**.



St-Allery® offers a premium range of **professional butter blends that combine the indulgent taste of butter with improved workability, functionality and nutritional value**. Thanks to its unique formula, our St-Allery® range offers artisan bakers both efficiency and an enjoyable butter taste.



Our Gold Cup® range consists of **100% vegetable oils and fats** that offer professionals greater functionality and convenience, addressing the needs of the modern consumer who attaches great importance to improved ingredients. The various products have a **soft structure, an optimal melting profile and contain natural flavourings**. The packaging of Gold Cup® is environmentally friendly, and the products support the sustainable production of palm oil through RSPO certification.



With our Baker's® product range, we offer our customers **industrial margarines, oils and fats** to create the tastiest baked goods. Our well-known laminating margarines and fats have a **high degree of plasticity**, making them easy to use when creating viennoiserie, Danish and puff pastries. In addition to our product assortment, which includes our core 'Baker's® Classics' range, our customers can also rely **on our expertise in developing tailor-made products** adapted to their production processes and product specifications.

Our customers can rely on our expertise in developing tailor-made products



Gold Cup®

OUR PEOPLE

“Vandemoortele gives me a lot of freedom in doing my job”

Rohitash Kumar Digital Performance Marketing Manager

“In 2022, I joined Vandemoortele Ghent as Performance Marketing Manager. Armed with several years of experience in digital marketing, I embraced a data-driven mindset and successfully tackled various challenges, such as optimising conversion rates, enhancing online visibility, and implementing targeted campaigns to drive business growth.”

“I enjoy working at Vandemoortele because of the collaborative and innovative work culture, where my ideas are valued, and because there is a strong emphasis on professional development. The supportive team and the company’s commitment to excellence make every day fulfilling and rewarding.”

Belgium,
Ghent HQ

OUR KEY SERVICES

Vandemoortele not only provides its customers with a wide range of products, but also supports them with several services. These include **online training and baking instructions, technical support, customer insights, the development of customised products and category management.** Category management is a service we offer specifically to our retail customers: it entails developing range proposals and formulating advice regarding positioning, placement and pricing. In this way, we increase our customers' sales volumes and profits. Many of our services are gathered on tailor-made online platforms, such as **MyCroustiPlace** and the new **Vandemoortele Professional platform.**

200

Vandemoortele products offered by Croustico®, a full-service 'proximity' bakery and/or filled sandwich concept

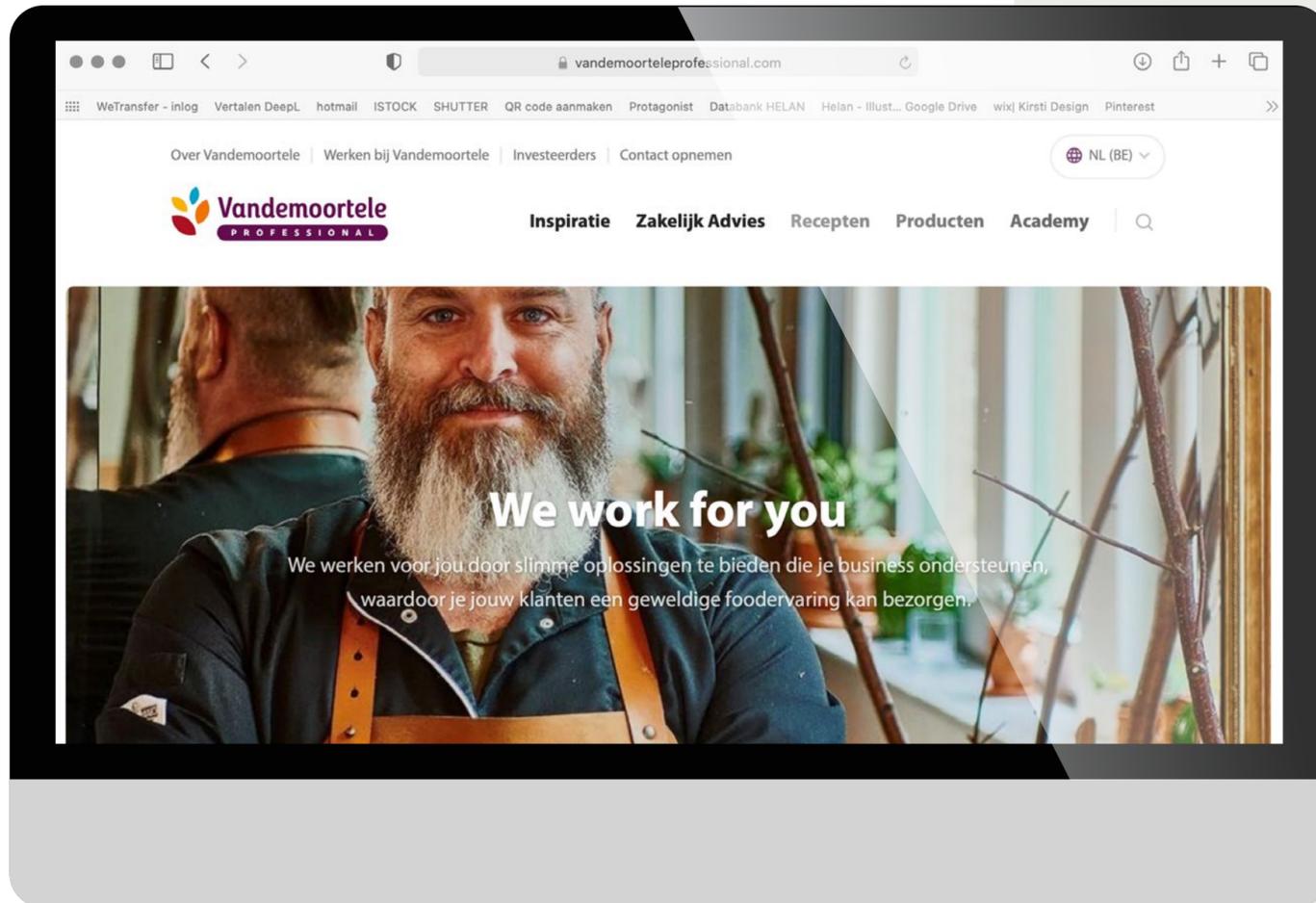
Croustico®: our full-service bakery and sandwich concept

Croustico® is a Vandemoortele business unit that offers its 1,000 customers in Europe a **full-service 'proximity' bakery and/or filled sandwich concept.** This includes 200 high-quality Vandemoortele products, on top of which a range of services is provided: recipe tutorials, manuals and live trainings on storage and baking operations at the customer's premises. We also advise our customers on how to present the products, and counsel them on hygiene and safety. In addition, we help customers with a full concept design for their store or bakery department, including various packaging solutions.

MyCroustiPlace: the Croustico® digital platform

In 2022, our Benelux customers found their way *en masse* to our **online B2B order and communications platform.** MyCroustiPlace now accounts for almost 60% of all Croustico® purchasing. We have already started using marketing automation to support our customers in their online journeys.





Vandemoortele Professional platform

The Vandemoortele Professional platform offers **smart solutions for various professional channels**. We support food companies with **inspiration, business advice, recipes and trainings**, and help them tackle emerging issues like recruitment difficulties and the rising demand for vegan food. We pay special attention to financial advice, such as ways to reduce a company's food costs. The Vandemoortele Professional platform was launched in October 2022 for the food service and artisan bakery channels in the Benelux region. France and Italy were included in the course of 2023, and in 2024 we will add other European countries.

Smarter = better

Our smart solutions are based on the current needs of our customers and operators to reduce costs and increase margins. By targeting new operators, we generate qualified leads for marketing and sales in the various countries in which we operate. To enhance the success of our digital marketing, we incorporate 4 key elements: **engaging content, data and analytics, top technology and marketing automation**.

Our data collection for registered operators allows us to **improve our performance, gain customer insights, and create tailor-made offers for existing customers**. In this way, we aim to position ourselves as an engaging food service partner for chefs, bakers and distributors. In 2023, the platform was praised for its personalised approach and received **two prestigious Splash Awards from the Global Drupal community**: as 'best website of the year' and as winner in the 'Corporate' category.



Splash Awards from the Global Drupal community: as 'best website of the year' and as winner in the 'Corporate' category





Raw material sourcing

We source raw materials like vegetable oils (sunflower, rapeseed, linseed, palm, soya, coconut, etc.), flour, butter, cocoa and eggs from carefully selected suppliers. We recognise the significant environmental concerns associated with the cultivation of these raw materials, such as deforestation and loss of biodiversity. We actively collaborate with our suppliers to prevent and mitigate these impacts. Wherever possible, **we use sustainably produced resources to reduce the negative impact on the planet.** For example, by promoting regenerative farming practices such as conservation tillage and crop rotation, we help to improve soil health and reduce the risk of soil degradation. By taking action to combat climate change, we also protect our own operations. Extreme weather events, such as heat waves, storms and floods, can pose a major risk to Vandemoortele as they can damage crops, infrastructure and agricultural land.

In plantations for raw materials, **inadequate working conditions and a disregard for workers' rights may give rise to social issues.** The cocoa industry, in particular, has faced challenges related to child labour and exploitation. Therefore, we are increasingly buying cocoa with **Rainforest Alliance or Fairtrade certification,** which is directly aimed at **avoiding child labour**

and other problems in the sector. In addition, we assess **our critical suppliers** on their sustainability practices with EcoVadis. Where possible, we prefer to source locally to shorten the logistics chain. We ensure clear traceability, in order to allow us to monitor where our raw materials come from and how they are produced.



Packaging

High-quality packaging **protects the quality and safety of our products, and prevents food waste.** However, if not properly designed or disposed of, packaging materials can also contribute to ocean, land and air pollution. To reduce the negative impact of our packaging, we ban all unnecessary materials and make our packaging as light as possible. Our product development process is tightly linked with packaging optimisation. We collaborate closely with local packaging suppliers to ensure that we make the right choices for our products.

To contribute to circular packaging, we steer clear of single-use plastics where possible. Our packaging development processes include design for recycling, and we are exploring the options for reusable packaging. We combat deforestation by using only 100% FSC and PEFC certified paper and cardboard. We are also working to increase the use





of recycled content in our packaging wherever possible. Overall, we aim to scrutinise, reduce and optimise our use of packaging materials.

Food production

Our products are manufactured at 29 production sites spread across Europe. We place a **strong emphasis on sustainability and operational efficiency**. To reduce our carbon footprint, we minimise our energy consumption, for example by constructing low-energy buildings and opting for energy efficient machinery. The electricity that we use in our production sites and offices comes from 100% renewable sources. We also reduce our water footprint by optimising our production processes and by reusing some of our wastewater.

The health, safety and well-being of our associates are of paramount importance to us. We aim to ensure healthy, safe and inclusive workplaces, and we encourage our people to grow and develop. All of our associates are given equal opportunities to flourish in their jobs and to achieve their personal goals.

Food loss & waste management

We further commit to various **waste reduction initiatives** addressing both food loss and general waste at their production sites. We

valorise as much of our organic streams as possible into biodiesel, animal feed and fermentation. We strive to ensure that the waste resulting from our production **does not end up in landfills**. As much of our waste as possible is **sorted and recycled**.

Transport and distribution

We distribute and sell our products all over the world. Our logistics network specialises in the **transportation of temperature-controlled and frozen goods**. This approach curbs food waste and requires less packaging materials, resulting in a smaller impact on the environment. To further reduce our transport emissions, we rely on the latest engine technologies, alternative energy sources, innovative truck designs and efficient loading techniques. We keep a close eye on technological developments, with the aim of becoming a forerunner in this area. 2023 marked the introduction of our first electric truck, as part of our commitment to innovative and sustainable transport solutions. We are also initiating a study to analyse the potential for electric chargers at our key sites. This initiative aims to support not only our own fleet, but also external logistics companies, facilitating a more efficient and sustainable charging infrastructure.

In 2023, our separate transport companies Metro and Panalog united their knowledge and expertise, and merged into one large company: **Vandemoortele Transport Solutions**, which now carries out our transports and offers transport management and logistics support.



Sale to the market

Over the years, we have steadily expanded our business through organic growth and acquisitions. We now hold **a leading position in Europe in all our core categories**. Both our BP and PBFS business lines are predominantly business-to-business activities. Our customers are food sellers in all shapes and sizes, such as supermarkets, hotels, restaurants, artisan bakers, industrial bakers, etc. Our products are sold across the following distribution channels: **retail, artisan bakery, food service and food industry**.

Our **BP business** line consists of five categories: **Pastry, Bread, Sweet Treats, Italian Savoury and Patisserie**. Due to the fact that many of our customers no longer bake from scratch, we deliver our bakery products at various convenience levels: raw, pre-proofed or ready-to-serve. This approach combines good quality with flexibility. Our customers sell the products to end consumers as finished, freshly baked products.

In our **PBFS business line**, we offer tailor-made solutions for every customer, from tasty cooking blends for chefs to high-quality pastry margarines for artisan bakers. Our solutions include **margarines, butters, blends, deep-frying oils and fats, culinary oils, mayonnaises, sauces and dressings, vegetable-based creams and dough improvers**.

In addition to our wide range of products, we also offer our customers several services. These include online training and baking instructions, technical support, customer insights, the development of customised products and category management.



Consumption

The quality and taste of our products are our trademark. We create authentic products with a good nutritional balance, made with safe, reliable and often natural ingredients. By offering healthy, plant-based items, we aim to have a positive impact on both people and our planet. In our tasty indulgence products, like donuts or patisserie, we still make an effort to **reduce the sugar and salt content**.

To improve our service, we **analyse consumer behaviour** and listen to our customers' requests. By offering a wide variety of safe, tasty and/or sustainable choices, we meet our customers' needs

and we increase our economic opportunities. Day after day, we invest in research and product development, in order to raise the bar ever higher in terms of food quality and safety. We are very careful to avoid all safety errors and health hazards. By taking great care of our products and processes, we ensure people's health and safety, and we protect our reputation.



End of life

Packaging plays a substantial role in sustainable food systems by reducing the amount of food loss. However, the use of plastic packaging gives rise to environmental concerns and waste management issues. We work towards **an optimal balance between preservation and sustainable packaging**. By advocating **a circular economy, we aim to close the loop and minimise waste**.

By offering healthy, plant-based items, we aim to have a positive impact on both people and our planet



OUR PEOPLE AND CULTURE

OUR HR CHARTER

Based on our three core values – ambition, cooperation and respect – we aim to build a **capable organisation with engaged associates** who collaborate in a **strong people & performance culture**. Together, we work towards the best results in terms of Profit, Planet and People.

To achieve this mission, we have developed three interconnected pillars:



People 4 Growth ensures we employ engaged, talented and competent associates, who are involved in a capable, efficient and successful organisation.



Growth 4 People ensures that our associates are happy and engaged in their professional journey, and that they work within a safe and inclusive environment.



Leaders 4 Growth ensures we have leaders who are strong in performance and people management, who live our values, and who support their people in achieving our aspired-to economic, ecological and social results.

To ensure we achieve our ambitions, each pillar is monitored with appropriate methods, such as benchmarking exercises (efficiency, rewards, etc.), engagement & pulse surveys, safety indexes, 360-degree feedback surveys, and so on.

Our people culture

To build an engaged and people-oriented organisation, we have defined several commitments:

- Our jobs and workplace environments are **safe and engaging**. We support our associates in **developing new competences** to be successful.
- We encourage the **personal and professional development** of all our associates through individual development actions.
- **Our reward policy** is market competitive (above median), equitable, fair and motivating.
- We encourage and reinforce **an open, constructive and proactive internal communication culture**.
- We ensure individual and collective employment terms in line with all legal requirements and **the highest ethical standards**.





- We endeavour to match organisational and individual needs, to support **a good work-life balance**.
- We provide an environment that is **diverse, equitable and inclusive, and provides opportunities for all**.

Performance culture

Our HR mission supports the Vandemoortele performance culture. We have defined **four strategic focus areas**:

- 1. Organisational effectiveness** is part of every aspect of our organisation – Operations, Sales, Logistics and Support functions – we develop work methods to deliver the products and services our customers desire. We share best practices and embrace excellence-enhancing initiatives like Make & Bake (operational excellence), W1N (commercial excellence), DR1VE (distribution excellence), Finance for the Future, etc.
- 2. Organisational efficiency** is crucial to achieving our targets (business, ecological and social). To ensure we work in the most efficient way, we continuously monitor and benchmark the cost levels across all functional areas.
- 3. A strong organisational culture** ensures that our people know how to behave, without lengthy and complex procedures. Our company

culture is based on three core values: ambition, cooperation and respect. They are embedded in all our HR and leadership processes.

- 4. Solid & proactive capabilities** of our people are crucial for the current and future success of Vandemoortele. With the help of competence matrices, we monitor the individual and collective status and evolution of the strengths and weaknesses of our teams.

Our aim is to build an engaged and capable people organisation and a strong performance culture, supported by our HR and leadership processes.

To attract talented people, we leverage a strong employer brand and continuously improve our recruitment process. **We offer structured onboarding plans to ensure new associates feel welcome.** We also focus on talent management (people review, professional journey) and talent development (mentoring, Vandemoortele Academy, Young Graduates community, e-learning, etc.).

Our leaders are motivated to lead their teams and interact with their people in line with our values and HR policies.

OUR PEOPLE

“We are driven to
bring out the best
in each individual”

Manon Haenen HR Manager

“As an HR specialist, I am happy to see how much emphasis Vandemoortele places on people management. Our associates are offered so many growth opportunities, both personally and within their teams. Our company is not just about meeting targets: we are driven to bring out the best in each individual.”

“Being an ambassador for Vandemoortele is not just a title to me, it’s a commitment. I take pride in representing our organisation, advocating its values, and nurturing a motivating and empowering environment.”

The
Netherlands,
Brunssum

AWARDS AND RECOGNITIONS IN 2023

AWARDS



Factory of the Future

In February 2023, the **Vandemoortele site in Izegem** (Belgium) won its **second Factory of the Future Award**. The award was presented by technology federations Agoria and Sirris, in collaboration with industry associations such as Fevia, Fedustria and essencia. This award was **a special recognition for the use of automation and advanced technology in our machinery**, and also for the dedication and skills of all our associates. This balanced combination, complemented by a strong focus on innovation and sustainability, continues to be a winning vision. In three years' time, a new audit will determine whether the title will be renewed.



Two Drupal Splash Awards

In 2022, we successfully launched the new Vandemoortele Professional platform in Belgium and the Netherlands. France and Italy followed in September 2023. One of the key features of the new platform is **content personalisation**: we tailor content to visitors' profiles by adjusting

text and/or images, making it more relevant. For example, based on people's browsing behaviour, we show more content regarding restaurants, limited service restaurants or hotels. This personalised approach earned us not one but **two Drupal Splash Awards** in the 'Corporate' category: the award for 'In-depth Personalisation in Drupal for a Massive Audience', plus the title 'Website of the Year'. The result is a credit to the whole team, and underlines the great collaboration between our marketing and IT departments!



Laureate Snacking d'Or 2023

The Snacking d'Or competition (by France Snacking) was a hard-fought affair in 2023, with almost 180 innovations on the shortlist and over 154,000 votes cast on the **Snacking.fr platform**. This makes us even more proud of Vandemoortele securing a place among the 40 winning innovations! Our **Focaccia LANTERNA®**, an authentic Italian focaccia with a rich filling for quick breakfasts, won an **award in the SNACKS TRAITEUR category**. The product is quick and easy to prepare, with no need to defrost.



Prix Marmiton 2023

The **French cooking magazine & website Marmiton** supports chefs and hobby cooks with recipes and culinary advice. In 2023, the platform launched the Prix Marmiton: an award for products that make kitchen activities easier. A panel of experts scrutinised dozens of culinary products and household appliances in around twenty categories. One of the items on the shortlist for the Prix Marmiton 2023 was a **frangipane cake with salted butter caramel**. This product was developed by French chef Jean Imbert, and manufactured by Vandemoortele for supermarket chain Carrefour.



Silver Best Product Award

In 2023, the German culinary magazine KÜCHE awarded our **Grilled Vegetables Focaccia** a silver Best Product Award in the category 'Savoury Bakery Products'. The jury of independent chefs was particularly impressed by the fact that our focaccia is an **authentic product** that brings the **Italian way of life to Germany**.





RECOGNITIONS

FINN ranking

Which Belgian companies offer the greatest transparency with regard to their carbon footprint? That is the question that communications agency FINN tries to answer each year. In 2023, FINN again analysed the disclosure level of more than 50 large Belgian companies, particularly with regard to their carbon emissions. **For the second year in a row, Vandemoortele was classified within the top tier.**

The FINN ranking differs from others in that it mainly evaluates the completeness of a company's reporting efforts. All companies in the top tier have defined quantified CO₂ targets for 2030 or earlier and shared quantified action plans to achieve these goals. They also refer to the Science Based Targets initiative, the undisputed gold standard when it comes to sustainability targets. **Our result indicates that we are making good progress** in complying with the new European Corporate Sustainability Reporting Directive (CSRD).



BREEAM 'Excellent' certificate

BREEAM (the Building Research Establishment Environmental Assessment Method) is the most widely

used method worldwide for determining the sustainability performance of buildings. The international BREEAM certificate considers sustainability criteria across nine different areas: management, energy, health & well-being, transport, water, materials, waste, pollution, and land use & ecology. In 2019, **the Vandemoortele headquarters obtained a BREEAM building certificate** due to it being nearly energy neutral (BEN). In 2022, we received a new certificate, upgraded to **an 'Excellent' score.**



Sedex, short for Supplier Ethical Data Exchange, is a not-for-profit organisation dedicated to **improving responsible and ethical business practices** in global supply chains. The web-based Sedex tool allows companies to manage data on their ethical performance along the supply chain. With the tool, we monitor and assess our social, environmental and business ethics risks. Seventeen of our twenty-nine production sites are **now registered in Sedex**: a good starting point on which to build. In the long term, our use of the Sedex tool should have a positive impact across our entire supply chain.



EcoVadis score

EcoVadis is a business rating platform for assessing corporate social responsibility and sustainable purchasing. The EcoVadis self-assessment tool helps companies to gain insights on their sustainability level. Based on the 2022 assessed data, **Vandemoortele received a 'silver' EcoVadis medal.** All the themes assessed (Environment, Sustainable Procurement, Labour and Ethics) received an above-average score for our sector, with 'Environment' scoring the highest. Our improvements are the results of new policies and measures, and of the increased transparency in our annual reporting. More work will be put into monitoring and reporting ethics issues and into third party risk and compliance verification. In the next few years, we will use the EcoVadis assessment tool as a management tool to define our priorities and to decide which steps we will take next. In addition, we also use the EcoVadis platform to audit our most critical suppliers on their sustainability practices.



WWF Palm Oil Buyers Scorecard

The WWF Palm Oil Buyers Scorecard assesses the progress of companies on the commitments and actions necessary to be a responsible palm oil user. This is done based on their RSPO reporting. The 2021

assessment evaluated all of our products, including the private labels we make for our customers. As a result of this broader scope, we received a lower score than the previous year. With our 2021 results, we are now in the mid-range. For 2025 we have set clear targets for fully traceable, deforestation-free and exploitation-free palm oil, as well as for certified sustainable palm oil. A new assessment has taken place, but the result will not be available until mid-2024.

2025

is the year for which we have set clear targets for fully traceable, deforestation-free, exploitation-free and certified sustainable palm oil



OUR LEADERSHIP TEAM

BOARD OF DIRECTORS

The Board of Directors is Vandemoortele’s highest decision-making body, except for matters reserved for shareholders. It oversees the CEO and the Executive Committee on behalf of the shareholders. Board members may also serve on the associated Audit Committee or the Compensation & Nomination Committee.

The primary objective of the Board of Directors is **to sustain and further develop a successful Group in the food industry**. The Board creates sustainable value in line with the vision of the family shareholders, i.e. making great food for a more enjoyable and healthier life through a truly people-driven organisation.

The Board consists of 12 directors. The current members are:

- **6 non-executive family directors:** Jean Vandemoortele* (Chairman), Catherine Billiet**, Marie-Christine de Briey*, François Casier* (representing Arema SRL), Charles Vandemoortele** (representing Honest Foods SRL) and Christian Vandemoortele* (representing Artval NV);

- **5 non-executive and non-family directors:** Michel Delloye (representing Cytifinance NV) held the position until 9 May 2023, and was succeeded by Erwin Pardon (representing Panbosch) thereafter, Cécile Bonnefond (representing CB management SARL), Natasja Laheij, Philippe Schailleé and Otmar Hofer;
- **Vandemoortele’s CEO**, who is also the company’s Managing Director: Yvon Guérin.

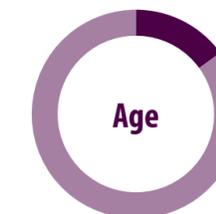
The members of the Board of Directors have different professional backgrounds, ranging from law and finance to marketing, economic sciences

and food technology. Many Board members have been or still are senior executives at major listed companies that face the same strategic challenges and opportunities as Vandemoortele. As such, their knowledge and skills complement each other and add diversity to the Board. Associates or other workers are not directly represented in the Board. It is the responsibility of all Board members to attend to the company’s interests and to protect our associates’ rights.



67%
Male Board members

33%
Female Board members



17%
Board members between 30-50 years old

83%
Board members over 50 years old

Executive director



6 non-executive family directors



5 non-executive and non-family directors



* fourth-generation family director. ** fifth-generation family director



The Chair

The Board elects a Chairperson from among its members. In line with the Belgian Code of Corporate Governance, there is **a clear division of responsibilities** between the person who presides over **the Board of Directors (the Chair)** and the person who assumes **executive responsibility for the company's business (the CEO)**. The CEO maintains close contact with the Chair.

The Chairperson chairs the meetings of the Board of Directors. He or she prepares the meetings, ensures the efficient deliberation and decision-making of the Board, and fosters an atmosphere of trust conducive to open discussions and constructive criticism. This enhances support for the decisions made by the Board. In the event of a conflict between the Chair's personal interests and those of the company, the meeting will be chaired by another member of the Board.

Nomination and selection

The Board of Directors must be composed of an adequate number of directors with diverse, yet complementary, professional backgrounds, knowledge and experience. The composition of the Board should allow for changes without disrupting its efficient operation. In accordance with Vandemoortele's Corporate Governance Charter, at least one-third of the

Board must be of a different gender than the other members.

Directors are appointed for a period of 3 years, twice renewable. To submit (re-)appointment proposals to the shareholders, the Board requires a recommendation from the Compensation & Nomination Committee.

To be considered for (re-)appointment as a non-family director, a candidate must meet certain criteria. Every candidate should:

- have **specific skills, knowledge and experience** to complement those already present on the Board. To attract the right candidates, the Board draws up a description of the profile they are looking for;
- demonstrate **probity, integrity and professionalism**, and be sufficiently available to fulfil their obligations as a non-family director in an adequate manner;
- be sufficiently **independent**. That is, they must be free of any commercial relationships, close family ties or other connections with the company, the controlling shareholders, or the management of the Vandemoortele Group. Such ties might give rise to conflicts of interest and/or could affect the independent and sound judgement of the director.

The family shareholders freely determine the criteria that the family directors must fulfil. The mandates of the directors expire at the Annual General Meeting immediately following the date on which they reach the age of 70.

Responsibilities of the Board

The Board of Directors supports the CEO and the Executive Committee in the performance of their duties, and questions their approach when appropriate. The key responsibilities of the Board of Directors are:

- **Strategy:** the Board outlines Vandemoortele's strategic course, based on proposals from the CEO and the Executive Committee. It approves the operational plans and the main policies developed by the CEO and the Executive Committee to implement the strategy.
- **Leadership:** the Board appoints Vandemoortele's CEO and the members of the Executive Committee. It defines the Group's general remuneration policy and the specific remuneration conditions for the non-executive directors, the CEO and the members of the Executive Committee. It also reviews their performance.

- **Supervision & monitoring:** the Board supervises the business evolution and Vandemoortele’s general performance. It approves and evaluates the risk management and internal control processes proposed by the CEO and the Executive Committee. In general, the Board meets seven times per year. This number may vary according to the needs of the Vandemoortele Group. Additional meetings to discuss specific topics may be called at any time, though the timing should allow for some flexibility. In the event of tied votes, the Chair of the meeting has the casting vote.

Evaluation

The Board of Directors examines and evaluates its own operation and performance as a collegial body on a regular basis. This includes the specialised committees and their respective responsibilities, tasks and operations. To this end, the Chair conducts **a yearly internal Board assessment**, based on individual discussions with all members. These evaluations have four objectives:

- to review the operation of the Board;
- to ascertain whether or not the key issues are thoroughly prepared and discussed;

- to assess the existing composition of the Board in the light of the required composition;
- to evaluate the interaction between the Board, the CEO and the Executive Committee.

The findings of each evaluation are reported to and discussed within the Board.

Special committees

The members of the Board of Directors actively engage in their duties. They are committed to making business decisions based on objective data and independent judgement.

In order to carry out its tasks and responsibilities efficiently, the Board has set up two special Committees.

The Compensation & Nomination (C&N) Committee

assesses the performance of the CEO, the members of the Executive Committee and the individual directors. It also assists and advises the Board on the nomination of the CEO, the members of the Executive Committee, and the non-family Board members, as well as on remuneration matters, organisational development and talent management.

The C&N Committee currently consists of:

- Cécile Bonnefond (representing CB Management SARL) (Chair);
- Erwin Pardon (representing Panbosch);
- Jean Vandemoortele;
- François Casier (representing Arema SPRL).

The Audit Committee assists and advises the Board in its monitoring responsibilities, especially regarding control and risk management, IT systems, financial reporting, compliance, and the mechanisms available for raising confidential concerns. It also reviews and assesses any investment of €20 million or more from a financial and risk perspective, prior to submitting a recommendation to the Board of Directors, who shall make the final decision on such an investment.

The committee currently consists of:

- Natasja Laheij (Chair);
- Erwin Pardon (representing Panbosch);
- Jean Vandemoortele;
- Charles Vandemoortele.



CEO

The Chief Executive Officer (CEO) is appointed by the Board of Directors. He or she leads the Executive Committee. The CEO has **the final operational authority and responsibility for the entire Vandemoortele Group**, within the framework of the decisions made by the Board and within the confines of the powers delegated by the Board. He or she also ensures the daily management of the Company as Managing Director (Gedelegeerd bestuurder; Administrateur-délégué).

EXECUTIVE COMMITTEE

The CEO leads an Executive Committee (ExCo) that consists of 7 members:

- the CEO;
- the Managing Directors of the two business lines;
- the Chief Legal & Risk Officer (CLRO);
- the Chief Human Resources, Sustainability & Communications Officer (CHRO);
- the Chief Financial Officer (CFO);
- and the Chief Transformation Officer (CTO).

The ExCo assists the CEO in leading the Vandemoortele Group operations. **It supports and monitors the two business lines**, Bakery Products and Plant-Based Food Solutions and helps them to achieve their goals. It also outlines and prepares Vandemoortele's long-term strategy and monitors the execution of the Board's decisions within the agreed frameworks. All members of the ExCo are responsible for their own specific business line or Group service, and report directly to the CEO.

The ExCo presents Vandemoortele's complete and reliable financial and sustainability statements to the Board of Directors. The ExCo members assess the company's and the Vandemoortele Group's financial and sustainability situation and provide the Board of Directors with all necessary information to carry out its duties.



CEO
YVON GUÉRIN



Plant-Based Food Solutions
business line
BART BRUYNEEL



Bakery Products
business line
SABINE SAGAERT



Legal & Risk
PHILIPPE DELSAUT



HR, Sustainability &
Communication
MARC CROONEN



Finance & IT
**HERMAN VAN
STEENSTRAETEN**



Transformation
HELENA VANHOUTTE



CORPORATE GOVERNANCE DECLARATION

Vandemoortele adopts the Belgian Corporate Governance Code 2020 as a reference code. However, considering the specific characteristics of the Vandemoortele Group and, in particular, the fact that our shares are not listed, some principles of the Code have been adjusted.

The **Corporate Governance Code 2020** (provision 3.7) prescribes that the Board of Directors functions as a collegial body, and that decision-making within the Board of Directors should not be dominated by any individual or group of directors. **Vandemoortele's Board of Directors consists of twelve directors, six of whom are (non-executive) directors** representing the family shareholders. The potential corporate governance risk that this situation could entail is a strong control by the representatives of the family shareholders. However, this is mitigated by having an equal number of directors (six) who are not representatives of the family shareholders, including the CEO and five independent non-executive directors who have the necessary expertise, competences and experience.

The Corporate Governance Code 2020 (provision 7.6) prescribes that non-executive directors should

receive part of their remuneration in the form of shares of the company, so that they can act from the perspective of long-term shareholders. **Vandemoortele does not allocate shares to the (non-executive) members** of the Board of Directors because Vandemoortele believes that this type of remuneration is not necessary for these directors, who are carefully selected, and act in an objective manner and in the long-term interest of the company. This is also evidenced by the long-term presence of several of the non-executive directors.

The Corporate Governance Code 2020 (provision 7.9) requires that the Board of Directors set a minimum threshold of shares to be held by the members of the executive management. Vandemoortele deviates from this principle and stipulates **no obligation for the members of the executive management** to hold a minimum number of shares in the company. This is justified by the fact that Vandemoortele considers the current remuneration policy, including the annual granting of stock options to the members of the executive management, to contribute sufficiently to their acting in the long-term interest of the company.

The Corporate Governance Code 2020 (provision 7.11) prescribes that the company may not cover the risks associated with stock options, as this is not in line with the objective of this incentive mechanism. Vandemoortele deviates from this principle **by allowing the beneficiaries of stock options to choose between either accepting in first order an offer of stock options** (either in whole or in part) **with no vested benefit** or, if this offer is refused in first order, accepting **in second order a cascading offer of stock options with vested benefit**, whereby a lower number of stock options is granted. This choice allows the participants, upon accepting the cascade offer (after having refused the first offer), to receive a refund of all or part of the taxes paid on the taxable benefit from the company in the event that the increase in the value of the stock, at the end of the term of the stock option plan, would be less than the taxes paid by the beneficiary. The refund covers only the portion of taxes not covered by the growth in value. This increases the attractiveness of the stock option plan, helping to ensure that our senior managers act in the long-term interest of the company.



OUR PEOPLE

“Good governance enables us to operate legally, ethically, sustainably and successfully to achieve our goals”



Carine Hintjens

Group Legal & Regulatory Affairs Manager

“As Group Legal & Regulatory Affairs Manager, I give legal advice and support to Vandemoortele. After 30 years, I am still passionate about my work, due to the variation in topics and the collaboration with many colleagues. I can also count on an experienced legal team.”

“In recent years, we have been faced with an increasing number of regulatory requirements: legal compliance, corporate social responsibility, sustainability ... To support our management, the legal department is happy to contribute to good corporate governance, within all regulatory limits.”

Belgium,
Ghent HQ Legal
Department

OUR REMUNERATION POLICY

Vandemoortele provides **market-compliant remunerations for all associates, the Board of Directors, the CEO and the ExCo.**

Our managers and associates are offered competitive salaries that are at least in line with the market. At the Group level, we engage with external parties for independent benchmarking. We also conduct research on appropriate wages for our workers, and support associates in specific regions in collaboration with local partners. Every year, we evaluate our salaries in terms of diversity and fairness, again supported by an external party. Through the Associate Engagement Survey, we measure our associates' overall satisfaction with their remuneration. The ExCo reviews and approves the remuneration policies, including the incentives scheme, for all our associates. All remunerations for the CEO, ExCo and Executives are reviewed and approved by the Compensation & Nomination (C&N) Committee.

Our Board members receive **a fixed annual remuneration** for their contribution. All directors receive the same amount, with the exception of the Chairperson, whose remuneration is twice that of the other directors. Members of (one of) the

specialised committees receive a fixed payment for each committee meeting they attend.

The remuneration package of the CEO, the members of the ExCo and the executives consists of three components:

- a fixed remuneration;
- a variable annual bonus;
- share options.

Remunerations are **tailored to the responsibilities that individuals bear** within the Vandemoortele Group. The remunerations for the CEO, ExCo and Executives are reviewed each year by the C&N Committee. This committee also periodically checks the market compliance of the total remuneration packages.

Since sustainability is an integral part of Vandemoortele's business strategy, **the remuneration of our leaders is linked to the achievement of our sustainability goals.** In 2021, we took the first step in this regard by making the remuneration of 25 senior executives partly dependent on our sustainability targets. In 2022, we expanded this to more than 700 managers.

The relevant sustainability goals are defined by the project leaders, our Group Sustainability Manager and the Chief of Human Resources, Sustainability and Communication. They are linked to **our associates' short-term incentives (STIs)**. Sustainability goals for the STIs are defined per job family, to ensure that all associates can contribute to the relevant targets (see Annex). The achievement of sustainability targets defines between **10% and 20% of the STI**, depending on the job family and the level of the position. In addition, associates may also have individual performance goals linked to sustainability targets. The full list of all sustainability targets used to calculate our associates' STIs is included in the Annex on page 178.

Since sustainability is an integral part of Vandemoortele's business strategy, the remuneration of our leaders is linked to the achievement of our sustainability goals



HOW WE LEAD AND REPORT ON SUSTAINABILITY

THE DEVELOPMENT OF OUR SUSTAINABILITY STRATEGY AT BOARD AND EXCO LEVEL

Sustainability is an integral part of the overall Vandemoortele strategy. The development of our **2030 sustainability strategy** included a consultation process in which ExCo members and the Board were consulted several times. This allowed them to closely monitor, manage and oversee the impacts, risks and opportunities for Vandemoortele.

In addition to online surveys sent to the Board and the Executive Committee (ExCo), a 1.5-hour session was dedicated to the **materiality assessment**. Both Board and ExCo members participated in working groups to give qualitative input on the sustainability impacts, risks and opportunities (IROs). The list of material IROs addressed by the Board and the ExCo during the workshop is included in the Annex on page 178.

After stakeholder consultation, the ExCo determined the **material IROs that form the basis of our sustainability strategy**. Subsequently, the Board validated these material IROs.

Next, the **sustainability roadmap** with all targets and KPIs was determined. The ExCo, management teams and project teams actively participated in this target-setting process. In the final phase, the ExCo presented Vandemoortele’s strategy to the Board of Directors. The Board of Directors questioned and validated the strategy, including the targets and indicators. The Board of Directors bears ultimate responsibility for Vandemoortele’s 2030 roadmap.

OUR SUSTAINABILITY GOVERNANCE

In order to implement our sustainability strategy and to achieve our sustainability goals, we have created a governance structure that embeds sustainability throughout our entire organisation.

- The **Sustainability team including the Group Sustainability Manager** develops and implements the sustainability strategy. They coordinate and monitor the annual sustainability plan, focused on the daily implementation of the strategy. In addition, they support the various sustainability project





teams. The Sustainability team is also responsible for communicating the Corporate Sustainability Strategy and its progress to all stakeholders.

- Four times a year: update internal stakeholders (intranet & International Group'Up = CEO gives update on the financial and sustainability results)
- Four times a year: update Management Teams and ExCo
- Twice a year: update the Board of Directors
- Twice a year: update external stakeholders (mid-year & annual report)

- The **Project Leaders** lead the multidisciplinary project team meetings and draft action plans in order to achieve the targets linked to the commitments. They report on their progress twice a year, during the sustainability progress meetings. These include all project leaders, the sustainability team and the members of the Management Teams. The Project Leaders meet separately with the Group Sustainability Manager at least four times a year to align viewpoints, discuss bottlenecks, etc. They also act as the internal contact points for questions about commitments and support for related actions.

The global Vandemoortele sustainability strategy is incorporated in our commercial and operational

strategies. We encourage our various sites, commercial teams and countries to set up local **sustainability programmes** that focus on key priorities and challenges. This is done by the local managers; there are no separate committees.

Some aspects of sustainability are addressed by the Compensation & Nomination Committee, others by the Audit Committee. The Board oversees all sustainability matters in a general way. This is the **responsibility of all members**; there is no specific sustainability mandate.

Sustainability **legislation and frameworks** are recurring topics on the Board's agenda. Senior managers give regular updates and Board members can take specific training courses to upgrade their sustainability expertise. When necessary or advisable, the Board also invites external experts.

We encourage our various sites, commercial teams and countries to set up local sustainability programmes

CONTROLS OVER SUSTAINABILITY REPORTING

Risks related to reporting

Our annual risk management process is designed to manage the risks associated with Vandemoortele’s operations. During that process, we also monitor risks related to sustainability reporting. In 2023, the following reporting-related risks were included:

- **Sustainability reporting:** inadequate disclosure and management of environmental, social, and governance (ESG) factors may lead to reputational damage and regulatory scrutiny. These can impact stakeholder trust and business resilience.
- **Incident reporting:** delays, inaccuracies, or inadequate reports of safety incidents may result in legal and financial consequences, along with reputational damage. These can threaten consumer trust and regulatory compliance.
- **Governance and compliance reporting:** non-compliance with regulatory requirements and standards may lead to legal and financial repercussions, resulting in fines, sanctions and reputational harm.

During the last risk assessment, the ExCo and the Audit Committee did not identify the risks linked to sustainability reporting as priority risks. Therefore,

we did not prepare any mitigation plans. More information on the risk management process can be found on page 45.

Internal control of sustainability indicators

To ensure the accuracy of our sustainability indicators, our methodology and our calculations, we are currently developing factsheets for all sustainability indicators. The goal is to have a factsheet for each sustainability KPI, with a dedicated ‘owner’, a description of the procedure, etc. For now, the owner of each KPI will complete a scorecard four times a year. In the future, this process will be automated to as great an extent as possible. The sustainability team checks all completed scorecards.

In addition, our Internal Audit team regularly assesses the quality of our sustainability data and our data gathering systems.

External limited assurance

Our external auditing partner performed a readiness check on some of our 2021 sustainability KPIs, and a voluntary limited assurance on a

number of selected KPIs in 2022. This voluntary limited assurance is likewise repeated on another selection of our 2023 sustainability KPIs. All comments and additions made by the auditor are taken into account. The KPIs that are assured by our external auditor are included in the Annex on page 164.

In 2023, a voluntary limited assurance audit was conducted on selected sustainability KPIs



STATEMENT ON DUE DILIGENCE

Conducting thorough due diligence not only promotes sustainable and responsible business practices, but also integrates human rights and environmental issues into our operations and corporate governance. The following table shows how the key aspects and steps of our due diligence process are reflected in our sustainability statement.

CORE ELEMENTS OF DUE DILIGENCE	PARAGRAPHS IN THE SUSTAINABILITY STATEMENT
1) Embedding due diligence in governance, strategy and business model	P. 41-43 How we lead and report on sustainability
2) Engaging with affected stakeholders in all key steps of due diligence	P. 175-177 Engagement with key stakeholders
3) Identifying and assessing adverse impacts	P. 63-65 Our double materiality assessment
4) Taking actions to address those adverse impacts	P. 68-149 Our action plans
5) Tracking the effectiveness of these efforts and communicating them	P. 68-149 Our performance in 2023



HOW WE MANAGE RISKS AND OPPORTUNITIES

Our current risk management process relies on **an annual survey among 250 associates** across various business lines, functions, levels and regions. All participants are asked to provide input on the main business risks for Vandemoortele. This input includes:

- **a list of potential risks** that could affect the achievement of our strategic goals;
- **a ranking of all risks** in our risk universe, distinguished according to operational, financial, legal and compliance risks.

Based on the input received, the internal audit team identifies and quantifies the risks, and draws up a risk heat map to help with prioritisation. Based on this heat map, a list of priority risks is then presented to the ExCo and subsequently to the Audit Committee. **The ExCo and the Audit Committee discuss the list of priority risks** and make the final decision as to which risks will be monitored at the Group level. For each priority risk, a mitigation plan is prepared and regularly reviewed by the ExCo and the Audit Committee. In addition, the outcome of this exercise is used to prepare the audit plan for the coming year.

In 2022, we started to incorporate Environment, Social and Governance (ESG) risks into the risk management process. The following ESG risks were included in the process:

- geopolitics (including climate change, extreme weather conditions, etc.);
- War for Talent;
- ESG stakeholder expectations;
- incorrect reporting (all types of reporting including ESG reporting);
- use of natural resources;
- shifts in consumer habits;
- regulatory compliance (compliance with a wide variety of regulations, including CSRD).

For 2024, the team proposed to include four ESG risks as priority risks: the war for talent, stakeholder expectations regarding ESG, the use of natural resources, and shifts in consumer habits.





FINANCIAL RISKS

Credit risk

Depending on the (in)ability of our customers to fulfil their contractual obligations, **Vandemoortele could potentially be exposed to a credit risk.** To protect ourselves against customer defaults and bankruptcies, we rely on the services of international credit insurance companies, and we apply internal credit limits to individual customers.

