

SHAPING A TASTY FUTURE 2024 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.

REPORTING PERIOD

Publication date: 31 March 2025

Reporting period: 1 January 2024 – 31 December 2024

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.

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, 30 subsidiaries that are fully consolidated and one joint venture. 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 2024 that are applicable to the entire Vandemoortele Group, unless otherwise stated.

FINANCIAL STATEMENTS 2024

The Financial Report 2024, which has been drawn up in compliance with IFRS guidelines, is included in the Annual Integrated Report 2024 from page 170 onwards.

EXTERNAL ASSURANCE

An audit has been performed on the consolidated financial statements by our statutory auditor Deloitte Bedrijfsrevisoren. A limited assurance was conducted by our statutory auditor, Deloitte Bedrijfsrevisoren, on the sustainability statements of the Vandemoortele Group.

CONTACT DETAILS

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PRODUCTION

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“IN 2024, WE SUCCESSFULLY COMPLETED TWO ACQUISITIONS WHILE ALSO STRENGTHENING OUR EXISTING BUSINESS”

Following years of political tension, economic uncertainty and legislative challenges, 2024 marked a year of consolidation and expansion for Vandemoortele. CEO Yvon Guérin and Chairman Jean Vandemoortele reflect on the past twelve months and share their vision for the company’s future.

How do you look back on 2024? Are you satisfied with the results?

Yvon Guérin: “2024 was an exceptional year for Vandemoortele. We achieved significant progress in terms of both profitability and sustainability. After navigating several years of intense cost inflation, 2024 offered a more stable and quieter economic climate. This enabled us to consolidate our accomplishments and invest in expanding our capacity. At the same time, we placed a strong emphasis on digitalisation and innovation, with a particular focus on expanding our range of plant-based products. As customers increasingly make efforts to reduce their carbon footprints, plant-based options are becoming more popular. We are proud to support this shift.”

Jean Vandemoortele: “Our strong results are not only financially rewarding, but also reinforce our commitment to sustainability. Profit is the lifeblood

of our company: it enables us to invest further in sustainable growth. In 2024, we successfully completed two acquisitions while also maintaining and strengthening our existing business. The economic growth and positive outcomes we achieved, despite challenging conditions, reflect how much our customers value the exceptional quality of our products.”

Which specific business achievements are you most proud of?

Yvon Guérin: “We accomplished many milestones last year, but our greatest achievement was the strength of our internal collaboration. Amid two acquisitions, the rollout of an updated sustainability strategy and a business strategy focused on growth, our team truly shone. From the initial planning stages all the way to the on-the-ground execution, we worked seamlessly together.”

Jean Vandemoortele: “Vandemoortele marked its 125th anniversary in 2024 – an extraordinary accomplishment! But despite our long history, we maintain a youthful mindset. Our people remain highly motivated and engaged, and we continue to nurture their development. We are 125 years young, not old!”

In 2024, Vandemoortele acquired Italian bakery specialist Dolciaria Acquaviva and Banneton Bakery, a leading American producer of premium croissants, Danishes and pastries. What strategic benefits and growth opportunities have these acquisitions brought?

Jean Vandemoortele: “Our primary objectives were to expand our export markets and increase our portfolio of added-value products and channels. By acquiring a majority stake in Banneton Bakery, we’ve further strengthened our commitment to the US market. With a local production platform, we can offer greater value as a trusted partner. The strategic acquisition of Dolciaria Acquaviva will reinforce our market presence in Italy and enable us to provide a wider range of high-quality products to our Italian customers.”

“We achieved significant progress in terms of both profitability and sustainability”

Jean Vandemoortele – Chairman of the Board



Jean Vandemoortele –
Chairman of the Board



Yvon Guérin – CEO

Yvon Guérin: “In Italy, we will continue to grow our retail business while focusing on expanding our presence in the Food Service sector. Additionally, our strategic partnership with Banneton will significantly accelerate our growth in the United States.”

What was Vandemoortele’s biggest challenge in 2024?

Yvon Guérin: “The organic growth of our business remained modest, particularly in Bakery Products. This remains a priority for us, with a strong focus on expanding in the Food Service sector. At the same time, we continue to emphasise customer-centricity, ensuring that the needs of our customers are always at the front and centre.”

Jean Vandemoortele: “Our greatest challenge was balancing the integration of two major acquisitions with the management of our existing business. However, we demonstrated that, as a team, we can rise to significant challenges and deliver successful outcomes.”