Fluctuations in currencies and interest rates

Because of the nature and structure of our activities, **Vandemoortele has only limited exposure to the risk** of fluctuations in currencies and interest rates.

OPERATIONAL RISKS AND CHALLENGES

Cybersecurity

A hostile cyberattack, especially one that stems from ransomware, could potentially have a significant impact. To protect ourselves, we have reinforced our **ICT infrastructure and taken out adequate cybercrime insurance.** In addition, a security council – with associates from various departments – has been created to monitor the evolution of this risk.

Supply chain interruption

A limited availability of raw materials, combined with **unexpected issues with single-source key suppliers, may lead to an insufficient supply.** If that happens, our manufacturing capacities will decrease and we may not be able to keep up with product demand. This issue has become evident over the past year, and will probably remain a significant challenge in the future. However, we have already developed and implemented mitigation controls that focus on single-source supplier risks.

Product liability

Very rarely, our products may contain **contaminants or bacteria that impair their safety or quality.** Taking action to replace or recall non-conforming products could impact our financial results or lead to reputational damage.

Regulatory non-compliance

Legislation on environment, climate, health and safety is becoming **increasingly strict and complex.** New regulations concerning sustainable production (i.e. packaging tax, carbon tax, traceability of production, etc.) may put pressure on our supply chain. In addition, **EU legislation on sustainability reporting**

(the Corporate Sustainability Reporting Directive, or CSRD) will require large companies to disclose information on how they address social and environmental issues from 2024 onward. We work hard at Vandemoortele to maintain full compliance with the different legislations, and even to be a forerunner in certain domains. But more stringent legislation in different areas will present us with challenges and additional costs in the upcoming years.

FORCE MAJEURE RISKS

Geopolitics

The crises in Ukraine and Israel do not have a direct impact on our business, since Vandemoortele has no production sites or commercial offices in Russia, Ukraine or Israel. However, as Ukraine and Russia are the world's largest suppliers of wheat and sunflower seeds, **new price rises could have an indirect impact.** In addition, geopolitical concerns might lead to increased volatility in energy prices and foreign exchange rates.

ESG TOP RISKS

War for talent

After the COVID-19 pandemic, we witnessed a revival of the labour market. Consequently, a **focus on employer branding and on attracting and retaining people** once again became a priority. In the war for talent, it is becoming increasingly difficult to attract the right profiles, especially operators. Applicants are increasingly looking for positions they can be proud of, and for employers who will treat them well. As such, a strong employer brand with a clear and ambitious vision on sustainability is a critical asset in the current climate.

ESG stakeholder expectations

The increased visibility of ESG regulations worldwide has led to **higher expectations from stakeholders** (e.g. customers) regarding sustainable sourcing, manufacturing, packaging and product content. If Vandemoortele as a company is not able to meet these expectations, it could have a negative impact on our financial results.

Use of natural resources

Our continued use of fossil fuels and other natural resources exacerbates climate change and environmental disruption. Extreme weather conditions and natural disasters, such as floods,

heatwaves and forest fires, are becoming increasingly common. Since our products are made from agricultural raw materials, **we depend on weather conditions being appropriate for cultivation**. For example, heatwaves that give rise to droughts reduce the quality and quantity of wheat harvests, and consequently have an impact on our operations. Furthermore, **natural disasters caused by climate change can damage our infrastructure and lead to supply chain disruptions**.

Shifts in consumer habits

Consumers' preferences are increasingly **shifting towards healthier, natural, more ecologically friendly products** with less impact on our planet. In addition, new labels are making consumers aware of the impact our products have on people and the environment. If we fail to face these challenges, we risk losing our market share and being outcompeted within the market. By continuously improving the ways in which we source our ingredients, changing consumer behaviour will provide us with an opportunity instead of a risk. We enhance our products to make them more sustainable, and guarantee clean and safe products with a good nutritional balance.



PART II

KEY FINANCIAL INFORMATION



“WITH OUR ENLARGED PRODUCTION CAPACITY, WE ARE READY TO INCREASE OUR MARKET SHARE”

After a few turbulent years, the global economy showed signs of a modest recovery in 2023. Still, challenges like inflation and geopolitical instability persisted. How did Vandemoortele cope? Chief Financial Officer (CFO) Herman Van Steenstraeten takes stock after a busy twelve months.

2022 was a year marked by inflation, low purchasing power, geopolitical instability and supply chain disruptions. How did these challenges evolve in 2023?

Herman Van Steenstraeten: “Inflation still played a relatively large role in 2023. It was one of the reasons behind the significant increase in our turnover: we had to raise our prices to balance our raw materials costs. Other factors, however, like supply chain disruptions and geopolitical instability, no longer had a significant impact on our company. We continue to monitor the situation closely, and we are ready to act quickly if anything changes.”

“In terms of purchasing power, we saw a temporary shift from value-added products towards more bread consumption in the first half of the year. Due to inflation, people decided to spend less on convenience food. In the second half of the year, customer confidence was restored and the impact on our product mix faded. The bad weather conditions in Europe during the summer also had a temporary influence on consumption: people eat differently at home than at a barbecue or a picnic.”

Are you satisfied with the 2023 financial results? How well did Vandemoortele do compared to 2022?

Herman Van Steenstraeten: “Our 2023 results are in line with our expectations, and better than those of 2022. After a few turbulent years, our margins are now back at pre-COVID levels. Throughout the year, our sales volumes remained steady, and our turnover increased. Our good results were founded on a strategic basis: we maintained our chosen course and continued to optimise our product, channel and country mix.

For example, we focused more on value-added products, and we continued to experience growth in the Food Service channel. We also expanded our activities in a number of Asian countries.”

“We enhanced our service level, which is back at a pre-COVID level. And lastly, after a few difficult years, the upward price pressure on raw materials and energy began to abate, which gave us some extra breathing space.”

“By maintaining our margins, we leave space for further investments and acquisitions”

Herman Van Steenstraeten – CFO





Which business achievements of the past year are you most proud of?

Herman Van Steenstraeten: “One of the things that really stood out was the optimisation of our logistics platform. In 2023, our transport companies Metro and Panalog merged to form Vandemoortele Transport Solutions: a new specialist in frozen and refrigerated food transport across Europe. By combining the knowledge, experience and advantages of both companies, we take a big step forward.”

“Other significant achievements were the launch of Finance for the Future, a new approach for our financial department, and the addition of a new and ultra-modern pastry line at our site in Torcé 2. There are also many more: the energy and motivation in our company are fantastic to experience.”

In 2025, Vandemoortele is expected to publish its first integrated report in line with the CSRD. How are you handling the increased reporting requirements?

Herman Van Steenstraeten: “Proper compliance with CSRD regulations is a challenge for many companies. One of the main challenges is linking our financial and sustainability reporting. Our financial reporting methods have been in place for a long time, but the sustainability reporting is still being developed.”

“For several years now, Vandemoortele’s financial and sustainability teams have been collaborating closely. We are both part of a new and multidisciplinary sustainability team, which also includes IT experts and workstream leaders. In addition, we have engaged external services to help us comply with the regulations and to ensure we are properly audited. Together, we will ensure that we meet the CSRD requirements.”

What challenges and opportunities do you see for Vandemoortele in 2024?

Herman Van Steenstraeten: “After a year of steady sales volumes, we are now aiming for growth once more in both of our business lines. We seek to maintain our margins, while also leaving space for further investments and acquisitions. Our investments in new equipment, which were already extensive in 2023, will be further accelerated in 2024. With our enlarged production capacity, we are more than ready to further increase our market share.”

“Uncertain global circumstances like war, political tensions and climate change are likely to be present in the future, yet we are prepared to deal with their impacts. Despite such challenges, Vandemoortele remains eager and ambitious to achieve both its financial and sustainability goals.”

KEY FINANCIAL FIGURES

MILLION EURO KEY FINANCIAL FIGURES	2019	2020	2021	2022	2023	2022 VARIANCE
REVENUE	1,384	1,197	1,330	1,739	1,925	186
Adjusted EBITDA*	152	104	119	165	216	51
EBITDA*	140	98	111	163	206	43
Adjusted EBIT**	90	44	55	103	151	48
EBIT (profit from operations)**	75	38	46	98	141	43
EAT***	48	37	33	71	109	38
SNFD****	170	133	92	34	2	-32
RATIO'S						
Adjusted EBITDA / Revenue	11.0%	8.7%	8.9%	9.5%	11.2%	
Adjusted EBIT / Revenue	6.5%	3.6%	4.1%	5.9%	7.9%	
Net profit / Revenue	3.4%	3.1%	2.5%	4.1%	5.7%	

* Earnings before interests, taxes, depreciation and amortisation. ** Earnings before interests and taxes. *** Earnings after tax. **** Senior net financial debt



CONSOLIDATED STATEMENTS

CONSOLIDATED BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER THOUSAND EURO	2023	2022
Assets		
Goodwill	199,329	199,329
Other intangible assets	5,262	5,925
Property, plant & equipment	398,257	372,256
Derivatives	1,271	5,183
Deferred tax assets	37,783	32,661
Other financial assets	27	30
Other assets	3,035	2,858
Non-current assets	644,964	618,242
Inventories	179,177	203,277
Trade and other receivables	270,610	275,296
Derivatives	1,489	5,728
Cash and cash equivalents	43,687	38,559
Other assets	6,122	12,929
Current assets	501,085	535,789
Total assets	1,146,049	1,154,031

FOR THE YEAR ENDED 31 DECEMBER THOUSAND EURO	2023	2022
Equity and liabilities		
Share capital	79,365	79,365
Retained earnings & reserves	482,338	412,490
Equity	561,703	491,856
Borrowings	84,549	110,643
Deferred tax liabilities	18,391	18,091
Derivatives	-	-
Employee benefits	17,747	15,083
Provisions	8,747	7,147
Other non-current liabilities	5,108	4,964
Non-current liabilities	134,542	155,926
Borrowings	11,965	87,602
Current tax	13,939	9,459
Derivatives	1,748	7,718
Employee benefits	51,331	44,028
Trade payables and other liabilities	370,821	357,442
Current liabilities	449,804	506,249
Total equity and liabilities	1,146,049	1,154,031

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER
THOUSAND EURO

	2023	2022
Revenue	1,924,624	1,738,893
Raw materials and consumables used and goods for resale	(1,047,784)	(1,067,594)
Changes in inventories of finished goods and goods purchased for resale	(14,444)	53,327
Services	(359,309)	(287,597)
Employee benefit expenses	(311,437)	(287,377)
Depreciation and amortisation	(64,421)	(61,812)
Impairment loss on fixed assets	(490)	(2,846)
Write-down on inventories and receivables	(853)	(3,057)
Change in provisions	(1,600)	(755)
Other operating income	30,818	29,097
Other operating expenses	(13,627)	(12,341)
Profit/ (loss) from operations	141,476	97,935
Financial income	5,983	10,125
Financial expense	(13,424)	(15,414)
Profit/ (loss) before tax	134,036	92,647
Income tax (expense)	(24,706)	(21,452)
Profit/ (loss) from continuing operations	109,330	71,195
Profit/loss	109,330	71,195
Profit/loss attributable to the owners of the parent	109,330	71,195



As the shares are not traded upon a public market, the standard IAS 33, § 66/70 relating the presentation and disclosure of the basic or diluted earnings per share and the weighted average number of ordinary shares is not applicable.

BUSINESS REVIEW 2023

FINANCIAL PERFORMANCE

2023 was a year of **economic recovery** for Vandemoortele. Although inflation continued to play a role, we were affected by geopolitical tensions and supply chain disruptions to a far lower extent. The purchasing power of European households also increased throughout the year.

Our business performance improved for most of our key performance indicators, with these improvements being fully in-line with our strategic plans. Our **revenue increased** to €1,925 million in 2023 (+11% compared to 2022); this was mainly due to the price increases we implemented to recover from the significant cost inflation. Towards the end of the year, the upward price pressure on energy and raw materials began to abate, which gave us some breathing space.

The **adjusted EBITDA** amounted to €216 million, or 11% of the 2023 revenue. This represents a 31% increase of the **adjusted EBITDA** compared to 2022. The adjusted EBIT amounted to €151 million (+47% compared to 2022). The EBITDA and EBIT improvements were driven by a combination of **operational excellence**, a **better product and**

channel mix, and various **cost saving measures**. Our customers value the quality of our products, our high service levels, our brands, and the solutions we offer.

Our main challenge in 2023 was the same one that we faced in 2022: **uncertainty**. From raw material prices and labour availability to weather conditions and consumption patterns: many factors were hard to predict. This made forecasting and production planning much more complex. Thanks to our dedicated teams, however, we managed to stay on track.

On top of a strong adjusted EBIT, the negative impact of the adjusting items and the positive impact of lower interest expenses allowed us to achieve **earnings after tax (EAT)** of €109 million in 2023. This is 54% higher than in 2022. The consolidated balance sheet includes **equity** of €562 million and a **senior net financial debt** of €2 million (compared to €34 million in 2022).





Performance of Bakery Products

2023 was a highly satisfactory year for the Bakery Products (BP) business line. **Revenue** increased to €1,178 million, while the adjusted EBITDA rose to €128 million. The increase in revenue was mainly driven by the impact of our higher sales prices. These were implemented in 2022, and were necessary to compensate for the rising prices of raw materials, ingredients, packaging, energy and logistics.

The overall **sales volume** fell by 2%, primarily as the result of a declining raw bread market. We actively managed our contract portfolio in order to improve our customer service levels.

Throughout the year, the BP business line steered towards **improved product, customer, channel and country mixes**, while simultaneously reducing less profitable business. Our stronger focus on value-added products and on the Food

Service channel proved its worth. To support the growing demand for our pastry products, we invested in a new and ultra-modern pastry line in Torcé 2. We also successfully launched the Mars® donut and the Secrets pastries. On the whole, we aimed for a customer-centric and solutions-driven approach, including sustainable packaging.

2023

was a highly satisfactory year for the Bakery Products (BP) business line

MILLION EURO	2020	2021	2022	2023	2022 VARIANCE
KEY FINANCIAL FIGURES BP					
REVENUE	724	813	1,013	1,178	165
Adjusted EBITDA	61	87	97	128	31
EBITDA	56	81	95	119	24
Adjusted EBIT	14	37	48	77	29
EBIT (profit from operations)	7	30	43	68	26

Performance of Plant-Based Food Solutions

The Plant-Based Food Solutions (PBFS) business line ended the year with favourable figures.

Revenue increased to €762 million, while the adjusted EBITDA rose to €88 million. As with BP, the increase in revenue was mainly driven by higher sales prices, which we implemented in 2022 and maintained in 2023 to overcome inflation and rising costs.

The overall **volume sold** increased slightly by 1%. That general number hides a noticeable redistribution of sales between channels, however; the Food Service channel experienced a temporary decline, due to economic uncertainty, supply chain issues and aggressive price competition, while our volumes in the Industry channel decreased in the first half of the year, due to

non-competitive pricing in our non-European export markets, although this was neutralised by a strong performance in our core markets in the second half of the year. At the same time, the Retail channel grew by 12% as we regained a few private label contracts with major retailers across Western Europe.

A remarkable achievement in the first half of 2023 was the commissioning of our **pumpable shortenings line** in Zeewolde. Pumpable shortenings are 100% plant-based fats that can be used directly in customers' production processes. Key customers for this product are biscuit and cookie manufacturers; many of these already received successful bulk deliveries last year. Despite the temporary decline, we further

implemented our **growth strategy** in the Food Service channel, and we prepared the launch of a new production line in Germany to cope with the growing demand in the Industry channel.

A remarkable achievement in the first half of 2023 was the commissioning of our pumpable shortenings line in Zeewolde

MILLION EURO KEY FINANCIAL FIGURES MCOF/PBFS	2020	2021	2022	2023	2022 VARIANCE
REVENUE	470	516	732	762	30
Adjusted EBITDA	43	32	68	88	20
EBITDA	43	30	68	88	20
Adjusted EBIT	30	18	55	74	19
EBIT (profit from operations)	30	16	55	74	19



OUR PEOPLE

Fernando Gómez Montero

Accounting Manager Spain

"I joined the Spanish Finance Team after the acquisition of Lasem in April 2003. After a year at the Vandemoortele Group, I was offered the opportunity to manage the accounting department."

"As our business began to grow, we all had plenty of opportunities to develop our careers. Together, and with the support of our managers, we have become a reference in administrative management. The secret behind our success is our team spirit: as long as we trust each other and replace 'I' with 'we', we will succeed."

Spain,
Sant Just Desvern

"We all work
together as a
strong team"





Cost drivers

Inflation continued to play a relatively large role in 2023. At the beginning of the year, we had to adjust our prices to balance our raw materials cost. Energy and gas prices, along with packaging costs also remained elevated. Additionally, employment costs also increased at the beginning of the year.

As the year progressed, the pressure on raw materials, packaging and energy costs began to ease, which gave us some breathing space.

Effective cost management and the **drive for energy efficiency** – especially in the light of high energy prices – played a crucial role in our gaining control over expenses. We also restructured several sites to optimise our fixed cost base. Furthermore, we invested in windmills and solar energy in order to reduce our dependency on energy prices and meet our sustainability targets.

Investments

In order to support our growth strategy and to meet the rising demand for our products, Vandemoortele spent nearly €78 million on investments in 2023. The Bakery Products (BP) business line received €59 million, and we allocated €19 million to Plant-Based Food Solutions (PBFS). All of our investment plans were supported by steady financial margins, optimally positioning us for sustainable and long-term growth.

In BP, our largest investment was the new pastry line in Torcé 2, France. This production line primarily manufactures Bake'Up® products for the non-European market. We also upgraded our production lines for floor-oven bread in Ravenna, to bring more value-added products to the Italian market. In terms of packaging, we replaced a portion of the blister packs in our donut factories with flowpacks, thus saving packaging materials, and we automated our packaging lines at several sites to enhance their capacity and efficiency.

Investments in PBFS mainly focused on the further replacement of our production control system. We also updated our production lines for the Retail channel and installed a Cleaning-in-Place (CIP) system at our site in Izegem, in order to comply with increasingly strict legal and market expectations in terms of allergen cross-contamination and microbiological limits. Lastly, we prepared the new production line for 10 kg margarine blocks in Dresden, Germany, to meet the growing demand in the Industry channel.

Important events after the closing date of the accounts

None have been noted at present.

OUTLOOK 2024

In 2023, our financial, commercial and supply chain strategies all delivered results consistent with our expectations. We will therefore continue to pursue our chosen strategic course across the next twelve months. All major new investments will be screened for their sustainable nature.

With regard to the **Bakery Products** business line, we will continue to develop the Food Service channel and to improve our product mix by introducing more value-added products. Our ambitious BP investment plan entails both capacity extension and the improvement of existing production lines. These investments are needed to deal with our long-term development plans, which follow our expansion and our growing market share, especially in terms of pastry. In addition, we continue to invest in the energy optimisation and the safety of our manufacturing sites, keeping our assets up-to-date and compliant with all energy regulations and safety standards.

Our growth plans for **Plant-Based Food Solutions** centre on our professional channels – Food Service and Industry – and on the Retail Private Label channel. In spite of the uncertain economic situation, we will continue to develop

these. To support our growth path, we will invest in further upgrading of our Retail lines and in new technology for the Industry channel. In terms of sustainability, we will continue our efforts to reduce our energy consumption.

We will continue to pursue our chosen strategic course across the next twelve months



PART III

SUSTAINABILITY STATEMENT



“OUR 2030 SUSTAINABILITY STRATEGY FITS WITH THE CSRD TRANSPARENCY REQUIREMENTS”

With the Corporate Sustainability Reporting Directive (CSRD) fast approaching, 2023 was a year of transition for Vandemoortele. Sustainability leaders Marc Croonen and Aurélie Comhaire look back at the update of the sustainability strategy, and reveal their plans for 2024.

In 2023, Vandemoortele updated its sustainability strategy. Did you make many significant changes?

Marc Croonen: “The development of our 2030 sustainability strategy was a very intense process, which resulted in interesting new insights. In general, we retained our key focus points, but we did introduce some new highlights and priorities. For example, we expanded our scope from healthy food to conscious nutrition, with more care for the wider impact of food on people and the planet. With regard to nature protection, we placed greater emphasis on carbon reduction in our value chain and on saving water. We also stepped up our commitment to diversity, equity and inclusion.”

Aurélie Comhaire: “A good sustainability strategy requires continuity. The consultation process made clear that we were already on the right track, and we will continue along the same lines. With the Green Deal and the Corporate Sustainability Reporting Directive (CSRD) coming into effect, we added some new touches and clarifications. The updated strategy fits with the transparency requirements of the CSRD.”

Which do you consider to be your most important sustainability achievements of the past year?

Aurélie Comhaire: “In 2023, we made a great deal of progress in terms of sourcing. We achieved

“Our 2030 sustainability strategy adds new highlights and priorities to its predecessor”

Marc Croonen



**Marc Croonen – Chief Human Resources,
Sustainability and Communication**

**Aurélie Comhaire –
Group Sustainability Manager**



our sustainable sourcing targets for various raw materials, from palm oil to cocoa. The grievance mechanism we launched ensures the further improvement of our supply chain. We also made further progress for our Clean Label target: nearly 80% of the bakery products we sold were Clean Label. In addition, we dedicated considerable effort to developing our climate targets, in line with the Science Based Target initiative (SBTi)."

Marc Croonen: "With regard to our associates, we managed to close the pay gap at staff level, and we upped the number of training hours per associate. Our increased efforts to promote associate engagement are also paying off: our latest Associate Engagement Survey shows that our associates have become even more committed – both to our business goals and to our sustainable approach – and that their sense of well-being has further improved."

“We are aware that achieving CSRD compliance is a learning process”

Aurélie Comhaire

Did 2023 also present challenges in terms of sustainability?

Aurélie Comhaire: "In our Plant-Based Food Solutions (PBFS) business line, we struggled to reduce our energy consumption. We are taking additional efforts to address that challenge. At the same time, our PBFS business line faced significant food losses. This was mainly due to stricter hygiene requirements (more cleaning and hard changeovers), varying forecasts and capacity constraints within certain production lines."

Marc Croonen: "Even with our experience in sustainability reporting, preparing for the CSRD legislation is an intensive process. Reaching the required level of detail in our data was quite a challenge. We are currently exploring options to automate some of the data gathering. In addition, we are revisiting all of our KPIs, to ensure our next sustainability report will be CSRD compliant. We are working on new initiatives to create positive impact and combine this with CSRD compliance."

What further steps do you intend to take in 2024?

Marc Croonen: "In 2024, we will launch our 2030 sustainability strategy and communicate about it extensively, both to our associates and to external stakeholders. We will also focus on finalising our

science-based targets, and on lowering our scope 3 FLAG emissions (*greenhouse gas emissions from agriculture, forestry and other land use, ed.*) in our value chain. Enhancing supplier engagement will also play an important role. Moreover, we will further improve our safety measures, we have plans for more plant-based alternatives, and we are working to further reduce our energy consumption. And, of course, we continue to prepare for the CSRD."

Aurélie Comhaire: "We are aware that achieving CSRD compliance is a learning process. But the fact that Vandemoortele has been committed to sustainability for years enhances our credibility. We are on the right track, and next year we will make additional improvements."

OUR SUSTAINABILITY STRATEGY 2030

SHAPING A TASTY FUTURE SUSTAINABLY

Many current food systems are unsustainable: they deplete our resources, cause significant environmental damage and drive climate change. As a food company, Vandemoortele strongly supports the transition to another, more sustainable, food supply. We aim to make a difference by reducing our negative impacts and maximising our positive contributions.

We take responsibility across the **entire value chain**: from sourcing, product design and production, to consumption and disposal of food and other waste. Our Corporate Sustainability Strategy 2030 provides a strong foundation for all of our actions, and places sustainability at the heart of our business. It covers our production processes, our working and management standards, our company culture, our attitudes inside and outside the company, and of course our brands and products. Our strategy also states our intention to report transparently and to become CSRD compliant as soon as possible.

Economic success should not come at the expense of our planet or the people that live on it. That is why we take precautions to protect planet and

people alike, and to improve our value chain. In doing so, we go beyond legal obligations: our ambition is to set the trend and to become a leader among our peers. We are aware that there is still a way to go, but we are determined – and proud – to shape a tasty future in a more sustainable way.

OUR DOUBLE MATERIALITY ASSESSMENT

Carrying out a double materiality assessment is an essential step towards achieving CSRD compliance. It enables an in-scope company to identify how its operations impact people and the environment throughout its value chain, and also considers how external evolutions like climate change impact the financial value of the company. This combination of impact materiality and financial materiality is called ‘double’ materiality. By identifying all material impacts, risks and opportunities (IROs) across environmental, social and governance topics, the double materiality assessment ensures **shared value creation** for Vandemoortele, and provides indispensable insights for shaping our company’s strategy. In addition, it determines the scope of the sustainability reporting and enables an efficient allocation of resources.





Our double materiality assessment was conducted from April 2023 to September 2023. It encompassed the following steps:

1. Context mapping
2. Identifying potential material IROs
3. Determining the ‘material’ matters, based on an assessment of the IROs
4. Validation of the final list of material matters

Context mapping

To understand how Vandemoortele conducts its business, the first step was to map the context in which the company operates.

- All **key activities** of the organisation were delineated. This included the production processes, the distribution channels, and the geographical locations of all Vandemoortele sites. We took the entire Vandemoortele Group into account.
- The entire **value chain** of the organisation, both upstream and downstream, was mapped. The full mapping of our value chain can be found in part 1: Our value chain.
- Lastly, we pinpointed the **key stakeholder groups** – both within the company and across the value chain – and defined in which stage of the materiality assessment process their engagement would be most appropriate. To select our stakeholder groups, we started from

the list of stakeholders contained in the stakeholder consultation conducted in 2020, adding new stakeholders who we believed could give relevant feedback.

This resulted in seven stakeholder groups: **customers, suppliers, financial institutions or investors, consultants, experts, NGOs and federations.**

Identifying potential material impacts, risks and opportunities

After the context mapping, we compiled a longlist of potential IROs across Vandemoortele’s value chain. The analysis required to compile the longlist included:

- insights from the previous materiality assessment, conducted by Vandemoortele in 2020;
- broad desk research on emerging trends in the food industry;
- a benchmarking analysis of the sustainability reports of 20 other food companies, including competitors and sector leaders.

By casting our net wide and thinking outside the box, we aimed to capture all relevant current and future topics and IROs from the agrifood sector. The entire bottom-up analysis yielded a list of 200 potential material IROs.

Pre-filtering of the longlist

In a subsequent survey, the Executive Committee (ExCo), the Management Teams (MT) and the sustainability Project Leaders rated the 200 IROs on importance. The topics with the highest scores were included in the longlist of potential material sustainability IROs. The ExCo validated the final list of potential material IROs.

Determining the material matters, based on an assessment of the IROs

To determine the final material sustainability matters, we conducted a stakeholder consultation, since engagement with your stakeholders is an essential component of our double materiality assessment. We asked our stakeholders to assess our list of potential material IROs. Both internal and external stakeholders scored the topics and the IROs through an online survey, and had the chance to add additional topics and/or IROs. Key internal stakeholders also participated in focus group discussions, while key external stakeholders were invited to share their perspectives through in-depth interviews.

The stakeholder consultations also encompassed the perspectives of the Board and the ExCo. In addition to online surveys sent out to the Board and ExCo, a dedicated session about the materiality assessment was organised during a

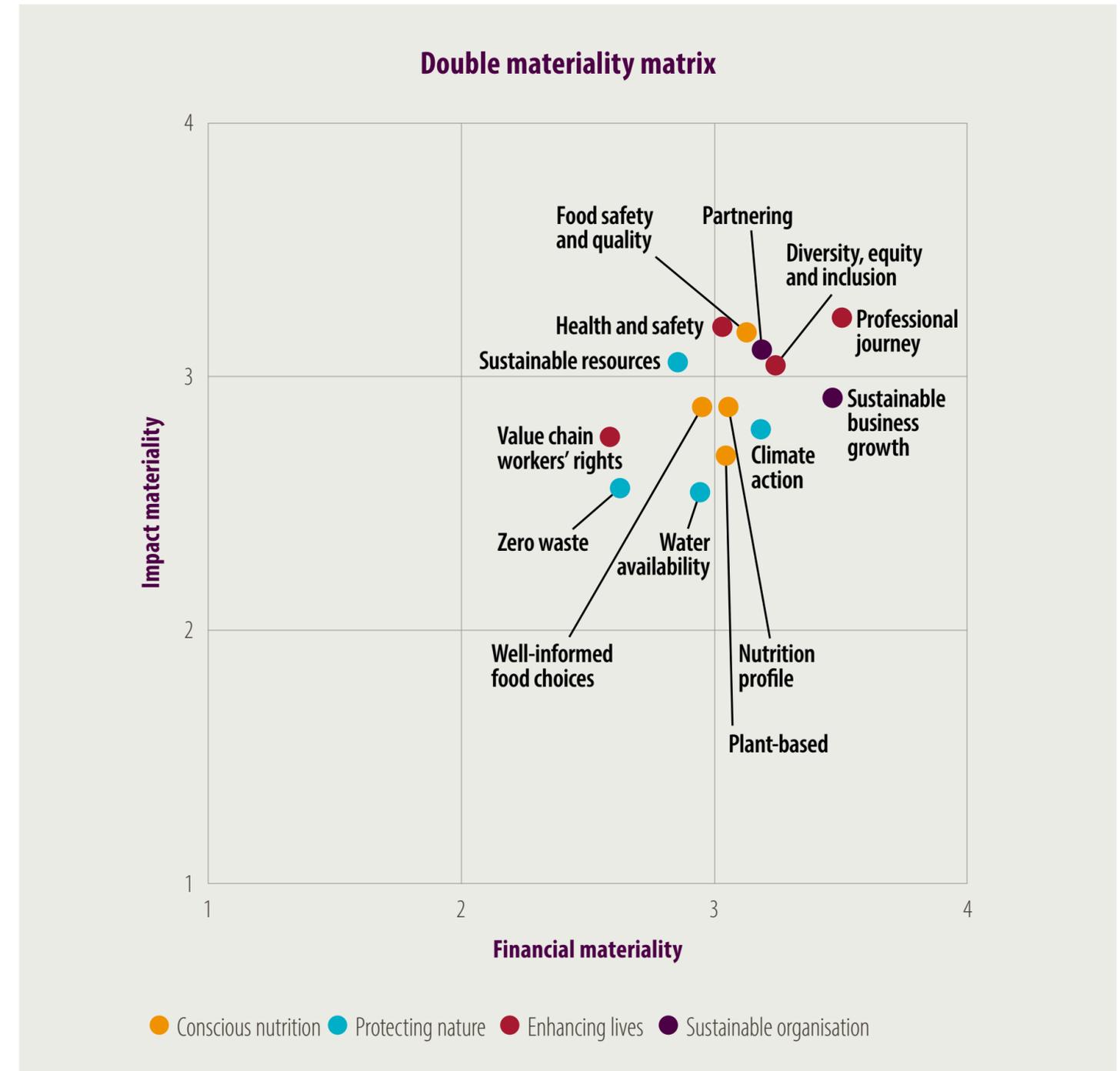
Board meeting. Both Board and ExCo members participated in working groups to give qualitative input and feedback on the sustainability IROs.

Validation of the final list of material matters

To validate the final list of material sustainability matters, several meetings were held with the Management Teams, the ExCo and the Board. The participants discussed both the quantitative results from the online survey and the qualitative insights from the focus groups and interviews.

Update of our sustainability strategy

The validated material IROs were clustered at the level of the Vandemoortele commitments. The materiality matrix identifies the sustainability topics that are most important to our company and our stakeholders, and those that impact us in terms of growth, cost, risk or opportunity. They are also the topics that our stakeholders expect us to take action on.



THREE GOALS, ON A SOLID FOUNDATION

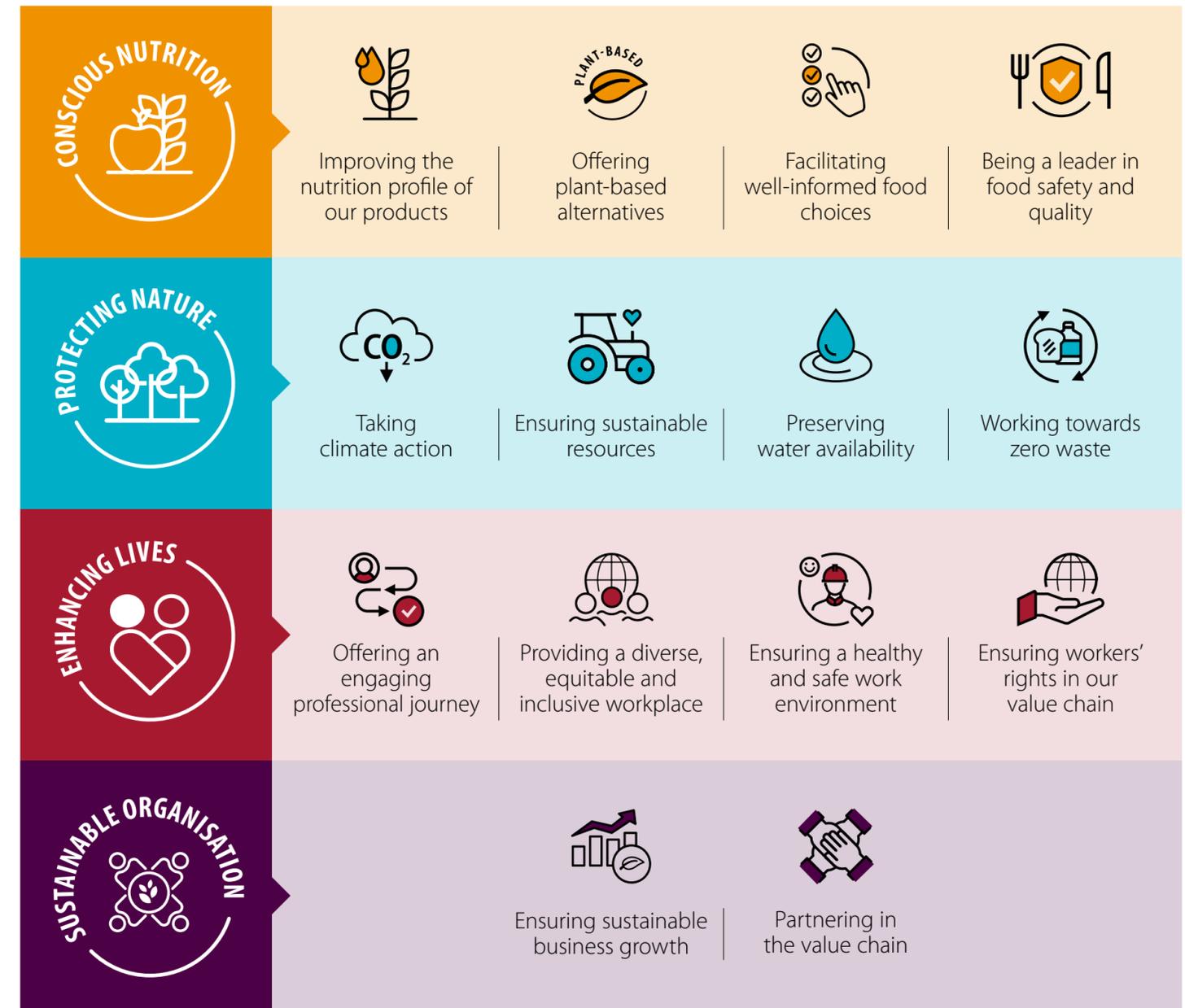
Our former sustainability strategy was directed by three strategic goals: Balanced nutrition, Protecting nature, Enhancing lives. In our updated strategy, we extend the goal Balanced nutrition to Conscious nutrition, and we add Governance as the solid foundation that shapes our sustainable organisation. By integrating these new perspectives, we are acting on the results of the double materiality assessment.

- **Conscious nutrition** shows our intention to improve the nutrition profile of our products, facilitate well-informed food choices, offer plant-based alternatives and be a leader in food safety.
- **Protecting nature** covers our efforts to source more responsibly, preserve water availability, strive for net zero carbon emissions and work towards zero waste.
- We intend to achieve our third goal, **Enhancing lives**, by offering our associates an engaging, inclusive and safe workplace and a promising professional journey. We also take care of our workers in the value chain and collaborate with our partners in order to create a positive social impact.

- Our main goals rest on our strong governance foundation, **Sustainable organisation**, designed to create sustainable growth and ensure a good relationship with our partners.

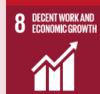
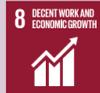
For each goal, we express specific targets to measure and monitor. Our sustainability strategy is dynamic: we are always on the lookout for new or changing IROs in our sector. We also take upcoming legislation and changing stakeholder expectations into consideration.

Our main goals rest on our strong governance foundation: sustainable organisation



OUR CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS

Vandemoortele supports the UN Sustainable Development Goals (SDGs), which provide a shared blueprint to end poverty, protect the planet, and ensure that by 2030 all people will enjoy peace and prosperity. Our sustainability strategy aligns with the SDGs and their specific underlying targets. We pay special attention to the SDGs that we have the greatest impact on. We contribute to the following SDGs:

 <p>CONSCIOUS NUTRITION</p>	 	<p>Zero hunger: we provide tasty, balanced and safe products (2.1). Good health and well-being: we promote good health by offering nutritious and balanced products (3.4).</p>	
 <p>PROTECTING NATURE</p>	     	<p>Zero hunger: we contribute to sustainable food production systems by using ingredients from suppliers that implement regenerative agricultural practices. We help sustain vulnerable ecosystems and increase their adaptive capacity to combat climate change and tackle extreme weather events like droughts, floods and other disasters. We contribute to the progressive improvement of land and soil quality (2.4). Clean water and sanitation: we increase the efficiency of our water use, and we respond to water scarcity by ensuring sustainable extraction of freshwater (6.4). Affordable and clean energy: we help to increase the share of renewable energy in the global energy mix (7.2) and we contribute to energy efficiency (7.3).</p>	<p>Responsible consumption and production: we devote a great deal of attention to the sustainable management and efficient use of natural resources (12.2). We reduce food waste and we prevent food losses along the supply chain (12.3). We manage all of our waste in a responsible way throughout its full life cycle (12.4). Through prevention, recycling and reuse, we prevent the generation of waste (12.5). Climate action: we improve our business model and make it more adaptable and resilient to climate-related hazards and natural disasters (13.1). We incorporate climate change measures into our strategy and action plans (13.2). Life on land: we contribute to the sustainable management of forests, and we take measures to stop deforestation and restore degraded forests (15.2). We protect natural habitats and help to reverse the loss of biodiversity (15.5).</p>
 <p>ENHANCING LIVES</p>	    	<p>Zero hunger: we ensure fair incomes for small-scale food producers (2.3). Good health and well-being: we contribute to well-being by offering an engaging and inclusive workplace and by stimulating health and safety at work (3.4). Quality education: we offer our associates meaningful jobs where they can flourish and make a difference (4.4). We ensure that there are no gender inequalities in terms of access to training (4.5). We provide our people with the knowledge and skills they need to promote sustainable development (4.7).</p>	<p>Gender equality: we do not tolerate any form of discrimination against women (5.1), we ensure women's participation at all levels and we provide equal leadership opportunities (5.5). Decent work and economic growth: we offer thousands of people employment and decent work, and we pay our associates equally for equal work (8.5). We protect labour rights and promote safe working places for all of our associates (8.8).</p>
 <p>SUSTAINABLE ORGANISATION</p>	   	<p>Decent work and economic growth: we take effective measures to avoid forced labour, modern slavery and child labour in our value chain (8.7). Responsible consumption and production: we adopt sustainable practices and incorporate sustainability information into our annual reporting cycle (12.6). We provide associates, customers and end consumers with the necessary information to be able to make sustainable choices (12.8).</p>	<p>Peace, justice and strong institutions: we do not tolerate corruption or bribery in any form (16.5). Partnerships to attain goals: we participate in partnerships that share and enhance expertise and technology, and we provide financial resources to support the achievement of the SDGs in developing countries (17.1). We encourage and promote effective partnerships that build on our experience (17.2).</p>

GOAL 1

CONSCIOUS NUTRITION



Nele Beirinckx: “The quality and taste of our products are our trademarks. We produce food that tastes good and brightens up pleasant moments with family and friends. At the same time, providing clean and safe products with a good nutritional balance is our priority.”

“My main mission is to lead the R&D, Quality and Master Data teams and encourage them to support our strategy. Together, we create strong innovations and implement high Quality and Food Safety standards, embedded in a strong data governance culture. This collaboration is the key to our success.”

“In recent years, sustainability has gained a place at the heart of our business. We are continuously improving our products to make them more sustainable. We invest in research and product development in order to provide even better, more balanced and sustainable products. I’m excited to see how the company and our people want to contribute to the future. The main ingredients to achieve a tasty future will always be our positive mindset, our values and our teamwork.”

Our commitments:



Improving the nutrition profile of our products



Offering plant-based alternatives



Facilitating well-informed food choices



Being a leader in food safety and quality



Nele Beirinckx –
Group Director R&D, Quality and Master Data



IMPROVING THE NUTRITION PROFILE OF OUR PRODUCTS

OUR IMPACTS, RISKS AND OPPORTUNITIES

As a market leader in the food industry, we recognise the importance of a **healthy and nourishing diet**. Today's consumers also attach greater importance to healthy food. By improving the nutrition profile of our products, we aim to contribute to consumer health and to meet our customers' expectations. With a wide range of healthy products, we also increase our economic opportunities.

Obesity and other diseases of affluence are a growing problem worldwide. Our **indulgence products**, like donuts or patisserie, are meant as treats. In small quantities, they can easily be added to a healthy diet and lifestyle. We do not aim to turn these pleasure foods into healthy products,

but we do make efforts to reduce their sugar and salt content. The search for a good balance between taste and health will always be a delicate quest for us, but we continue to improve the nutrition profile of our products wherever possible.

OUR POLICIES AND FRAMEWORKS

Our position on sugar

Vandemoortele supports the recommendation of the **World Health Organization (WHO)** that people should reduce their energy intake from sugar. We make efforts to reduce the sugar content in many of our products. By providing transparent and accurate information, we help consumers to make well-informed food choices that fit in with their diet.

Our position on saturated fats

Public health can be significantly improved by **replacing saturated fats with unsaturated fats** in our diets. Vandemoortele supports the WHO recommendation that no more than 10% of our energy intake should come from saturated fatty acids. We continue to optimise the saturated fat content of our products, while also preserving their excellent quality and taste.

Our position on trans fats

Trans fats are created when liquid oils are turned into solid fats by partial hydrogenation. Vandemoortele already started reformulating its margarines 25 years ago to **reduce the trans fat content** in these products. We recognise that trans fats, both from animal and vegetable origin, have a negative effect on human health, and that their presence needs to be reduced. We were therefore very pleased when the **European Commission limited the use of industrially produced trans fats** to 2 grams per 100 grams in all products for human consumption.



Material IRO* defined in the double materiality analysis	Description of the IRO
Consumer health	Negative impact on consumers when offering unhealthy products
Changing consumer behaviour	Financial opportunity or risk of consumer behaviour changing to healthier diets and sustainable products

* Impacts, risks and opportunities according to the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

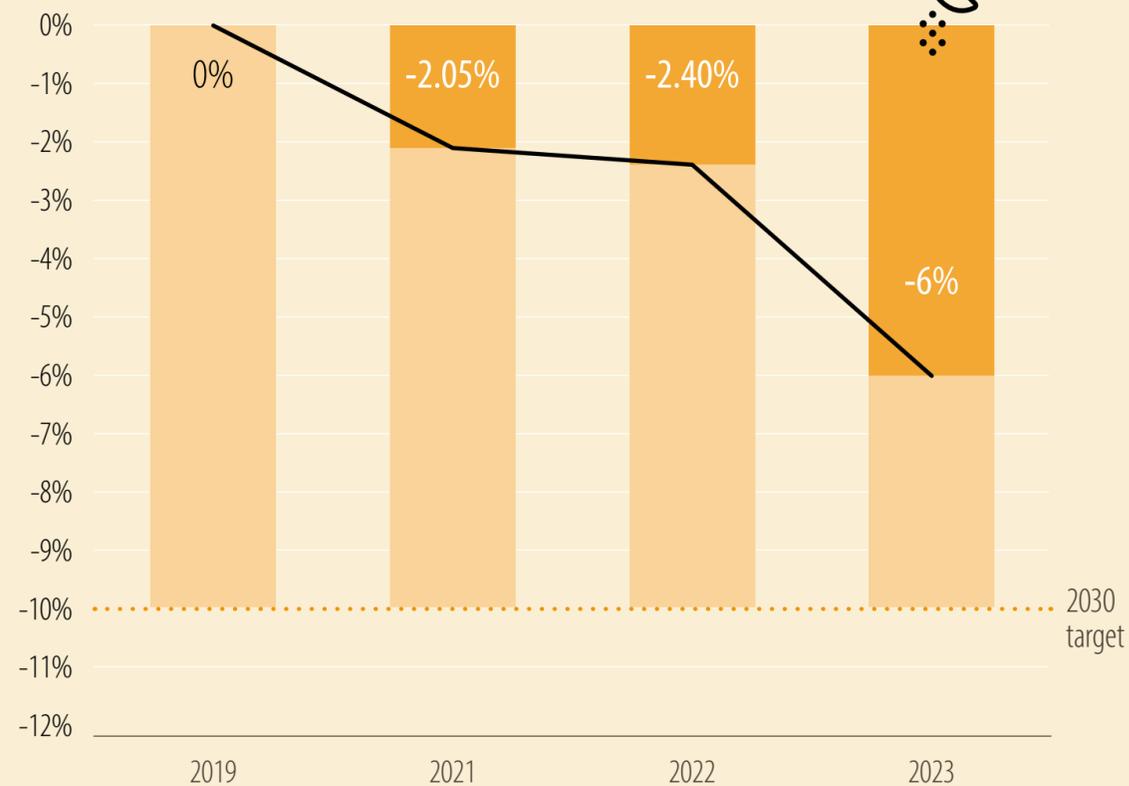
Conscious nutrition commitments » [Nutrition profile](#) Plant-based alternatives Well-informed food choices Food safety and quality



Improving the nutrition profile of our products

To shift towards a healthier diet, people's general intake of salt and sugar should be reduced. Vandemoortele contributes to this by setting a target for reducing the salt and sugar content of certain product groups by 10 vol% by 2030. We have opted for a gradual decrease that does not compromise the premium taste of our products.

Vol% salt reduction in Bakery Products compared to 2019



-6%

salt reduction in Bakery Products

OUR PERFORMANCE

2023 TARGET 2030

Vol% salt reduction in Bakery Products compared to 2019* **-6%** -10%

Vol% sugar reduction in pastry, sweet treats & patisserie compared to 2019 **-2%** -10%



Check out all our targets and progress in the sustainability scorecard

* The salt reduction is calculated based on how the product is consumed, so it takes into account water lost during the baking process. Therefore, this value is a hypothetical value based on previous experiments and tests carried out by experts at Vandemoortele.





OUR PERFORMANCE IN 2023

In 2023, we continued to lower the salt and sugar levels in our products. The **salt content** of our bakery products decreased by 6%* compared to 2019. The target value for salt content has been modified by our updated strategy from a 15% reduction by 2025 to a 10% drop by 2030. In 2024, we will focus more on the salt reduction in pastry products, specifically croissants and chocolate rolls.

Sugar content in pastry, sweet treats and patisserie decreased by 2% versus 2019. A lot of work is still needed to achieve our 10% reduction target. Therefore, we **extended our sugar reduction process by five years**. We want to keep pace with the market, making all salt and sugar reductions part of a gradual process of improvement. We only implement changes after sensory trials, and we give consumers enough time to adapt to the new taste.

Alongside our salt and sugar reductions, we also aim to provide the market with **bakery products that have other health benefits**. Over the years, we have developed and launched several breads with important health and nutrition claims, like 'high in fibre', 'high in protein' or 'wholegrain'. However, the number of bread references without health claims is high, so increasing the number of

breads with health claims has a very small effect on percentage ratio. For this reason, we have decided to continue to create **wholegrain products**, but to stop expressing this as a target.

In 2023, we already **reached our 2025 Nutri-Score® targets of 7% spreads and cooking fats with a better Nutri-Score®**. These positive scores were the result of adjustments to the fat content, the salt content, and the oil types we used (i.e. as little saturated fat as possible). From 2024 onwards, a new algorithm will be used to calculate Nutri-Scores®. As a result, nearly all of our spreads will receive a Nutri-Score® C. Since making a significant difference will become very hard, we have decided against a further follow-up of this target.

The number of PBFS products with a health claim has increased significantly in recent years. We now offer a wide range of products with **extra vitamins, minerals or omega-3**, and therefore we will no longer follow this target.



Scientific partnerships

Our nutritional innovations are accelerated through partnerships with trusted scientific institutions. In the Vandemoortele Centre for Lipid Science and Technology, we collaborate with the **University of Ghent** to carry out scientific projects for the Plant-Based Food Solutions (PBFS) business line. One of our projects involves industrial margarines with a low saturated fat content. Our R&D department also collaborates with **KU Leuven** to research potential sugar reduction measures. The know-how we gather from these studies is taken into account when we develop new products or improve existing ones.

* The salt reduction is calculated based on how the product is consumed, so it takes into account water lost during the baking process. Therefore, this value is a hypothetical value based on previous experiments and tests carried out by experts at Vandemoortele.



OUR ACTION PLANS

Salt and sugar reduction

We have been progressively reducing the salt and sugar levels in our donuts over a number of years. To continue on this path, we have defined an **action plan for our pastry, patisserie, donuts and bread range**. In countries like France and the Netherlands, our actions are supported by new guidelines that impose salt and sugar reductions for various products. Such measures create a level playing field for all food companies.

Nutrition and health claims

The improved compositions of our breads and our margarines for spreading and cooking allow us to make various nutrition and/or health claims. These claims include **'high in fibre', 'high in omega-3 fatty acids', 'cholesterol lowering'**, etc. In our breads, we increasingly use wholegrain wheat, which contains higher levels of fibre and minerals. We also offer a range of spreads that contain extra vitamins, minerals and/or omega-3.

In 2020, we joined a four-year **research project into the effect of processing** on the nutritional and sensorial qualities of sourdough bread. The project includes two scientifically controlled studies involving people, to ensure that any potential future health claims will be science-based.

External cooperations

As a committed food producer, Vandemoortele participates in **valuable research projects** initiated by third-party organisations. Our current cooperations include 'PulseBake', 'FIBRAXFUN' and 'Well on Wheat?'

- The research project **'PulseBake'** aims to translate the available knowledge about legumes into tailored advice for mills, ingredient suppliers and (industrial) bakeries. The goal is to create a more diverse,

healthy and sustainable range of bakery products.

- Dietary fibre plays an important role in a balanced diet. **'FIBRAXFUN'** is a collective fundamental research project that aims to create a knowledge platform about new types of wheat with an extremely high dietary fibre content. The project was completed in 2023, and the partners are now sharing the knowledge they gained with interested parties.

- A growing number of people describe themselves as gluten and/or wheat intolerant, often without any real diagnosis. The international **'Well on Wheat?'** project addresses the health aspects of wheat consumption as well as avoiding wheat and gluten. The project was completed in 2023, and we are currently considering how to implement what we have learned.

OUR PROJECTS

Our SourFun project

“Improving the wholesomeness of our bakery products without compromising on taste and texture is only possible by gaining a good understanding of the underlying connections. In the SourFun project, an ICON project supported by Flanders’ FOOD and VLAIO, Vandemoortele brings together its own expertise with that of renowned universities and industrial partners* to unravel the contribution of sourdough. We have long been committed to performing research to optimise our processes and products and to drive innovation. As an industrial bakery producer, we’ve investigated how our processing should be adapted to leverage the benefits of sourdough. Through two scientific studies involving people, we bridge the gap between lab discoveries and practical benefits for consumers.”

→ [Read more about the project](#)

* Flanders’ FOOD, Puratos, Bio bakkerij De Trog, KU Leuven (onderzoeksgroepen ‘Translational Research in Gastrointestinal Disorders’, TARGID en ‘Lab of Food Chemistry and Biochemistry’, LFCB), VUB (onderzoeksgroep ‘Industrial Microbiology and Food Biotechnology’, IMDO)



OFFERING PLANT-BASED ALTERNATIVES

OUR IMPACTS, RISKS AND OPPORTUNITIES

With the global population having surpassed 8 billion, the staggering impact on an overburdened planet is becoming more and more evident. **How will we feed so many people** in the future, especially without causing additional damage? Switching towards a more plant-based diet is one of the easiest and most eco-friendly solutions.

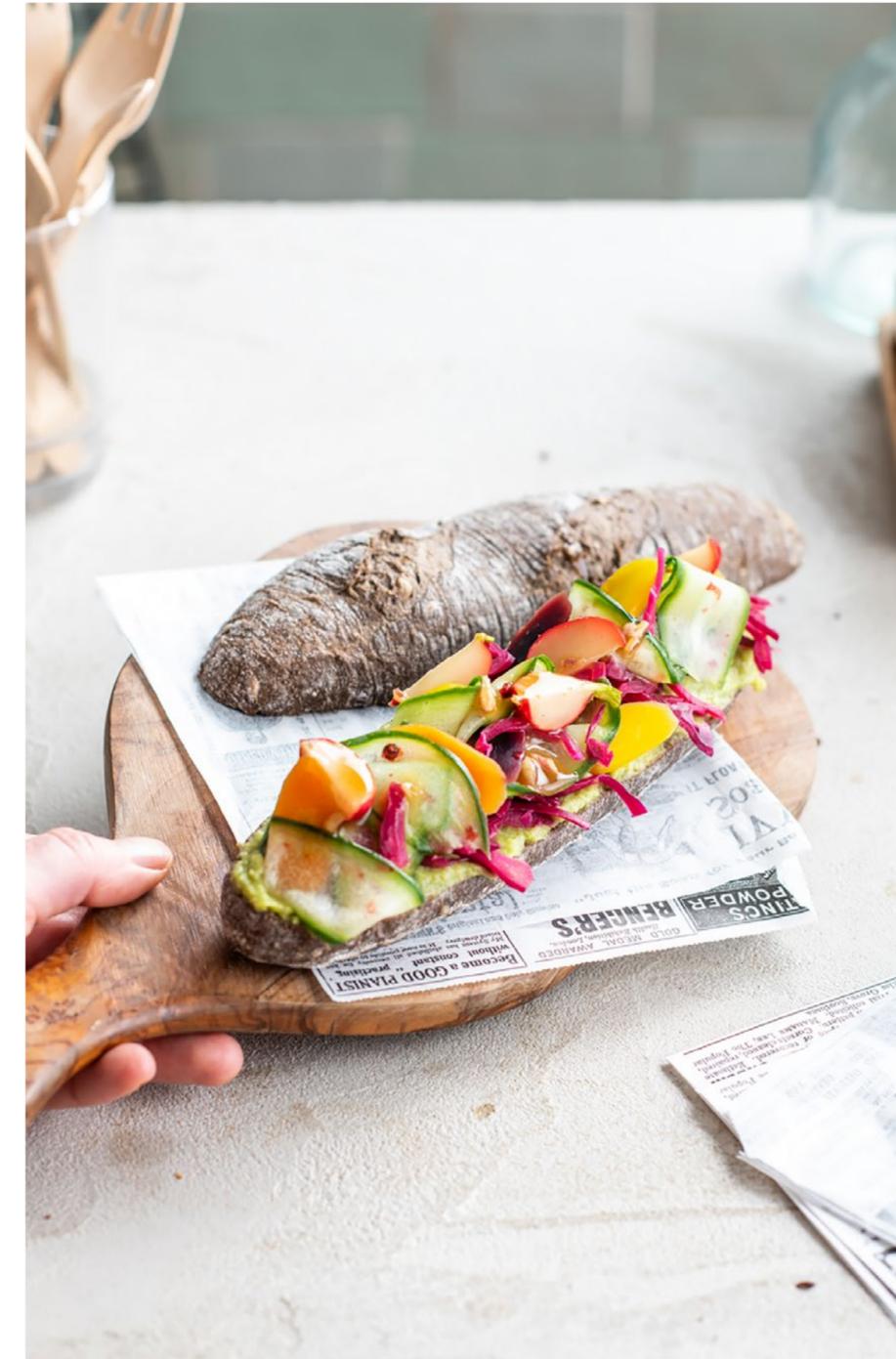
By moving towards **more plant-based ingredients** and products, Vandemoortele reduces its carbon footprint and lessens its climate impact, in line with the European Green Deal. Vandemoortele focuses on plant-based food solutions, like margarine instead of butter.

The production of margarine requires far less land, and its carbon footprint is more than 50% smaller. We also increase our **positive impact on consumer health and on animal welfare**.

Our plant-based products meet current and future consumer needs and support people in making healthy and nutritious food choices. The growing consumer awareness about healthy food and sustainable manufacturing also creates economic opportunities. By offering healthy and sustainable products, we increase our sales volume and improve customer satisfaction.

OUR POLICY

Although the demand for vegan and vegetarian products is growing and the range of products available is expanding, there is still **no EU legislation for vegan or vegetarian claims** on food packaging. As a responsible player in the food market, we want to correctly inform our consumers about our products. How we deal with various claims and definitions is outlined in our position paper **‘Our position on plant-based/vegan’**. Our current claims for ‘vegan’, ‘plant-based’ and ‘vegetarian’ products are based on the definition of the European Vegetarian Union (EVU), ISO 23662:2021 or the Publicly Available Specification (PAS) Guideline. In 2024, we will develop a policy that defines our plant-based strategy.



Material IRO* defined in the double materiality analysis	Description of the IRO
Plant-based diet	Positive impact on people and planet by offering plant-based products that are better for the climate and human health
Changing consumer behaviour	Financial opportunity or risk of consumer behaviour changing to healthier diets and sustainable products

* Impacts, risks and opportunities according to the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

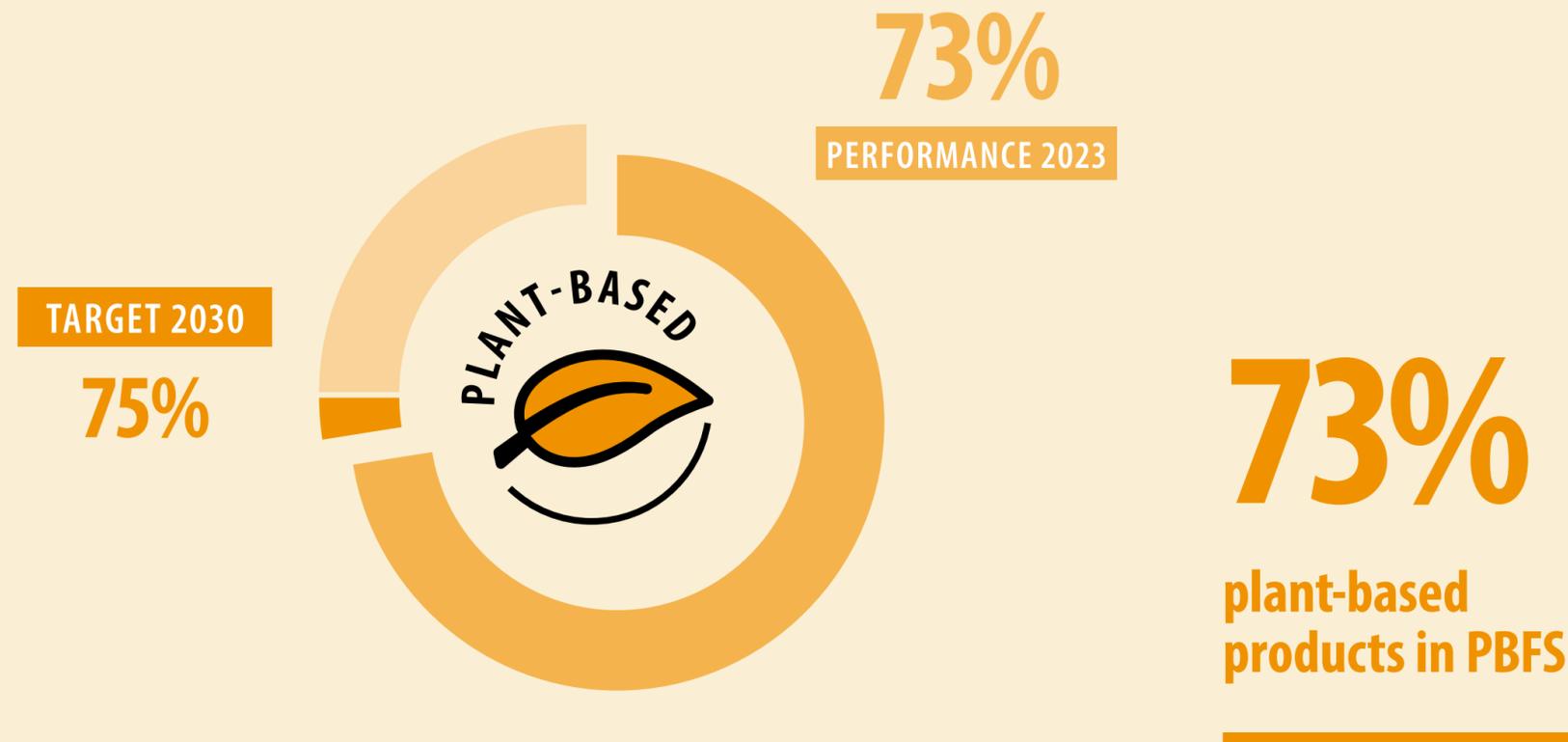
Conscious nutrition commitments » Nutrition profile Plant-based alternatives Well-informed food choices Food safety and quality



Offering plant-based alternatives

In 2023, we established a specific goal for the percentage of plant-based products in our PBFS business line. We aim to further increase our positive impact by expanding the share of plant-based products. This new target emerged as part of the revised sustainability strategy.

Vol% plant-based products in PBFS



OUR PERFORMANCE

2023 TARGET 2030

Vol% plant-based products in PBFS*

73%

75%



[Check out all our targets and progress in the sustainability scorecard](#)



* Currently, only vegan products are included in this KPI.



Plant-Based Foods Award

In 2023, the annual Vandemoortele Healthy Food Award – an **award for thesis students** who work on healthy or plant-based products – became the Vandemoortele Plant-Based Foods Award.

The first winner was MSc in Food Technology graduate **Kelly Kristabel Wibowo**, who received the award for her thesis on **plant-based drinks**. Kelly obtained her master's

degree at the Ghent University Faculty of Bioscience Engineering, one of Vandemoortele's research partners. The Vandemoortele Award felt like an extra encouragement to her. Kelly: "This award is very special to me, as I completed my internship at the Vandemoortele R&D centre in Izegem. During that time, I was introduced to the R&D environment, met many inspiring colleagues and gained interesting knowledge on bakery science."

OUR PERFORMANCE IN 2023

Vandemoortele is investing heavily in the **development of plant-based alternatives**. We are always looking for new products to expand our portfolio in both of our business lines. Last year, the share of plant-based products within the PBFS business line was 73%; a promising result, and a first step towards achieving 75% by 2030.

ACTIONS IN 2023

Our **PBFS portfolio** includes plant-based **margarines, spreads, cooking oils and vinaigrettes**. Compared to butter, margarines and spreads contain less saturated fatty acids and more unsaturated fatty acids, and sometimes also more omega-3 fatty acids. In addition, their environmental impact is significantly lower than that of butter. We are continuously improving and expanding our product range. In 2023, we launched our fourth vegan vinaigrette, 'Fine herbs', also containing 25% less sugar. Half of our vinaigrette range is now vegan.

In our **BP business line** we also offer many plant-based products, such as our **vegan croissant, our vegan chocolate roll, and the majority of our bread portfolio**. In addition, we have developed a range of vegan patisserie products, from a banana cake to high-quality chocolate and blueberry mousses. Nevertheless, we still often rely on

traditional dairy products, such as milk, butter and eggs. Our researchers are constantly looking for plant-based alternatives that can match the authentic taste and structure of these ingredients.

To decrease our own impact, we aim to create and sell more plant-based products. However, we still preserve many of our traditional recipes with eggs and dairy products. Our goal is to achieve **a good balance in our product range**, so we can offer tasty solutions suited to everyone's liking. In 2023, we launched a plant-based chocolate cake and a vegan choco-cherry cake-to-go.

Plant-based pan-frying

Our R&D department has developed a **plant-based alternative for pan-frying margarines**. In regular pan-frying margarines, milk or whey protein is often added to reduce spattering. By using pea protein in place of milk or whey protein, we have succeeded in developing a plant-based alternative with the same benefits. We launched this product as a private-label brand in 2023.



FACILITATING WELL-INFORMED FOOD CHOICES

OUR IMPACTS, RISKS AND OPPORTUNITIES

Food transparency is a growing trend: consumers want to know what they are eating, where the ingredients come from, and what their food choices mean for the planet. Vandemoortele aims to create a positive impact by **communicating transparently about ingredients, food additives, preservatives, allergens, etc.** With our own Clean Label definition, we respond to the growing consumer demand for ‘natural’ products with fewer additives.

We work towards ingredient transparency through the use of **simple and recognisable ingredients**. Over the past few years, we have eliminated many food additives from our products, without compromising on taste, quality or food safety. Some food additives have been replaced by ‘cleaner’ alternatives, like natural flavourings. Every step is considered from various angles. For example, eliminating an additive linked to a product’s shelf life should not lead to increased food waste.

Over the next few years, we will attach even greater importance to clear and transparent consumer information. This not only involves our **Clean Label**, but also our **carbon footprint** and the **origin of our ingredients**. By performing Life Cycle Analyses (LCAs), we aim to better understand the impact of our products. Effectively communicating this information to consumers enables them to make informed choices. This

transparent communication responds to the expectations of our consumers and has a positive impact on both our sales numbers and our reputation.

Material IRO* defined in the double materiality analysis	Description of the IRO
Product transparency	Positive impact on consumers by communicating transparently on, for example, health claims, origin of the ingredients, food additives and preservatives, and carbon footprint
Impact labelling (carbon footprint)	Sustainable product labelling can present a financial risk or opportunity because it offers valuable insights into a product’s impact for consumers, enhancing our reputation and potentially boosting sales
Life cycle analysis	Financial risk or opportunity when using LCAs to indicate whether a product has a low or high impact

* Impacts, risks and opportunities according to the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).





OUR POLICIES

Guideline for new (compound) ingredients

Both our BP and PBFS business lines use many different ingredients. This guideline concerns new ingredients and compound ingredients (such as coatings and fillings) that we consider using. As a general rule, all of them must comply with the applicable EU food laws. However, this guideline **exceeds the minimum legal requirements**. It covers four areas:

- **consumer health and safety** (e.g. suppliers should propose compound ingredients with the lowest possible amount of sugar, salt and saturated fats, without compromising on quality);
- **sustainable sourcing** (e.g. only barn eggs and RSPO segregated palm oil);
- **safe and healthy work environment:** ingredients with hazard codes GHS06 (“toxic”) or GHS08 (“long-term health hazard”) in the Safety Datasheet (SDS) are not permitted;
- **Quality Management System and Certificate:** only GFSI-recognised certification programmes are allowed.

Our definition of ‘Clean Label’

In 2020, Vandemoortele outlined its first Clean Label definition: a label that provides our

consumers with clear information about which ingredients we use. This first definition still permitted nine different food additives. In 2022, we launched a **new and stricter definition**, which allows **only four food additives**: carotene E160a_{ii}, carotene E160a_{iii}, ascorbic acid (E300) and the emulsifier lecithin (E322). Carotenes are orange or yellow fat-soluble pigments, mostly obtained from fruit and vegetables. Ascorbic acid, also known as vitamin C, is used in our products as a bread improver. The final additive is lecithin, a functional lipid also found in egg yolk, which we use as an emulsifier in chocolate and other products. The plant-based lecithin we use in our factories is derived from sunflower seeds, rapeseed or soya beans. In products that do not qualify for our Clean Label, we still aim for the lowest possible number of food additives.

Clean Label definition

Only four food additives are currently allowed on our ingredient lists:

- carotenes (E160a_{ii} & E160a_{iii});
- ascorbic acid (E300);
- lecithin (E322).

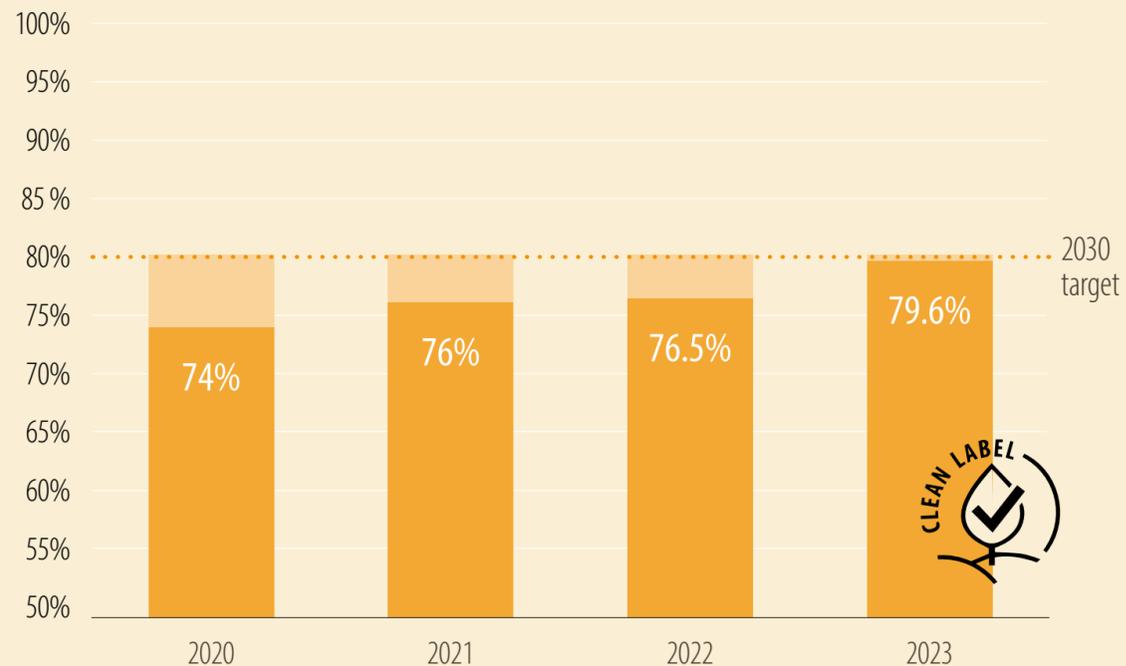
Conscious nutrition commitments » Nutrition profile Plant-based alternatives Well-informed food choices Food safety and quality



Facilitating well-informed food choices

Our Clean Label target has been defined in line with customer and consumer expectations. It starts from the assumption that people prefer products with fewer food additives, more 'natural' ingredients and names they can understand.

Vol% Clean Label in Bakery Products



79.6%

Clean Label Bakery Products, having almost reached our target

OUR PERFORMANCE

2023 TARGET 2030

Vol% Clean Label in Bakery Products

79.6%

80%



[Check out all our targets and progress in the sustainability scorecard](#)



OUR PERFORMANCE IN 2023

Bakery Products (BP)

In 2023, we continued our efforts to remove food additives from all of our BP product categories. We adapted our portfolio to increase the vol% of references that comply with our Clean Label requirements. As a result, **79.6% of our bakery products were Clean Label in 2023** (based on our new definition). This means our Clean Label ambitions are still on track. However, we are not prepared to remove extra food additives if this means we have to compromise on taste, or if it increases the risk of food waste. We also had to remove our donuts from our list of Clean Label products, since it is unfortunately impossible to create their tasty texture without the baking powders (E450, E500) and emulsifiers (E471, E481) we need to create their tasty texture.

In 2022, we have adjusted our **Clean Label target from 83% to 80%** (the lower target being a result of our stricter definition). That target will be retained for another five years, until 2030.

Plant-Based Food Solutions (PBFS)

Under our stricter Clean Label definition, emulsifiers like E471 are no longer allowed. Since these are required to prevent mould and to protect

the food safety and quality of most of our spreads and margarines, we cannot simply remove them. As a result, the number of Clean Label products in our **PBFS business line** will consequently be low, and we have **not set a new target**. However, we still eliminate as many food additives as possible without compromising on taste or safety.

OUR ACTION PLAN

R&D on Clean Label

Our R&D team continues to **research the potential removal of food additives** from all of our products in both our business lines (BP and PBFS) as they are the safeguards of our taste, food safety or quality.

In 2023, several of our **pastry products** became Clean Label, for example our cheese rolls. We also launched a plant-based and Clean Label chocolate cake. In addition, several of our production sites now create only Clean Label breads.

As a sustainable food manufacturer, we are regularly asked if we can remove a specific preservative from one of our PBFS recipes. To understand the possibilities, we participated in





a study on the impact of removing synthetic preservatives (e.g. sorbate) from margarines.

We also learned more about the implications in terms of food waste and food safety. The study took place from 2020 to 2022, in collaboration with Ghent University, and with the support of the Flemish Agency for Innovation and Entrepreneurship (VLAIO). In 2023, we were able to implement the first results in our development processes.

E-free products

E numbers are codes given to food additives (e.g. colours and emulsifiers) based on a food **safety assessment** conducted by the European Food Safety Authority (EFSA). The European Commission considers all current E numbers to be safe, and permits their use in products for human consumption. Nevertheless, **consumers increasingly prefer products without food additives.** For this reason, we try to remove or replace E numbers whenever possible, always without compromising on taste, food safety or quality. When a customer requests E-free margarines (or references with fewer E-numbers), we propose the best E-free alternative from our existing E-free range, or – if needed – we start developing a custom-made E-free alternative.

Communicating about the carbon footprint of our products

We develop innovative technologies to produce tasty products with a lower carbon footprint. Our unique **BAKE'UP® technology** creates pastry products that are up to 60% smaller than our pre-proofed products, resulting in cardboard boxes that can be correspondingly **reduced in size by 60%.** Customers therefore require less storage space while reducing their logistics costs and transport emissions. The frozen products are ready in only 20 minutes, so that customers can offer and consumers can enjoy freshly baked authentic croissants and Danish pastries at any time of the day. This results in better on-shelf availability all day long and less food waste.

-60%

reduction in size of our pastry products and cardboard boxes thanks to our BAKE'UP® technology

OUR PEOPLE

“Let’s continue to develop and shape tasty & healthy breads together”

Carine Cnudde

Senior Technical Expert Bread R&D

“I joined the Bakery Products R&D department in 1991 and I’m still passionate about my work. I’ve had the opportunity to work on various international projects with a lot of colleagues. For 33 years, I’ve grown together with Vandemoortele to become an expert in bread. I’m fascinated about the technical aspects of making quality breads, and eager to increase and share my knowledge and give support where I can.”

Belgium,
Izegem R&D

BEING A LEADER IN FOOD SAFETY AND QUALITY

OUR IMPACTS, RISKS AND OPPORTUNITIES

The safety and quality of Vandemoortele's products are paramount in protecting consumer health. Offering expired products or products with harmful substances, unknown objects or microbial contamination may impact consumers and compromise their physical well-being. Smaller errors, like a harmless but unpleasant smell, taste or texture, may still lead customers to buy their products elsewhere. In short, **safety and quality issues may have serious business repercussions**: from financial fines and lower sales numbers to a decline in trust and a damaged reputation.

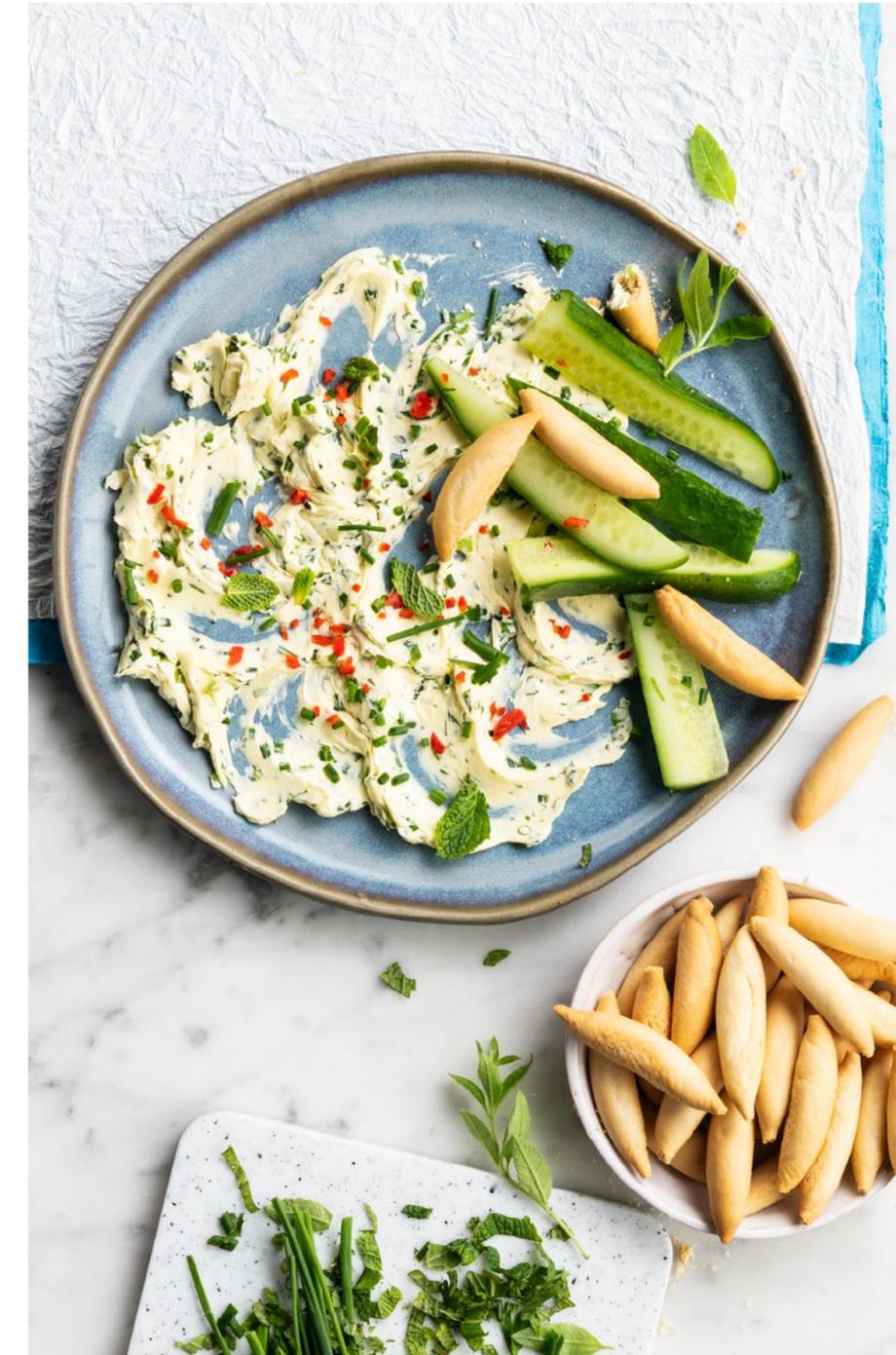
By aiming to be a leader in food safety and quality, we **protect both consumer health and our own economic position**. To reach that ambitious goal, we always aim higher than the legal requirements. We also take into account the safety and quality expectations of our customers, to ensure our products are well-aligned with their wishes. By offering high-quality and authentic products, we ensure an optimal consumer experience.

In recent years, food quality and safety **requirements have become increasingly stringent**. Legislation is ever-changing, for example on cross-contamination or the use of pesticides.

This has an impact on our production processes, and makes it more difficult to go beyond the legal requirements. However, we continue to make every effort to be a leader in the field.

Material IRO* defined in the double materiality analysis	Description of the IRO
Product safety	Potential negative impact on consumers when offering expired products or products with harmful substances, unknown objects or microbial contamination
Allergen management	Potential negative impact on consumers when offering products that are unsafe for allergy sufferers
Quality products	Positive impact on consumers when offering authentic quality products for an optimal consumer experience
Safety errors	Financial risk of lower sales and bad reputation due to safety errors like foreign bodies in products, either on purpose (food fraud) or by accident
Hazardous substances	Financial risk of more health issues and reputational damage due to chemical compounds in packaging, pesticides in raw materials or other causes
Poor product quality	Financial risk of lower sales and bad reputation due to quality errors leading to unpleasant texture, smell or taste

* Impacts, risks and opportunities according to the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).



OUR POLICIES

Quality charter

We want to be considered the best and most reliable supplier on the market, both in terms of product quality and customer service. Our quality charter defines the management principles and behaviours implemented to achieve that goal. These include:

- a good understanding of the **needs and expectations** of our customers and of the end consumers;
- compliance with both applicable regulatory **requirements** and agreed contracts;
- working in the most **efficient** way (for example: getting things right the first time);
- driving continuous **improvement**;
- promoting and monitoring a **food safety culture**;
- appointing and supporting **skilled local quality managers** who can act independently, supported by Group services;
- a **quality management system** in all of our production sites that covers the 4 pillars: food quality, food safety, food defence and food fraud.

The quality management system must be based on current quality standards and certified according to either the **International Food Standard** (IFS) or the requirements of the

Brand Reputation through Compliance Global Standard (BRCGS) and **Good Manufacturing Practices** (GMP) (if applicable). This means it complies with the quality standards of the **Global Food Safety Initiative** (GFSI), a global non-profit organisation that standardises food safety norms. Our compliance assures our customers that we meet the highest standards in food safety. The ninth version of the BRCGS food safety standard has recently come into force, and is again stricter than its predecessors, making it harder to meet the requirements.

Foreign body policy

Vandemoortele takes **all necessary measures to prevent contamination with foreign bodies**, allergens, chemicals or microbiological elements. Our foreign body policy for the BP and PBFS business lines outlines a protocol to prevent foreign objects, such as pieces of plastic, metal or biological organisms, from ending up in our products.

The main elements of the policy are:

- managerial commitment;
- detection methods (metal and X-ray detection, plus filters in PBFS);

- packaging;
- ingredients;
- detached equipment;
- environment;
- maintenance and intervention;
- fixed equipment and infrastructure;
- Hazard Analysis and Critical Control Points (HACCP);
- other procedures.

Based on this policy, our **quality managers** perform gap analyses and develop specific action plans for their departments.

Other policies

Vandemoortele has many different policies and procedures in place to ensure the safety of our operations and the quality of our products: an **allergen** policy, a **good cleaning** policy, a **food defence** policy, a **food fraud** policy, various **traceability** and **complaints** procedures, foreign body management, a standard **hazard analysis** of critical control points, a roadmap for **external audits**, etc. We constantly monitor and assess our guidelines, and adjust them as needed.

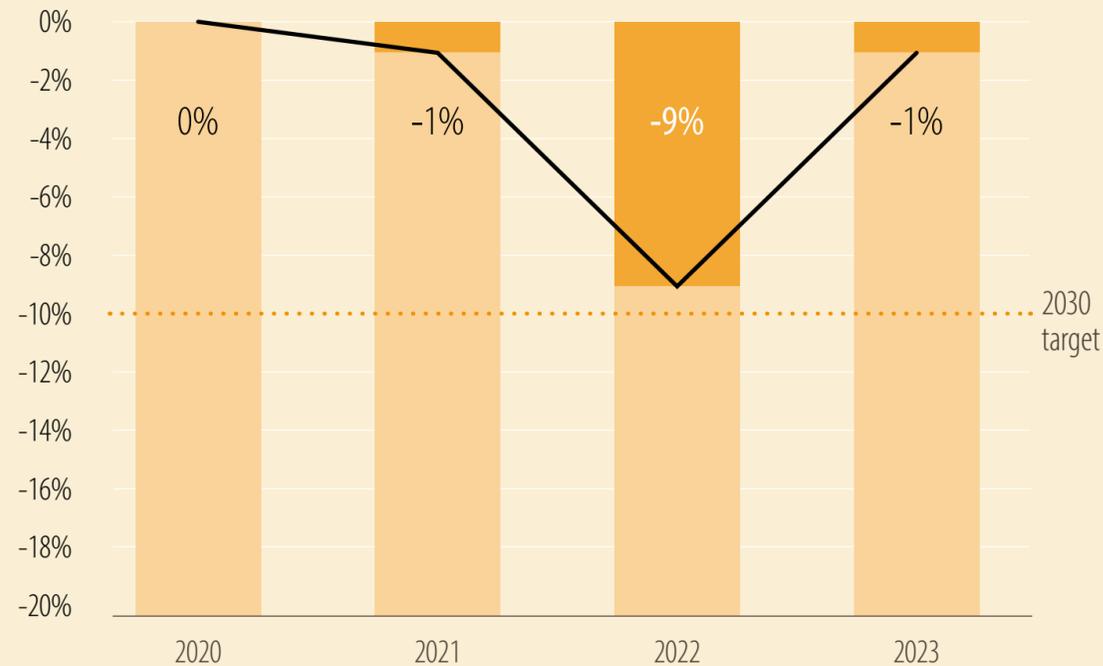


Conscious nutrition commitments » Nutrition profile Plant-based alternatives Well-informed food choices Food safety and quality

Being a leader in food safety and quality

To achieve the objectives of our various food safety and quality policies, we have defined several targets. We ensure that all of our production sites are 100% unannounced GFSI certified, and we encourage our suppliers, traders & logistics partners to become certified as well. In addition, we have set a target for the number of food safety complaints and incidents with food defence and food fraud, so we can avoid as many food safety issues as possible.

Reduction of food safety complaints compared to 2020



-1%

reduction of food safety complaints in 2023 compared to 2020

OUR PERFORMANCE

2023 TARGET 2030

Unannounced GFSI certification (Vandemoortele operations)	100%	100%
Suppliers, traders & logistics partners compliant with GFSI principles	97.8%	98%
Zero incidents food defence & food fraud	0 incidents	0 incidents
Reduction of food safety complaints compared to 2020	-1%	-10%



Check out all our targets and progress in the sustainability scorecard



OUR PERFORMANCE IN 2023

Factory and supplier audits

In 2023, 100% of the Vandemoortele production sites underwent an **unannounced audit**. Factories that were still under the ‘announced audit’ system implemented the **new IFS auditing system**, which means that they are subjected to an unannounced audit once every three years, in addition to the announced audits. The new audit rules make it easier to ensure we meet the high quality and safety standards we have set for ourselves. 2023 was the second year in which we achieved the ‘prepared for unannounced audit’ status for all of our production sites.

Of our suppliers, traders and logistics partners, 97.8% now adhere to the fundamental principles of the GFSI. 88.67% of our suppliers, traders and

100%

of the Vandemoortele production sites underwent an unannounced audit

logistics partners are GFSI certified; the remaining 11.33% are monitored by Vandemoortele, for example by means of a mandatory food safety questionnaire. We are **encouraging the remaining suppliers, traders and logistics partners to enter the certification process**, complete a food safety questionnaire, sign quality requirement agreements or be audited by Vandemoortele, in order to achieve our target of 98%. This remains a challenge, as it often concerns very small local suppliers. Nevertheless, we ask them to comply with our policy requirements.

Fewer food safety complaints

Thanks to our foreign body policy, the number of food safety complaints went down by 49% between 2016 and 2023. This is a highly positive result, which we largely owe to various types of **automation** and to the **increased awareness** of our associates. By 2030, we aim to reduce the 2020 figure by 10%. In 2023, the reduction of food safety complaints compared to 2020 was 1%. (For our 2030 strategy, we chose 2020 as our base year to compare with, instead of 2016, our previous baseline.) Each complaint is followed by a **deep root cause analysis** to prevent it from happening again. Concerning food defence and food fraud, we once again counted zero incidents in 2023.





OUR FOOD SAFETY AND QUALITY ACTION PLANS

Certification and auditing across the supply chain

To guarantee the highest possible quality and safety levels, we subject our production sites to **unannounced audits**. These happen at least once every three years, and may occur at any time during a four-month period. We set the **same high standards for our suppliers, traders and logistics partners**, and expect them to adhere to the fundamental principles of the GFSI. We encourage all of our partners to enter the certification process, be audited by Vandemoortele, or – for our low-risk suppliers – to complete a food safety questionnaire.

Our non-certified suppliers are categorised into high-risk and low-risk suppliers. A supplier is identified as a **high-risk supplier** based on the type of ingredient it supplies. 30% of our suppliers are high-risk suppliers (909 high-risk suppliers / total of 3030 suppliers). High-risk suppliers are scheduled for audits. During these audits, we evaluate their quality systems, their manufacturing processes, and the general order and cleanliness of the site. If suppliers perform poorly, we request that they improve their performance, and we draw up **action plans to monitor their progress**.

A supplier assessment is carried out every year, covering various factors such as non-conformities, certification status, volume, etc. If no improvement is made, we may decide to replace the supplier.

Our **low-risk suppliers** are mainly local suppliers, for whom certification may be difficult to achieve. The costs associated with acquiring certification are often disproportionately high for small companies. In such cases, we provide alternative quality checks, like the mandatory Vandemoortele Food Safety Questionnaire, which covers the fundamental principles of the GFSI.