Did you also face challenges in terms of sustainability? And are there specific achievements you are proud of in this area?

Yvon Guérin: “In 2024, we launched our updated sustainability strategy. This will enable us to enhance both our reporting accuracy and our ongoing sustainability efforts. Our EcoVadis Platinum medal affirms our leadership in the sector, while the award for Best Belgian Sustainability Report highlights our commitment to transparent and impactful communication. Looking ahead, we aim to work more closely with our customers to create a greater

impact. We have already developed a broad range of plant-based products with lower carbon footprints such as vegan croissants; now we need to focus on demonstrating their added value to our customers.”

Jean Vandemoortele: “After years of consistent effort, we remain fully committed to achieving our sustainability goals. However, the new CSRD legislation has made things more complex. For the 2024 reporting year, we need to comply with numerous requirements and monitor over 100 metrics. This creates a heavy administrative burden. At times, it feels like the emphasis is more on ticking boxes than driving real progress. We hope the EU will shift its focus to helping companies achieve truly sustainable operations, rather than overwhelming them with paperwork.”

Which challenges, risks and opportunities do you see for 2025?

Yvon Guérin: “In the coming year, we face two key challenges: integrating our new acquisitions into our daily operations and achieving growth in an uncertain economic environment. These challenges are interconnected, as our acquisitions will help accelerate growth, particularly in the US bakery market and the Food Service sector in Italy.”

Jean Vandemoortele: “Our goal is to integrate these acquisitions while preserving their unique identity and energy. We aim to share our company culture and expertise while learning from the strengths of our new colleagues. This collaboration will drive growth and strengthen our commitment to sustainable practices.”

“At the same time, we are navigating an increasingly volatile global landscape. The new US administration and the ongoing conflict between Russia and Ukraine could cause significant disruptions. Even so, the challenges of recent years have shown that our talented teams can overcome any obstacle. I want to express my sincere gratitude to all our associates, across every level and department, for their unwavering loyalty and dedication.”

“We continue to emphasise customer-centricity, ensuring that the needs of our customers are always at the front and centre”

Yvon Guérin – CEO

COMPANY MILESTONES



In 2024, we celebrated our 125th anniversary together with our customers. From our humble beginnings as a small factory in Izegem, we have grown into a European leader in bakery and plant-based foods. This milestone marks the start of a tasty and sustainable future. Here is to many more years of growth, innovation and shared enjoyment!



Partnership with Banneton Bakery (U.S.)

Since 2024, we have been partnered with Banneton Bakery, a leading North American producer of frozen pastries, such as croissants and Danishes. By acquiring a majority stake in Banneton, we have launched our first production site in the U.S. This strategic move strengthens our focus on the American market, and shows our commitment to being a trusted local partner.



Acquisition of Dolciaria Acquaviva (Italy)

We are excited to announce the acquisition of Dolciaria Acquaviva, an Italian bakery renowned for its frozen sweet and savoury products. Acquaviva has been an innovator in its field ever since its establishment in 1979. This acquisition strengthens our presence in Italy and supports our mission to deliver exceptional products and experience.



EcoVadis Platinum Medal

We are proud to have achieved the EcoVadis Platinum Medal for sustainability, placing us in the top 1% of companies assessed worldwide and across all industries. This recognition highlights our efforts to integrate sustainable practices, especially in sourcing, across all our activities. It underscores our commitment to making a positive impact on the planet and everyone we work with.

Our global expansion

In 2024, Vandemoortele continued its global expansion. We are proud to extend our Banquet d'Or product range through key partnerships worldwide: collaborating with Sam's Club in China, Starbucks in Vietnam, Panda in Saudi Arabia and Ikea in Turkey. Additionally, we successfully organised exclusive customer events in Vietnam and China, bringing together leading hotels and potential Food Service clients. These events provided a platform to showcase our global solutions, highlighting the strength of our brands and services.



Grow Vandemoortele NV

2024 was also the year in which we established Grow Vandemoortele NV, a sister company of Vandemoortele NV, with the mission to “shape & scale the food transition with plant-based solutions that are better for you and the planet”. Grow Vandemoortele will serve as a bridge between Vandemoortele and an external ecosystem of innovative start-ups, research entities and corporations. Its focus will be on investing in promising food tech start-ups and funding scientific research collaborations. These initiatives aim to keep us ahead in terms of food tech development and drive groundbreaking innovations. We are currently recruiting a manager for this new entity, who will join us in early 2025.