New suppliers are only added after a **thorough risk analysis**. We try to choose suppliers that are located close to our manufacturing sites, to lower transport emissions and costs, and to reduce safety risks. **Existing suppliers are evaluated each year**, to ensure we maintain our high quality and safety levels.

Food defence and food fraud

To **protect our facilities against internal and external sabotage attempts**, we equip them with surveillance cameras, fences and other security systems. In addition to this, we avoid

food fraud by conducting specific **risk analyses**. For example, we link the risk level of a specific supplier to the risk level of a specific ingredient. Depending on the outcome, we take extra actions to monitor the supplier in question, such as audits or traceability questionnaires.

New software for Product Lifecycle Management

In 2023, we started working on a new software system to manage the lifecycle of our products. This will be **fully implemented in 2024**. Our new Product Lifecycle Management (PLM) software is an upgrade of our current PLM system, DevEX, which we use to create technical data sheets (documents with technical information about our finished products). Technical data sheets are of great importance to **guaranteeing food safety**, as they provide our customers with correct product information. The new system will also include a **supplier collaboration portal**, where suppliers can add their own data and observations. This will improve our data collection with regard to ingredients and raw materials, and provide us with more information about the GFSI certification of our suppliers.

GOAL 2

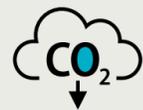
PROTECTING NATURE



Aurélie Comhaire: “Vandemoortele is aware of its environmental responsibility as a food company. After all, food has a major impact on the ecological footprint of our society. How our food is cultivated, sourced and produced affects our soils, our natural habitats and water systems, our climate and air. The current food system challenges the limits of our planet through deforestation, degradation of soil, biodiversity loss and freshwater use.”

“At Vandemoortele, we want to do business in a way that allows us to sustain our activities for years to come. As Group Sustainability Manager, I ensure that sustainable practices are integrated into all aspects of our business operations. For example, we aim to move to net zero, choose sustainable resources, improve water availability, and work towards zero waste. In this way, we contribute to tackling the big ecological challenges of today and tomorrow.”

Our commitments:



Taking climate action



Ensuring sustainable resources



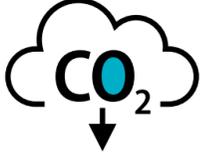
Preserving water availability



Working towards zero waste



Aurélie Comhaire –
Group Sustainability Manager



TAKING CLIMATE ACTION

OUR IMPACTS, RISKS AND OPPORTUNITIES

Climate change is one of the biggest challenges facing both this and future generations. As a food company, we are aware of our impact, mainly through our **CO₂ emissions**. These occur along our **entire value chain**: from the sourcing of commodities like palm oil and wheat, to goods transport, packaging and the consumption of products. Our own use of gas, electricity, refrigerants and various means of transport should be included on this list.

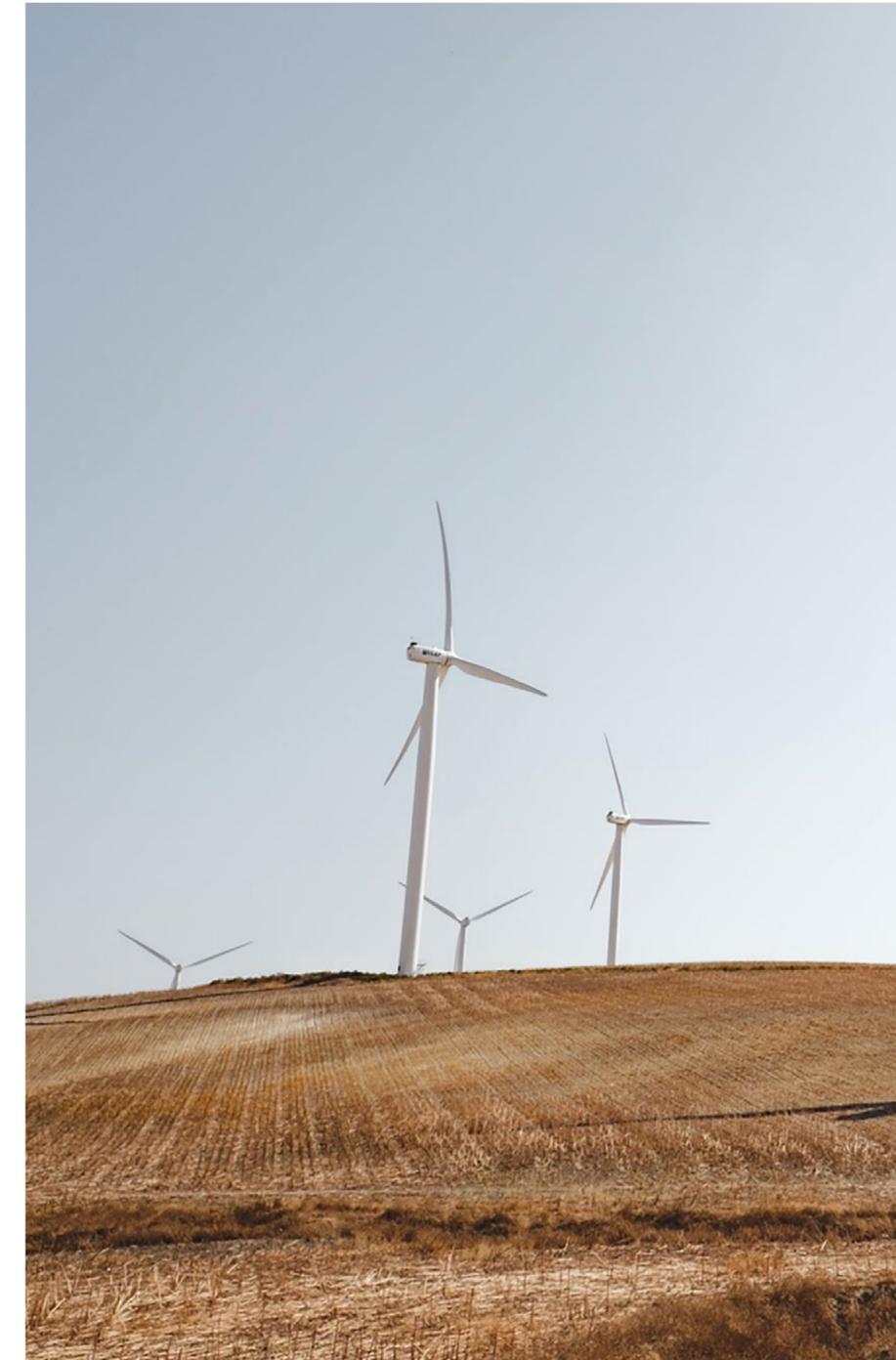
To reduce our impact, we are taking measures to **lower our energy consumption**. We invest in energy-efficient buildings and processes, and use energy from renewable sources. In addition, we monitor the carbon emissions along our value chain and actively encourage our partners and suppliers to improve their performance.

With global warming turning into a major planetary threat, businesses are also at risk. **Climate change threatens food production and crop yields** around the world, and extreme weather conditions like floods and hurricanes can even

damage our infrastructure. Rising energy prices and potential CO₂ taxes complicate matters further. By being at the forefront of the energy transition and working as sustainably as possible, we hope to turn these challenges into opportunities.

Material IRO* defined in the double materiality analysis	Description of the IRO
Own greenhouse gas emissions (scope 1 & 2)	Impact on the planet due to CO ₂ emissions from the use of gas and electricity or refrigerants
Greenhouse gas emissions in the value chain (scope 3)	Impact on the planet due to CO ₂ emissions from the sourcing of e.g. palm oil and wheat, goods transport, packaging and the consumption of products
Footprint of goods transport and logistics	Impact on the planet due to CO ₂ emissions from our own transport
Energy management	Impact on the planet and its natural resources by reducing energy consumption, e.g. through more efficient processes, more energy-efficient buildings and lighting, or use of renewable energy
Extreme weather conditions	Financial risk due to more extreme weather conditions that destroy crops or infrastructure
Energy prices	Financial risk due to higher costs; this is also an opportunity because there is an incentive to become more energy-efficient

* Impacts, risks and opportunities according to the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).



OUR POLICIES

Transition plan for climate mitigation

Reducing carbon emissions is important to us, our shareholders and various stakeholders. Vandemoortele wants to remain a frontrunner in terms of climate action. Therefore, we signed the commitment letter of the **Science Based Targets initiative** (SBTi) in 2021. We are now developing our new science-based targets using the SBTi criteria, in line with the Paris Agreement goals.

Companies in the Food and Beverage sector are required to set additional science-based targets: the so-called **FLAG (Food, Land use and Agriculture) targets**. We need to set these targets to reduce emissions at farm level. This requires a more detailed data collection process for our scope 3 emissions in the value chain. As we want to have one and the same baseline for all of our emission reduction targets (scope 1, scope 2, scope 3 FLAG, and scope 3 non-FLAG), we have decided to use the year 2023 as a baseline. The goal is to submit all of our SBTi targets in 2024 and have them approved.

Environmental charter

The Environmental Charter also applies to the commitment 'Taking climate action'. The main content of this charter can be found under the commitment 'Preserving water availability'.

CO₂ footprint of Vandemoortele



Scope 1 emissions: these are our direct emissions, for example from our process heating or driving our own vehicles.



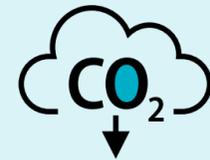
Scope 2 emissions: these are the emissions we generate indirectly through the purchase of electricity or other types of energy. We use these to run our machinery and our cooling equipment.



Scope 3 emissions: these are all the emissions associated with the activities up and down our value chain. For example, the emissions generated by our suppliers when they grow or produce our raw materials.



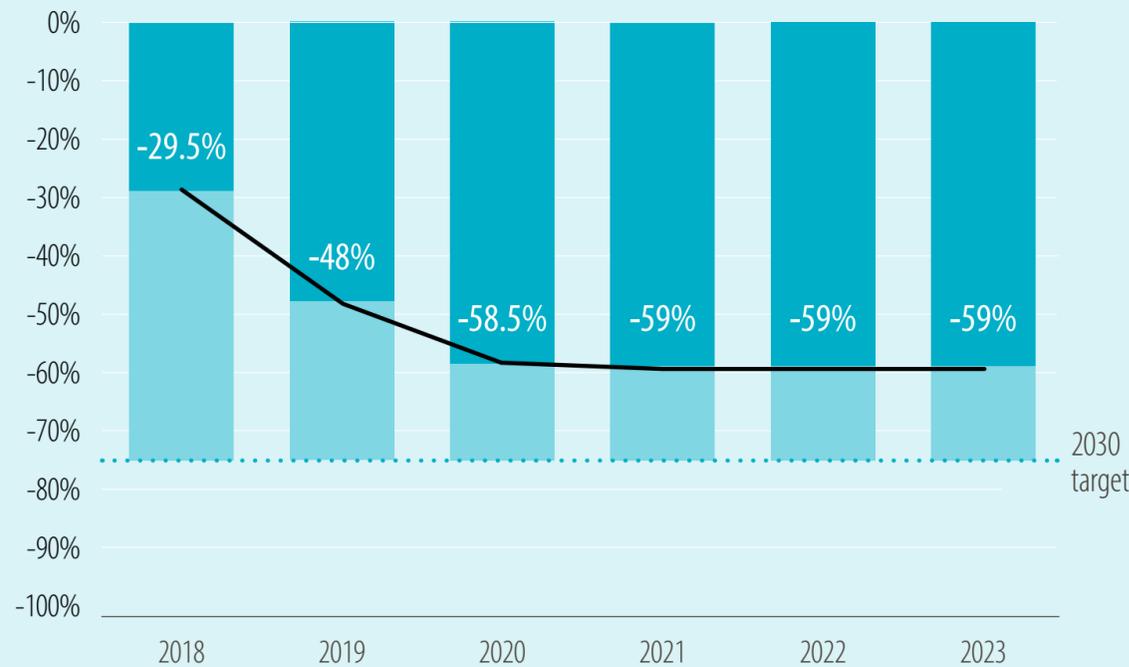
Protecting nature commitments » [Climate action](#) Sustainable resources Water availability Zero waste



Taking climate action

Vandemoortele commits to science-based targets in line with the ambition to limit global warming to 1.5°C. Therefore, we aim to be net zero by 2050. To achieve that long-term goal, we have defined intermediate targets for our scope 1, 2 & 3 emissions, for a more efficient use of energy, and for a larger share of renewable energy.

CO₂ intensity reduction, scope 1 & 2 compared to 2015



-59%
reduction in our CO₂ intensity for scope 1 & 2 compared to the baseline year of 2015

OUR PERFORMANCE

2023 TARGET 2030

CO ₂ intensity reduction, scope 1 & 2 compared to 2015	-59%	-75%
Total energy intensity reduction Group compared to 2020	-5.8%	-15%
Total energy intensity reduction BP compared to 2020*	-9.1%	-15%
Total energy intensity reduction PBFS compared to 2020	-1.9%	-15%
100% green electricity	100%	100%
'On site' green electricity generation (solar, wind)	10.2%	15%
CO ₂ reduction, scope 1 & 2 compared to 2023	New target, will be monitored as of 1 January 2024	42%
CO ₂ reduction, scope 3 FLAG compared to 2023	New target, will be monitored as of 1 January 2024	30.3%

OUR PERFORMANCE

2023 TARGET 2029

Supplier engagement, scope 3 non-FLAG	New target, will be monitored as of 1 January 2024	70.6%
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Check out all our targets and progress in the sustainability scorecard

* Data from the new BP production plant were only included from September, after the start-up phase in June.



OUR PERFORMANCE IN 2023

Our CO₂ footprint

Our total carbon emissions amounted to approximately 2.37 million tonnes of CO₂ equivalent per year (data from 2022). Our scope 1 emissions accounted for 35,500 tonnes and our scope 2 emissions for 9,500 tonnes. So, only 1.9% of our emissions are directly derived from our production plants, warehouses, offices and purchased energy. Due to the steady progress on energy efficiency in our operations, and despite higher volumes in 2023, we managed to **decrease our CO₂ intensity for scope 1 & 2** by 59% compared to the baseline year of 2015.

Just like in other agrifood companies, **scope 3 emissions** make up the bulk of our CO₂ emissions: 98.1% of our emissions are due to indirect impacts, such as land use for our raw materials, the transport of these commodities, and the production of packaging materials. Land use has the greatest impact due to the loss in CO₂ capture capacity when cutting down forests, for example to use the land for agriculture. In 2022, our scope 3 emissions accounted for 2.32 million tonnes. We used the Greenhouse Gas protocol to calculate our scope 1, 2 and 3 emissions. The following greenhouse gases are

included in these 2022 calculations: CO₂ (for scope 1 & 2) and CO₂, CH₄, N₂O and PFCs (for scope 3). Once the CO₂ reporting tool will be fully operational also PFCs will be included along with CO₂ for scope 1 & 2 emissions.

Our energy performance

In 2023, we were able to **reduce our energy intensity at Group level by 5.8%** compared to 2020. The BP business line reduced its energy intensity by 9.1%*, while the PBFs business line saw only a 1.9% decrease. At Group level, we used 3,800 MWh less energy than in 2022, despite our higher production volumes.

Launch of a monitoring and reporting tool for energy and CO₂

In 2022, several multidisciplinary expert teams began to work on the development of a customised and auditable accounting and reporting tool for energy & CO₂. In 2023, we ran a proof-of-concept on our scope 1 and 2 emissions. After intensive verification and adjustments, the energy monitoring module proved to be reliable. **In early 2024, the tool will be operational**, and we will make it available throughout our entire organisation.

Our operations and maintenance services will have access to a series of dashboards

that show **near-real-time energy data**. This will allow them to detect any anomalies in energy consumption, and to intervene more quickly. Studies have shown that such monitoring and dashboarding systems can reduce energy consumption by between 5% and 8%. The application also contains a module for calculating and reporting our scope 1 & 2 CO₂ emissions on a monthly basis. In this way, Vandemoortele is undertaking the preparations to have a reliable and auditable reporting tool, in line with corporate carbon accounting standards.

* Data from the new BP production plant were only included from September, after the start-up phase in June.

OUR ACTION PLANS

Tackling our scope 1 & 2 emissions

To further decarbonise our operations and reduce our greenhouse gas emissions, we have developed a strategy with the following **key priorities**:

- efficiency improvements;
- minimising the use of fossil fuels;
- maximising the use of renewable energy sources;
- shifting to low-GWP refrigerants.

Efficiency improvements

In order to reduce our energy consumption, we invest in sustainable solutions and optimise our processes. Since 2015, we have successfully implemented more than **400 energy reduction projects** and initiatives across our company. In 2022 and 2023, the rising energy prices gave our energy reduction investments an extra push. All of our production sites draw up their own action plans to implement our fourfold strategy. Every four months, the sites review their action plans and adapt them where necessary. They also report to headquarters on the effectiveness of these actions.

For many years, we have been investing in **upgrades of our buildings and equipment** to make them more energy-efficient. We have improved the insulation in our buildings and

equipment, and we have replaced most of our conventional lights with LED lighting technology. In our operations, we have improved our existing installations to make them more efficient:

- insulation of ovens, steam and hot water pipes;
- heat recovery on refrigeration and/or air compressor systems;
- steam piping and steam trap adjustments;
- energy-efficiency improvements on gas-fired appliances (ovens, boilers, etc.).

We are always looking for energy improvements to **further decarbonise our process heat**, with our focus on effective maintenance and operational improvements. For instance, we challenge and adjust our process setpoints (for temperature and pressure), we monitor peaks in energy consumption, and we adapt start-stops accordingly. In this way, we improve the energy efficiency of our heating processes.

To enhance energy-saving awareness amongst our teams, several pilot sites launched **local ‘climate pillar’** teams in 2023. This was coordinated and supported by a central and multi-disciplinary team. Together, they developed a series of operational excellence tools. They also

helped various sites to implement the best available energy saving technologies, they developed ‘golden energy saving rules’ for operations and maintenance, and they created new performance monitoring tools for the factory dashboard systems. The initiative will be continued in 2024, and will become one of the most important operational excellence pillars in our factories.

Minimising the use of fossil fuels

In 2023, our factories and cold stores used approximately 119,000 MWh of **energy generated from fossil fuels** (natural gas, propane, LPG, gasoil, etc.), accounting for 40% of our overall energy demand. 95% of this energy consumption came from ovens, cleaning systems (hot water) and process heat (steam). The remainder was used for comfort heating in offices and other workplaces. To further decarbonise this part of our operations, we are conducting studies to explore the opportunities of:

- electrification of some of our gas-fired heat applications (fryers, thermal oil heaters);
- raising temperatures by means of heat pump technology to generate hot water and/or steam.





Maximising the use of renewable energy sources

Since 2021, **100% of the electricity** used in our production plants and the corresponding offices has come from **renewable energy sources** with Guarantees of Origin (GOs), predominantly from hydropower, wind and solar power systems. The goal is to maximise our own on-site energy generation through solar power systems. When all installations for which contracts have been signed are in operation, we will generate 10.2% of our electricity ourselves. These solar panel installations will become operational from 2024.

Approximately 36% of our annual energy consumption is generated by natural gas. We are exploring the possibilities to **switch to green gas** sources for our heat processes; mainly ovens and steam generators. As it is not possible to electrify all of our heat processes, a fuel and/or technology switch will be necessary to further reduce the carbon emissions of our operations, in the context of our journey towards net zero in 2050.

Shifting to low-GWP refrigerants

We are currently phasing out our moderate-to-high Global Warming Potential (GWP) refrigerants by shifting to **natural refrigerants**. In the meantime, we operate our cooling installations as safely and efficiently as possible, and we employ

strict maintenance schemes to avoid refrigerant leakages. We have set up a company-wide refrigerant database to monitor the leakage rate and related CO₂ emissions.

Tackling our transport emissions

In 2021, we mapped the carbon emissions of Vandemoortele’s downstream transport, i.e. the transport of our products to our customers. We assessed the emissions of three different **transport models**, in combination with their fuel consumption and their ‘empty’ kilometres.

- 1. Execution:** transport that we carry out ourselves, with our own trucks (scope 1). In 2023, our two transport subsidiaries – Metro and Panalog – merged into one new company: Vandemoortele Transport Solutions.
- 2. Chartering:** transport carried out by external transport companies (scope 3). These carry products from Vandemoortele’s warehouses to our distribution centres or customers on a load-to-load basis.
- 3. Third-party logistics (3PL):** transport carried out by external transport companies (scope 3). In addition, these distribute our products from their own warehouses: the Vandemoortele goods are only a portion of their freight. 3PL transport accounts for 33% of our deliveries to customers.

After mapping the impact of each transport model, we defined an action plan to meet our CO₂ reduction target. This **action plan** consists of six elements:

- 1.** increase the fill rate of trucks: the more we put in, the better;
- 2.** convert to intermodal transport options like rail traffic or shipping for long distances;
- 3.** network optimisation: the fewer transport kilometres, the better;
- 4.** alternative energy sources;
- 5.** carrier management with transport suppliers;
- 6.** teach drivers to drive more efficiently.

The shift to alternative energy sources is our number one sustainable transport strategy. The preferred options are **hydrogen trucks** (for long distances) and **electric vans and smaller trucks** (for short distances). However, due to technological challenges, it will take time to achieve significant carbon reduction through this. Until new technologies are more mature, we will continue to work on the other elements of our strategy, but these will only result in relatively minor emission reductions.

Tackling our commodities emissions

Our scope 3 emissions account for 98.1% of our company-wide carbon emissions (based on our 2022 data). The biggest contributors fall within the **purchased goods & services** category of the Green House Gas (GHG) Protocol. These account for 88%. Within this category, **vegetable oils, butter, flour and cocoa** are the biggest contributors.

To tackle our scope 3 emissions from purchased goods and services, we will:

- continue to increase our volume of sustainable palm oil, in line with our sourcing target;
- purchase low-carbon flour;
- further explore CO₂-reduced cocoa & butter;
- implement various other, smaller measures.

Supplier engagement

In 2024, we intend to launch our Supplier Engagement Programme. We expect our **suppliers to join us in the fight against climate change**, and to reduce their own carbon emissions. They can show their commitment by developing their own carbon reduction strategies, and/or by joining the Science Based Targets initiative.

In the future, Vandemoortele will give preference to suppliers that have also been rated by EcoVadis or similar organisations. To achieve our sustainability targets, we encourage our suppliers to start their own decarbonisation journey. More specifically, we ask them to:

- state clear targets and develop an action plan to reduce carbon emissions;
- obtain a scorecard of EcoVadis or another similar organisation to assess their sustainability performance;
- commit to the Science Based Targets initiative (SBTi).

In 2024, we will also continue our quest for a software tool to calculate scope 3 emissions and to model scope 3 reduction scenarios. With such a tool, we should be able to understand our progress, gather accurate data, and model CO₂ reduction scenarios in order to meet our targets.

Green CapEx

Vandemoortele increasingly **invests in environmentally sustainable economic activities** (our Green CapEx). In 2023, we invested €4.1 million in the Bakery Products business line, and €570,000 in Plant-Based Food Solutions. At present, we are factoring in an internal

carbon price of €100 per tonne for green capital expenditures. Furthermore, we are expanding our assessment to include more long-term projects, and we are considering an extended payback time.

Adaptation actions

We are currently examining the climate adaptation actions required for Vandemoortele's various production sites, operations and resources in the future.

€4,670,000

is the total amount we invested in our BP and PBFS business lines for sustainable economic activities



OUR PROJECTS



Reducing emissions with our first e-truck

In 2023, Vandemoortele Transport Solutions took a significant green step by introducing its first electric truck in France. The truck completes three round trips per day, between the Vandemoortele production site in Torcé and the warehouses in Chatillon or Fougères. This amounts to an average of 200 km per day. By using an e-truck, we reduce our carbon emissions by 40 tonnes per year. The drivers also appreciate the truck's quiet nature and its high performance. The team is now waiting for trucks with a larger battery range – of at least 400 km – to purchase more electric vehicles.

→ [Read more about the project](#)





ENSURING SUSTAINABLE RESOURCES

OUR IMPACTS, RISKS AND OPPORTUNITIES

Research undertaken by the United Nations Environment Programme (UNEP) shows that **the global food system is the primary driver of deforestation and biodiversity loss**. As a large food manufacturer, we risk contributing to these issues, for example when sourcing key commodities like palm oil, soya or cocoa. The same goes for the purchase of unsustainable packaging materials like single-use plastics. According to UNEP, 8 to 10 million tonnes of plastic are released into the ocean every year. The effects on biodiversity loss also pose a threat to our own operations, for example through droughts or ingredient shortages.

To counter these risks, **we source our ingredients sustainably**, with respect for people and the planet alike. We assess our impact on local biodiversity and take measures to minimise it. At the same time, we invest in product traceability and monitor where our raw materials come from and how they are produced. To enhance our positive impact, we work with suppliers who adopt regenerative farming practices, thereby supporting ecosystem regeneration.

In terms of **packaging materials**, we reduce the amount of packaging and give preference to recyclable, reusable or recycled materials. This lowers our environmental impact and enhances our reputation for sustainability. However, the market is currently anticipating low availability and high prices of recycled plastics and other reduced-impact materials. In addition, we cannot always avoid the use of single-use plastics due to specific functionality requirements, or quality or safety reasons. To respect the environment and maintain the trust of our customers, we are continually looking for new ways to address this issue.

Material IRO* defined in the double materiality analysis	Description of the IRO
Responsible sourcing and purchasing	Choosing resources that are produced in a sustainable manner
Deforestation	Deforestation as a result of, for example, palm oil sourcing or cocoa farming
Product traceability	Monitoring where our raw materials come from and how they are produced
Regenerative agriculture	Working with suppliers that adopt regenerative farming, to support ecosystem regeneration
Circular packaging	Using recyclable, reusable or recycled packaging, reducing the amount of packaging
Biodiversity loss	Financial risk of losing farming capacity due to land-use change, desertification or lack of pollinators, leading to shortage of resources
Use of single-use plastic	Financial risk, due to e.g. a ban on single-use plastics, loss of consumers due to their critical views on plastic packaging, etc.
High demand and high cost of recycled plastic	Financial risk due to low availability and high prices of recycled plastic

* Impacts, risks and opportunities according to the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).



OUR POLICIES

Vandemoortele palm oil sourcing commitment

As one of Europe’s leading food manufacturers, our plant-based food solutions and bakery products are consumed by millions of people. Palm oil is an ingredient in many of our products, so we are fully aware of **the important role we play in the palm oil value chain**. We use palm oil for various reasons, two of these being: 1) the use of palm oil as an ingredient ensures that our products have the desired structure and taste; and 2) palm oil has a higher yield per hectare than any other vegetable oil. We take **all the necessary measures to minimise the environmental and social risks** associated with palm oil cultivation and production. These risks include – but are not limited to – deforestation, loss of biodiversity and the exploitation of local farmers.

We are committed to only sourcing palm oil from **suppliers** who guarantee that they meet the following **criteria**:

- no development on High Carbon Stock (HCS) forests and High Conservation Value (HCV) areas;
- no development on peatlands, irrespective of depth;
- no burning to clear land;

- full respect for human rights, including the right to Free, Prior and Informed Consent (FPIC) of indigenous and local communities for plantation developments on land they own legally, communally or by custom.

Vandemoortele soya sourcing commitment

Vandemoortele purchases soya bean oil, mainly for use in margarines, and to a lesser extent other soya ingredients, such as soya flour, bran and flakes for use in bakery products. Indirectly, soya bean meal – which is often used as animal feed – also plays a role in the production of animal-derived products, such as dairy, eggs and meat. We use these in many of our products. Unfortunately, the growth of soya bean production in Brazil has resulted in a number of negative effects on the environment, as well as on local communities. We believe it is our responsibility to supply our customers with soya products that have **no connection with deforestation**, whether directly or indirectly.



Vandemoortele egg sourcing commitment

Cage egg production presents various animal welfare problems. Because of the small size of the cages and the barren living conditions, caged hens suffer from the denial of many natural behaviours, such as nesting and perching, which leads to high stress levels. We believe it is our responsibility to supply our customers with eggs that have no connection to negative animal welfare issues. That is why, since 2019, we have committed ourselves to **only using cage-free eggs** as direct ingredients in our products. For the eggs used in our sauces, we go even further: since 2016, we have exclusively used free-range eggs.

Vandemoortele plastic packaging sourcing commitment

We advocate a circular economy, which keeps materials in the cycle for as long as possible, rather than disposing of them. At Vandemoortele, we see it as our responsibility towards our customers, consumers and society to ensure our products do not contribute to plastic pollution. Firstly, we are continuously searching for smarter packaging designs that require a minimum of materials. Secondly, we strive to **increase the use of recycled plastic materials** in our packaging. If recycled plastic materials are not an option

(e.g. because they cannot come in direct contact with food), we opt for virgin plastic materials that are used efficiently and have been designed to be recyclable. We are also exploring the opportunities of reusable packaging.

Since 2020, we have been a member of the **New Plastics Economy Global Commitment**. This initiative, led by the Ellen MacArthur Foundation in collaboration with UNEP, urges companies to rethink their packaging designs, and to thoroughly assess their use and reuse of plastics. The full report of our 2023 achievements and outlook for 2024 is included in the Annex.

Vandemoortele paper and cardboard packaging sourcing commitment

Vandemoortele buys various paper and cardboard materials for primary and secondary packaging purposes. For primary packaging materials, which come into direct contact with the product, we typically use virgin paper or cardboard, due to hygiene and food safety reasons. For secondary packaging, we use **corrugated cardboard, predominantly made from recycled fibres**.

We see it as our responsibility towards our customers to ensure that our products **do not contribute to deforestation** in any way. Through our search for optimal packaging designs, we reduce the quantities of packaging materials we need. We also aim to use recycled materials in our packaging wherever possible. **If recycled materials are not an option** (e.g. because of close contact with food), **we opt for virgin materials that are certified sustainable**. These materials have to be certified by the Forest Stewardship Council (FSC) or the Programme for Endorsement of Forest Certification (PEFC) schemes. Both of these international organisations are committed to ensuring that forests are managed responsibly by taking social, ecological and economic factors into account.

We advocate a circular economy, which keeps materials in the cycle for as long as possible

Protecting nature commitments » Climate action Sustainable resources Water availability Zero waste

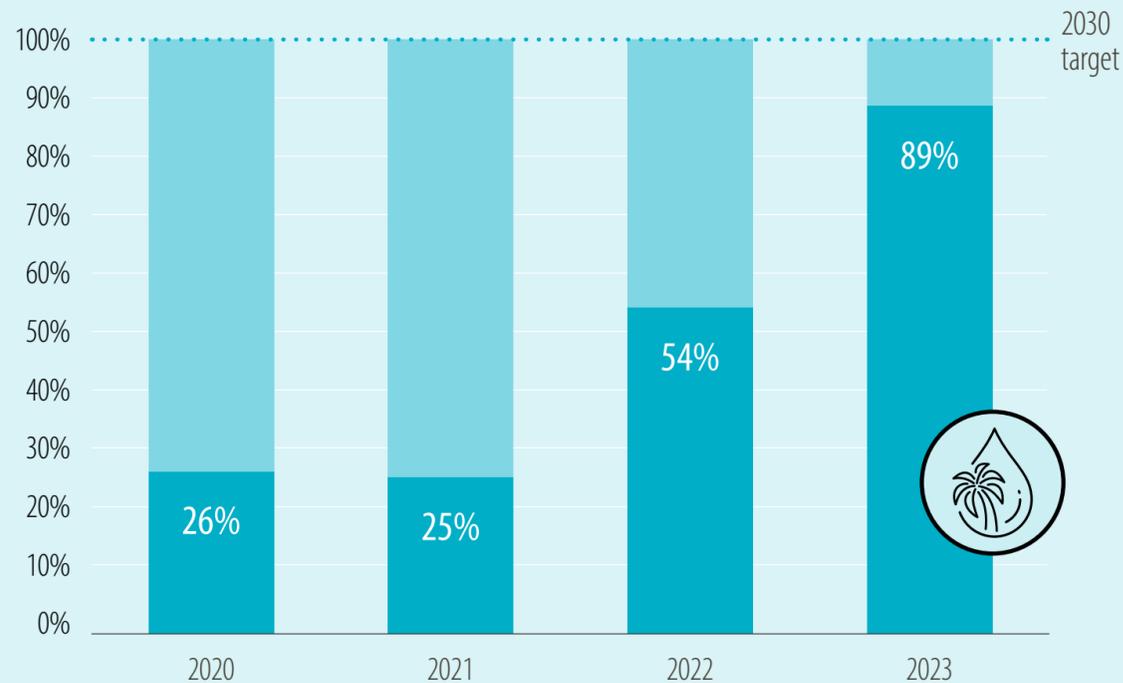


Ensuring sustainable resources

By sourcing sustainably, we reduce our impact on the availability of resources and on how they are produced. We want to achieve this by procuring 100% of our key commodities – palm oil, soya and cocoa – with sustainable certification. We set a target to trace 100% of the palm oil we purchase back to the mill and plantation to ensure sustainable sourcing. We aim to provide an action plan for 100% of reported grievances, in order to address any negative impacts.

In addition to our focus on commodities, we have set a target for our packaging materials. We aim to incorporate 25% recycled PET in our packaging by 2025, and we use 100% FSC- or PEFC-certified sustainable paper or cardboard.

Vol% sustainable certified palm oil (consumer and professional brands)*



89%

sustainable certified palm oil

OUR PERFORMANCE

2023 TARGET 2030

% sustainable certified soya (consumer and professional brands)	100%	100%
% sustainable certified cocoa (consumer and professional brands)*	71%	100%
% traceability to mill for palm oil	100%	100%
% traceability to plantation for palm oil	75%**	100%
% of Vandemoortele sites with an action plan on biodiversity	New target, will be monitored as of 1 January 2024	100%
% cage-free eggs	100%	100%
% FSC- or PEFC-certified sustainable paper or cardboard	100%	100%

OUR PERFORMANCE

2023 TARGET 2025

% sustainable certified palm oil (consumer and professional brands)	89%	100%
% of verified grievances on environment related to our palm oil and cocoa have an action plan***	100%	100%
% recycled PET****	22.5%	25%



Check out all our targets and progress in the sustainability scorecard

* % of finished products with sustainable cocoa compared to the total number of finished products with cocoa. ** This result is only available with a six-month delay. The data presented is the result of S1 2023. *** From 2024 onwards, we will include soya and relative grievances in the scope of this target. **** In our updated sustainability strategy, the target for r-PET will be adapted to 30% recycled PET per packaging unit (brands) by 2027, instead of for all PET packaging.

* % of the total volume of sustainable palm oil in finished products compared to the total volume of palm oil in finished products.

OUR PERFORMANCE IN 2023

Sustainable-certified palm oil

Since 2009, we have been a member of the **Roundtable on Sustainable Palm Oil (RSPO)**. We have made a great deal of progress in our sourcing practices since then. At the start of our journey, we only purchased credits from RSPO-certified growers, crushers and independent smallholders. Now we are also sourcing physically sustainable certified palm oil. To achieve this, we accept both segregated palm oil, which comes only from certified sources, and palm oil from the Mass Balance Supply Chain model, in which sustainable palm oil from certified sources is mixed with conventional palm oil. We have also received the RSPO-certification and therefore we are entitled to label our products as RSPO-certified.

Since 2015, we have been committed to sourcing **palm oil that is certified as 100% sustainable** for both our consumer and professional brands (industry clients and non-Vandemoortele brands are excluded). In 2023, we reached 89% physically sustainable palm oil for both our consumer and professional brands: a huge improvement compared to 2022. We aim to reach our goal of 100% as soon as possible, which we believe to be achievable even in spite of pricing and availability issues. To raise the bar even higher, we commit to

reaching 100% physically sustainable certified palm oil for our entire portfolio by 2030.

Traceability of palm oil

Approximately 1,000 mills supply our factories, each of them receiving palm oil from different plantations. This large number of suppliers poses a particular challenge in obtaining a clear and thorough overview of the entire supply chain, starting with the farmers and their plantations, then on to mills and refineries, right up to the transport to Vandemoortele's sites. Our initial target was to achieve traceability all the way back to the mill. In 2019, we decided to extend this by aiming for **transparency all the way back to the plantation**. In 2023, we achieved traceability to mill for 100%* of our palm oil. Based on our suppliers' scores, we could also trace 75%* all the way back to the plantation.

Sustainable-certified soya

Vandemoortele has been a member of the **Round Table on Responsible Soy (RTRS)** since 2011. This organisation advocates the production of responsible soya through the promotion of good agricultural practices, respect for the environment, and fair working conditions. RTRS soya is 100%



* Based on the latest data available for the first half of 2023.



Deforestation and Conversion Free (DCF) and fully compliant with the new EU legislation on deforestation-free commodities.

Since 2017, we have exclusively used **100% RTRS-certified soya in our own consumer and professional brands**. By 2030, we aim to expand this to 100% RTRS-certified soya in all of our products. In 2023, 100% of all soya used in our supply chain was covered by sustainable certifications; either RTRS credits (for indirect volumes) or ProTerra certification (for direct soya oil volumes).

Sustainable-certified cocoa

The chocolate value chain faces **severe structural problems**, from poverty among cocoa farmers to depleted soil, deforestation, etc. In order to secure the future of chocolate, all actors across the value chain need to step up their efforts to address these structural issues. At present, we purchase liquid and solid chocolate that has been certified by Rainforest Alliance (RFA). When requested by the customer, we also source chocolate that bears the Fairtrade® label. We have received the RFA-certification and therefore we are entitled to label our products as RFA-certified.

By 2025, we aim for 100% of the cocoa in our consumer and professional brands (industry clients

and non-Vandemoortele brands are excluded) to have received Mass Balance Certification. In 2023, we achieved 71% certified cocoa in our branded products, which was 22.5% more than in 2022. This increase was the result of an internal push to include sustainable-certified cocoa in more products. We maintain our ambition to achieve 100% sustainable cocoa in our consumer and professional brands by 2030.

100% cage-free eggs

Since January 2020, we have only purchased cage-free liquid eggs as direct ingredients for our products. This means that the hens are not locked up in cages but kept in a large barn. We use such eggs for all of our products, except for our sauces, like mayonnaise, which are usually made with 100% free-range eggs, obtained from farms where hens are allowed outside.

Packaging materials

In 2023, 22.5% of the PET we used consisted of recycled materials (r-PET). This progression is in line with our target of 25% r-PET by 2025. By 2027, we want to achieve 30% r-PET per packaging unit.

Since 2021, we have exclusively used 100% recycled and recyclable paper and cardboard. This means we only purchase paper and cardboard

from FSC- and PEFC-certified suppliers. Both international organisations are committed to ensuring that forests are managed responsibly, taking social, ecological and economic factors into account.

Grievances on environmental issues

In 2023, we extended the scope of our grievance mechanism from only palm oil to palm oil and cocoa. We received two complaints on environmental issues related to these commodities, and have an action plan in place for 100% of grievances. In our revised sustainability strategy, we have further expanded the commodities included in the scope of our grievance mechanism. In 2024, we will also include soya and relative grievances in the scope.

22.5%

of the PET we used in 2023 consisted of recycled materials

OUR ACTION PLANS

Dialogue with palm oil suppliers

For Vandemoortele, good cooperation and regular conversations with our suppliers are key to responsible sourcing. To stimulate such dialogue, we regularly conduct an **Engagement Policy Implementation (EPI) survey**, provided by Earthworm Foundation. The survey audits how our suppliers implement the No Deforestation, No Peat, and No Exploitation (NDPE) policy, with focus areas ranging from traceability to grievance mechanisms. This policy requires our suppliers to refrain from converting forests or peatland into additional plantations. We also expect them to uphold labour and community rights. Since 2017, all of our key palm oil suppliers have committed to an NDPE policy (our key palm oil suppliers represent more than 95% of all our palm oil suppliers). This helps us to contribute to a more sustainable palm oil value chain.

In 2023 we made our grievance mechanism public, in order to increase transparency about how we tackle grievances

In 2022, we asked our palm oil suppliers to participate in a new EPI survey. In 2023, we discussed the results and agreed on action plans to be followed until the next assessment. In 2024, we will engage with our suppliers again for a status update. This allows us to monitor the progress of the actions that we have agreed upon.

Grievances management for palm and cocoa

In 2022, we trialled our new grievance mechanism. This was based on the internally agreed procedure to handle grievances relating to our palm oil supply chain. By drawing up this grievance mechanism, we can now **deal with grievances in a structural and more timely manner**, instead of on an ad hoc basis. The mechanism is fully aligned with other processes, like our whistleblowing procedure. In 2023 we made our grievance mechanism public, in order to increase transparency about how we tackle grievances, and we make sure everyone is able to report a grievance through the right tool. This allows us to monitor our value chain and engage with our direct suppliers to correct any breach of our sourcing commitments.

Round Table on Responsible Soy association member

In 2011, Vandemoortele joined the Round Table on Responsible Soy (RTRS). We were also one of the eight initial subscribers to Alliance4Soy (established in 2018), a consortium of food companies that currently chairs the RTRS. The Round Table ensures that **soya is obtained in an environmentally correct, socially adequate and economically viable way**. By investing in local social and environmental projects, RTRS has provided direct and indirect support to thousands of individuals.

Since the founding of the RTRS, many other companies have joined us. Our goal: to gradually build alliances and facilitate governance alignments to achieve 100% responsible soya. Through our involvement in Alliance4Soy, we also take part in the Collaborative Soy Initiative (CSI), a global platform that aims for 100% deforestation- and conversion-free supply chains. We support this mission by purchasing RTRS credits for all soya in our supply chain. The credits directly benefit farmers in the critical Cerrado biome, Brazil, and their surrounding environment. By adding new incentives for soya bean growers, we recognise their efforts in stopping the conversion of their native habitats.





In 2023, we also purchased our soya oil via AceTrack, a **new soya purchasing approach with geo-localisation**, which will allow us to trace our soya beans all the way back to farm level. As a result, we will be able to guarantee full traceability.

Sustainable farming practices for wheat

Wheat plays an important role in our Bakery Products (BP) business line, because the quality of our bakery products relies on its excellence. To maintain high-quality wheat, we need to actively

engage in more **sustainable and regenerative wheat farming practices**. Our goal is to go beyond reducing our carbon footprint, as wheat has a major impact on our scope 3 emissions. We aim to enhance soil health, boost wheat availability and maintain product excellence.

Many wheat farmers work every day to contribute to a sustainable future in agriculture. In our factories in France, we use flour made from Culture Raisonnée Contrôlée® (CRC®) certified wheat in our bread &

pastry products. This French certification guarantees responsible and local farming that encourages biodiversity and offers farmers fair wages. We are partnering with our suppliers to further explore regenerative agriculture.

Working group on biodiversity

Since 2022, we have participated in a new Belgian working group on biodiversity: the **Action Lab on Biodiversity of The Shift**. This group has representatives from various companies that undertake international activities. The aim is to align our efforts to achieve European nature-positive targets with different players. Within the framework of this project, all participants will create and implement a personal roadmap. For example, they may choose to commit to an international standard on biodiversity, like the science-based targets for nature.

In 2023, a group of young graduates began to work on impact assessment, in the context of our Young Graduates programme. More specifically, we asked them to assess the impact of Vandemoortele's activities on biodiversity. This will allow us to focus our efforts on specific biodiversity gaps in our sustainability strategy, and it will provide a starting point from which to define more specific targets. By the end of 2024, we aim to have an overview of all of our actions plans to tackle biodiversity challenges at different production plants.

Low carbon wheat

Wheat is the third largest contributor to our scope 3 carbon footprint, after vegetable oils and butter. We see 3 approaches to reduce the carbon impact of wheat:

1. use less fertilisers;
2. use carbon sequestration;
3. use sustainable fertilisers.

Vandemoortele is leading the way in low-carbon wheat. In 2023, we purchased low-carbon flour to achieve our ambitious FLAG (Forest Land and Agriculture) target, which aims at the reduction of our scope 3 carbon emissions.

The wheat, integral to this initiative, was sown in the fall of 2022 using regenerative agricultural practices, thereby reducing carbon emissions, enhancing the soil quality through better water retention and improving biodiversity. Harvested last summer, those efforts have now come to fruition. It marks a first milestone in our journey towards sustainability, resulting in our use of low-carbon flour in 2024. With such purchases, Vandemoortele actively contributes to a fair remuneration for sustainable agricultural practices.



Bon appetit for you, and the planet

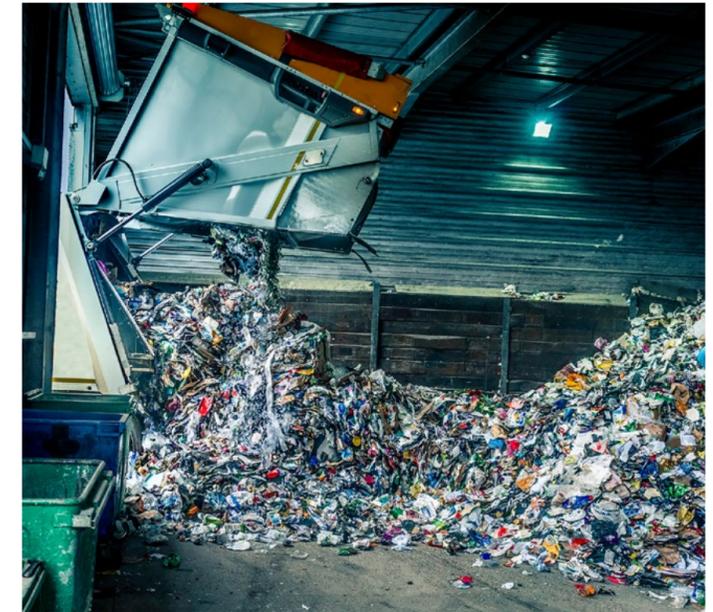
In 2023, Vandemoortele served burgers at the annual Hospitality Innovation Planet (HIP) fair in Spain. For each burger we served, we promised to plant a tree. As a result, we planted 880 trees in deforested areas in Spain, in collaboration with Bosques Sostenibles. In addition, we decided to plant a tree for every tonne of Risso oil sold in 2023. In that way, Risso contributed to the environment by reforesting damaged woodlands. By the end of 2023, we had planted **around 3,000 trees**.

Our actions for the environment will continue in 2024 and beyond. We are already planning new tree planting events, collectible prizes, etc. Such high-visibility actions help us to build strong and recognisable brands, as well as to contribute to the environment in line with our sustainability strategy.

Plastic packaging

Since the summer of 2023, our 1- and 2-litre oil bottles contain 30% **r-PET**. The same is true for our 3-litre sauce jars. For our 450 ml vinaigrette bottles, we are finalising the move to a new supplier, who will also include 30% r-PET and make the bottles 6% lighter.

To make packaging reporting more efficient, we are currently **updating our database** to gather more data on both outgoing and incoming packaging. The improved database system went live in the summer of 2023. We are working hard to retroactively add more data, and we are collaborating with our suppliers to receive more and better data about our packaging materials in the future. A better workflow and governance structure will allow us to (at least partly) automate the reporting of our packaging data. The new system also makes it easier to provide our customers with information about our packaging choices. To ensure we continue to innovate, we monitor projects to make packaging 'smarter', for example by adding data carriers (labels, watermarks, etc.) to enable better traceability throughout the value chain.



Research and innovation

In our Young Graduates programme, people who have recently joined Vandemoortele are given the opportunity to work on a team project for one year. In 2023, they explored opportunities for reusable packaging (such as foldable crates) for bakery products. They presented a compelling business case, which we will certainly study further. Similarly, in the PBFS business line, pilot trials were held to replace one-way industrial bulk containers with reusable foldable containers.

OUR PEOPLE

“We learn how to save energy and work more sustainably”

Fabian Peters Machine Operator

“Since 2021, I have been a production worker at Vandemoortele Dresden. Because I work in a three-shift system, I need to qualify for at least three jobs. My first task was to operate the machines that put margarine in tubs. Then I learned how to work as a ‘preparer’, and I’m now learning how to operate the cube and bar machine. The various qualifications are necessary for us to be able to work as a team. We also learn how to work sustainably, for example by switching off the cooling system when our machines are idle.”

“I experience sustainability already in small things at our company, for example lighting runs via motion detectors where possible and if I have a longer standstill with the machines, then I switch the cooling off, because that is the main consumer of energy.”

Germany,
Dresden





PRESERVING WATER AVAILABILITY

OUR IMPACTS, RISKS AND OPPORTUNITIES

Vandemoortele has both a direct and indirect impact on water. Our direct impact is fairly limited, and stems solely from **tap water usage in our manufacturing processes**. The water we use as an ingredient in our products represents 60% of that direct water consumption. Our indirect impact on water is larger, and stems from the **irrigation of crops and the cultivation of our raw materials**.

Global water resources are under growing pressure from climate change and the competing demands of communities, agriculture and industry. This represents a potential risk for Vandemoortele, as water shortages in our sourcing regions could have

a significant impact on our activities. Since water resources are becoming increasingly scarce, we use water as sparingly and economically as possible.

OUR POLICIES

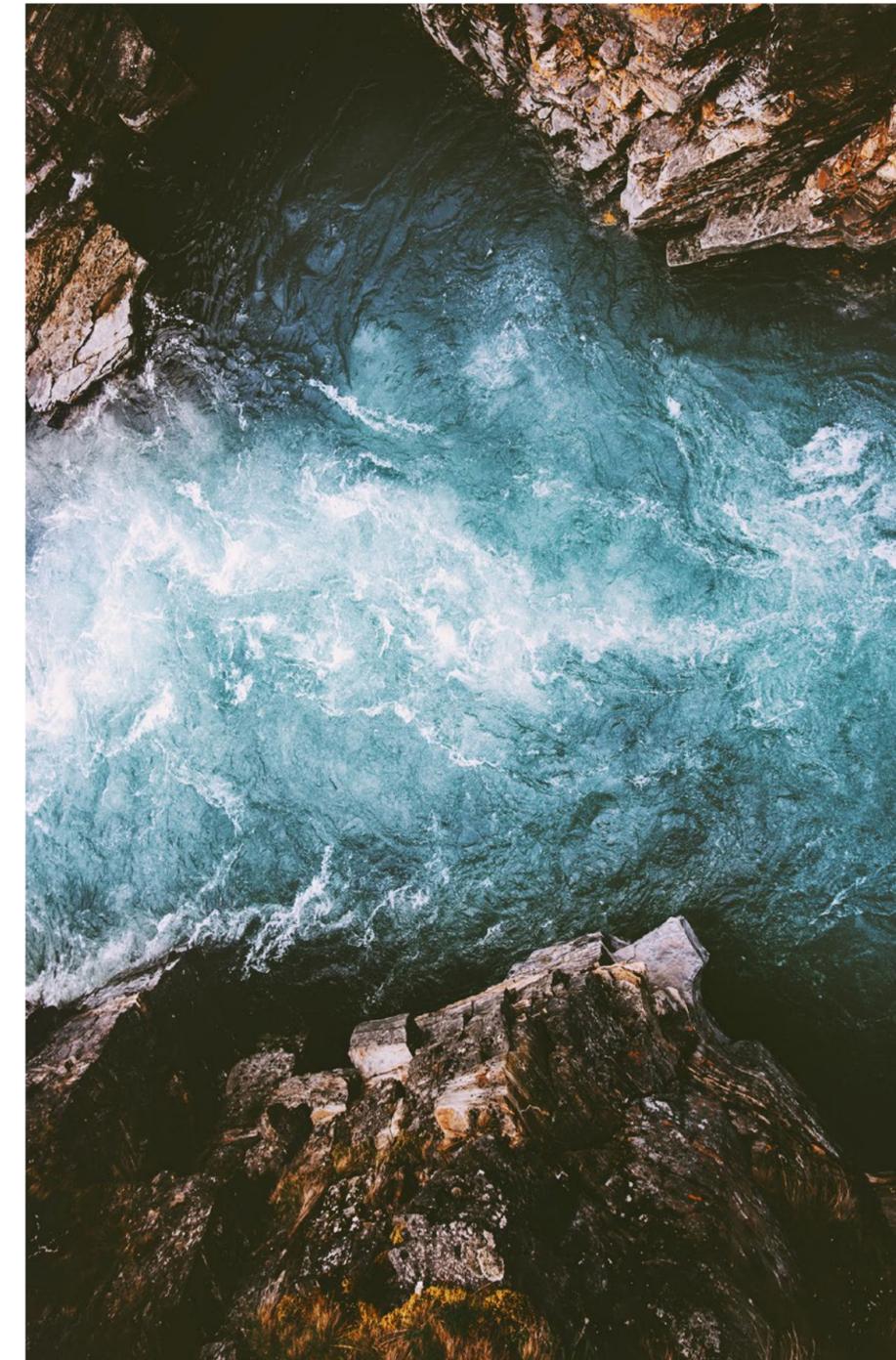
Vandemoortele is committed to improving its environmental management. In our Environmental Charter, we state how we aim to reduce our negative impact and develop a sustainable business.

Environmental Charter

To achieve a high standard of environmental performance, we operate according to national

and/or local regulations. We strive for **continuous improvement of our operations and a rational use of raw materials, water and energy**. We minimise our emissions to air, water and soil, and we take measures to prevent or reduce our waste streams. We avoid accidental emissions through systematic risk assessments, preventive actions and emergency preparedness. Specific training is provided to raise awareness regarding the environmental impact of our operations.

Since water resources are becoming increasingly scarce, we use water as sparingly and economically as possible



Material IRO* defined in the double materiality analysis	Description of the IRO
Water consumption in own operations	Impact from the use of natural water resources, such as groundwater, in own production processes or during sourcing
Water availability	Financial risk due to shortages of sufficient natural water resources

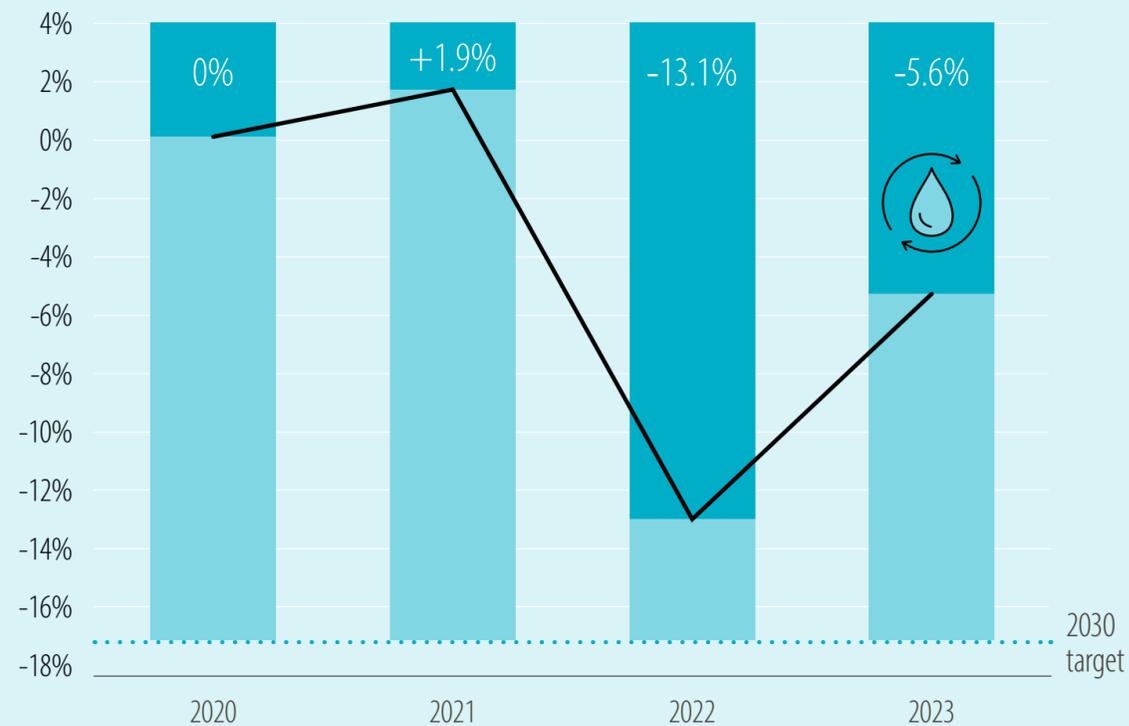
* Impacts, risks and opportunities according to the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

Protecting nature commitments » Climate action Sustainable resources Water availability Zero waste

Preserving water availability

The freshwater usage in our operations is monitored by means of a water intensity indicator. This makes our water consumption visible to the whole organisation, and in particular to our operational staff. As our water consumption is directly linked to our production volumes, this knowledge allows our operators and supervisors to react quickly when our water consumption goes up, and to promote work methods that require less water.

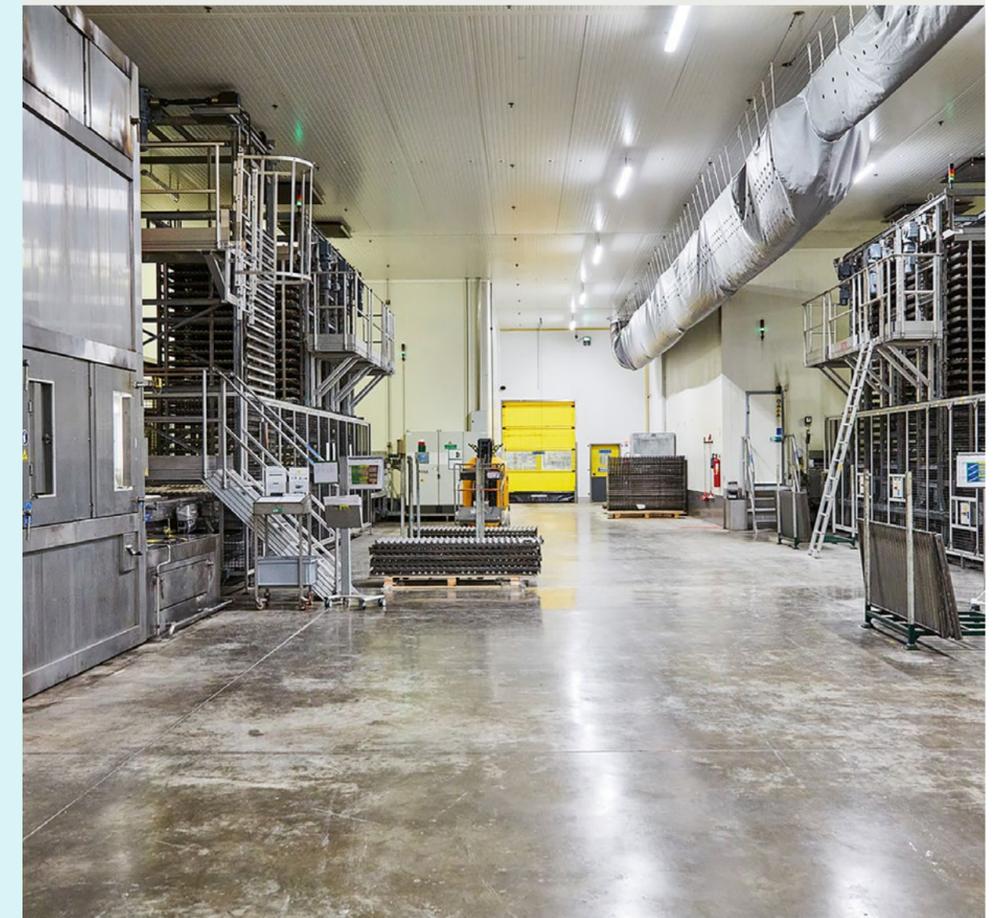
Reduction of water intensity in our operations (excluding water as an ingredient) compared to 2020



-5.6%

reduction of water intensity in our operations compared to 2020

OUR PERFORMANCE

2023 TARGET 2030Reduction of water intensity in our operations
(excluding water as an ingredient) compared to 2020**-5.6%****-17%**[Check out all our targets and progress in the sustainability scorecard](#)



OUR PERFORMANCE IN 2023

In 2023, our joint factories used 780,040 m³ of **fresh water** (all tap water). Approximately 60% was used in our products, while the other 40% went to cleaning, CIP (cleaning in place) and cooling processes. Our options to reuse water in our production processes are limited, due to strict food safety regulations.

Compared to our reference year of 2020, our water consumption per kilogram of product went down in 2023. This was mainly due to our **ongoing efforts to use water more efficiently**, particularly in our BP production sites, where we implemented new cooling tower technologies. The increase in our production volumes also allowed us to organise our processes more efficiently. In our PBFS sites, the water reduction was less, due to food safety constraints and strict new cleaning protocols. Overall, we still managed to decrease our water intensity from 0.465 l/kg in 2020 to 0.438 l/kg in 2023: a decrease of 5.6%.

HOW WE ACT ON WATER

Actions in our production plants

As we have already taken numerous measures to improve water efficiency in our production processes, **our options to further reduce water consumption are limited**.

Already-implemented actions include the introduction of dry cleaning in certain parts of our production processes, the automation of our CIP installations and the automation of cooling tower water purges.

At the end of 2023, we installed a new CIP system at our PBFS site in Izegem. The new system **automates, monitors and secures the entire cleaning process**. As of 2024, it should also reduce the amounts of cleaning agents and process water we use. When everything is working properly, we should be able to save up to 8,000 m³ of water per year.

To save energy and fresh water at the same time, we invested in **heat recovery systems for our cooling compressor units**. This resulted in less water evaporation in the cooling towers. In parallel, we invested in adiabatic cooling towers to further reduce the amount of fresh water used.

All of our production plants discharge wastewater according to their discharge permit conditions. Both pre-treatment and final treatment facilities are operated by our own associates. To make our operators and supervisors aware of the **quality of our wastewater drainage**, we check the organic load before the water is treated. This

Adiabatic cooling towers at our BP site Torcé (France)

At our site in Torcé, we installed adiabatic cooling towers to drastically reduce the amount of cooling water we use. Adiabatic cooling towers use 95% less water than traditional cooling towers. The technology also has a positive impact on water treatment chemicals. With this state-of-the-art technology, combined with other water saving actions in our production processes, we have been able to limit our water consumption and our environmental impact to a minimum.



monitoring allows for a quick reaction in the event of incidental raw material losses or deviating cleaning activities.

Actions in our sourcing areas

In the areas where we source our ingredients, we support initiatives such as Rainforest Alliance, the Round Table on Responsible Soy (RTRS) and the Roundtable on Sustainable Palm Oil (RSPO). These **initiatives promote more efficient water use**, in order to ensure availability and to avoid negative impacts on other local water users. They apply management practices for both mills (e.g. better wastewater management) and plantations (e.g. optimal use of fertilisers, good water management and restoration of protected areas).

To prepare for the **impact of droughts** on crop growth, we also identify single source suppliers, i.e. suppliers that are our only supplier of a particular commodity or ingredient. We investigate alternative sourcing possibilities or suppliers for these commodities or ingredients, to spread the risk of crop failure and shortage of raw materials.





WORKING TOWARDS ZERO WASTE

OUR IMPACTS, RISKS AND OPPORTUNITIES

Pollution due to waste is a huge environmental challenge. Due to poor waste management systems around the world, large amounts of plastic packaging are sent to landfills or – even worse – end up in our natural environments. This **threatens wildlife, alters ecosystems and poses risks to human health**. At the same time, **food waste is also a major problem** that affects the environment, our economy and our society. It is estimated that up to a third of all food produced for human consumption is lost or wasted globally, leading to unnecessary use of ingredients, raw materials, transport and packaging. All of this waste

contributes to greenhouse gas emissions and other environmental issues.

As a food company, we see it as our responsibility to **reduce all kinds of waste** – both during and after production – to a minimum. By optimising our production processes, we reduce changeover losses and losses due to quality issues or incorrect formulas. We also improve our sales forecasting methods to prevent commercial obsolesces. We ensure proper waste management to reduce the environmental impact of waste.



Material IRO* defined in the double materiality analysis	Description of the IRO
Food waste	The impact of using reusable, recycled and sustainable resources, and the efficient use of resources
Sustainable resource use	The risk or opportunity arising from recycling waste and/or reducing the amount of production waste

* Impacts, risks and opportunities according to the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).



OUR POLICIES

Food waste policy

In order to minimise food waste, we focus on three pillars: 1) We aim to improve our **material efficiency** through operational excellence and automation; 2) With our **First Time Right approach**, we ensure that all procedures are followed and products manufactured in the right way, right from the start; and finally, 3) We rely on an **efficient demand management process** to avoid commercial obsolesces.

Concerning reuse, Vandemoortele has developed a clear **recycling policy for the Bakery Products (BP)** business line. Our main aim: to collect offcut materials and redundant products, and reincorporate them into the production process. We recycle dusting flour and have introduced milling machines into our bread sites. Our recycling matrix shows us which recipes are compatible in terms of allergens, ingredients, etc. This allows us to work more efficiently, while at the same time ensuring product safety. The remaining food loss is used for animal feed or fermentation.

In the **PBFS business line**, our **recycling efforts focus on remelting**: we remelt redundant products and reuse them in our manufacturing processes. At each step, we first check if this is

permissible (with regard to food safety regulations, allergens, microbiology, etc.). If this is not the case, the products are reused as feedstock for biodiesel.

Environmental charter

The content of our Environmental Charter, which also applies to the commitment 'Working towards zero waste', can be found under the commitment 'Preserving water availability'.

3

pillars to minimise food waste: material efficiency, First Time Right approach, efficient demand management process

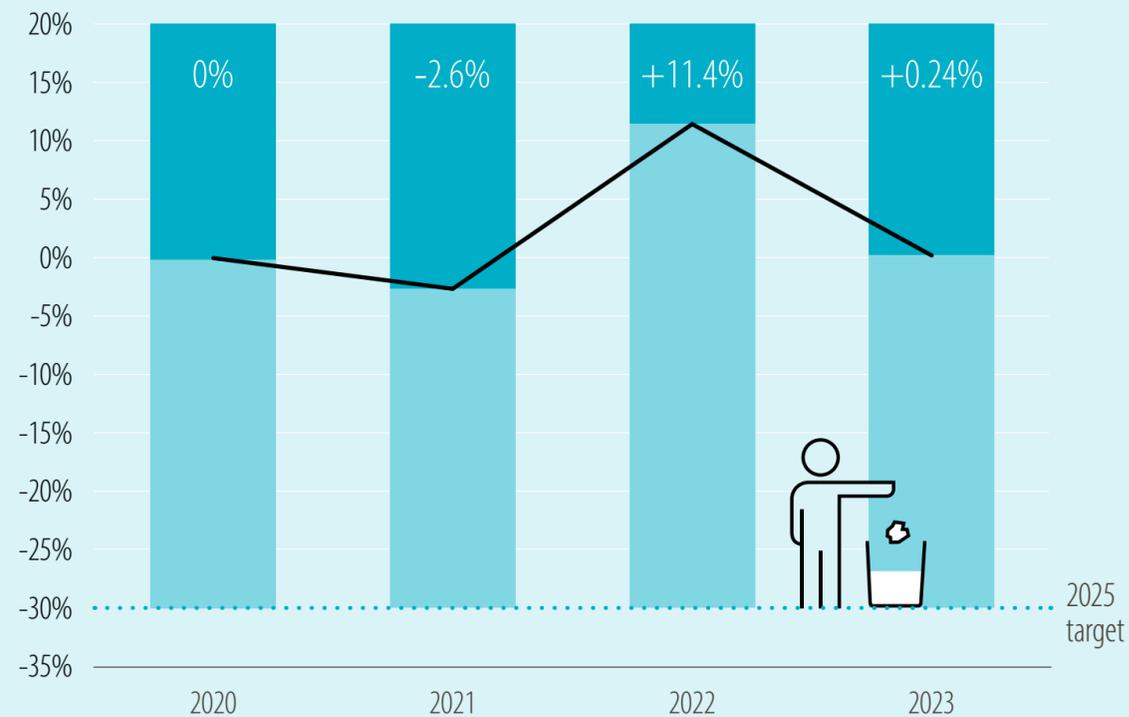
Protecting nature commitments » [Climate action](#) [Sustainable resources](#) [Water availability](#) [Zero waste](#)



Working towards zero waste

By focusing on the above-outlined targets, we try to tackle our direct impact on waste. Our various departments and business lines all take tailor-made measures in this regard. By reducing food losses, valorising organic streams as biodiesel, animal feed or fermentation, and sorting our residual waste streams in our operations, we contribute to our zero waste objective.

% reduction BP food loss intensity (food loss/ volume sold) compared to 2020



+0.24%

reduction in BP food loss intensity compared to 2020

OUR PERFORMANCE

2023 TARGET 2025*

% reduction BP food loss intensity (food loss / volume sold) compared to 2020** **+0.24%** -30%

% reduction PBFS food loss intensity (food loss / volume sold) compared to 2020 **+2.5%** -10%

OUR PERFORMANCE

2023 TARGET 2030

% reduction of non-sorted waste **-5.8%** -50%



[Check out all our targets and progress in the sustainability scorecard](#)

* As of 2024, we will apply a new definition and a new baseline to the food loss targets in order to make them broader, more robust, aligned and transparent. With the update of the methodology, we defined new targets for 2030.

** The data for the new BP production plant was only included as of the start-up phase in June.

OUR PERFORMANCE 2023

Bakery Products (BP)

After a few **difficult and volatile years**, we refocused our attention on reducing food losses in 2023. Our food loss intensity in BP increased by 0.24% compared to 2020. This result is the sum of all the actions we have initiated in recent years*.

Our pastry production sites put in a great performance, even better than predicted. The new production facility at Torcé exceeded all of our expectations in terms of food loss management. However, we still **faced a few challenges**: our new product lines for donuts took some time to sort out, and the bread and patisserie business was still recovering from supply chain disruptions. With regard to pastry, we continue to reincorporate dough trimmings and/or unconfirmed products into our processes wherever possible, and we are further extending and optimising our approach. We are also improving our process control systems and offering our people tailor-made training plans.

A very specific challenge is the **increase in food losses at the end of the summer holidays** each year. This is probably related to a lack of experienced staff during the summer: temporary workers tend to make more mistakes in terms of cleaning and preventive maintenance, resulting in

greater food losses. We are currently working on specific actions to prevent this.

The digital production site dashboard shows our immediate performance and our daily and weekly results. This allows us to **detect problems and define corrective actions** much more quickly. In the next few years, we will translate this success story from one product group to the next.

Plant-Based Food Solutions (PBFS)

For the PBFS business line, **2023 was not a good year in terms of food loss**. Our poor performance was caused by stricter hygiene requirements (more cleaning and hard changeovers), quality issues, varying forecasts and capacity constraints for certain production lines.

Non-sorted waste

With regard to waste management, our performance was much better. All of our sites collect and sort the waste streams they generate. In recent years, we have **gradually improved the sorting process**. We keep track of our efforts by monitoring the weight of non-sorted waste per tonne of finished product. Between 2020 and 2023, our sites were able to **substantially reduce**

the amount of non-sorted waste. Although the volume of finished product increased, the amount of waste generated per tonne went down: from 3.32 kg/tonne in 2020 to 3.12 kg/tonne in 2023. This gives us a 5.8% reduction compared to the reference year of 2020. Compared to last year we generated 440,000 kg less non-sorted waste. Our good results are mainly due to new delivery methods for raw materials, like bulk and/or IBC deliveries, and regular checks of the separate waste collection efforts on the shop floor.

OUR ACTION PLANS

The focus on **food loss needs to improve** across our entire company. The topic is now consistently brought up during relevant meetings, such as forecasting meetings, planning meetings, S&OP meetings, daily production checks, etc. In addition, we are further automating our production lines, and we have added extra manual checks to quickly detect mistakes, foreign objects or quality issues.

Operational excellence

By focusing on operational excellence, we have achieved a high degree of material efficiency over the years. In our PBFS business line, we are currently nearing our limits, although we aim to



* Data from the new BP production plant were only included from June, after the start-up phase.

keep improving. The material efficiency in the BP business line is at a slightly lower level, largely due to the more extensive range of products and recipes.

To reduce food losses in our production lines, we focus on **line automation, good maintenance and optimal production planning**. Thanks to our advanced scanning system and our Manufacturing Execution System (MES), full traceability throughout our whole production process remains secured. Our production processes rely on MES to identify where materials are being used inefficiently, thus generating waste. Over the past few years, we have also invested significantly in evaluation and management systems, to **increase awareness of food waste** issues across our organisation. Our production site dashboards provide detailed information about material usage. By reviewing the results on a daily basis, our operators become more aware of their role in reducing food losses.

To monitor the performance of our operations, we have implemented a **Performance Control System** (PCS). This involves hourly, daily, weekly and monthly meetings at various levels within our organisation. In this way, we are able to identify loss-related and other operational issues in a timely manner, so we can quickly analyse and resolve or

escalate them. In the PBFS business line, MES and PCS have been implemented at all production sites. In Zeewolde, where it has been identified that further improvement is required, we will soon implement a new Batch Control System.

First Time Right principle

Food losses can also occur as a result of quality-related problems or manufacturing faults. For example, the incorrect dosing of an ingredient or incorrect labelling. Such issues can be managed through the First Time Right principle: by **meticulously monitoring** all of our processes, we prevent mistakes. We are also continuing our efforts to make our associates more aware of food waste issues, and we are trying to implement a uniform mode of operation across all of our production sites.

Commercial obsoletes

Even without faults or quality issues, we sometimes fail to sell our products before their 'sell by' date: they become commercial obsoletes. By placing **an even greater focus on the demand side** (forecast bias and accuracy) and **closing the gap with the supply side** (S&OP, planning), we reduce commercial obsoletes to a minimum. When fluctuations do occur, we consult with our customers to offer them lower prices for products with a shorter 'best before' date.

In the BP business line, food loss is reduced by reusing simple raw products like raw bread or pastry in doughs (provided all health and safety conditions are met). If reuse is not possible, food waste is processed into animal feed, or it is fermented.

Waste management in Izegem

In 2023, we implemented several monitoring and awareness measures to further **improve the waste sorting process at our site in Izegem**. We individually mapped all waste streams for each department, and linked them to the product flow. We also introduced monthly follow-up meetings for each department, and we appointed a 'recycling coordinator' to perform regular checks in the workplace. In addition, we asked our waste haulier to perform spot checks on the non-sorted waste bins. These revealed that some plastic fractions still have more sorting potential.

All of our Izegem teams received 'Waste sorting' toolboxes. After these training sessions, we asked our associates to offer suggestions to further improve our waste sorting efforts. Our accumulated actions have resulted in a **significant reduction in the amount of unsorted waste**, from 1.53 kg/tonnes in 2021 to 1.33 kg/tonnes in 2023.

New Batch Control System monitors food losses

As a part of the further automation of our production sites, Vandemoortele has rolled out a new Batch Control System (BCS) at the majority of its PBFS sites. The system coordinates and monitors the **automatic dosing of ingredients and raw materials**. It also records the real consumption of all ingredients and raw materials, thus providing better insights into where and when food losses occur. The system has been successfully **implemented at three sites** to date, and facilitates improvements based on detailed insights. In the second part of 2023, we started the BCS upgrade project for the most recent site (Zeewolde). This should be ready by early 2025, and will allow more detailed tracking, reporting and improvement actions.

GOAL 3

ENHANCING LIVES



Marc Croonen: “Vandemoortele is dedicated to ensuring healthy, safe and inclusive workplaces for all associates. We encourage the development and personal growth of all our people, and appreciate the value of a diverse workforce. All of our associates are given equal opportunities to flourish in their jobs and to achieve their own professional ambitions. Behind a strong company is always a strong team, and I am proud to call this our ‘big little family’. Vandemoortele embraces a people-centric approach where every member is respected and valued.”

“At the same time, we cooperate constructively with our suppliers to ensure appropriate labour conditions for their associates, and we reach out to local communities in order to generate a positive social connection. In this way, we improve people’s working and living conditions along our entire value chain.”

Our commitments:



Offering an engaging professional journey



Providing a diverse, equitable and inclusive workplace



Ensuring a healthy and safe work environment



Ensuring workers’ rights in our value chain



Marc Croonen – Chief Human Resources, Sustainability & Communication



OFFERING AN ENGAGING PROFESSIONAL JOURNEY

OUR IMPACTS, RISKS AND OPPORTUNITIES

As a large-scale employer, Vandemoortele has a direct impact on the professional journey and personal development of thousands of people. We encourage our associates to broaden and deepen their skills by providing them with the right **learning tools**. We facilitate opportunities for **internal mobility and job promotion**, and we encourage our managers to become strong **people- and performance-oriented leaders**. In this way, they enable our associates to reach their full potential. By focusing on the professional journey of our associates, we ensure that we attract and retain the right profiles.

The success of our company highly depends on our people. In the **war for talent**, attracting the right candidates is becoming increasingly difficult. More than ever, meeting our associates' personal development expectations has become very important. The rapid transformation, digitalisation and automation of jobs, and the expectation of on-the-spot learning are also evolutions that we want to leverage, so they become opportunities.

Material IRO* defined in the double materiality analysis	Description of the IRO
Talent retention	Positive impact by retaining talent
Talent attraction	Positive impact by attracting the right profiles
Career development	Positive impact through the development of our associates (performance reviews and internal mobility)
Training	Positive impact by encouraging our associates to broaden or deepen their skills and knowledge
Good leadership	Positive impact through strong people- and performance-oriented leaders who enable our associates to reach their full potential
War for talent	Business risk due to attracting and retaining the right profiles becoming increasingly difficult
No opportunities for career development	Business risk when unable to meet expectations regarding personal development
Digital transformation of jobs	Business opportunity when able to offer higher-quality jobs

* Impacts, risks and opportunities according to the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).





OUR POLICIES

Our Personal Development, Training & Learning Commitment

Our people development commitment consists of two interrelated elements:



People 4 Growth: attract, develop and retain the right people for the right job, allowing us to grow as a company.



Growth 4 People: offer our associates a variety of development opportunities, so they can flourish in their jobs and throughout their professional journey. We aim for happy and engaged associates who improve their capacities and enjoy growing as a person.

In 2024, we will further establish our professional journey commitment in two formal policies: a **Performance & Development Management Process (P&DMP) Policy** and a **People Review & Professional Journey Policy**.

- The P&DMP Policy includes regular performance and development conversations between managers & associates. In these conversations, both parties will agree on appropriate annual performance & development goals, and decide how to follow up on these goals during the year.

- The People Review and Professional Journey Policy states the options available for supporting the professional journeys of our associates. It also describes how to build the right capacities within Vandemoortele. The policy includes tools like feedback conversations, competence matrices, cross-departmental calibrations, etc. Our approach ensures that we monitor and fill our 'talent pipeline', in order to keep talent on board and retain the right internal candidates to fill new vacancies.

Broaden, deepen, sustain or lead

The People Review & Professional Journey Policy will encourage our associates to **reflect on their career paths** by introducing them to four possible options: broaden, deepen, sustain and lead. Associates who 'broaden' their knowledge aim to grow in another functional domain. 'Deepen' indicates that associates want to continue working in the same domain and further specialise in their field. 'Sustain' implies that associates are committed to growing in their current role, while 'lead' expresses an associate's desire to grow into a (next-level) leadership position.

Enhancing lives commitments » [Professional journey](#) Diversity, equity and inclusion Health and safety Value chain workers' rights

Offering an engaging professional journey

Vandemoortele invests in the professional journey of all of its associates. The aim is to provide appropriate development programmes to improve the competences and employability of all of our people, as well as our organisational capability. We have therefore set an average training target of 40 hours per year, per associate category. At least 95% of our associates should also adhere to the P&DMP.

Average hours of training per associate category



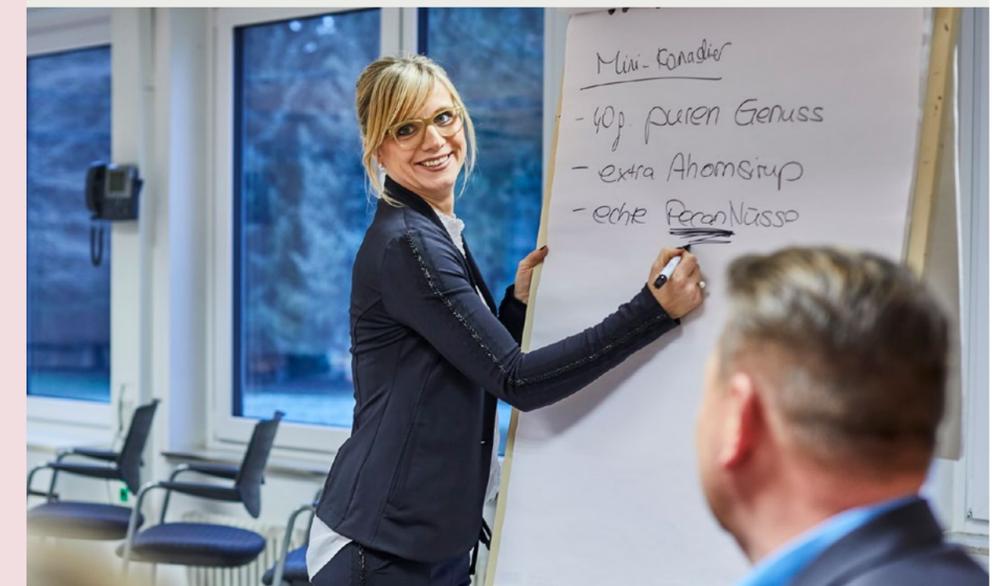
OUR PERFORMANCE

2023 TARGET 2030

Average hours of training per associate category	All: 42.2 hours Management: 53.3 hours White collars: 38.8 hours Blue collars: 37.6 hours	40 hours
Associates who adhere to P&DMP	All: 90.15% Management: 99% White collars: 90% Blue collars: 87%	All: 95% MG: 99% WC: 97% BC: 93%
Training & development score AES*	63 points	65 points
Sustainable engagement score AES*	78 points	82 points



Check out all our targets and progress in the sustainability scorecard



* Associate Engagement Survey.



OUR PERFORMANCE IN 2023

Across all departments and roles, our blue-collar workers generally engaged in 37.5 hours of training, our white-collar workers followed a total of 38.8 training hours, while management members clocked off on 53.3 learning hours. On average, 90% of our associates kept to the P&DMP: 87% of our blue-collar workers, 90% of our white-collar workers and 99% of our members of management. The most significant progress was made at the level of our **white-collar workers: 90% were involved in the P&DMP approach** in 2023 (compared to 84% in 2022).

At the end of 2023, we conducted our most recent **Associate Engagement Survey (AES)**. Compared to the previous edition, we scored four points higher for training and professional development. Our survey shows that our associates feel they receive sufficient training to improve their skills, and that they are given enough opportunities for personal development and growth within Vandemoortele. Concerning sustainable engagement, we scored three points higher than in the previous survey. Our actions regarding people's professional journeys and engagement clearly have a positive impact.

OUR ACTION PLANS

Coaching and training

Over the past few years, we introduced **regular professional journey conversations** for all of our associates. This is gradually becoming part of our company culture. To show our leaders how best to conduct such conversations, we launched the workshop 'How to help your team craft their professional journey' in the final quarter of 2023. Participants are offered a step-by-step approach to career coaching, and a chance to practice their skills.

The **Performance & Development Management Process** provides our associates with continuous feedback on their performance and development goals. During the conversations, they can also discuss their career ambitions. This facilitates the talent review process and allows our leaders to discuss internal mobility, promotion opportunities, etc. Thanks to this 'leadership process', we have improved our internal mobility and succession nomination (from 36% in 2021 to 51% in 2023). We have also enhanced the satisfaction of our associates with their personal development and professional journey (from an engagement survey score of 51 in 2018 to 63 in 2023).

To help our associates and managers assess their professional competences, we are rolling out **competency matrices** – also known as skills matrices – across our organisation. This roll-out will allow us to map the development needs of individual associates and the collective training needs of our organisation. Over the past few years, we developed matrices for Operations, Sales & Marketing and Supply Chain. In 2023, we added matrices for HR, IT, Procurement and Finance. We are now setting up a matrix for Customer Service, to be launched in 2024. To check whether the competency matrices are effective, we track – at group level – the completion level, the main gaps and the evolution.



Many development opportunities are provided to our associates through the **Vandemoortele Academy**. This training platform, with intensive courses, short workshops, e-learning and more, aids our associates in their professional development, and strengthens our organisational capability. In 2023, we expanded the platform and enhanced its visibility for all associates. We also monitored the popularity of learning items to determine which kinds of training are most needed.

Leadership



To move forward as a company, we need strong people- & performance-oriented leaders who enable our associates to reach their full potential. Our **unique 'Leaders 4 Growth' leadership programme**, based on our corporate values of respect, cooperation and ambition, encourages people managers to actively examine and develop their leadership competences. The programme is available across all of our sites and countries, and provides two different training journeys: one for corporate managers, who lead white-collar workers, and one adapted for first line managers, who lead blue-collar workers.

Since the implementation of the programme, more than 400 people have followed either the corporate manager training (>200) or the first line manager training (>200). Most of these participants gave **very positive feedback**. Line managers who have not yet participated will be urged to do so in 2024 or 2025. The first results of the programme are encouraging: the leadership ratings of most of the participating leaders improved significantly after their training. In our 2023 Associate Engagement Survey, the general score for Line Management went up from 67 (in 2018) to 75.

Associate Engagement Survey

All of our associates are invited to participate in our annual engagement survey. Our aim is to gain a **better understanding of associates' opinions** about a wide range of topics. The survey measures satisfaction in terms of training and development opportunities, the quality of leadership and line management, the adequacy of our communication, the degree of inclusiveness, etc. In 2023, the response rate was 87%: a new record.

Based on the results of the yearly survey, we implement **actions for improvement** at all of our sites. Our managers review the results with their teams and define actions together. These actions are followed up during the year. Different teams are actively encouraged to share their actions and best practices.

400
leaders have followed our unique 'Leaders 4 Growth' leadership programme

More internal programmes



Our **mentorship programme** is a voluntary initiative that brings together two associates who are not hierarchically linked. The goal is for them to exchange knowledge and experiences. In 2023, we launched two new waves of mentors and mentees. To date, 242 associates (95 mentors & 147 mentees) are actively engaged in the programme: a resounding success. The programme adds an extra layer of support and development opportunities for our associates.



Through our **Young Graduates programme**, we give recently graduated students a chance to learn, build a network and gain extra experience. Our young graduates organise monthly workshops with various department heads, and work on a cross-functional strategic project in which they collaborate with senior management members. Twice a year, they all meet in person to learn, expand their network and have fun. In 2023, we kicked off the third wave of the Young Graduates programme. So far, no less than 78 young graduates have participated.



OUR PROJECTS



Sharing our taste for life with our new employer brand story

In a fast-changing business landscape, a strong employer brand is very important to attract and retain talent. That is why we unveiled our employer brand story at the end of 2023. This story consists of a compelling employer brand tagline, 'Share Our Taste for Life', and five 'employee value proposition pillars': five reasons why people choose Vandemoortele as their preferred employer. The implementation of our employer brand strategy will reinforce the unity of Vandemoortele's work culture, shared values and unique benefits for both current and future associates.

→ [Read more about the project](#)





PROVIDING A DIVERSE, EQUITABLE AND INCLUSIVE WORKPLACE

OUR IMPACTS, RISKS AND OPPORTUNITIES

Vandemoortele employs approximately 4,080 associates from different backgrounds, including hundreds of temporary workers. We are committed to creating a diverse, equitable and inclusive working environment. We ensure that our workplaces reflect society, and that **our associates**

can be themselves, regardless of age, gender, ethnicity, abilities, religion or sexual orientation. We provide good working conditions in terms of safety, diversity, equity and inclusion, remuneration, etc. **All of our associates are treated fairly and receive the same support.** Respect is a key value

for Vandemoortele: we do everything we can to make all of our associates feel welcome, involved and valued.

Material IRO* defined in the double materiality analysis	Description of the IRO
Female empowerment	Positive impact through the safeguarding of representation of women in selection procedures, ensuring women have the same career opportunities as men, and committing to equal pay for equal work
Digital inclusion	Positive impact by ensuring that all associates can keep up with the rapid transformation, digitalisation and automation of jobs
Diversity and inclusion	Positive impact by hiring people regardless of their gender, race, age, etc., and providing a workplace where everyone has a sense of belonging
Shifting demographics	Financial risk or opportunity of population growth, ageing, new generations, urbanisation, social mobility, migration, etc.
Lack of diversity and inclusion	Financial risk of losing talent by not being diverse or inclusive enough

4,080

associates from different backgrounds



* Impacts, risks and opportunities according to the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).



Good working conditions increase the engagement and productivity of our associates. Conversely, a lack of good working conditions would contribute to higher staff turnover and lost investments in recruitment and training, due to the war for talent. This risk is even higher in a fast-changing society, marked by ageing, urbanisation, population growth, migration, etc. By providing a pleasant, inclusive and diverse work environment, we can prevent our associates from feeling underappreciated or misunderstood, and we are more likely to retain and attract the right profiles.

OUR POLICIES

Diversity and Inclusion policy

Our Diversity & Inclusion policy states our commitment to ensuring an equitable, diverse and inclusive workplace. We treat everyone equally and with respect and dignity, regardless of age, gender, ethnicity, (dis)ability, marriage or civil partnership status, pregnancy or maternity status, race, religion, political opinion or beliefs. We commit to recruiting, hiring, promoting, developing and retaining a diverse pool of candidates and associates. We also seek to eliminate any systemic barriers that may prevent certain groups from accessing opportunities or advancing their professional journey.