PART I

VANDEMOORTELE AT A GLANCE



“AFTER A YEAR OF STABILITY, WE HAVE RETURNED TO GROWTH”

For Vandemoortele, 2024 was marked by renewed growth, geographical expansion and significant progress in sustainability. CEO Yvon Guérin and Managing Director Bart Bruyneel reflect on their experiences in the two business lines, and share their outlook for 2025.

How do you look back on 2024? Are you satisfied with the results?

Yvon Guérin: “2024 was a strong year for our Bakery Products (BP) business line. Our positive financial performance was mainly driven by an effective product and country mix, with modest volume growth also contributing. However, the Food Service sector remains a challenge. We strengthened our position through the acquisition of two new companies, which enabled us to diversify geographically and access new Food Service markets. On the sustainability front, we made significant progress and met most of our 2024 KPIs. A particular highlight was receiving the Platinum Medal from EcoVadis, which ranks us among the top 1% of companies worldwide for sustainability performance.”

Bart Bruyneel: “The financial performance of Plant-Based Food Solutions (PBFS) was slightly lower than last year, mainly due to margin erosion driven by rising input costs. The decline in volume that we’d

anticipated did not occur. With the exception of Food Service, all our markets performed well. We also made significant progress in developing new plant-based products, which we aim to launch in 2025. To prepare for this, we are already expanding our production capacity.”

“In terms of sustainability, we are well on target. A key focus is our continued investment in a new extrusion line for professional-use margarines. This advanced technology allows precise control over heating and cooling, which will reduce energy consumption for this production line by 40%.”

Which specific achievements are you most proud of?

Yvon Guérin: “After a year of stable performance, we have returned to growth, especially in value and branded products. We also achieved modest volume growth, which was an important goal for us. In a stable market, our growth shows that we outperformed industry trends. Reducing our logistics costs was another key achievement.”

“We also made substantial progress on our climate roadmap and submitted our SBTi targets (Science-Based Targets initiative). From a people perspective, we are very pleased with the excellent results from our Associate Engagement Survey, which show that our teams are happy and committed. After all, our people are at the heart of our company.”

Bart Bruyneel: “In operational terms, we are very proud of our new extrusion line and the upgraded automation across all our factories. Each facility now operates with the same state-of-the-art automation systems. In PBFS, we dedicated considerable effort to developing our first plant-based cheese for the professional market, set to launch next year. Additionally, we launched Grow Vandemoortele, a new investment initiative aimed at supporting start-ups in the area of plant-based products. We are currently hiring investment managers, and look forward to becoming more active in 2025.”

Did 2024 also present specific challenges?

Bart Bruyneel: “Preparing for the European Deforestation Regulation (EUDR) required significant time and resources. With the EU postponing its implementation by a year, we will need to renew our efforts to remain compliant while also staying competitive.”

“We also made significant progress in developing new plant-based products, which we aim to launch in 2025”

**Bart Bruyneel –
Managing Director Plant-Based Food Solutions**



**Bart Bruyneel –
Managing Director Plant-Based Food Solutions**



Yvon Guérin – CEO

What are your expectations for 2025?

Yvon Guérin: “To improve BP’s performance, we will rebalance our portfolio, focusing more on Food Service. We will continue to emphasise our ‘glocal’ (think global, act local) culture, which has delivered excellent commercial and marketing results. Innovation will remain a key aspect of our operations. For instance, we are developing vegan products and preparing a range of low-carbon products made with wheat sourced from regenerative agriculture.”

Bart Bruyneel: “We will continue working on the launch of our vegan cheese, improving our Food Service performance, ensuring compliance with the EUDR and supporting plant-based start-ups through Grow Vandemoortele. Additionally, we will continue to enhance our customer- and consumer-centred approach. Together with our associates, we are building an ambitious, proactive company culture that will help us remain strong in an increasingly competitive market.”

“We will continue to emphasise our ‘glocal’ (think global, act local) culture, which has delivered excellent commercial and marketing results”

Yvon Guérin – CEO

New Managing Director for Bakery Products

As of 2025, Peter Boone will succeed Sabine Sagaert as Managing Director of Bakery Products. With 20 years of experience, including leadership roles at Unilever N.V. and the Barry Callebaut Group, Peter brings a wealth of expertise to the role.

Peter Boone – Managing Director Bakery Products



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.

Both business lines actively contribute to a positive change in the food industry, with a focus on two major trends: health and sustainability.