We prohibit discrimination, harassment, retaliation or any other form of misconduct, and we encourage associates to speak up if they witness or experience any of these things. Policy violations can be reported through our whistleblowing procedure or our online SpeakUp portal. We provide training, education and resources to help associates recognise and prevent discrimination and harassment. All associates are required to follow our e-learning training on our Code of Business Conduct & Ethics, which contains the same principles as this policy. All reported incidents are investigated thoroughly and fairly, and we take appropriate corrective and preventive actions based on the findings.

We provide education and resources to help associates recognise and prevent discrimination and harassment

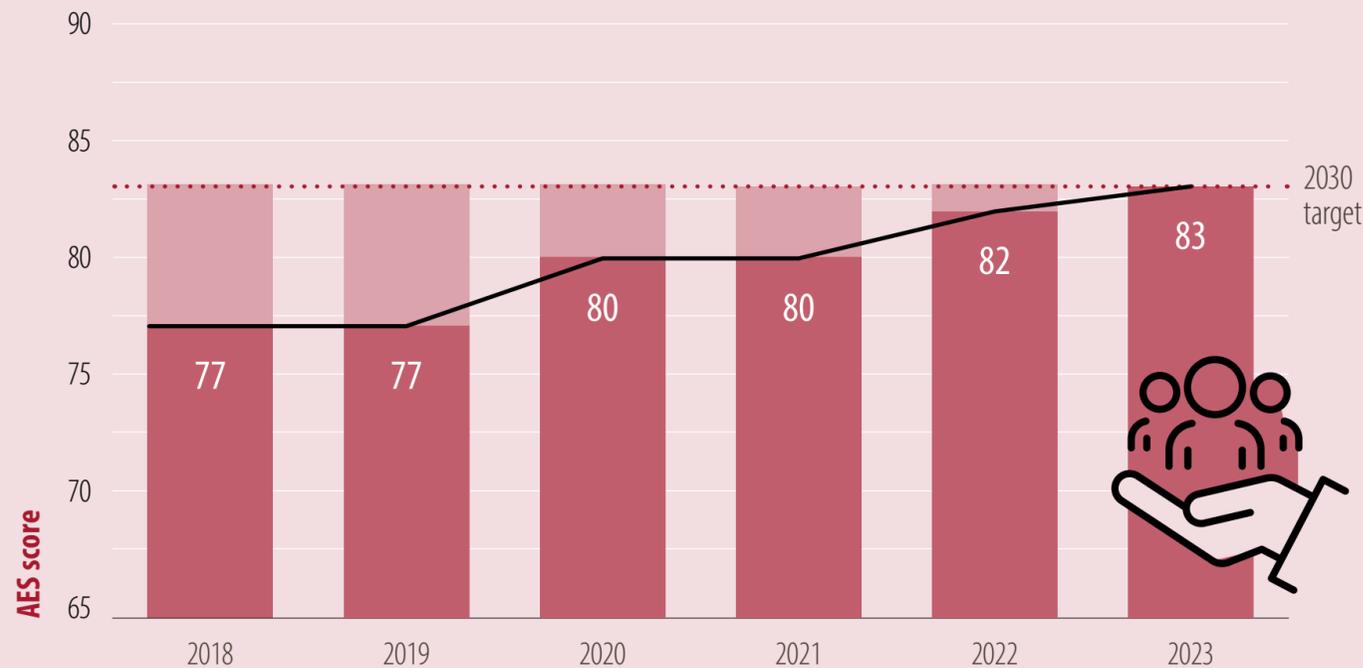
Enhancing lives commitments » Professional journey Diversity, equity and inclusion Health and safety Value chain workers' rights



Providing a diverse, equitable and inclusive workplace

As stated in our policy, we commit to recruiting, hiring, promoting, developing and retaining a diverse pool of candidates and associates. To achieve this commitment, we have set targets such as a zero gender pay gap and a representation of 40 to 60% female leaders (level B+). We also try to find an equal number of potential successors per gender for job openings (at C+ level). We also examine whether all associates feel welcome and included through our Associate Engagement Survey (AES).

Inclusive workplace score AES*



83

points for our survey score on an inclusive workplace

OUR PERFORMANCE

2023 TARGET 2030

Representation of women at senior level (B+ level)	28.7%	40 to 60%
Equal number of successors per gender in jobs with a successor C+	0.84	Ratio: 0.90 to 1.10
Equal hours of training per gender	1.02 M: 42.5 hours F: 41.8 hours	Ratio: 0.90 to 1.10
Zero gender pay gap at management level	1.8%	-2% to +2%
Inclusive workplace score AES**	83 points	83 points
Full inclusivity for minorities	4 points	0 points



Check out all our targets and progress in the sustainability scorecard



* The Associate Engagement Survey is conducted annually.

** Associate Engagement Survey

OUR PERFORMANCE IN 2023

Between 2020 and 2023, we made significant progress in terms of **gender diversity and inclusion**. The number of women in senior management positions (B+ level: top 100 Group-wide) increased from 23% to 28.7%. We aim to scale up the representation of female leaders to 40% or more by 2030. Looking at the entire Vandemoortele population, female representation increased slightly, from 35% in 2021 to 37% in 2023.

We improved the representation of women identified as potential successors across all management positions. Our revised target focuses on comparing the actual number of male and female successors. In 2023, there exists a 16% underrepresentation of women, highlighting the **need for further progress in achieving gender balance**.

Our male and female associates are offered the **same training and development opportunities**. In 2023, the difference in training hours between women and men was minimal. On average, our male associates took 42.5 training hours, versus 41.8 hours for our female associates. However, some associates individually took more training hours than others.

In 2023, we further **decreased the gender pay gap** at management level: from 2.6% in 2022 to 1.8% in 2023. This difference is not statistically significant. However, we continue to focus on departments of our organisation where minor differences are still evident. In this context, we have also analysed the pay practice for part-time and full-time management members and found a 0% gap.

To track our progress, we use the Associate Engagement Survey to measure the level of diversity and inclusiveness in different countries and our various teams. In 2023, we achieved a score of 83: 1 point higher than in 2022. We are happy to observe that **our associates recognise our efforts in terms of diversity, equity and inclusion**. In 2023, we also started measuring the extent to which people from minority groups feel included in our company. The average score of the people who identify themselves as (part of) a minority was 79, compared to a score of 83 for all associates. In the coming years, we aim to close this 4-point gap.





OUR ACTION PLANS

Coaching and peer-to-peer feedback

As stated in our Diversity & Inclusion policy, we encourage people to speak up or to indicate any form of inappropriate behaviour. In 2023, we integrated **peer-to-peer feedback on diversity & inclusion** in our 'I CARE, U2?' programme. This platform is available in all of our sites and for all associates. At the moment, it is mostly used to flag unsafe behaviour; non-inclusive acts or comments are reported less frequently. In addition to this platform, associates can flag inappropriate behaviour to team leaders, HR professionals, associate representatives, etc. Associates who do not feel comfortable giving personal feedback can resort to our whistleblowing procedure or our SpeakUp portal.

To ensure that people know whether certain behaviours are acceptable or not, we offer **coaching** (for teams or individual associates), **self-assessment tools** to detect hidden biases, and a **training about 'good manners'**. More important is our proactive approach to build an inclusive work environment. All of our programmes – on employer branding, mentoring, training and so on – also focus on representing minority or challenged groups. In addition, we provide transparent internal communication on how we

handle inclusivity, equity and representation in different countries and areas.

Gender

At Vandemoortele, we aim to safeguard the representation of women in selection procedures. We **ensure that women have the same career opportunities as men**, and we commit to paying women equally for equal work, as stated in our policy. In 2023, a yearly budget was allocated to eliminate the gender pay gap at management level. We also completed a study into the gender pay gap at other levels and in other countries.

Ethnicity & beliefs

Starting from 2023, we complemented our focus on gender inequality with a focus on age, ethnicity, religion and beliefs. Our first step was to gather more data and to map our current situation. Since such information is considered private, this was undertaken on a voluntary basis, through a **survey among our associates**. The results show that people with an African or mixed background more often feel that their opinions are not fully taken into account. At the same time, people with an Asian or Middle Eastern background more often

feel that their ethnic origin and their beliefs are not always respected.

To **remedy these feelings of dissatisfaction**, we all share our best practices. We create prayer rooms, translate instructions, communicate on respect and inclusivity, hand people self-assessment tools to detect hidden bias, offer our leaders recruitment trainings, etc.

Starting from 2023, we complemented our focus on gender inequality with a focus on age, ethnicity, religion and beliefs



ENSURING A HEALTHY AND SAFE WORK ENVIRONMENT

OUR IMPACTS, RISKS AND OPPORTUNITIES

As a large-scale employer, we have a responsibility to ensure a healthy and safe working environment for our associates and contractors. By **protecting them from accidents, work-related illnesses and injuries**, we preserve their physical integrity, and we avoid distress and low morale in the workplace. This reduces absences and ensures that our workplace is more efficient and productive. We strongly believe in managed safety instead of regulated safety: we focus on raising awareness, promoting a mindful attitude and using constructive feedback techniques.

In addition to physical health and safety, we also **protect people's mental health**. We take steps to improve the work-life balance and to prevent dissatisfaction and burn-out. By offering inclusive, safe and healthy working conditions, combined with meaningful and rewarding work, we promote happiness and well-being within the workplace. Fostering well-being is also a good way for Vandemoortele to retain qualified associates.

Although health and safety issues mainly have an impact on the associates involved (and their relatives), they also affect Vandemoortele as an employer. The **potential consequences** could be severe: from production stoppages, supply

disruptions and operational costs, to reputational damage, absenteeism and lay-offs. A healthy and safe working environment is an inseparable part of our operational excellence, and of paramount strategic importance to Vandemoortele.

Material IRO* defined in the double materiality analysis	Description of the IRO
Safety and ergonomics	Negative impact on associates due to accidents, work-related injuries or illnesses
Mental health	Negative impact on associates due to insufficient attention to work-life balance, burn-outs, etc.
Absenteeism	Negative impact on associates due to work-related illness resulting in long-term absenteeism
Burn-outs	Financial risk of associates dropping out due to burn-out, stress and excessive working hours
Health and safety issues	Financial risk due to lay-offs, and reputational damage from hazardous and unhealthy working conditions

* Impacts, risks and opportunities according to the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).





OUR POLICIES

Our Health and Safety Commitment

We are committed to providing and maintaining a safe and healthy workplace for all internal and external associates and visitors. We offer the **information, training and supervision** needed to achieve this.

- As a basic prerequisite, the Vandemoortele subsidiaries must comply with **local, national and European health and safety rules** and regulations.
- As **everybody's contribution** is essential, we endorse the following responsibilities:
 - It is the responsibility of each associate to work safely, to follow the given work instructions, to pay attention to one's own safety (and that of colleagues), to be proactive in reporting dangerous cases, and to actively support the initiatives taken to reach higher levels of safety.
 - Members of management and team leaders must implement a Dynamic Safety Management system, based on risk assessment training and sustainable preventive and corrective actions.
 - The Executive Committee (ExCo) provides the necessary resources to achieve our stated objectives.

- Besides technical and organisational prevention measures, Vandemoortele also pays attention to **behaviour-based safety**. The following daily activities have been implemented:
 - incorporate safety in day-to-day functioning;
 - report and investigate dangers, incidents and accidents, and take the appropriate preventive measures;
 - respect the 5S + S principles of healthy and safe workplaces. Before and after each shift, our associates check that their work environment is neat and well-maintained.

Our Health & Safety Management system is based on the basic building blocks of the ISO 45001 Health & Safety Management standard, and is cross-audited at regular intervals.

Well-being: a part of our Code of Business Conduct

We watch over the physical and mental health of our associates, and endeavour to have a positive impact on their well-being. We condemn violence and harassment, as stated in our Code of Business Conduct, and we organise programmes to promote correct behaviour and 'good manners'.

Enhancing lives commitments » Professional journey Diversity, equity and inclusion Health and safety Value chain workers' rights



Ensuring a healthy and safe work environment

Our ultimate safety objective is zero accidents. The main indicators that show our progress are the number of work accidents with lost workdays per million hours worked, taking into account the severity. The lower these rates, the more we adhere to our company values of respect and cooperation. Together, we create a safer work environment.

We are committed to fostering a healthy work environment for our associates. That is why we have implemented

a comprehensive well-being initiative, centred around seven 'Add Flavour' pillars. These include mental health, physical health, personal and professional development, leadership, the ABC of work happiness, social contact, and our corporate culture and values. Our progress is assessed through our annual Associate Engagement Survey (AES), assessments of employee turnover, an analysis of changes in absenteeism, and an evaluation of work-life balance metrics.

Frequency rate

$$\text{Frequency rate} = \frac{\# \text{ of Lost Workday Accidents} \times 1 \text{ million}}{\# \text{ working hours}}$$



17.3

is our lowest frequency rate ever

OUR PERFORMANCE

2023 TARGET 2030

Zero severe accidents (no permanent disability)	1	0
Severity rate of Lost Workday Cases*	0.66	0.3
Frequency rate of Lost Workday Cases*	17.3	14
Well-being index AES** (7 indicators)	76	79



Check out all our targets and progress in the sustainability scorecard

* Contractors, visitors and students/apprentices are excluded. The data for the new BP production plant was only included as of the start-up phase in June.
** Associate Engagement Survey.





OUR PERFORMANCE IN 2023

Accidents

We **aim for zero accidents**, and believe that all accidents can be avoided. In 2023, we had 17.3 Lost Workday Cases per million work hours (own staff and temporary workers, excluding contractors, visitors and students/apprentices), a decrease compared to the previous year. The severity rate of accidents (i.e. the number of lost workdays per 1,000 working hours) stood at 0.66. The accidents mainly consisted of bruises, small cuts, slips and tripping accidents, although one severe accident led to a limited, but permanent, disability.

Our accident frequency rate steadily decreased for several years. The 2023 severity rate, however, remained stable. Most of the incidents and accidents were linked to **human and/or organisational aspects**, the main challenges we need to address. As Health and Safety is a part of our Operational Excellence strategy, we use a safety maturity matrix to audit and evaluate the level of progress.

Well-being index

In the 2023 Associate Engagement Survey, we achieved a favourable general well-being score of 76 points. This score was the overall result of the seven well-being pillars we addressed.

The most progress was made in the areas of Development and Physical Health. Various initiatives contributed to this, such as extra learning opportunities in our Vandemoortele Academy, our aim to provide at least 40 hours of training per individual, our focus on people’s professional journeys and our physical health programmes.

Although we made good progress in terms of mental health, there is still room for improvement. The feedback from the engagement survey indicates that we need to **set clear priorities and stick to them**: this reduces stress and has a positive effect on the mental health of our associates. All teams started working on action plans from November 2023 onward, formulating initiatives to improve well-being at different levels.

76

is the favourable score we achieved for well-being in 2023 based on the feedback from our associates

OUR ACTION PLANS

I CARE U2? Most accidents are not caused by technical defects, but by unsafe behaviours. With our safety programme ‘I CARE, U2?’, we seek to spread safety leadership and attitudes. In this context, we have implemented various safety management tools, such as:

- **Root cause analyses and corrective action plans:** we identify the underlying root causes and determine appropriate and sustainable corrective measures.
- **Safety inspections:** a multidisciplinary team performs periodic inspection rounds of the workplace to detect unsafe situations.
- **Safety toolboxes:** toolboxes are short training sessions held in small groups at the workplace.
- **Peer2Peer interactions:** we promote a work environment where the exchange of experiences and ideas is only natural. In the event of unsafe behaviour, we ask our associates to react and give each other constructive feedback.
- **Gemba Walks:** our site management teams undertake regular ‘proximity walks’ on the floor to talk to our associates about safety, well-being and working conditions.

To complement these tools, we have developed a set of KPIs to monitor our progress.

Making our safety progress sustainable

Our progress of the last two years shows that **our safety leadership is growing**, and that our associates are taking more responsibility for the safety of both themselves and others. This is the ultimate objective of our 'I CARE, U2?' safety programme.

To maintain excellent working conditions at all times, we aim for a maturity level **'interdependency': we share our ideas and we care for each other**. Safety is one of our company values; it is how we do business, and how we seek to achieve operational excellence.

To get all site teams aligned, we have added appropriate safety tools to our Operational Excellence programmes. In this way, we promote synergies, and we sustain our progress on safety. Our tools include:

- **ICF model:** the Internal Control Framework model for safety-related risks encourages continuous improvement to manage our risks effectively. It enables us to take the right actions to improve our working methods and behaviour.
- **Group Safety Master Plan:** this master plan describes the Group's safety goals for the next seven years, with a clear ambition to further reduce workplace accidents by 50% by 2030.

- **Local Safety Teams:** in 2023, we started preparing our sites for the creation of multidisciplinary 'Safety Teams'. Everyone will be able to contribute their ideas and solutions.
- **Safety Maturity Matrix:** we created a balanced assessment tool to help achieve interdependent teams that care for each other. We monitor our progress and the gaps to be managed.

Well-being heroes

To further improve well-being, we foster a community of 'well-being heroes' across all of our countries and divisions. These heroes, who represent various functions and backgrounds, dedicate themselves to promoting the well-being of their colleagues. They coordinate action plans, roll out well-being initiatives according to the most prevalent needs and incorporate existing initiatives. The progress of all this is measured through the Associate Engagement Survey.

"In 2023, 12 different Vandemoortele sites shared no less than 70 well-being stories"

Flore Couvreur – Group Communication Manager



What's your flavour?

Associates from all Vandemoortele sites can **share well-being stories** on the homepage of our intranet. These stories stem from local action plans, each incorporating one or more well-being pillars, according to the needs of the local audiences. The many well-being activities are eagerly read and shared; in 2023, 12 different Vandemoortele sites shared no less than 70 well-being stories.

Flore Couvreur – Group Communication Manager



OUR PEOPLE

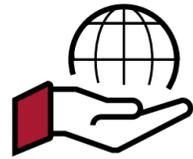


Samir Bedrici HSE Manager

**Belgium,
HQ Ghent**

“I joined the Vandemoortele Global HSE team in March 2023. The challenge excited me: my task is to care about safe and healthy working conditions, so our associates can safely create high-quality products with a minimal impact on the environment. I support the sustainable transformation of Vandemoortele through the ‘I CARE, U2?’ programme and the Climate Pillar of our sustainability strategy. By caring about each other, investing in good work conditions and reducing our environmental impact, we can build a sustainable future.”

“Caring about each other is the best way to build a sustainable future”



ENSURING WORKERS' RIGHTS IN OUR VALUE CHAIN

OUR IMPACTS, RISKS AND OPPORTUNITIES

We aim to have a **positive impact on society** and to address social injustice. By ensuring fair working conditions, we seek to treat people well, not only within Vandemoortele but across our entire value chain. We contribute to positive social change and create chances for minorities and underprivileged groups, like decent working conditions and quality education.

In collaboration with local communities, we provide on-the-ground support to projects that **improve people's living and working conditions**. The results of our actions are

threefold: we minimise the risk of human rights violations, we maximise our positive social impact and we address environmental challenges like deforestation.

OUR POLICY

Supplier Code of Conduct

To ensure that our commitments and standards are respected throughout our value chain, we ask all of our centrally managed direct suppliers to sign our **Supplier Code of Conduct**. These suppliers are our primary trading partners, who provide essential

goods or services to our company. We only work with suppliers who adopt the same social and environmental practices that we do. Over the past few years, nearly all of our centrally managed direct suppliers have signed our Code, or have created their own code of conduct that is at least as strict as ours. More information on the Vandemoortele Supplier Code of Conduct can be found in the commitment on 'Partnering in the value chain' on page 145.

Sourcing commitments

Vandemoortele has established **procurement commitments related to palm oil, soya, eggs, plastic packaging, and paper and cardboard packaging**. These commitments describe how we reduce social and environmental issues through our procurement policy. More information on our sourcing commitments can be found in the commitment 'Ensuring sustainable resources' on page 97.



Material IRO* defined in the double materiality analysis	Description of the IRO
Human rights in the value chain	Positive impact on workers in the value chain by ensuring fair and safe working conditions
Social dialogue with workers in the value chain	Positive impact on workers in the value chain by engaging with them to ensure they have good working conditions

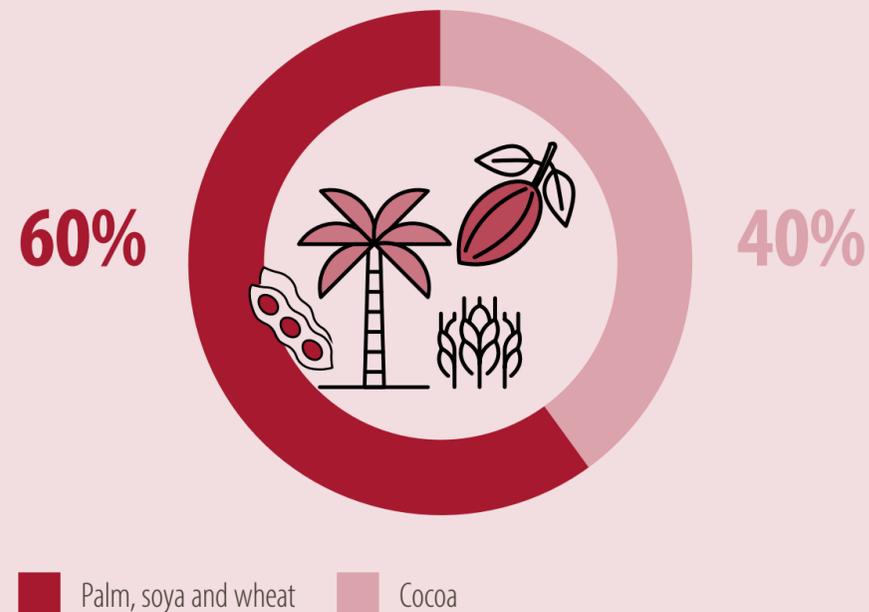
* Impacts, risks and opportunities according to the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

Enhancing lives commitments » Professional journey Diversity, equity and inclusion Health and safety Value chain workers' rights

Ensuring workers' rights in our value chain

Through our grievance mechanism, we monitor breaches of our Supplier Code of Conduct or our NDPE (No Deforestation, Peat, and Exploitation) commitment. When a non-compliant act is verified, we take action by engaging with our direct suppliers. We track the percentage of grievances for which an action plan is in place. We also support on-the-ground projects to tackle social issues at their roots. Because we believe these projects play an important role, we have established a specific target for the percentage of key commodities participating in on-the-ground projects.

% key commodities participating in a project on the ground



60%

of our key commodities is participating in projects that locally tackle social issues

OUR PERFORMANCE

2023 TARGET 2030

Key commodities* participating in a project on the ground

60% 100%

OUR PERFORMANCE

2023 TARGET 2025

% of verified grievances on social related to our palm oil and cocoa have an action plan**

100% 100%



Check out all our targets and progress in the sustainability scorecard

* Key commodities: palm, cocoa, soya and wheat. ** From 2024 onwards, we will include soya and relative grievances in the scope of this target.





OUR PERFORMANCE IN 2023

Grievances on social issues

In 2023, we extended the scope of our grievance mechanism from only palm oil to **palm oil and cocoa**. We received one new grievance case on social issues related to these commodities. An action plan is in place for 100% of the active and verified grievances. Our revised sustainability strategy further expands the commodities included in our grievance mechanism. From 2024 onwards, we will also include soya and relative grievances. Grievances can be submitted through SpeakUp, the reporting portal we also use for whistleblowing cases.

Projects on the ground

By 2030, we will initiate at least one on-the-ground project for each of our key commodities: **soya, palm oil, cocoa and wheat**. With these projects, we aim to have a positive social impact on local communities and farmers in the upstream supply chain and beyond. To date, we have already initiated projects related to soya, palm oil and wheat. This represents 60% of all key commodities.

OUR ACTIONS IN 2023

Palm oil

Since 2018, we have collaborated with **Earthworm Foundation (EF)**, an impact-driven global non-profit organisation, working on the ground to create scalable solutions for nature and people. EF works with companies and partners to regenerate supply chains, soils and communities across the globe. As a partner company, Vandemoortele contributes to **landscape projects** that target the sustainable production of palm oil. Until 2022, we contributed to a project in Aceh, Sumatra (Indonesia), while since 2023 we support the **Southern Central Forest Spine (SCFS) project in Malaysia**. The goal of this project is to create a sustainable landscape model that demonstrates the possibility of balancing sustainable production, forest conservation, resilient livelihoods and good labour practices.

In 2023, the SCFS project made significant progress. No less than **68 mills took measures to move towards traceability to plantation**. A training session for palm fruit dealers in Rompin was attended by 2 mills and 28 dealers. In late 2023, EF also launched the #Getitright campaign, in collaboration with the Malaysian Ministry of Human Resources. The campaign highlights how companies are making sustainable improvements

to labour practices in Malaysia. The campaign aligns with the goals stated in the National Action Plan on Forced Labour, which aims to eliminate forced labour in Malaysia by 2030.

Soya

Since 2011, Vandemoortele has been a member of the **Round Table on Responsible Soya** (RTRS). This organisation ensures that soya is obtained through a process that is environmentally correct, socially adequate and economically viable. By investing in local social and environmental projects, RTRS has provided direct and indirect support to thousands of individuals.

We support their mission by purchasing RTRS credits for all the soya that we process. With these credits the organisation invests in **projects in the Cerrado**, the second most biologically diverse region of Brazil after the Amazon rainforest. Today, this savannah landscape has lost 50% of its original surface as a direct result of agricultural expansion. We also support projects in Maranhão and Piauí that tackle issues like deforestation, decent working conditions, access to education, standards of health and well-being, and sustainable agriculture. In addition, by purchasing soya oil with a ProTerra certification, we make sure that workers and communities are treated with dignity and respect.

Wheat

In 2023, we formalised a **carbon reduction project in collaboration with our direct wheat suppliers**. The aim: helping wheat farmers to provide decarbonised wheat. The project has a positive impact on our carbon footprint. In addition, we will contribute to the development of a fair wheat farming model that allows farmers to provide wheat in a sustainable and economically responsible way.

We will contribute to the development of a fair wheat farming model that allows farmers to provide wheat in a sustainable and economically responsible way



SUSTAINABLE ORGANISATION



Philippe Delsaut: “Sustainable growth means building a sustainable business for the generations to come. Integrity is a key part of our strategy: we promote ethical behaviour and make sure we act at all times in accordance with the law. Our value chain partners are essential for our sustainable business success and through increased collaboration with our various partners, we aim to create a positive impact for our planet and our people.”

“We continuously look at ways to further improve our ways of working, both internally and externally. While we focus on innovative design, planning and technology to facilitate a sustainable business, we also make sure we effectively align and communicate on our sustainability strategy and goals with and to our internal and external stakeholders. Continuing to build trust with our associates, customers, and suppliers is key to our future success and essential for bringing large-scale change in the sustainability space.”

Our commitments:



Ensuring sustainable business growth



Partnering in the value chain



Philippe Delsaut –
Chief Legal and Risk Officer



ENSURING SUSTAINABLE BUSINESS GROWTH

OUR IMPACTS, RISKS AND OPPORTUNITIES

For Vandemoortele, sustainable growth means growing our business by focusing simultaneously on profitable growth, social inclusion and protecting the environment. These three elements are interconnected, and crucial for the **well-being of people and society at large**. It is for this reason that we constantly monitor changing customer needs, environmental impacts, associate expectations, new legal requirements and industry trends.

Integrity and business ethics are the key principles of our strategy: we promote ethical behaviour and ensure that there is no room for any form of bribery and/or corruption. Through our grievance mechanism and our whistleblowing procedure, we enable our customers, suppliers, associates and other stakeholders to report incorrect behaviour at any point during their dealings with Vandemoortele.

To boost our sustainable growth, we seek to enhance customer satisfaction by offering excellent service and high-quality products.

That is why we develop new technologies and invest in **sustainable innovations**. As we continue to grow, we also address the many opportunities and risks we may face so that we can proactively take the necessary measures and actions in the interests of all our stakeholders.

We focus simultaneously on economic growth, social inclusion and protecting the environment

Material IRO* defined in the double materiality analysis	Description of the IRO
Integrity and business ethics	Avoiding bribery and corruption and promoting ethical behaviour amongst our associates
Grievance mechanism and whistleblowing procedure	Enabling people to report incorrect behaviour at any time during their dealings with Vandemoortele
Cybersecurity and data privacy	Avoiding cyberattacks and ensuring the data privacy of our associates, suppliers and customers
Ethical business conduct	Financial risk of fines when not acting ethically
Lack of fair and free competition	Financial risk of fines linked to illegal practices
Cybercrime	Financial risk due to hacking, malware, phishing, etc.
Shift in the market	Being unable to keep up with market changes
Raw materials price volatility and availability	Customers reducing their purchase volumes or deciding to switch to another supplier because of increasing product prices
Environmental taxes and legislation (carbon tax, CSRD)	Financial risk of fines due to non-compliance, risk of losing market share when not able to achieve ambition level of our customers
Customer satisfaction and service	Financial risk or opportunity when customers are satisfied or dissatisfied
Sustainable investments	Financial risk or opportunity when investing in sustainable innovations
New technologies	Being ahead or lagging behind because of (not) applying new technologies (digitalisation, automation, Artificial Intelligence)
Protection of intellectual property	Financial risks related to intellectual property (lawsuits)

* Impacts, risks and opportunities according to the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS)



OUR CHARTERS & POLICIES

In 2023, we developed our **Sustainable Value Creation Charter**. Combined with our other charters – the Environmental, Social and Governance Charters – this serves as a compass for our organisation. All of our charters are incorporated in our strategy and our day-to-day activities. We are firmly convinced that a sustainable balance between socioeconomic development and the natural environment is a prerequisite for sustainable value creation.

Corporate Governance Charter

Adequate corporate governance is one of Vandemoortele’s tools that are deemed essential to ensuring our sustainable growth and profitability, both now and in the future, to the benefit of all our stakeholders. The Vandemoortele Corporate Governance Charter is based on the principles of the 2020 Belgian Code of Corporate Governance.

The responsible conduct of our affairs is embedded in **eight best governance practices**:

- We adopt a clear governance structure.
- Our Board of Directors works efficiently and makes decisions in the best interests of our company.
- We use a strict and transparent procedure to appoint Board members and to evaluate their contributions, commitment and integrity.

- We set up specialised committees.
- We outline a clear executive management structure.
- We remunerate our directors and executive managers fairly and responsibly.
- We ensure an adequate disclosure of our corporate governance, with sufficient attention to transparency and public reporting.
- Our codes of conduct, policies and other charters guarantee the commitment of all our associates, directors, suppliers, customers and other business partners to ethical behaviour.

Code of Business Conduct and Ethics

Vandemoortele has developed a Code of Business Conduct and Ethics (the “Code”) to provide all associates with **clear and unambiguous guidelines for ethical and moral conduct** in the workplace and in their dealings with our customers and suppliers. In 2023, the Code was reviewed and updated. We also updated the procedure for confidentially reporting incorrect behaviour, and an enhanced whistleblowing procedure was put in place at group level, in line with applicable legislation. The Code is a practical guide on how to behave in day-to-day activities and consists of three sections: ‘Integrity’, ‘Care’ and ‘Protection’.

The Code offers specific information about how people can report violations, how the investigations are conducted, which rights and obligations people have when they report a violation, etc. The reports on incorrect behaviour are shared with the Audit Committee on a quarterly basis, in order to discuss the various findings and to ensure that **appropriate actions** are taken to avoid similar situations in the future.

Human rights policy

Vandemoortele is committed to respecting and promoting **human rights, both within our organisation and in the communities in which we operate**. This is a key principle of our Social Charter. We recognise the fundamental importance of human rights, and strive to ensure that our actions do not negatively impact the human rights of any individual, group or community.

Child labour is not tolerated under any circumstances, either within our organisation or across our supply chain. We are committed to ensuring that all work is performed voluntarily. Under no circumstances will we tolerate human trafficking, exploitation, slavery, servitude, or forced or compulsory labour.

We aim to comply with all **applicable local and international human rights** laws and standards,

including – but not limited to – the Universal Declaration of Human Rights, the ILO’s Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights.

Any violation of our human rights policy can be reported through our whistleblowing procedure and our grievance mechanism. Vandemoortele **proactively monitors** whether its associates, contractors and suppliers comply with the principals of this policy.

Whistleblowing procedure

Our whistleblowing procedure provides guidance on how to **report suspected wrongdoings** in the workplace. The procedure explains what ‘whistleblowing’ means, where people can get help, who can report suspected wrongdoings, and how such reports can be submitted.

The whistleblowing procedure also explains how reports will be processed and followed up, and outlines which safeguards are in place to ensure **confidentiality, protection against retaliation, and privacy and personal data protection**. Case handlers receive guidance, instructions and training on how and when reports should be uploaded through our SpeakUp online platform.



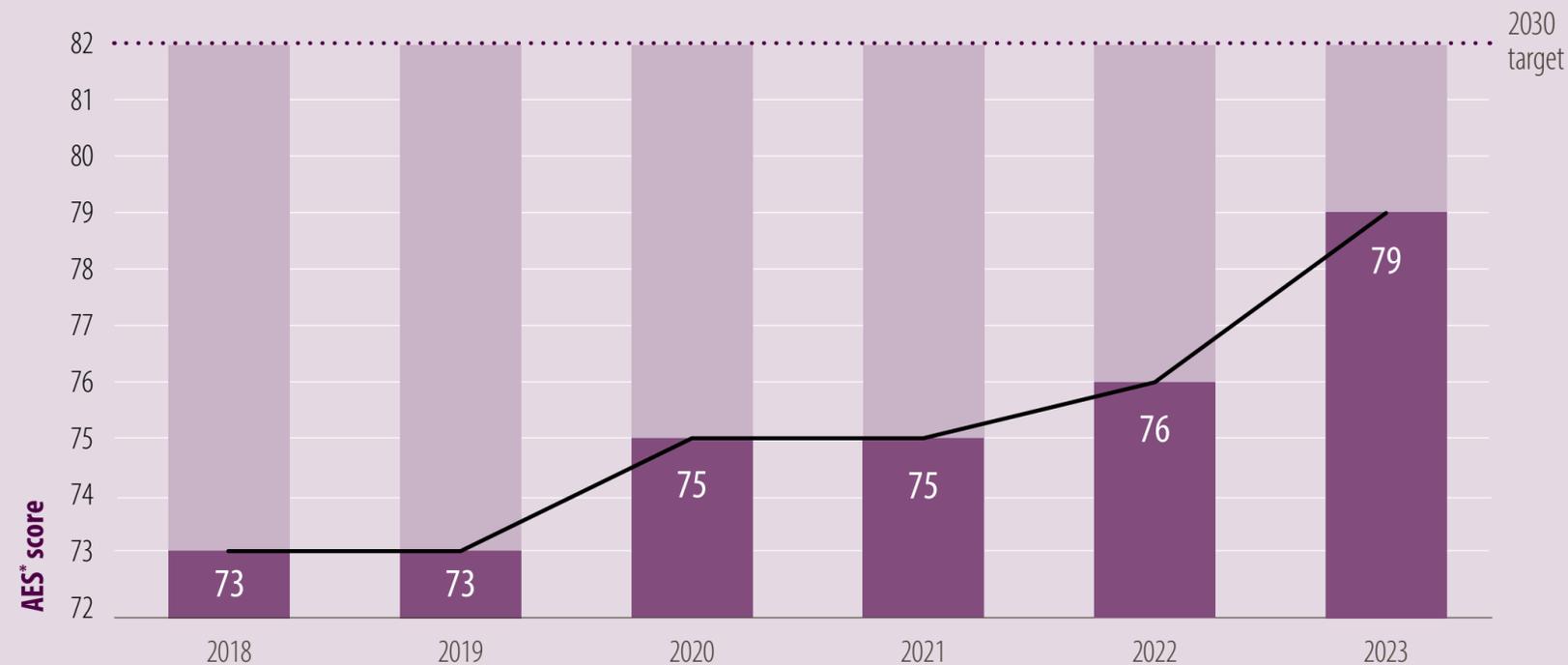


Ensuring sustainable business growth

At Vandemoortele, we pride ourselves on doing the right thing and doing things right. Under no circumstances shall we disrespect this fundamental principle in order to gain a competitive advantage. Our choice to do things right is the reason why we are still adding value to society after 125 years, and why we will continue to do so.

We use two targets to monitor the correct conduct of the company and our associates: 1) the percentage of associates who have received training on our Code of Conduct and the whistleblowing procedure, and 2) our Associate Engagement Survey score for sustainability.

Sustainability score AES*



* Associate Engagement Survey.

OUR PERFORMANCE

2023 TARGET 2030

% of our associates received training on the Code of Conduct and the whistleblowing procedure	New target, will be monitored as of 1 January 2024	100%
Sustainability score of 82 in the Associate Engagement Survey	79 points	82 points



Check out all our targets and progress in the sustainability scorecard





OUR PERFORMANCE IN 2023

The 2023 update of our sustainability strategy includes a **new target to promote the correct behaviour of our associates**. By 2030, 100% of our associates will have undertaken one or more training sessions on the Code of Conduct and the whistleblowing procedure. This target will be monitored from 1 January 2024.

The sustainability score in our engagement survey notes how sustainable our associates think we are. In 2023, this score reached 79, marking a notable increase of 3 points from the previous year's score. This increase gives us great satisfaction, as it highlights the impact of our sustainability initiatives.

OUR ACTION PLANS

In 2023, we successfully revamped our internal Code of Conduct, and we rolled out our **whistleblowing procedure and grievance mechanism on a global scale**. This allows individuals across our organisation to report incorrect behaviour and to express their concerns, anonymously if necessary. These measures underscore our commitment to integrity and to fostering a positive and ethical attitude in the workplace. In this way, we enhance our governance model and we reduce various risks related to good business conduct.

In addition, we have developed an **e-learning session** to explain our Code of Business Conduct and Ethics (including corruption and bribery) and our whistleblowing procedure. From 2024, all of our associates will be required to follow this e-learning course. For blue-collar workers, we will also organise on-site face-to-face training sessions.

We rolled out our whistleblowing procedure and grievance mechanism on a global scale

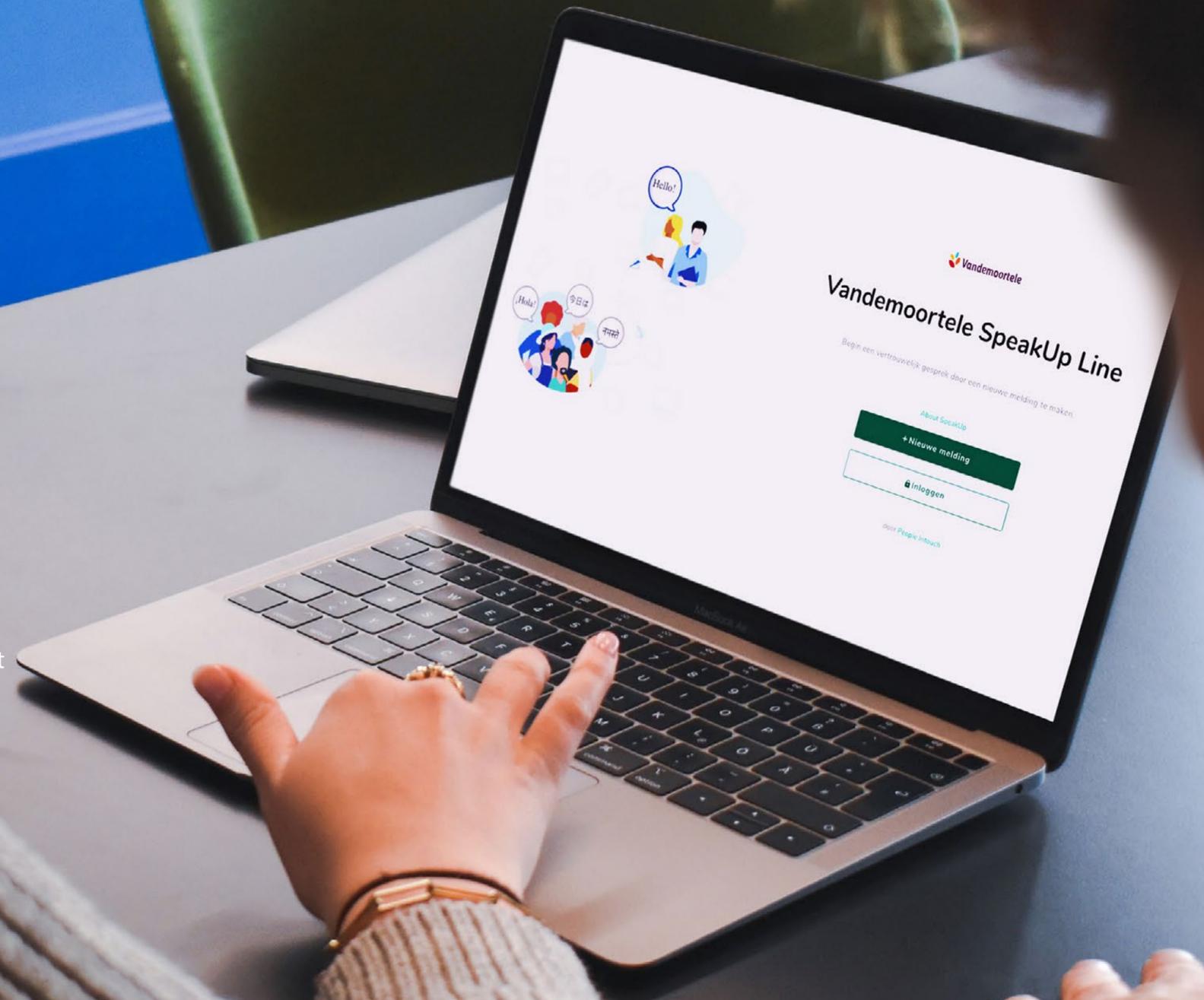
OUR PROJECTS



Report your concerns through SpeakUp

At Vandemoortele, we expect all our associates, suppliers and contractors to act ethically and honourably. Do the right thing and do things right is our philosophy. Doing the right thing also means reporting any behaviour in the workplace that anyone considers wrong or inappropriate. Not only when Vandemoortele is directly impacted, but also when third-party supplier activities go against our sustainable development charter. (Potential) incorrect behaviour can be reported to a first-line contact person: a direct manager, a staff member from HR, a dedicated trust person ... If someone prefers not to talk to a contact directly, or if someone feels they are not being listened to, they can raise their concerns through our online portal SpeakUp. The report can be made anonymously and is treated with the utmost care. Every case is assigned to an authorised case handler, who will further investigate.

→ [Read more about the project](#)





PARTNERING IN THE VALUE CHAIN

OUR IMPACTS, RISKS AND OPPORTUNITIES

Value chain partners are essential to our sustainable business success. By collaborating with various partners, we create a positive impact in terms of climate, human rights, supply chain transparency, etc. We thoroughly screen our suppliers, and we engage with our stakeholders to identify potential negative impacts of our products or processes. In this way, we protect both our sustainable opportunities and our reputation.

Communication is key: for people to appreciate our sustainable efforts, they first have to know about them. We place a strong focus on **transparent internal and external communication**, and we share correct information on ESG (Environment, Social and Governance) topics. In addition, we promote both our products and our sustainable performance in a correct and responsible way, without exaggerating or greenwashing. By communicating clearly and honestly, we avoid reputational damage, and build trust with our customers and suppliers.

Material IRO* defined in the double materiality analysis	Description of the IRO
Responsible supply chain management	Screening our suppliers in terms of human rights, environmental commitments and training on these topics
Listening to stakeholders and stakeholder dialogue	Engaging with stakeholders to identify potential negative impacts
Communication	Transparent internal and external communication, sharing correct information on ESG topics
Responsible marketing	Promoting our products correctly (not ambiguously) and avoiding greenwashing
Partnerships in the value chain	Collaborating with various partners to create reputational opportunities and to have a positive impact in terms of climate, human rights, etc.
Greenwashing	Promoting the environmental performance of our products incorrectly or ambiguously may lead to reputational damage

* Impacts, risks and opportunities according to the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).





OUR POLICY

Supplier Code of Conduct

To decrease any possible negative social impact in our value chain, **we ask all of our key suppliers to sign our Supplier Code of Conduct (SCOC)**. Key suppliers are suppliers that deliver ingredients, raw materials, traded goods or packaging materials that are used in a large number of our finished products, or suppliers with whom we have established a long-term partnership.