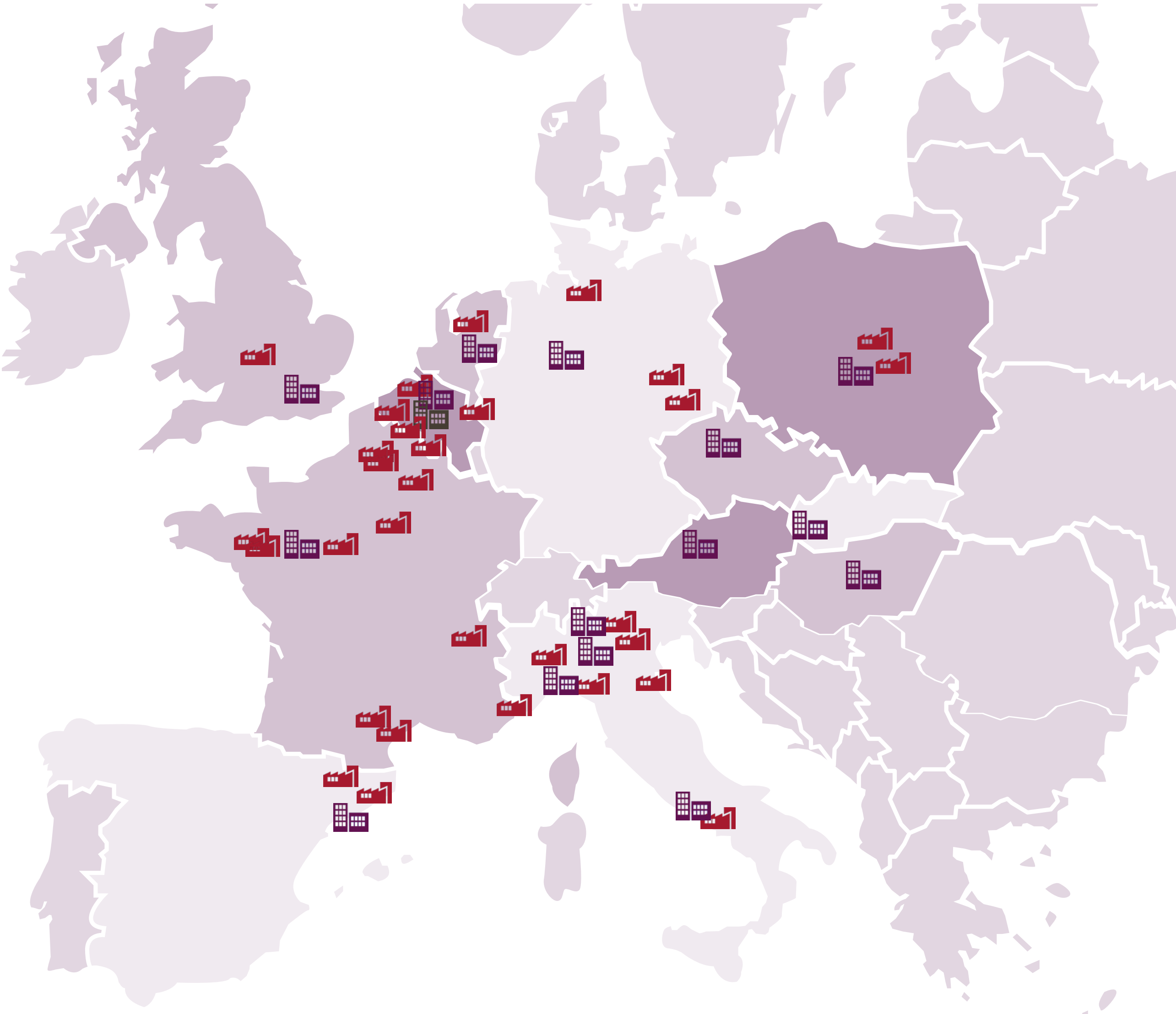
OUR OPERATIONS

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 **31 top-notch production sites***, in order to ensure proximity to all of our key markets. The most significant markets for Vandemoortele are France, Germany, Belgium and Italy but we export to **71 countries worldwide**.

31
top-notch production sites*

-  Headquarters
-  Production site
-  Commercial office

*32 sites including the production site in the United States included according to the equity method.