By requesting that our key suppliers sign our SCOC, we ensure that we primarily work with suppliers who commit to the same social and environmental practices as we do. Additionally, we regularly and explicitly state the commitments we expect from our partners in terms of corruption and child labour. We ask our suppliers to be audited via EcoVadis or any similar platform on their sustainability criteria.

The requirements laid out in our SCOC were established in accordance with the **10 principles of the UN Global Compact**, the world's largest corporate sustainability initiative. The UN Global Compact is a call to companies to align their strategies and operations with universal principles on human rights, labour, environment and anti-corruption.

The Vandemoortele SCOC contains the following principles:

- Business must be conducted lawfully and with integrity.
- Working environments and social conditions must comply with international frameworks.
- All workers will enjoy freedom of association.
- Work is conducted on a voluntary basis.
- All workers are of an appropriate age.
- Working hours for all workers are reasonable.
- All workers are paid fair wages.
- All workers are treated equally, and with respect and dignity.
- The health and safety of workers is protected.
- Business is conducted in a manner that reduces its environmental impact.

Supplier onboarding procedure

Before we register a new supplier in our company's systems, we collect and analyse a wide range of data about them. The supplier onboarding form includes general information (such as the company name and address), financial information (default currency, bank account details, etc.) and information about the supplier's points of contact within the company. In addition, we request that the supplier sign our SCOC. **The supplier is only accepted after a thorough check.** This is necessary to ensure compliance and to ascertain that it is safe to purchase goods from them.

We primarily work with suppliers who commit to the same social and environmental practices as we do



Partnering in the value chain

To advance the use of our SCOC, we have established several targets. For example, all of our centrally managed direct suppliers must accept or sign the Code or have an SCOC in line with Vandemoortele’s SCOC. In addition, we monitor our centrally managed critical suppliers according to sustainability criteria.

% of our centrally managed direct suppliers accepted/signed our SCOC, or have an SCOC in line with the Vandemoortele Code



OUR PERFORMANCE

2023 TARGET 2030

% of our centrally managed direct suppliers have accepted/signed our SCOC, or have an SCOC in line with the Vandemoortele SCOC	83%	100%
% of our centrally managed critical direct suppliers that are verified according to our sustainability criteria	85%	100%
Collaborations with customers	New target, will be monitored as of 1 January 2024	5



Check out all our targets and progress in the sustainability scorecard





OUR PERFORMANCE 2023

In 2023, **83% of our centrally managed direct suppliers accepted/signed our SCOC**, or had an SCOC in line with Vandemoortele's SCOC. Starting from 2023, we also asked our indirect suppliers with whom we established new business relationships to sign our SCOC.

In 2023, **85% of our centrally managed critical direct suppliers had been verified** or are going through the process of being verified by EcoVadis or a similar organisation. Our goal is to have 100% of our centrally managed critical direct suppliers audited by 2030 according to the sustainability criteria, wherever the action plan indicates the necessity.

By 2030, we aim to establish **five meaningful collaborations with key customers**. This is a newly defined target within our sustainability strategy.

OUR ACTION PLANS

Sustainability criteria

To create a meaningful impact together with our key suppliers, we gather **voluntary information about their sustainability efforts**. In 2021, we incorporated sustainability questions into our audits and sourcing tenders. More than 100

centrally managed direct suppliers agreed to share their answers with us. The results showed that 75% of those centrally managed direct suppliers already had a sustainability strategy, and 55% had implemented an SCOC for their own suppliers.

We use the EcoVadis tool to gain insight into the sustainability level of our centrally managed critical direct suppliers. Our 2030 goal is to work exclusively with partners who have been verified according to the EcoVadis sustainability criteria or are audited by similar organisations. We have trained our associates in the use of the EcoVadis tool, and we are encouraging our centrally managed critical direct suppliers to subscribe to the platform and to be rated on sustainability criteria.

Since 2020, we have been conducting the Engagement Policy Implementation (EPI) survey of our **palm oil suppliers** on a regular basis. This survey, provided by Earthworm Foundation, covers various topics, from traceability and transformation to grievance mechanisms and projects on the ground. In 2022, all of our palm oil suppliers were subjected to an EPI survey. The results allowed us to track their improvements.

Collaborations with customers

In our 2030 strategy, we want to **achieve our ESG goals in cooperation with all of our partners**.

We are convinced that we can achieve more through long-term partnerships and agreements. Alongside suppliers, we want to **grow our partnerships with downstream partners**: first customers and eventually also consumers. To begin with, we want to partner up with a minimum of five key customers on sustainability projects. The main focus of these projects will be reducing scope 3 emissions, as this is a priority and an advantage for both parties. Partnerships on consumer health, packaging and plastic reduction will also be explored.

With our selected partner-customers, we want to **exchange knowledge** about various topics: for instance, what consumers expect and accept in terms of sustainability developments, and how we can convince them to accept more sustainable solutions without resorting to greenwashing. In this way, we will build a competitive advantage and strengthen the relationships with our customers and work together towards a sustainable future.

MEMBERSHIPS & ACTIVITIES

Vandemoortele is a member of various industry associations, national or international advocacy organisations and other initiatives. All our memberships are meant to reinforce each other and to help us have a **positive impact on society**. We are currently a member of:

- **The Shift**, the Belgian meeting point for sustainability;
- **FEVIA**, the Belgian Food Industry Federation;
- **IMACE**, the European Margarine Association;
- the **Federation of Major Bakeries in Belgium** (FGBB);
- the **International Association of Plant Bakers** (AIBI);
- **Flanders' FOOD**, an innovation platform for a more sustainable agri-food industry;
- the **Belgian Pledge 3.0**, a commitment by food companies concerning responsible advertising practices;
- **Earthworm Foundation**, a non-profit organisation that aims to improve the relationship between people and nature;
- the **Roundtable on Sustainable Palm Oil** (RSPO), which aims to transform markets to make sustainable palm the norm;
- the **French Culture Raisonnée Contrôlée®** (CRC®) quality mark, for wheat that is grown with less negative impact on the environment and on people's health;

- **Alliance4Soy**, a market transformation organisation for sustainable soya;
- the **Round Table on Responsible Soy** (RTRS), which aims to make sustainable soya the norm;
- **Rainforest Alliance**, an organisation that strives to improve livelihoods for farmers and forest communities around the world;
- SBTi, the **Science Based Targets initiative** for corporate climate action;
- **HolyGrail 2.0**, an initiative that advocates the use of digital watermarks for accurate sorting and high-quality recycling;
- the **Ellen MacArthur Foundation**, which develops and promotes the idea of a circular economy;
- the **Global Commitment of the New Plastics Economy**;
- the **Fost Plus** initiative;
- **Valipac**, a collective management organisation for commercial packaging;
- **Valorlux**, an organisation for sorting and recycling packaging waste;
- **Pack4Food**, a consortium of companies from the food and packaging industry and their suppliers;
- Various local initiatives and federations.

CHARITY

Vandemoortele supports numerous charities. Most of them have a **specific link** with sustainable food, with our sustainability strategy, with a customer or a supplier, or with an international organisation. In 2023, we paid special attention to Constellations asbl and the Hubi & Vinciane Foundation. We also supported local initiatives, such as sporting events, in the context of our various health goals, and youth organisations like Habbekrats, which helps children and young people all over Belgium. In addition, we launched the initiative Forza Romagna, providing aid to the residents of Emilia-Romagna after two weeks of extreme rain and flooding.

- **Constellations asbl – Sterrenbeelden vzw** is a Belgian non-profit organisation that seeks to integrate disabled people into society. Its main goal is building accommodation and daycare facilities for people with mental disabilities in and around Brussels. It also contributes to various inclusive initiatives such as House Artos, a Brussels day centre that offers bakery trainings to 25 young adults with a mental disability. This gives them a chance to participate in the local community. Vandemoortele donated 5,000 euro to support Artos and its various initiatives.

- **The Hubi & Vinciane Foundation** is an organisation that arranges humanitarian activities in Benin, West Africa. Vandemoortele has decided to support their anti-malnutrition programme because this matches very well with our company's sustainability strategy. The programme detects, treats and prevents child malnutrition. Vandemoortele strives to give all people healthy food options, including those in vulnerable and dire situations.

- **Forza Romagna**

In two weeks' time, the Italian region of Emilia-Romagna was hit by the same amount of rain that normally falls in seven months. The resulting flooding particularly affected the city of Ravenna. Although the Vandemoortele plant at Ravenna was not damaged, we needed to close it for a while. Many of our associates also suffered major personal losses. Vandemoortele offered financial support to all associates who were impacted by the disaster. Our associates also insisted on helping residents: with a GOFUNDME campaign, they raised 6,795 euro in donations, to which Vandemoortele added another 95,000 euro.



EU TAXONOMY REPORTING

The EU Taxonomy Regulation, approved in 2020, is a **classification framework** established to determine **whether an economic activity is environmentally sustainable**. It requires reporting on eligibility and alignment against six environmental objectives: climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems.

Under the EU Taxonomy Regulation, the European Commission was empowered to adopt delegated acts. The first Taxonomy Disclosures Delegated Act specifies the content and presentation of the information to be disclosed. For Vandemoortele, the reporting requirements concern reporting on the eligibility and alignment of three key performance indicators: **turnover, capital expenditure (CapEx) and operating expenditure (OpEx)**.

Vandemoortele has screened the technical annex to the Taxonomy on climate change adaptation and mitigation (the 'Climate Delegated Act'), the technical annex for the four other environmental

objectives (the 'Environmental Delegated Act', issued in summer of 2023) and the FAQs released by the European Commission.

The reporting for 2023 has been drawn up in accordance with the **transparency requirements for non-financial undertakings**. No changes were made in the assessment methodology, assumptions or calculation method. All calculations are based on the data reported in Vandemoortele's consolidated financial statements. The full Taxonomy report can be found in the Annex on page 184.

Turnover

The contribution of the food and beverage sector to climate change mitigation and climate change adaptation is currently considered negligible. In addition to this, publication of the technical annex to the Environmental Delegated Act for the food and beverage sector was delayed. Therefore, **Vandemoortele's turnover is not considered eligible**. We are closely monitoring all new publications on the other environmental objectives, and are preparing ourselves to report on our turnover if our activities become Taxonomy-eligible.





CapEx

Vandemoortele’s activities are not considered eligible under the Climate Delegated Act. Therefore, our CapEx associated directly with these activities is not eligible either. However, **investments made in relation to ‘individually sustainable measures’** (as defined by the Taxonomy Regulation) **are considered eligible**. The probability that CapEx can be classified under eligible is limited, as our investments are mainly related to our production. The eligibility assessment of the 2023 investments was therefore only performed on investments above €200,000. We identified 13.8% of these acquisitions, from all acquisitions of property, plant and equipment and intangible assets (as included in note 16 and 17 of the financial report 2023) to be eligible. The investments mainly concern:

- construction and real estate;
- energy;
- water supply, sewerage, waste management and remediation.

The relatively **low percentage of eligible CapEx** is a result of the specific definitions in the Taxonomy Regulation. A more comprehensive overview of Vandemoortele’s climate ambitions and the investments it will undertake can be found in its climate transition plan on page 89-95. A **high-level assessment of alignment** was

performed on the 2023 eligible CapEx. This revealed a very limited CapEx with a potential for being Taxonomy-aligned. Therefore, we are continuing to focus on building an in-depth understanding of the Technical Screening Criteria (TSC) and the Do No Significant Harm (DNSH) principle to ensure effective and efficient reporting in the future.

We have just launched our **Green CapEx process**. As a next step we will add EU Taxonomy criteria/ requirements as part of our Green CapEx process. That is why we cannot share this %/share yet. Despite the substantial overlap between our green capital expenditure (“green investments”) and the CapEx reported as eligible CapEx under EU Taxonomy, there is no perfect match as definitions are different.

OpEx

The EU Taxonomy Regulation has defined direct non-capitalised costs (also called Operating Expenditures or OpEx) as those costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditure that relates to the day-to-day servicing of assets and property, plants and equipment. OpEx costs are generated by outsourcing activities that are necessary to the

continued and effective functioning of such assets. The total amount of OpEx as defined by the EU Taxonomy Regulation represents 2.5% of total 2023 operating expenditures (calculated as the sum of ‘Services’, ‘Employee benefits expenses’ and ‘Depreciation, amortisation and write down’ as included in the consolidated income statements). **Most of these costs relate to activities that are not considered eligible**, and therefore we have not checked these for alignment.

Minimum safeguards

Reporting of EU Taxonomy-aligned activities requires an assessment against the Minimum Safeguards. Even though Vandemoortele does not report any taxonomy-aligned activities at present, **we operate in compliance with the safeguards** referred to in Article 18 of the Taxonomy Regulation, requiring organisations to establish processes in alignment with the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights (including the Declaration on Fundamental Principles and Rights at Work of the International Labour Organisation, the eight fundamental conventions of the ILO, and the International Bill of Human Rights).

We have **performed our checks** against the Final Report on Minimum Safeguards issued by the Platform on Sustainable Finance, an independent advisory body to the EU Commission (published October 2022). This report identifies four substantive topics in the OECD Guidelines and UN Guiding Principles that are pertinent to the minimum safeguards:

- human rights, including workers’ rights;
- bribery/corruption;
- taxation;
- fair competition.

Furthermore, this Report suggests two criteria to determine compliance with the minimum safeguards; i.e. the **implementation of adequate due diligence processes and the absence of certain negative impacts or events**. The sustainability section of this annual report describes the policies and procedures in place for each of these dimensions. In 2023, we have further strengthened our actions through, for example:

- supplier assessment via EcoVadis;
- SpeakUp tool for our associates;
- an annual training on competition law;
- launch of the Human Rights Policy.

Vandemoortele did not have any interactions with an OECD National Contact Point or a Business and Human Rights Contact Centre. It

has not been found in violation of any labour or human rights, anti-corruption, tax or competitions laws.

Outlook

As the current Delegated Acts do not yet cover the food and beverage sector, Vandemoortele’s reported figures are mainly considered non-eligible. As such, the potential that these activities have to contribute to the EU’s Green Deal ambitions is still unclear. The release of TSC and DNSH principles for the food and beverage sector under the four environmental objectives should make this potential clearer. Vandemoortele has clearly expressed its sustainability ambitions, from energy and climate change to water, packaging and responsible sourcing. More information on our ambitions and progress can be found on page 153. We will seek **integration of the EU Taxonomy in our sustainability ambitions wherever relevant**.

We operate in compliance with the safeguards referred to in Article 18 of the Taxonomy Regulation

REPORTING SUMMARY

Economic activities		Absolute Value (in thousands EUR)	Proportion (%)
TURNOVER			
A. TAXONOMY-ELIGIBLE ACTIVITIES			
A.1.	Environmentally sustainable activities (Taxonomy-aligned)	€0	0%
A.2.	Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	€0	0%
Total (A.1 + A.2)		€0	0%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES			
Turnover of Taxonomy-non-eligible activities (B)		€1,924,624	100%
Total (A + B)		€1,924,624	100%
CAPEX			
A. TAXONOMY-ELIGIBLE ACTIVITIES			
A.1.	Environmentally sustainable activities (Taxonomy-aligned)	€0	0%
A.2.	Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	€12,222	13.8%
Total (A.1 + A.2)		€12,222	13.8%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES			
CapEx of Taxonomy-non-eligible activities (B)		€76,152	86.2%
Total (A + B)		€88,374	100%
OPEX			
A. TAXONOMY-ELIGIBLE ACTIVITIES			
A.1.	Environmentally sustainable activities (Taxonomy-aligned)	€0	0%
A.2.	Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	€0	0%
Total (A.1 + A.2)		€0	0%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES			
OpEx of Taxonomy-non-eligible activities (B)		€18,486	100%
Total (A + B)		€18,486	100%

SUSTAINABILITY SCORECARD: PERFORMANCES AND TARGETS

SUSTAINABILITY KPI	BASELINE VALUE	BASELINE	STATUS 2019	STATUS 2020	STATUS 2021	STATUS 2022	STATUS 2023	TARGETS 2030	TARGETS 2025*
Improving the nutrition profile of our products									
Vol% salt reduction in Bakery Products	1.22%	2019	/	/	-2.05%	-2.4%	-6%	-10%	
Vol% sugar reduction in pastry, sweet treats & patisserie	12.5%	2019	/	/	-1.6%	-4.3%	-2%	-10%	
Offering plant-based alternatives									
Vol% plant-based products in PBFS			/	50%	64%	73%	73%	75%	
Offering Clean Label products									
Vol% Clean Label in Bakery products				74% (old definition)	76.3% (old definition)	76.5%	79.6%	80%	
Being a leader in food safety & quality									
Unannounced GFSI certification (Vandemoortele operations)			88%	88%	92%	100%	100%	100%	
Suppliers, traders & logistics partners compliant with GFSI principles			86%	93%	97%	97.2%	97.8%	98%	
# incidents food defence & food fraud			/	0	0	0	0	0	
% reduction food safety complaints	0.25 complaints/1000 tonnes produced	2020	/	/	+1%	-17%	-1%	-10%	
Taking climate action									
% CO ₂ reduction scope 1 & 2		2023					new	-42%	
% CO ₂ reduction scope 3 FLAG		2023					new	-30.3%	
Supplier engagement, scope 3 non-FLAG							new	70.6% (target year: 2029)	
% CO ₂ intensity reduction, scope 1 & 2	70 kg CO ₂ eq/tonnes end product	2015	-29.5%	-58.5%	-59%	-59%	-59%	-75%	
% total energy intensity reduction Group (energy consumption/ volume sold)	1.68 GJ/tonnes end product	2020	/	+1.8%	+1.90%	-1.2%	-5.8%	-15%	
% total energy intensity reduction BP (energy consumption/ volume sold)	2.39 GJ/tonnes end product	2020	/	/	-5.2%	-8.5%	-9.1%	-15%	
% total energy intensity reduction PBFS (energy consumption/ volume sold)	0.738 GJ/tonnes end product	2020	/	/	+6.5%	+3.1%	-1.9%	-15%	
% green electricity			85%	100%	100%	100%	100%	100%	
% "on site" green electricity generation (solar, wind)			/	0%	0%	10.2%	10.2%	15%	
Ensuring sustainable resources									
% sustainable certified palm oil (consumer and professional brands)**			100%	26%	25%	54%	89%	100%	
% sustainable certified palm oil							new	100%	

* The targets set for the year 2025 are aligned with our strategy for 2025. Next year, these targets will be updated to align with our strategy for 2030. ** For our private brands, we offer our customers the option to choose sustainable certified solutions, but ultimately the decision lies with them. Therefore, we only have a target on our own consumer and professional brands. Consumer and professional brands account for 28% of our total production.

*** Currently, we do not yet have a fully operational tool to calculate our CO₂ emissions. Next year, the baseline value will be completed.



SUSTAINABILITY KPI	BASELINE VALUE	BASELINE	STATUS 2019	STATUS 2020	STATUS 2021	STATUS 2022	STATUS 2023	TARGETS 2030	TARGETS 2025*
% sustainable certified soya (consumer and professional brands)**			100%	25%	58%	82%	100%	100%	
% sustainable certified cocoa (consumer and professional brands)***			/	/	30%	48.5%	71%	100%	
% traceability to mill for palm oil			100%	99.4%	99.9%	100%	100%	100%	
% traceability to plantation for palm oil			/	45%	65.3%	67%	75%	100%	
% of the Vandemoortele sites with an action plan on biodiversity							new		
% cage-free eggs			100%	100%	100%	100%	100%	100%	
% of verified grievances on environment related to our palm oil and cocoa have an action plan							100%		100%
% of verified grievances on environment related to our commodities and action plan							new	100%	
% FSC or PEFC-certified paper or cardboard			98.9%	99.6%	100%	100%	100%	100%	
% recycled PET			/	/	20%	21.5%	22.5%		25%
% recycled PET per packaging unit (brands)							new	30%	
Preserving water availability									
% water intensity reduction (excluding ingredient water)	0.46 l/kg	2020	/	/	+1.9%	-11.4%	-5.6%		-17%
Working towards zero waste									
% reduction BP food loss intensity (food loss/ volume sold)	6.2%	2020	/	/	-2%	+10.9%	+0.24%		-30%
% reduction PBFS food loss intensity (food loss/ volume sold)	1.45%	2020	/	/	-0.2%	+1.88%	+2.5%		-10%
% reduction BP food loss intensity (food loss/ volume sold)							new		-30%
% reduction PBFS food loss intensity (food loss/ volume sold)							new		-6.3%
% reduction of non-sorted waste	3.31 kg/tonnes	2020	/	/	/	/	-5.8%		-50%
Offering an engaging professional journey									
Average hours of training per associate category			/	/	management: 16.9 white collars: 10.9 blue collars: 5	management: 30.7 white collars: 13.5 blue collars: 19.7	all: 42.2 management: 53.3 white collars: 38.8 blue collars: 37.6		40
% associates who adhere to P&DMP			/	/	management: 98.6% white collars: 96% blue collars: 86.4%	management: 99% white collars: 97% blue collars: 90%	all: 90.15% management: 99% white collars: 90% blue collars: 87%		all: 95% management: 99% white collars: 97% blue collars: 93%

* The targets set for the year 2025 are aligned with our strategy for 2025. Next year, these targets will be updated to align with our strategy for 2030.

** For our private brands, we offer our customers the option to choose sustainable certified solutions, but ultimately the decision lies with them. Therefore, we only have a target on our own consumer and professional brands.

*** For our private brands, we offer our customers the option to choose sustainable certified solutions, but ultimately the decision lies with them. Therefore, we only have a target on our own consumer and professional brands. Consumer and professional brands account for 20% of our total production.



SUSTAINABILITY KPI	BASELINE VALUE	BASELINE	STATUS 2019	STATUS 2020	STATUS 2021	STATUS 2022	STATUS 2023	TARGETS 2030	TARGETS 2025*
Training & development score AES**			51	58	58	59	63	65	
Sustainable engagement score AES**			76	77	77	75	78	82	
Providing a diverse, equitable and inclusive workplace									
% representation women at senior leadership (B+ level)			/	23%	21%	29.5%	28.7%	40% to 60%	
Equal number of successors per gender in jobs with a successor C+			/	/	0.91	0.88	0.84	Ratio: 0.9 to 1.1	
Equal hours of training per gender			/	/	1.82	1.82	1.02	Ratio: 0.9 to 1.1	
Zero gender pay gap at management level			/	/	+2.7%	+2.6%	+1.8%	-2% to +2%	
Inclusive workplace score AES**			77	80	80	82	83	83	
Full inclusivity for minorities (zero AES** gap)			/	/	/	/	4 points	0 points	
Ensuring a healthy and safe work environment									
Zero severe accidents (no permanent disability)			/	0	1	0	1	0	
Severity rate of Lost Workdays Cases			0.84	0.85	0.66	0.56	0.66	0.3	
Frequency rate of Lost Workday Cases			27	19.2	20.2	19.6	17.3	14	
Well-being index (AES** - 7 indicators)			/	/	/	73	76	79	
Ensuring workers' rights in our value chain									
% key commodities participating in a project on the ground (palm, wheat, cocoa, soya)			palm (via Earthworm) + soya (via ACT)	palm (via Earthworm) + soya (via ACT)	palm (via Earthworm) + soya (via ACT)	60%	60%	100%	
% of verified grievances on social related to our palm oil and cocoa have an action plan							100%		100%
% of verified grievances on social related to our commodities have an action plan							new		100%
Ensuring sustainable business growth									
% of our associates received training on the Code of Conduct and Whistleblowing							new		100%
Sustainability score AES**			73	75	75	76	79	82	
Partnering in the value chain									
% of our centrally managed direct suppliers have accepted/signed our SCOC or have a SCOC in line with the one of Vandemoortele			/	50% of new direct suppliers	74% of new direct suppliers	80%	83%	100%	
% of our centrally managed critical direct suppliers that are verified according to our sustainability criteria (EcoVadis, Sedex, ...)			/	palm suppliers (EPI)	palm suppliers (EPI)	60%	85%	100%	

* The targets set for the year 2025 are aligned with our strategy for 2025. Next year, these targets will be updated to align with our strategy for 2030.

** Associate Engagement Survey.

ADDITIONAL CSRD METRICS

ADDITIONAL CSRD METRICS	ESRS	PERFORMANCE 2023
Taking climate action		
Achieved GHG emission reductions (scope 1 & 2)	E1	-61.3%
Total energy consumption	E1	315,011 MWh
Total energy consumption from nuclear sources	E1	0 MWh
Energy intensity (total energy consumption per net revenue)	E1	136,642 MWh/M€
Scope 1 emissions	E1	35,500 tCO ₂ e
Scope 2 emissions	E1	9,500 tCO ₂ e
SIGNIFICANT SCOPE 3 GHG EMISSIONS		PERFORMANCE 2022
1 Purchased goods and services	E1	2,084,711 tCO ₂ e
2 Capital goods	E1	12,560 tCO ₂ e
3 Fuel and energy-related activities	E1	9,944 tCO ₂ e
4 Upstream transportation and distribution	E1	149,943 tCO ₂ e
5 Waste generated in operations	E1	2,864 tCO ₂ e
6 Business travel	E1	3,661 tCO ₂ e
7 Employee commuting	E1	3,615 tCO ₂ e
8 Upstream leased assets	E1	353 tCO ₂ e
9 Downstream transportation	E1	28,020 tCO ₂ e
10 Processing of sold products	E1	19,749 tCO ₂ e
11 Use of sold products	E1	/
12 End-of-life treatment of sold products	E1	10,322 tCO ₂ e
13 Downstream leased assets	E1	/
14 Franchises	E1	/
15 Investments	E1	/
Total scope 3 emissions		2,329,092 tCO₂e

ADDITIONAL CSRD METRICS	ESRS	PERFORMANCE 2023
Preserving water availability		
Total (fresh) water consumption	E3	780,040 m ³
Water intensity ratio	E3	410,390 m ³ /M€
Working towards zero waste		
Total waste generated	E5	10,738 tonnes
Non-recycled waste	E5	2,015 tonnes
Percentage of non-recycled waste	E5	18.8%
Offering an engaging professional journey		
Average number of training hours by gender	S1	M: 42.5 F: 41.8
Providing a diverse, equitable and inclusive workplace		
Number of associate turnover	S1	Outs: 494 Ins: 478
Percentage of associate turnover	S1	12.64%
Number of associates (head count) at top management level	S1	7
Percentage of associates at top management level	S1	0.002%
Number of associates (head count) under 30 years old	S1	446
Percentage of associates under 30 years old	S1	10.93%
Number of associates (head count) between 30 and 50 years old	S1	2,246
Percentage of associates between 30 and 50 years old	S1	55%
Number of associates (head count) over 50 years old	S1	1,388
Percentage of associates over 50 years old	S1	34%
Number of incidents of discrimination	S1	0

Providing a diverse, equitable and inclusive workplace			
OWN ASSOCIATES	COLLECTIVE BARGAINING COVERAGE		SOCIAL DIALOGUE
COVERAGE RATE	EEA - ASSOCIATES	NON EEA - ASSOCIATES	WORKPLACE REPRESENTATION
0-19%	Poland, United Kingdom, Czech Republic, Hungary	United States	United States, Hungary, Czech Republic
20-39%			
40-59%			
60-79%			United Kingdom
80-100%	The Netherlands, Belgium, France, Germany, Italy, Spain		The Netherlands, Belgium, France, Germany, Italy, Spain, Poland

ADDITIONAL CSR METRICS	ESRS	PERFORMANCE 2023
Ensuring a healthy and safe work environment		
Percentage of people in its own workforce who are covered by a health and safety management system based on legal requirements and (or) recognised standards or guidelines	S1	100%
Number of fatalities in own workforce as result of work-related injuries and work-related ill health	S1	0
Number of recordable work-related accidents for own workforce	S1	80
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health related to associates	S1	3,292
Ensuring sustainable business growth		
Number of complaints filed through channels for people in own workforce to raise concerns*	S1	5
Amount of material fines, penalties and compensation for damages as result of violations regarding social and human rights factors	S1	0
Number of severe human rights issues and incidents connected to own workforce	S1	0
Number of severe human rights issues and incidents connected to own workforce that are cases of non-respect of UN Guiding Principles and OECD Guidelines for Multinational Enterprises	S1	0
Amount of material fines, penalties and compensation for severe human rights issues and incidents connected to own workforce	S1	0
Number of convictions for violation of anti-corruption and anti-bribery laws	G1	0
Amount of fines for violation of anti-corruption and anti-bribery laws	G1	0

* Complaints received through our channels concerning the following issues: sexual harassment and harassment by local managers.

ESRS CONTENT INDEX

ESRS 2 GENERAL DISCLOSURES

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BASIS FOR PREPERATION		
BP-1	General basis for preparation of sustainability statements	3
BP-2	Disclosures in relation to specific circumstances	Time horizon: 169 Changes in preparation or presentation of sustainability information: 174; 182-183
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GOV-1	The role of the administrative, management and supervisory bodies	34-37; 41-42
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GOV-3	Integration of sustainability-related performance in incentive schemes	40; 178
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GOV-5	Risk management and internal controls over sustainability reporting	43; 45-47
STRATEGY		
SBM-1	Strategy, business model and value chain	10-12; 15-27
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IMPACT, RISK AND OPPORTUNITY MANAGEMENT		
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	63-66; 166-173
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TOPICAL STANDARDS

Disclosure requirements		Comments	Page
ESRS E1 CLIMATE CHANGE			
GOV-3	Integration of sustainability-related performance in incentive schemes		40; 178
E1-1	Transition plan for climate change mitigation	This information will be further completed in 2024	90
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		89
IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities		63-66; 166-173
E1-2	Policies related to climate change mitigation and adaptation		90
E1-3	Actions and resources in relation to climate change policies		93-95
E1-4	Targets related to climate change mitigation and adaptation		91
E1-5	Energy consumption and mix		91; 156
E1-6	Gross scopes 1, 2 & 3 and total GHG emissions		91; 156
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	Not applicable	
E1-8	Internal carbon pricing	This information will be further completed in 2024	95
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	This information can be omitted for the first year of preparing our sustainability statement	
ESRS E3 WATER AND MARINE RESOURCES			
IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities		63-66; 166-173
E3-1	Policies related to water and marine resources		107
E3-2	Actions and resources related to water and marine resources		109-110
E3-3	Targets related to water and marine resources		108
E3-4	Water consumption		156
E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	This information can be omitted for the first year of preparing our sustainability statement	

**ESRS E4 BIODIVERSITY AND ECOSYSTEMS**

E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	This information will be further completed in 2024	98-99
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		97
IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities		63-66; 166-173
E4-2	Policies related to biodiversity and ecosystems		98-99
E4-3	Actions and resources related to biodiversity and ecosystems		103-105
E4-4	Targets related to biodiversity and ecosystems		100
E4-5	Impact metrics related to biodiversity and ecosystems change		100
E4-6	Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	This information can be omitted for the first year of preparing our sustainability statement	

ESRS E5 RESOURCE USE AND CIRCULAR ECONOMY

IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities		63-66; 166-173
E5-1	Policies related to resource use and circular economy		98-99; 112
E5-2	Actions and resources related to resource use and circular economy		103-105; 114-115
E5-3	Targets related to resource use and circular economy		100; 113
E5-4	Resource inflows		100
E5-5	Resource outflows		113; 156
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	This information can be omitted for the first year of preparing our sustainability statement	

ESRS S1 OWN WORKFORCE

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S1-2	Processes for engaging with own workers and workers' representatives about impacts		175-177
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns		141
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions		120-121; 127; 131-132



S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities		119; 125; 130
S1-6	Characteristics of the undertaking's employees		12
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	This information can be omitted for the first year of preparing our sustainability statement	
S1-8	Collective bargaining coverage and social dialogue		157
S1-9	Diversity metrics		34; 156
S1-10	Adequate wages	This information will be completed in 2024	
S1-11	Social protection	All associates are covered by social protection against loss of income	
S1-13	Training and skills development metrics		119; 156
S1-14	Health and safety metrics		130; 157
S1-15	Work-life balance metrics	All associates are entitled to and make use of family-related leave	
S1-16	Compensation metrics (pay gap and total compensation)	Only pay gap included	125
S1-17	Incidents, complaints and severe human rights impacts		157
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S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns		141
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions		136
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities		135
ESRS S3 AFFECTED COMMUNITIES			
SBM-2	Interests and views of stakeholders		175-177
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		134
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S3-2	Processes for engaging with affected communities about impacts	136
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	141
S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	136
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	135
ESRS S4 CONSUMERS AND END-USERS		
SBM-2	Interests and views of stakeholders	175-177
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	69; 74; 77; 83
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S4-2	Processes for engaging with consumers and end-users about impacts	175-177
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	141
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	72; 76; 80-81; 87
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PART IV

ANNEX

INDEPENDENT ASSURANCE REPORT ON SELECTED ENVIRONMENTAL, SOCIAL AND GOVERNANCE INFORMATION PUBLISHED IN THE ANNUAL INTEGRATED REPORT OF VANDEMOORTELE NV FOR THE YEAR ENDING 31 DECEMBER 2023

To the Board of Directors

We have been engaged to conduct a limited assurance engagement on selected environmental, social and governance performance indicators (“Selected Information”) published in the Annual Integrated Report of Vandemoortele NV (“the Company”) for the year ending 31 December 2023. In preparing the Selected Information, Vandemoortele NV applied the criteria as specified in the table below. The Selected Information

needs to be read and understood together with the Applicable Criteria. The Selected Information in scope of our engagement is listed in the table.

Based on our work as described in this report, nothing has come to our attention that causes us to believe that the above-mentioned Selected Information as included in the **Annual Integrated Report** of the Company for the

year ending 31 December 2023, has not been prepared, in all material respects, in accordance with the Applicable Criteria.

Responsibility of the Board of Directors

The Board of Directors of the Company is responsible for the preparation of the Selected Information and the references made to it presented in the **Annual Integrated Report** as well as for the declaration that its reporting meets the requirements of Applicable Criteria.

The Board of Directors is also responsible for:

- selecting and establishing the Applicable Criteria;
- preparing, measuring, presenting and reporting the Selected Information in accordance with the Applicable Criteria;
- designing, implementing, and maintaining internal processes and controls over information relevant to the preparation of the Selected Information to ensure that they are free from material misstatement, including whether due to fraud or error;
- providing sufficient access and making available all necessary records, correspondence, information and explanations to allow the successful completion of the Services;
- confirming to us through written representations that you have provided us with all information relevant to our Services of which you are aware, and that the measurement or evaluation of the underlying subject matter against the Applicable Criteria, including that all relevant matters, are reflected in the Selected Information.

Our responsibilities

Our responsibility is to express a conclusion on the Selected Information based on our procedures. We conducted our engagement in accordance with International Standard on Assurance Engagements ISAE 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board (IAASB), in order to state whether anything had come to our attention that causes us to believe that the Selected Information have not been prepared, in all material respects, in accordance with the Applicable Criteria.

Applying these standards, our procedures are aimed at obtaining limited assurance on the fact that the Selected Information do not contain material misstatements. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our work was performed on the data gathered and retained in the reporting scope by the Company as mentioned in the table. Our conclusion covers therefore only the above-mentioned Selected Information and not all information included in the Annual Integrated Report. The limited assurance was only performed on the Selected Information covering the year ending 31 December 2023. For any reduction KPIs, identified with

Selected Information

INDICATORS	APPLICABLE CRITERIA
% sustainable certified palm oil (consumer and professional brands)	own indicator
% of associates who adhere to P&DMP	GRI 404-3
% plant-based products in PBFS	own indicator
% reduction BP food loss intensity (food loss/volume sold)*	GRI 306-2
% reduction PBFS food loss intensity (food loss/volume sold)*	GRI 306-2
Severity rate of lost workday cases	GRI 403-9
Frequency rate of lost workday cases	GRI 403-9
% Clean Label BP	own indicator
% of our centrally managed critical direct suppliers that are verified according to our sustainability criteria (EcoVadis, Sedex, ...)	GRI 308-1
% total energy intensity reduction BP*	GRI 302-3
% total energy intensity reduction PBFS*	GRI 302-3
% salt reduction in Bakery Products*	own indicator
% suppliers, traders & logistics partners compliant with GFSI principles	GRI 416-1

* Reduction KPI.

an asterisk (*) in the table on the previous page, only the absolute performance value for the year-end 2023 was assured and the mathematical accuracy of the reported reduction KPI was verified. The KPI values for the baseline years, used as a basis to calculate the reduction KPIs, are not in scope of our assurance.

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the description of activities undertaken in respect of the Selected Information is likely to arise. The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the description of activities undertaken in respect of the Selected Information, we performed the following key procedures:

- Perform analytical review procedures and consider the risks of material misstatement of the Selected Information.
- Through inquiries of management, obtain an understanding of the Company, its environment, processes and information systems relevant to the preparation of the Selected Information sufficient to identify and assess risks of material misstatement in the Selected Information, and provide a basis for designing and performing procedures to respond to assessed risks and to obtain limited assurance to support a conclusion.
- Perform procedures over the Selected Information, including recalculation of relevant formulae used in manual calculations and assessment whether the data has been appropriately consolidated.
- Perform procedures over underlying data on a statistical sample basis to assess whether the data has been collected and reported in accordance with the Applicable Criteria, including verifying to source documentation.

- Perform procedures over the Selected Information including assessing management's assumptions and estimates.
- Accumulate misstatements and control deficiencies identified, assessing whether material.
- Read the narrative accompanying the Selected Information with regard to the Applicable Criteria, and for consistency with our findings.

We apply International Standard on Quality Management 1 and, accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

In conducting our engagement, we have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Inherent limitations of the Selected Information

We obtained limited assurance over the preparation of the Selected Information in accordance with the Applicable Criteria. Inherent limitations exist in all assurance engagements.

Any internal control structure, no matter how effective, cannot eliminate the possibility that fraud, errors or irregularities may occur and remain undetected and because we use selective testing in our engagement, we cannot guarantee that errors or irregularities, if present, will be detected.

The self-defined Applicable Criteria, the nature of the Selected Information, and absence of consistent external standards allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact comparability of the Selected Information reported by different organisations and from year to year within an organisation as methodologies develop.

Use of our report

This report is made solely to the Board of Directors of Vandemoortele NV in accordance with ISAE 3000 (Revised) and our agreed terms of engagement. Our work has been undertaken so that we might state to the Board of Directors those matters we have agreed to state to them in this report and for no other purpose.

Without assuming or accepting any responsibility or liability in respect of this report to any party other than the Company and its Board of Directors, we acknowledge that the Board of Directors may choose to make this report publicly available for others wishing to have access to it, which does not and will not affect or extend for any purpose or on any basis our responsibilities. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Vandemoortele NV and its Board of Directors as a body, for our work, for this report, or for the conclusions we have formed.

Signed at Zaventem



Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL
Represented by Sofian Milad



ADDITIONAL INFORMATION ON OUR DOUBLE MATERIALITY ASSESSMENT APPROACH

Pre-filtering of the longlist

After compiling a first list of 200 potential impacts, risks and opportunities (IROs), we asked the Executive Committee (ExCo), the Management Teams (MTs) and the Sustainability Project Leaders to rate all IROs for importance. The rating options for impacts went from ‘No impact’ to ‘Very big impact’. The risks and opportunities were rated from ‘No risk/opportunity’ to ‘High risk/opportunity’. This pre-filtering was undertaken in order to include only the most relevant sustainability IROs in the stakeholder consultation.

Rating for impacts:

No impact	Small impact	Average impact	Big impact	Very big impact	Insufficient information
0	1	2	3	4	/

Rating for risks and opportunities:

No risk/opportunity	Low risk	High risk	Low opportunity	High opportunity	Insufficient information
0	1	2	1	2	/

Final list of potential material topics

To draw up the final list of potential material topics, we calculated an average of the scores provided by the ExCo, the Management Teams, and the Project Leaders. This was done separately for impacts, risks and opportunities. All impacts that scored equal to or above the ‘average impact’ and all risks and opportunities that scored equal to or above ‘low opportunity/risk’ were included in the

list of potential material sustainability IROs. We checked the list for completeness, drawing on the classification of topics, subtopics and sub-subtopics in ESRS (European Sustainability Reporting Standards) 1, paragraph AR 16.

Assessment of the IROs in order to define the material sustainability matters

To determine the final material sustainability matters, we asked our stakeholders to assess our list of IROs. Both internal and external stakeholders shared their views through an online survey. Key internal stakeholders also participated in focus group discussions, while key external stakeholders shared their perspectives through in-depth interviews.

The stakeholder consultations also encompassed the perspectives of the Board and the ExCo. Board members were consulted through the same online survey as the other stakeholders. The views of the ExCo members were derived from the earlier pre-filtering survey, which concerned the 200 potential IROs from the initial analysis. In addition to online surveys (for quantitative input), a working session was dedicated to the materiality assessment during the Board meeting of 22 June 2023.

The online survey: the online survey was sent to 1,800 internal stakeholders and 117 external stakeholders. We received 808 responses: 764 from internal stakeholders and 44 from external stakeholders (i.e. response rates of 42% and 38% respectively).

764 responses from internal stakeholders

287 support or commercial associates

233 managers (staff)

101 workers (factory, logistics)

100 other*

43 executive/ExCo

* Stakeholders who could not identify themselves in the other 4 stakeholder categories

44 responses from external stakeholders

25 suppliers

7 customers

4 financial institutions

2 consultants

2 experts

2 NGOs

1 federation

1 other*

* Stakeholders who could not identify themselves in the other 7 stakeholder categories

Internal focus groups: 10 internal focus groups were defined, each with its own angle. Together, they covered all sustainability IROs. All participants were selected for their expertise. The group included associates from our headquarters and from several international production sites.

Department

- 1 HR
- 2 Operations PBFS
- 3 Finance, IT, engineering and indirect
- 4 Procurement
- 5 Commercial PBFS
- 6 Packaging (R&D + procurement)
- 7 Operations BP
- 8 R&D, innovation and food safety
- 9 Commercial BP
- 10 Legal & risks (governance)

External in-depth interviews: 22 in-depth interviews with key external stakeholders provided insights from different stakeholder groups, ranging from customers and suppliers to NGOs and experts. The expertise of each interviewee was considered when selecting the impacts, risks and opportunities for the discussion.

Type of stakeholder
5 experts
5 suppliers
6 customers
2 NGOs
2 banks
2 unions

Methodology of processing the results of the online survey

Scoring the results

All potential material sustainability matters and IROs were included in an online survey and sent out to 1,917 stakeholders, along with a request to rate the material character of the IROs. Impacts could be rated from 'No impact' to 'Very big impact', which corresponded to scores from 0 to 4. Risks and opportunities were rated from 'No risk/opportunity' to 'High risk/opportunity', which corresponded to scores from 0 to 2.

Rating for impacts:

No impact	Small impact	Average impact	Big impact	Very big impact	Insufficient information
0	1	2	3	4	/

Rating for risks and opportunities:

No risk/opportunity	Low risk	High risk	Low opportunity	High opportunity	Insufficient information
0	1	2	1	2	/

Calculation

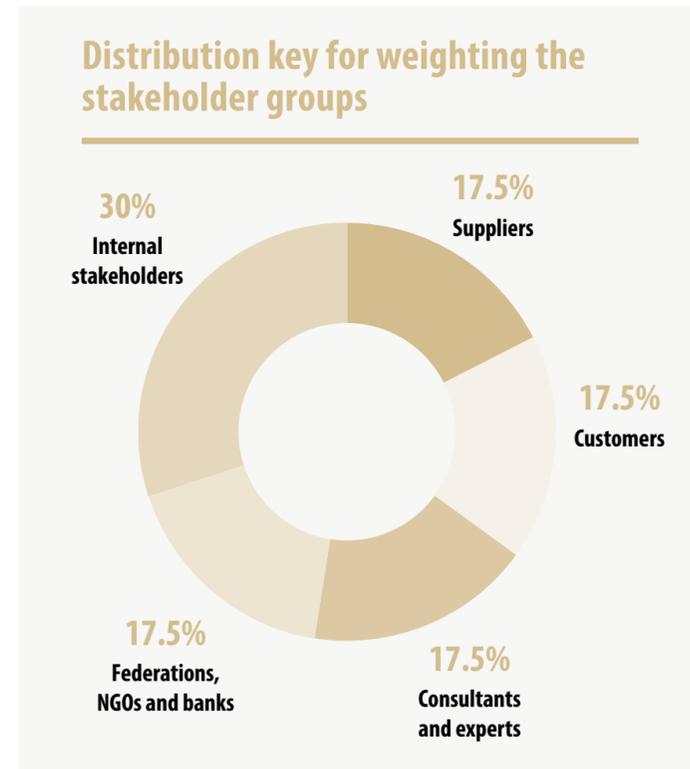
As soon as all impact and risk/opportunity scores were received, we calculated averages of the scores. This was done separately for 1) internal and external stakeholders and 2) for the Board and ExCo. Depending on the answers, topics were defined as a risk or an opportunity. The results were then used to determine the material sustainability matters.

1,917
stakeholders were invited to fill in our online survey on sustainability and IROs



Weighting of the stakeholder groups

A distribution key was applied to assign a different 'weight' or relative importance to the various internal and external stakeholder groups. The responses of internal stakeholders were given a weighting of 30%, while those of external stakeholders were awarded 70%. Furthermore, the 70% external responses were divided into four different stakeholder groups, each with a weighting of 17.5%.



ExCo and Board

The scores of the Board and the ExCo were also weighted: 70% was allocated to the ExCo score and 30% to the Board score.

Methodology of in-depth interviews and focus groups

The focus groups and in-depth interviews were conducted according to an established and standardised approach. Each interviewee was asked the following questions:

- How sustainable is Vandemoortele in your opinion, and why?
- Can you name two or three strengths and weaknesses of Vandemoortele, related to sustainability?
- Based on the criteria, how do you rate the following impacts, risks and opportunities?

To determine the material character of the **impacts**, we asked respondents to consider the criteria for impact materiality as defined by the CSRD:

- **Scope:** how far do the consequences of impact extend?
- **Scale:** how serious is the consequence of the impact?
- **Probability:** how likely is the potential impact to occur?
- **Remediability:** can the consequences of the impact be remedied?

We also discussed the criteria for **risks/opportunities** (financial materiality), as defined by the CSRD:

- **Size of financial effects:** what are the financial consequences for the company when the risk/opportunity occurs?
- **Probability:** how likely is the risk/opportunity to occur?

The scoring of these criteria was undertaken in a qualitative manner.

Validation of the final list of material matters

The outcome of the interviews and the focus groups were discussed during meetings with the MTs and ExCo, alongside the quantitative result of the survey.

The quantitative results of the online survey were presented and assessed using a double materiality matrix. The scores of the ExCo and the Board were plotted on the X-axis, while the scores of the internal and external stakeholders were plotted on the Y-axis. These matrices were merely designed for internal use during the strategic discussions.

Throughout these meetings, the materiality threshold was set at 2.75/4. This threshold was applied because it results in a good balance between the number of material and non-material matters, allowing Vandemoortele to focus on the most significant IROs. All IROs that scored 2.75/4 or higher were considered to be of material importance. Some IROs scoring below 2.75/4 were also still regarded as material, based on insights from the in-depth interviews and the focus groups. The following IROs were awarded 'material' status, despite having been rated below the materiality threshold, on the basis of qualitative insights from the interviews:

- **Footprint of goods transport and logistics:** Vandemoortele's own transport company, Vandemoortele Transport Solutions NV, specialises in the refrigerated transport of packaged products. Since transport is one of Vandemoortele's own activities, its impact was considered to be material.
- **Climate change adaptation:** ongoing global warming is causing the need to adapt to future weather patterns. The risk for Vandemoortele mainly lies in being able to cultivate raw materials under extreme weather conditions.

- **Circular packaging:** packaging is an important IRO for retailers because of its high visibility to consumers. In addition, EU packaging regulations are becoming increasingly strict. By focusing on recyclable or reusable packaging, Vandemoortele can have a positive impact.
- **Grievance mechanism and whistleblowing procedure:** ethical business governance is crucial for banks and investment committees. Grievance mechanisms and a whistleblowing procedure are essential components of this.

One IRO scored above the materiality threshold in the online survey, but was found to be not material due to other, qualitative, information from discussions within the MTs:

- **Power outages and blackouts:** Vandemoortele's production sites are located in the European Union. As a result, the risk of power outages and blackouts is under control and extremely limited.

The outcome of the interviews and the focus groups were discussed during meetings with the MTs and ExCo, alongside the quantitative result of the survey

THE FINAL LIST OF MATERIAL SUSTAINABILITY MATTERS

	Material sustainability matter	IRO	ST, MT, LT*	Description of the IRO
CONSCIOUS NUTRITION				
Being a leader in food safety and quality	Food safety	Impact	ST	Product safety
		Risk	ST	Allergen management
		Risk	ST	Safety errors
		Risk	ST/MT	Hazardous substances
	Food quality	Impact	ST	Quality products
		Risk	ST	Poor quality of the products
Improving the nutrition profile of our products	Nutrition profile of our products	Impact	MT/LT	Consumer health
		Risk/opportunity	ST/MT/LT	Changing consumer behaviour
Offering plant-based alternatives	Plant-based products	Impact	ST/MT/LT	Plant-based diet
		Risk/opportunity	MT/LT	Changing consumer behaviour
Facilitating well-informed food choices	Transparency of products and ingredients	Impact	MT	Product transparency
		Risk/opportunity	MT	Impact labelling (environmental, carbon footprint)
		Risk/opportunity	MT	Life cycle analysis
PROTECTING NATURE				
Taking climate action	Climate change adaptation	Risk	ST/MT/LT	Extreme weather conditions
	Climate change mitigation	Impact	ST	Own greenhouse gas emissions (scope 1 & 2)
		Impact	ST	Greenhouse gas emissions in the value chain (scope 3)
		Impact	ST	Footprint of goods transport and logistics
	Energy	Impact	ST	Energy management
		Risk	ST	Energy prices
Preserving water availability	Water consumption in own operations	Impact	ST	Water consumption
	Water availability	Risk	MT/LT	Water availability

* Short-term time horizon: up to one year, medium-term time horizon: one to five years, long-term time horizon: more than five years.



	Material sustainability matter	IRO	ST, MT, LT*	Description of the IRO
Ensuring sustainable resources	Sustainable agriculture	Impact	ST/MT	Responsible sourcing and purchasing
		Impact	ST	Deforestation
		Impact	ST/MT	Product traceability
		Impact	ST/MT	Regenerative agriculture
		Risk	MT/LT	Biodiversity loss
	Packaging materials	Impact	ST/MT	Circular packaging
		Risk	MT	Use of single-use plastics
		Risk	ST	High demand and high cost of recycled plastics
Working towards zero waste	Food waste	Impact	ST	Food waste
	Circular economy	Risk/opportunity	ST/MT	Sustainable use of resources
ENHANCING LIVES				
Ensuring a healthy and safe work environment	Safety and health	Impact	ST	Safety and ergonomics
		Risk	ST	Health and safety issues
	Well-being	Impact	ST	Mental health
		Impact	ST	Absenteeism
		Risk	ST	Burn-outs
Providing a diverse, equitable and inclusive workplace	Diversity and inclusion	Impact	ST	Female empowerment
		Impact	ST	Digital inclusion
		Impact	ST	Diversity and inclusion
		Risk	MT	Shifting demographics
		Risk	ST	Lack of diversity and inclusion
	Equity	Impact	ST	Fair remuneration
		Impact	ST	Associate security
		Impact	ST	Good working conditions
	Risk/opportunity	ST	Risk/opportunity of good working conditions	

* Short-term time horizon: up to one year, medium-term time horizon: one to five years, long-term time horizon: more than five years.

	Material sustainability matter	IRO	ST, MT, LT*	Description of the IRO
Offering an engaging professional journey	Professional journey	Impact	ST	Talent retention
		Impact	ST	Talent attraction
		Impact	ST	Career development
		Impact	ST	Training
		Impact	ST	Good leadership
		Risk	ST	War for talent
		Risk	ST	Lack of opportunities for career development
	Risk	MT	Digital transformation of jobs	
	Engagement	Impact	ST	Associate engagement
Ensuring workers' rights in our value chain	Social compliance in the value chain	Impact	MT	Human rights in the value chain
		Impact	ST	Social dialogue with workers in the value chain
SUSTAINABLE ORGANISATION				
Ensuring sustainable business growth	Business conduct	Impact	ST	Integrity and business ethics
		Risk	ST	Ethical business conduct
		Impact	ST	Grievance mechanism and whistleblowing procedure
		Risk	ST	Absence of fair and free competition
	Cybersecurity	Impact	ST	Cybersecurity and data privacy
		Risk	ST	Cybercrime
	Sustainable business growth	Risk	MT/LT	Shift in the market
		Risk	ST	Raw materials price volatility and availability
		Risk/opportunity	MT	Environmental taxes and legislation (carbon tax, CSRD)
		Risk/opportunity	ST	Customer satisfaction and service
		Risk/opportunity	MT	Sustainable investments
		Risk/opportunity	MT/LT	New technologies
	Risk	ST	Protection of intellectual property	

* Short-term time horizon: up to one year, medium-term time horizon: one to five years, long-term time horizon: more than five years.

	Material sustainability matter	IRO	ST, MT, LT*	Description of the IRO
Partnering in the value chain	Value chain management	Impact	ST	Responsible supply chain management
		Impact	ST	Partnerships in the supply chain
		Opportunity	MT	Opportunity of partnerships in the supply chain
	Stakeholder engagement	Impact	ST	Listening to and dialogue with stakeholders
	Communication	Impact	ST	Communication
		Impact	ST	Responsible marketing
		Risk	ST	Greenwashing

* Short-term time horizon: up to one year, medium-term time horizon: one to five years, long-term time horizon: more than five years.

THE IROs DEFINED AS NOT MATERIAL

Sustainability matter	IRO	Description of the IRO
CONSCIOUS NUTRITION		
Food safety	Risk	GMOs in food
Nutrition profile of our products	Impact	Affordable prices for healthy products
	Risk	Lifestyle shift to healthy food
PROTECTING NATURE		
Energy	Risk	Power outages and blackouts
Pollution	Impact	Air pollution
	Impact	Discharge and quality of water
Water	Opportunity	Water reuse
Sustainable agriculture	Impact	Biodiversity
	Impact	Animal welfare, health and testing
	Risk	Pest damage
	Risk/opportunity	Transition to organic farming and bio farming
Circular economy	Impact	Waste management
	Risk/opportunity	New circular business models
	Opportunity	Waste valorisation



Sustainability matter	IRO	Description of the IRO
ENHANCING LIVES		
Diversity, equity and inclusion	Risk	Freedom of association
	Risk	Management of lay-offs
	Risk	Workplace violence and incidents
Professional journey	Risk	Conveying culture/values
Social compliance in the value chain	Risk	Human rights in the value chain
SUSTAINABLE ORGANISATION		
Business conduct	Impact	Fair expansion of activities (geographical, acquisitions, etc.)
	Risk	Conflicts of interest
	Risk	Harassment and personal security
Sustainable business growth	Impact	Job creation
	Risk	Force majeure
Value chain management	Risk/opportunity	Opportunity/risk of having a responsible value chain management
Local community engagement	Impact	Local economic contribution
	Risk/opportunity	Improving farm economics

CHANGES TO THE MATERIAL IMPACTS, RISKS AND OPPORTUNITIES COMPARED TO THE PREVIOUS REPORTING PERIOD

We conducted the double materiality assessment during 2023, which resulted in our updated 'Strategy 2030'. The following material topics changed compared to the previous strategy:

Conscious nutrition

- **Being a leader in food safety and quality:** an emphasis on food quality was added alongside food safety.
- **Facilitating well-informed food choices:** the commitment 'Offering Clean Label products' was expanded to a broader level of transparency (impact labelling, origin of raw materials, etc.). For this reason, the title of the goal was also renamed from 'Balanced nutrition' to 'Conscious nutrition' to reflect the wider coverage.

Protecting nature

- **Taking climate action:** in addition to the emissions in our own operations, the updated strategy also emphasises the emissions in the value chain.
- **Preserving water availability:** this is a new emerging sustainability issue in our Strategy 2030.
- **Ensuring sustainable resources:** biodiversity was added as a new emerging sustainability issue, and the sourcing of packaging materials will also be included in this commitment.
- **Working towards zero waste:** this commitment was expanded to include company waste in addition to food waste.

Enhancing lives

- **Providing a diverse, equitable and inclusive workplace:** in addition to diversity and inclusion, equity has also been included in this commitment.
- **Ensuring workers' rights in our value chain:** this commitment focuses on good working conditions for the workers in the value chain. The focus on cooperation and assessment of suppliers in terms of social and environmental matters is covered by the commitment 'Partnering in the value chain'.

Sustainable organisation

Finally, a fourth supportive governance pillar was added to the sustainability strategy, under which two commitments were defined:

- **Ensuring sustainable business growth:** we ensure growth without compromising its stability, quality or values. We promote ethical behaviour and forbid bribery and corruption.
- **Partnering in the value chain:** we cooperate with customers and suppliers, and assess our suppliers in terms of social and environmental issues.



ENGAGEMENT WITH KEY STAKEHOLDERS

Key stakeholders	How the engagement is organised	Type of engagement (information, consultation or participation)	Frequency	The purpose	Most senior role responsible for the engagement	How is the outcome taken into account?	The adjustments made/ planned (timeline) to the strategy and/or business model to be in line with stakeholder expectations	If applicable, the assessment of the effectiveness of the engagement	Whether and how the Board and ExCo are informed about the views and interests of the stakeholders
Associates	Associate Engagement Survey	Consultation	Yearly	Understand the engagement evolution & gaps to close	CEO/CHRO	More than 300 actions defined to close gaps	Feeds the HR strategy, adapting to the expectations	Short- and long-term progress for 13 topics	ExCo: twice per year Board: annually
	Diversity and inclusion survey	Consultation	Yearly	Understand the perception of diversity, equity and inclusion & gaps to close	CHRO	Specific actions in function of survey results; topical deep dives (e.g. reward)	Feeds the DEI action plans and strategy	Short- and long-term progress measured for different minorities (gender, ethnicity, age, ...) on different topics (representation, reward training, ...)	ExCo/Board: annually
	SpeakUp tool	Participation	Continuous	Ensure our people can flag unethical behaviour through appropriate channels	CHRO/CLO	Correct via specific actions to solve the situation and define long-term actions	Patterns in incidents will lead to long-term actions and/or changes in policies	Evolution of SpeakUp incidents	Board/ExCo (audit committee) on quarterly base (ad hoc if required)
	Anonymous enquiry after projects	Consultation	Ad hoc in function of the timing and size of the projects	Ensure we understand how implementation of initiatives are experienced by our people.	Project sponsors/ CHRO	Project sponsors/CHRO Take corrective actions (resources, communication, project strategy, ...)	Take corrective actions (resources, communication, project strategy, ...)	Evolution in the feedback received	ExCo ad hoc
	Double materiality assessment	Participation		To define the material matters of Vandemoortele	Board of Directors/ExCo	Basis for the sustainability strategy			Presentation of the views during Board meeting
Suppliers	Double materiality assessment	Participation		To define the material matters of Vandemoortele	Board of Directors	Basis for the sustainability strategy			Presentation of the views during Board meeting
	SpeakUp tool	Participation	Continuous	Ensure external stakeholders can flag unethical behaviour through appropriate channels	CHRO/CLO	Correct via specific actions to solve the situation and define long-term actions	Patterns in incidents will lead to long-term actions and/or changes in policies	Evolution of SpeakUp incidents	Board/ExCo (audit committee) on quarterly base (ad hoc if required)
	Via EPI tool	Participation	Questionnaire every 2 years; dialogues every year	Ensure correct progress and implementation of NDPE commitment and opportunity to challenge for additional improvements	Group Sustainability manager & Raw Materials Manager	The outcome of the questionnaire forms the basis for the yearly dialogues, and it results in an agreed action plan to be followed up until following questionnaire	Strengthens the collaboration with suppliers and the discussions will lead to long-term actions upstream the supply chain	Short- and long-term progress against 8 topics	ExCo/Board: annually in the yearly report



Key stakeholders	How the engagement is organised	Type of engagement (information, consultation or participation)	Frequency	The purpose	Most senior role responsible for the engagement	How is the outcome taken into account?	The adjustments made/ planned (timeline) to the strategy and/or business model to be in line with stakeholder expectations	If applicable, the assessment of the effectiveness of the engagement	Whether and how the Board and ExCo are informed about the views and interests of the stakeholders
Suppliers	EcoVadis assessment	Participation	Once per year	Audit our most critical direct suppliers on their sustainability practices	Project Sponsor/ ExCo	First outcome is the assessment of the suppliers, second is to ensure that suppliers work on the action plans to improve	Enforces the collaboration with suppliers on sustainability and the actions taken will improve visibility and performance in the whole value chain	Suppliers audited by EcoVadis, Scorecard by supplier, proof of other assessment (like Sedex)	ExCo/Board: annually
	Regular supplier meetings	Consultation	Regular	Share Vandemoortele expectations versus suppliers on all levels, including sustainability topics and update supplier status	Procurement Director	Supplier Relationship Management (SRM); Supplier Segmentation	Strengthen clear segmentation of supply base and adapted SRM	Taken on in supplier evaluation/supplier segmentation	Not informed
	Vendor rating	Consultation	Once per year	Vendor rating of all direct suppliers done with the sites and results shared later on with suppliers for action	Procurement Director	Vendor rating file, sharing results with suppliers	Aims to improve supplier performance	Actions identified with suppliers for improvement	Not informed
	SBTi scope 3 emission reduction through supplier engagement	Consultation	Once per year	Programme to engage our suppliers also on SBTi commitment to reduce our non-FLAG scope 3 emissions	ExCo	Report to be created	Ensuring that a maximum of our critical suppliers will also engage on SBTi which will help to achieve our SBTi targets (non-FLAG scope 3)	Number of suppliers engaged versus baseline	ExCo/Board: annually
Customers	Customer satisfaction survey	Consultation	Every 2 years	Ensure customer centricity and improve our customer satisfaction and relationship	ExCo	Local plans include specific actions depending on customer's priority level	Feeds the commercial plans and strategies	Every 2 years survey to track NPS	ExCo/Board: annually
	Social media	Consultation	Continuous		ExCo		Feeds our communication strategies	Continuous	ExCo/Board: ad hoc
	Market research	Consultation	Continuous	Ensure customer and consumer centricity, market dynamics and trends, and brand and innovations development	ExCo	Actions included in the Strategic plans and the Objectives, Goals, Strategies And Measures (OGSAM)	Feeds the commercial plans and strategies	Continuous	ExCo/Board: ad hoc
	Direct engagement	Information	Every year	TOP2TOP meeting to ensure stronger engagement with key customers	GM	Local plans include specific actions depending on customer's priority level	Feeds the commercial plans and strategies	Continuous	ExCo
	Double materiality assessment	Participation		To define the material matters of Vandemoortele	Board of Directors	Basis for the sustainability strategy			Presentation of the views during Board meeting
	SpeakUp tool	Participation	Continuous	Ensure external stakeholders can flag unethical behaviour through appropriate channels	CHRO/CLO	Correct via specific actions to solve the situation and define long-term actions	Patterns in incidents will lead to long-term actions and/or changes in policies	Evolution of SpeakUp incidents	Board/ExCo (audit committee) on quarterly base (ad hoc if required)



Key stakeholders	How the engagement is organised	Type of engagement (information, consultation or participation)	Frequency	The purpose	Most senior role responsible for the engagement	How is the outcome taken into account?	The adjustments made/ planned (timeline) to the strategy and/or business model to be in line with stakeholder expectations	If applicable, the assessment of the effectiveness of the engagement	Whether and how the Board and ExCo are informed about the views and interests of the stakeholders
Workers in the value chain	Via projects on the ground	Participation	Continuous	Help providing workers in the value chain with fair working conditions and trainings also on environmental aspects	Group Sustainability Manager	Input from the projects are used to evaluate if further actions need to be implemented	Engagement will lead to long-term positive transformation of supply chain		ExCo/Board: annually in the yearly report
	SpeakUp tool	Participation	Continuous	Ensure external stakeholders can flag unethical behaviour through appropriate channels	CHRO/CLO	Correct via specific actions to solve the situation and define long-term actions	Patterns in incidents will lead to long-term actions and/or changes in policies	Evolution of SpeakUp incidents	Board/ExCo (audit committee) on quarterly base (ad hoc if required)
Consumers	Market research	Consultation	Continuous	Ensure customer and consumer centricity, market dynamics and trends, and brand and innovations development	ExCo	Actions included in the strategic plans and the OGSAM	Feeds the commercial plans and strategies	Continuous	ExCo/Board: ad hoc
	SpeakUp tool	Participation	Continuous	Ensure external stakeholders can flag unethical behaviour through appropriate channels	CHRO/CLO	Correct via specific actions to solve the situation and define long-term actions	Patterns in incidents will lead to long-term actions and/or changes in policies	Evolution of SpeakUp incidents	Board/ExCo (audit committee) on quarterly base (ad hoc if required)
Local/ affected communities	Project on the ground	Participation	Continuous	Help providing local communities with tools and trainings on sustainable production	Group Sustainability Manager	Input from the projects are used to evaluate if further actions need to be implemented	Engagement will lead to long-term positive transformation of supply chain		ExCo/Board: annually in the yearly report
	SpeakUp tool	Participation	Continuous	Ensure external stakeholders can flag unethical behaviour through appropriate channels	CHRO/CLO	Correct via specific actions to solve the situation and define long-term actions	Patterns in incidents will lead to long-term actions and/or changes in policies	Evolution of SpeakUp incidents	Board/ExCo (audit committee) on quarterly base (ad hoc if required)
Investors/ banks	Double materiality assessment	Participation		To define the material matters of Vandemoortele	Board of Directors	Basis for the sustainability strategy			Presentation of the views during Board meeting
	SpeakUp tool	Participation	Continuous	Ensure external stakeholders can flag unethical behaviour through appropriate channels	CHRO/CLO	Correct via specific actions to solve the situation and define long term actions	Patterns in incidents will lead to long term actions and/or changes in policies	Evolution of SpeakUp incidents	Board/ExCo (audit committee) on quarterly base (ad hoc if required)
NGOs, government and international organisations	Double materiality assessment	Participation		To define the material matters of Vandemoortele	Board of Directors	Basis for the sustainability strategy	Feeds the sustainability strategy, adapting to expectations	Evolution in the feedback received	Presentation of the views during Board meeting
	SpeakUp tool	Participation	Continuous	Ensure external stakeholders can flag unethical behaviour through appropriate channels	CHRO/CLO	Correct via specific actions to solve the situation and define long-term actions.	Patterns in incidents will lead to long-term actions and/or changes in policies	Evolution of SpeakUp incidents	Board/ExCo (audit committee) on quarterly base (ad hoc if required)
	Meetings and events	Participation	Continuous	Understand and follow changes of the sustainability landscape	ExCo member ad hoc	Evaluate if the news or feedback can be incorporated in the strategy to keep the ambition level	Short- and long-term actions feeding the action plan of relevant targets		ExCo ad hoc

OUR ASSOCIATES' SHORT-TERM INCENTIVES

The calculation of our associates' short-term incentives (STIs) depends in part on the following sustainability targets. Due to the update of our sustainability strategy, certain sustainability targets will no longer be included as a component of the STIs, and new targets will be added.

STRATEGY 2025	STRATEGY 2030
Vol% Clean Label BP products	Vol% Clean Label BP products
Innovations (OTIF) in terms of health and plant-based in PBFS	Vol% plant-based products in PBFS
% GFSI principle compliance (suppliers, traders & logistic partners)	% GFSI principle compliance (ingredients, raw materials, packaging suppliers, traders & logistics partners)
% unannounced GFSI certification (Vandemoortele operations)	% unannounced GFSI certification (Vandemoortele operations)
% reduction food safety complaints	% reduction food safety complaints
% r-PET	% recycled PET per packaging unit (brands)
% total energy intensity reduction in BP	% total energy intensity reduction in BP
% total energy intensity reduction in PBFS	% total energy intensity reduction in PBFS
% CO ₂ intensity reduction in transport & mobility (scope 1 & 3)	% total energy intensity reduction GROUP
% CO ₂ intensity reduction in production (GROUP – scope 1 & 2)	
% water intensity reduction (excluding ingredient water) GROUP	% reduction of water consumption (excluding ingredient water)
% food loss in BP – scrap reduction (total production scrap + total rejected + commercial obsoletes)	% reduction food loss intensity (food loss/ volume sold) in BP
% Food loss in PBFS – scrap reduction (total production scrap + total rejected + commercial obsoletes)	% reduction food loss intensity (food loss/ volume sold) in PBFS
Safety Management score	Safety Management score
Safety System score	
Average hours of training per associate	Average hours of training per associate category
% reduction pay gap	Inclusive workplace score AES*
Well-being index AES*	Well-being index AES*
% of critical suppliers verified according to our sustainability criteria (EcoVadis, Sedex, etc.)	% of centrally managed critical direct suppliers verified according to our sustainability criteria
% direct active suppliers who have accepted/signed our Supplier Code of Conduct	% of our associates who received training on the Code of Conduct and Whistleblowing
	Collaborations with customers
	Finance & IT initiatives to support sustainability
	Master data initiatives to support sustainability

* Associate Engagement Survey.

THE LIST OF IROs ADDRESSED BY THE BOARD AND EXCO

The list of material impacts, risks and opportunities addressed by the Board and the ExCo during the workshop included:

Environmental

- **Water:** fundamental for production processes. Good water management is key.
- **Responsible sourcing:** sourcing flour and wheat in a sustainable way is very important. We also collaborate with suppliers on regenerative agriculture.
- **Scope 3 emissions:** one of the most important topics. Strategic partnerships are crucial to reduce indirect emissions. Enhancing consumer awareness is also essential.

Social

- **Training:** becomes ever more important in attracting new associates and offering existing associates new opportunities. Associates should have a say in their training opportunities.
- **Fair wages:** this is the most important argument for candidates to choose an employer, according to our Board members.
- **Work-life balance:** this may be different for each associate. It is important to listen to the associates and let them have a say in their work schedule (weekends, morning or evening shifts, telework, etc.).

Nutrition

- **Balanced portfolio:** we need to follow consumer needs. Both our indulgence categories and our health categories are growing. Within each category, we should have a balanced portfolio.
- **Plant-based or Clean Label:** the ideal food product is plant-based and Clean Label. Plant-based products, a large concern for consumers today, are a primary focus.
- **Food safety:** our ambition and performance levels are good. However, our high safety standards lead to more food waste, which we have to take into account.

Governance

- **Sourcing:** we want to improve our sourcing strategy, our supplier management, and our supplier audits. Simply asking our suppliers to sign a Code of Conduct is not enough; we need to go further, both to meet new regulations and satisfy our customers.

ADDITIONAL CSRD REQUIREMENTS ON POLICIES

In 2023, we established a system in which all policies – or changes to policies – must be validated by an ExCo member before being published.

Policy	Related IRO	Scope	The third-party standards or initiatives referred to in the policy	The interests of key stakeholders that have been taken into account	How the policy is available
GOAL 1: CONSCIOUS NUTRITION					
Our position on sugar	<ul style="list-style-type: none"> Consumer health Changing consumer behaviour 	Bakery Products	World Health Organization		On the Vandemoortele website
Our position on saturated fats	<ul style="list-style-type: none"> Consumer health Changing consumer behaviour 	Both business lines	World Health Organization		On the Vandemoortele website
Our position on trans fats	<ul style="list-style-type: none"> Consumer health Changing consumer behaviour 	Both business lines	European Commission		On the Vandemoortele website
Our position on plant-based/vegan	<ul style="list-style-type: none"> Plant-based diet Changing consumer behaviour 	Both business lines	The European Vegetarian Union (EVU), ISO 23662:2021 or the Publicly Available Specification (PAS) Guideline, the paper 'Plant-based diets and their impact on health, sustainability and the environment' by the WHO European Office for the Prevention and Control of Noncommunicable Diseases		On the Vandemoortele website
Our definition and position on Clean Label	<ul style="list-style-type: none"> Product transparency 				On the Vandemoortele website
GOAL 2: PROTECTING NATURE					
Vandemoortele palm oil sourcing commitment	<ul style="list-style-type: none"> Responsible sourcing and purchasing Deforestation Product traceability Regenerative agriculture Biodiversity loss 	Palm oil supply chain; applicable to both our own operations and those upstream	RSPO		On the Vandemoortele website
Vandemoortele soya sourcing commitment	<ul style="list-style-type: none"> Responsible sourcing and purchasing Deforestation Product traceability Regenerative agriculture Biodiversity loss 	Soya supply chain; applicable to both our own operations and those upstream	RTRS		On the Vandemoortele website



Policy	Related IRO	Scope	The third-party standards or initiatives referred to in the policy	The interests of key stakeholders that have been taken into account	How the policy is available
Vandemoortele egg sourcing commitment	<ul style="list-style-type: none"> Responsible sourcing and purchasing 				On the Vandemoortele website
Vandemoortele paper and cardboard sourcing commitment	<ul style="list-style-type: none"> Responsible sourcing and purchasing Deforestation Biodiversity loss 	Paper and cardboard supply chain; applicable to both our own operations and those upstream	FSC and PEFC		On the Vandemoortele website
Environmental charter	<ul style="list-style-type: none"> Own greenhouse gas emissions (scope 1 & 2) Energy management Water consumption Food waste Sustainable resource use 	All sites			On the Vandemoortele website
Food waste policy	<ul style="list-style-type: none"> Food waste 	All sites			On the internal sharepoint of Vandemoortele*
GOAL 3: ENHANCING LIVES					
Quality charter	<ul style="list-style-type: none"> Product safety Safety errors Hazardous substances Quality products Poor quality of the products 		International Food Standard (IFS) or the British Retail Consortium (BRC) and GMP-feed		On the internal sharepoint of Vandemoortele*
Personal Development: Training & Learning commitment	<ul style="list-style-type: none"> Talent retention Career development Training War for talent No opportunities for career development 	All Vandemoortele associates worldwide		The policy is based on academic references, insights from the Associate Engagement Survey, management documents (business strategy, etc.)	On the internal sharepoint of Vandemoortele*
Diversity and inclusion policy	<ul style="list-style-type: none"> Female empowerment Digital inclusion Diversity and inclusion Shifting demographics 	All Vandemoortele associates worldwide		The policy was written based on best practices of other companies, scientific articles and on the learnings from our surveys	On the internal sharepoint of Vandemoortele*
Our Health & Safety commitment	<ul style="list-style-type: none"> Safety and ergonomics Health and safety issues 	All associates and visitors	ISO 45001 Health & Safety Management standard		On the internal sharepoint of Vandemoortele*
Our Code of Business conduct	<ul style="list-style-type: none"> Mental health 	All associates	Willis Towers Watson (engagement results)	Through the output of the Associate Engagement Survey	On the Vandemoortele website

*The internal sharepoint is accessible to all associates with a Vandemoortele e-mail address (70% of all associates, including temporary associates)



Policy	Related IRO	Scope	The third-party standards or initiatives referred to in the policy	The interests of key stakeholders that have been taken into account	How the policy is available
GOAL 4: SUSTAINABLE ORGANISATION					
Supplier Code of Conduct	<ul style="list-style-type: none"> Responsible supply chain management Partnerships in the supply chain Opportunities of partnerships in the supply chain Stakeholder dialogue Communication 	All centrally managed direct suppliers	The UN Global Compact		On the Vandemoortele website
Supplier onboarding procedure	<ul style="list-style-type: none"> Responsible supply chain management Partnerships in the supply chain Opportunities of partnerships in the supply chain 	All centrally managed direct suppliers			On the internal sharepoint*
Code of Corporate Governance	<ul style="list-style-type: none"> Integrity and business ethics Ethical business conduct 	All stakeholders	In line with requirements of applicable Corporate Governance Codes and other applicable legislation		Available on internal sharepoint* & external website
Code of Business Conduct and Ethics	<ul style="list-style-type: none"> Integrity and business ethics Ethical business conduct Grievance mechanism and whistleblowing procedure Fair and free competition Cybersecurity and data privacy Protection of intellectual property 	All stakeholders and all geographies	United Nations Convention against Corruption and general standards that are required by many stakeholders in various jurisdictions		Internal e-learning. Available on internal sharepoint* and external website
Human Rights Policy	<ul style="list-style-type: none"> Integrity and business ethics Ethical business conduct 	All stakeholders	The Universal Declaration of Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights		Available on internal sharepoint*
VWhistleblowing procedure	<ul style="list-style-type: none"> Grievance mechanism and whistleblowing procedure 	All stakeholders	In line with applicable legislation and expectations of stakeholders		Internal e-learning. Available on internal sharepoint* and external website

*The internal sharepoint is accessible to all associates with a Vandemoortele e-mail address (70% of all associates, including temporary associates)

CHANGES IN TARGETS AND CORRESPONDING METRICS

CONCERNS OF OUR STAKEHOLDERS	HOW WE RESPONDED
Conscious nutrition	
10 vol% salt reduction in Bakery Products	Decreasing the salt level has a significant impact on taste. We have decided on a gradual salt reduction to give consumers time to adapt, in order to avoid losing market share. Therefore, the 2025 target of 15% reduction versus 2019 was adapted to a 10% reduction by 2030.
10 vol% sugar reduction in pastry, sweet treats & patisserie	Lowering salt and sugar levels at the same time is quite a challenge, especially since we are not prepared to compromise on taste. By extending our sugar reduction process by five years, we want to keep pace with the market and give consumers time to adjust.
% increase of breads with health or nutrition claim (number %)	The number of standard bread references is high, so increasing the number of breads with health claims has a very small effect on the percentage of breads with health claims versus the total number of bread references. For this reason, we have decided to continue creating wholesome products, but to stop expressing this target.
% increase of products with claim high in UFA + other claim in spreading & cooking (number %)	The number of PBFS products with health claim has increased significantly in recent years. We now offer a wide range of products with extra vitamins, minerals or omega-3, and therefore we will no longer follow this target.
Better Nutri-Score®: % shift in spreading & cooking (number %)	From 2024 onwards, a new algorithm will be used to calculate Nutri-Scores®. As a result, nearly all of our spreading references will receive a Nutri-Score® C. Since making a significant difference will become very hard, we have decided to no longer follow this target.
75 vol% plant-based products in PBFS	A new target defined within the updated sustainability strategy.
80 vol% Clean Label in Bakery Products	We do not want to remove extra food additives if this means we have to compromise on taste, or if it increases the risk of food waste. Therefore, 100% Clean Label is simply not possible, and the target of 2025 will be retained for another five years, until 2030.
10% reduction in food safety complaints	Our operations have changed drastically since 2016 (in terms of software, production plants, etc.). Comparing our new food safety achievements to 2020 instead of 2016 will give us more relevant data. It also allows us to work on optimising/automating the reporting of the KPI, as the data can be made available in Power BI.
Protecting nature	
100% sustainable-certified palm oil	Our new strategy extends the scope of this target. From 2024, we will monitor this KPI not only for consumer and professional brands (excluding industry) but for the entire Vandemoortele portfolio.
100% of the verified environmental grievances related to palm and cocoa have an action plan	From 2024, the scope of the target will be extended to our key commodities, instead of being related exclusively to palm and cocoa.
% recyclable, reusable packaging and compostable packaging	This target is no longer part of our 2030 strategy as compostable packaging is restricted by EU legislation and currently not applicable to our product portfolio. In addition, we expect many changes in the definition of 'recyclable'. In 2027, the EU will propose definitions and a checklist to determine recyclability per packaging unit. So at that time we will have to redefine this target anyway.
% recycled PET	The target on r-PET will be adapted to 30% recycled PET per packaging unit (brands) by 2027, instead of for all PET packaging.



CONCERNS OF OUR STAKEHOLDERS	HOW WE RESPONDED
<p>% reduction food loss intensity (food loss / volume sold) for BP and PBFS</p>	<p>As of next year (data 2024 – report 2025), the following changes will apply to the food loss target in order to make it broader, more robust, aligned and transparent. The target consists of three elements:</p> <ol style="list-style-type: none"> 1. mass balance: uniform definition based on product losses during the production process but excluding overweight; 2. post-production losses in the plant and warehouse due to product non-conformities; 3. commercial obsolesces. <p>The latter two elements will be calculated by tracking product movements in the ERP systems of our sites and warehouses. These systems were changed and upgraded throughout the course of 2020, and therefore the baseline year of this target will be switched to 2021, to ensure uniform reporting.</p> <p>We have defined a new target for food loss in PBFS, namely a 6.3% reduction compared to 2021. The adjustment was necessary to cope with stricter legal and customer demands in terms of allergen management. In addition, producing smaller batches often results in higher food losses. We have also introduced a new food loss reduction target for BP: by 2030, we now aim for a 30% reduction compared to 2021.</p>
<p>Enhancing lives</p>	
<p>% associates per associate category that followed at least one training</p>	<p>In order to focus on our updated 2030 strategy, we will stop reporting this KPI externally. However, it will still be monitored internally.</p>
<p>% associates per gender that followed at least one training</p>	<p>In order to focus on our updated 2030 strategy, we will stop reporting this KPI externally. However, it will still be monitored internally.</p>
<p>% of associates per gender who adhere to P&DMP</p>	<p>In order to focus on our updated 2030 strategy, we will stop reporting this KPI externally. However, it will still be monitored internally. To date, no significant difference has been found. In the future, we will focus on generations, ethnicity, beliefs, etc., in addition to gender.</p>
<p>100% of grievances on social issues related to our key commodities have an action plan by 2030</p>	<p>The updated 2030 strategy has broadened the scope of the target for grievances; from solely grievances about palm oil, we will now monitor grievances about three commodities: palm oil, cocoa and soya.</p>
<p>5 collaborations with customers</p>	<p>This is a new target in the 2030 sustainability strategy.</p>
<p>100% of our associates received training on the Code of Conduct and the whistleblowing procedure</p>	<p>As part of our sustainability strategy update, we have set a new target to promote the correct conduct of associates.</p>

FULL EU TAXONOMY REPORT

Economic activities (1)	Year 2023			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year 2022 (18)	Enabling activity (19)	Category transitional activity (20)
	Code(s) (2)	Turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)				
		In thousands EUR	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
TURNOVER																			
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		€0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N	N	N	N	N	N	Y	0%		
	Of which enabling	€0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N	N	N	N	N	N	Y	0%	E	
	Of which transitional	€0	0.0%	0.0%						N	N	N	N	N	N	Y	0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		€0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%								0%		
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		€0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%								0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		€1,924,624	100%																
Total (A + B)		€1,924,624	100%																

The total reconciles to the total turnover 2023 as disclosed in the line "total external revenue" in note 5.1 of the financial statements.



Economic activities (1)	Year 2023			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year 2022 (18)	Enabling activity (19)	Category transitional activity (20)
	Code(s) (2)	Turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)				
		In thousands EUR	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
CAPEX																			
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)*																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		€0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N	N	N	N	N	N	Y	0%		
	Of which enabling	€0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N	N	N	N	N	N	Y	0%	E	
	Of which transitional	€0	0.0%	0.0%						N	N	N	N	N	N	Y	0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
WTR 2.2 Urban waste water treatment	WTR 2.2	€696	0.8%	N/EL	N/EL	EL	N/EL	N/EL	N/EL								0.8%		
CCM 6.6 / CCA 6.6 Freight transport services by road	CCM 6.6 / CCA 6.6	€326	0.4%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
CCM 7.2 / CCA 7.2 / CE 3.2 Renovation of existing buildings	CCM 7.2 / CCA 7.2 / CE 3.2	€2,213	2.5%	EL	EL	N/EL	N/EL	EL	N/EL								0.6%		
CCM 7.7 / CCA 7.7 Acquisition and ownership of buildings	CCM 7.7 / CCA 7.7	€8,987	10.2%	EL	EL	N/EL	N/EL	N/EL	N/EL								8.2%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		€12,222	13.8%	13.1%	13.1%	0.8%	0.0%	2.5%	0.0%								9.6%		
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		€12,222	13.8%	13.1%	13.1%	0.8%	0.0%	2.5%	0.0%								9.6%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities (B)		€76,152	86.2%																
Total (A + B)		€88,374	100%																

The total reconciles to the total of investment acquisitions of 2023 as disclosed in notes 16 and 17 of the financial statements.
 * Activities meeting the eligibility criteria of multiple objectives are only counted once.

Economic activities (1)	Year 2023			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year 2022 (18)	Enabling activity (19)	Category transitional activity (20)
	Code(s) (2)	Turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)				
		In thousands EUR	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
OPEX																			
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		€0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N	N	N	N	N	N	Y	0%		
	Of which enabling	€0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N	N	N	N	N	N	Y	0%	E	
	Of which transitional	€0	0.0%	0.0%						N	N	N	N	N	N	Y	0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		€0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%								0%		
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		€0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%								0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities (B)		€18,486	100%																
Total (A + B)		€18,486	100%																

(#) Refers to the reference as included in the mandatory reporting table for non-financial undertakings as required in accordance with the reporting delegated regulation.

Disclosures in relation to specific energy sectors

DISCLOSURE 1: NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES

Nuclear energy related activities	Answer
1. The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2. The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3. The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas related activities	
4. The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5. The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6. The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

DISCLOSURE 2: TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR)

Economic activities	KPI	Amount and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1. Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		€0	0%	€0	0%	€0	0%
2. Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		€0	0%	€0	0%	€0	0%
3. Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		€0	0%	€0	0%	€0	0%
4. Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		€0	0%	€0	0%	€0	0%
5. Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		€0	0%	€0	0%	€0	0%
6. Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		€0	0%	€0	0%	€0	0%

7. Amount and proportion of other Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	Turnover	€0	0%	€0	0%	€0	0%
	CapEx	€0	0%	€0	0%	€0	0%
	OpEx	€0	0%	€0	0%	€0	0%
8. Total applicable KPI	Turnover	€0	0%	€0	0%	€0	0%
	CapEx	€0	0%	€0	0%	€0	0%
	OpEx	€0	0%	€0	0%	€0	0%

DISCLOSURE 3: TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR)

Economic activities	KPI	Amount and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1. Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI		€0	0%	€0	0%	€0	0%
2. Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI		€0	0%	€0	0%	€0	0%
3. Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI		€0	0%	€0	0%	€0	0%
4. Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI		€0	0%	€0	0%	€0	0%
5. Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI		€0	0%	€0	0%	€0	0%
6. Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI		€0	0%	€0	0%	€0	0%
7. Amount and proportion of other Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	Turnover	€0	0%	€0	0%	€0	0%
	CapEx	€0	0%	€0	0%	€0	0%
	OpEx	€0	0%	€0	0%	€0	0%
8. Total applicable KPI	Turnover	€0	0%	€0	0%	€0	0%
	CapEx	€0	0%	€0	0%	€0	0%
	OpEx	€0	0%	€0	0%	€0	0%

DISCLOSURE 4: TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

Economic activities	KPI	Amount and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount in thousands EUR	%	Amount in thousands EUR	%	Amount in thousands EUR	%
1. Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		€0	0%	€0	0%	€0	0%
2. Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KP		€0	0%	€0	0%	€0	0%
3. Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		€0	0%	€0	0%	€0	0%
4. Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		€0	0%	€0	0%	€0	0%
5. Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		€0	0%	€0	0%	€0	0%
6. Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		€0	0%	€0	0%	€0	0%
7. Amount and proportion of other Taxonomy-eligible but not Taxonomy-aligned economic activity not referred to in rows 1 to 6 above in the denominator of the applicable KPI	Turnover	€0	0%	€0	0%	€0	0%
	CapEx	€12,222	13.8%	€12,222	100%	€12,222	100%
	OpEx	€0	0%	€0	0%	€0	0%
8. Total amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activities in the denominator of the applicable KPI	Turnover	€0	0%	€0	0%	€0	0%
	CapEx	€12,222	13.8%	€12,222	100%	€12,222	100%
	OpEx	€0	0%	€0	0%	€0	0%

DISCLOSURE 5: TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES

Economic activities	KPI	Amount and proportion	
		CCM + CCA	
		Amount in thousands EUR	%
1. Amount and proportion of economic activity referred to in row 1 of Disclosure 1 in relation to specific energy sectors that is Taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		€0	0%
2. Amount and proportion of economic activity referred to in row 2 of Disclosure 1 in relation to specific energy sectors that is Taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		€0	0%
3. Amount and proportion of economic activity referred to in row 3 of Disclosure 1 in relation to specific energy sectors that is Taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		€0	0%
4. Amount and proportion of economic activity referred to in row 4 of Disclosure 1 in relation to specific energy sectors that is Taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		€0	0%
5. Amount and proportion of economic activity referred to in row 5 of Disclosure 1 in relation to specific energy sectors that is Taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		€0	0%
6. Amount and proportion of economic activity referred to in row 6 of Disclosure 1 in relation to specific energy sectors that is Taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		€0	0%
7. Amount and proportion of other Taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	Turnover CapEx OpEx	€1,924,624 €76,152 €18,486	100% 86.2% 100%
8. Total amount and proportion of Taxonomy-non-eligible economic activities in the denominator of the applicable KPI	Turnover CapEx OpEx	€1,924,624 €76,152 €18,486	100% 86.2% 100%



Contact information

Vandemoortele Europe NV

Ottergemsesteenweg-Zuid 816
9000 Ghent, Belgium

www.vandemoortele.com