KEY FIGURES 2024

SBM-1

S1-6

Company figures



847,902 tonnes

sales volume



5,589

products in our assortment



31

production sites*

Associates figures



2,175

blue-collar workers

1,106

white-collar workers

813

management

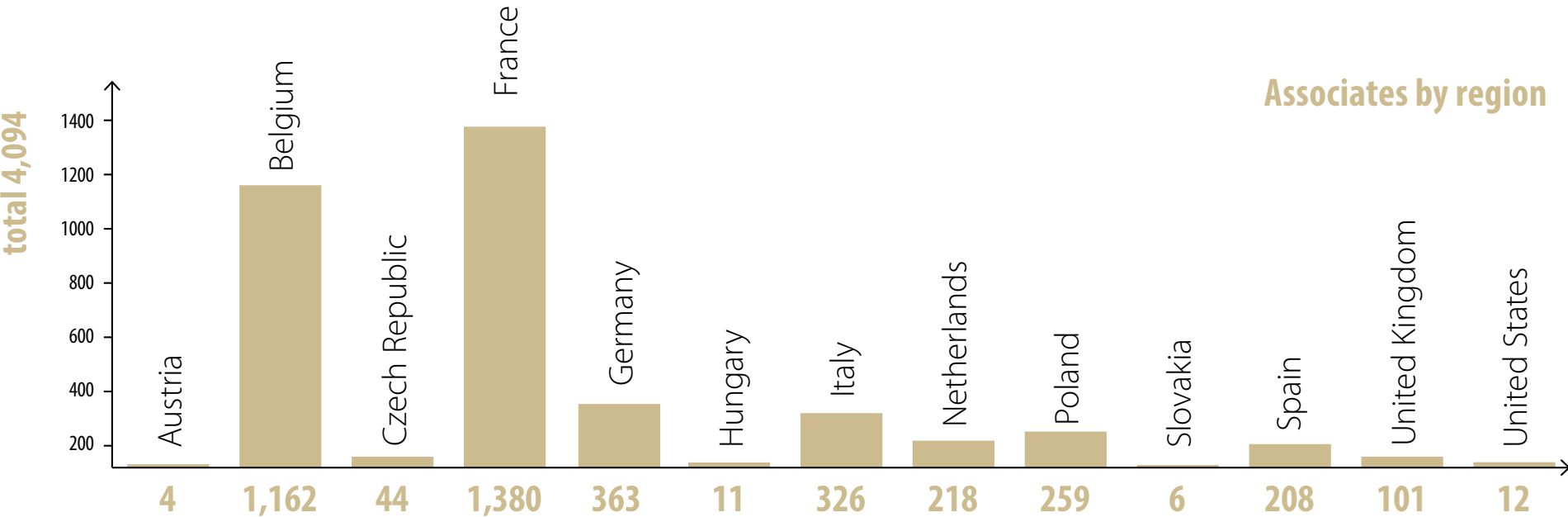
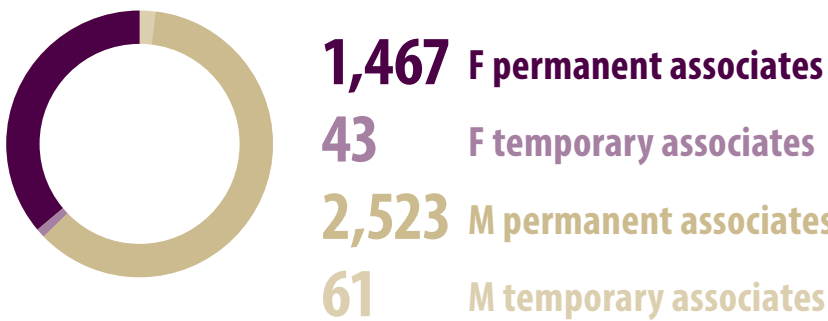
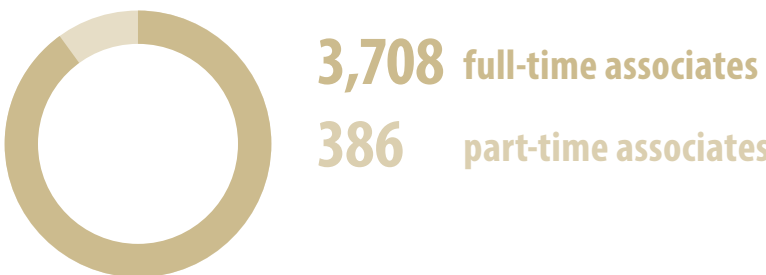
Male/female ratio



73

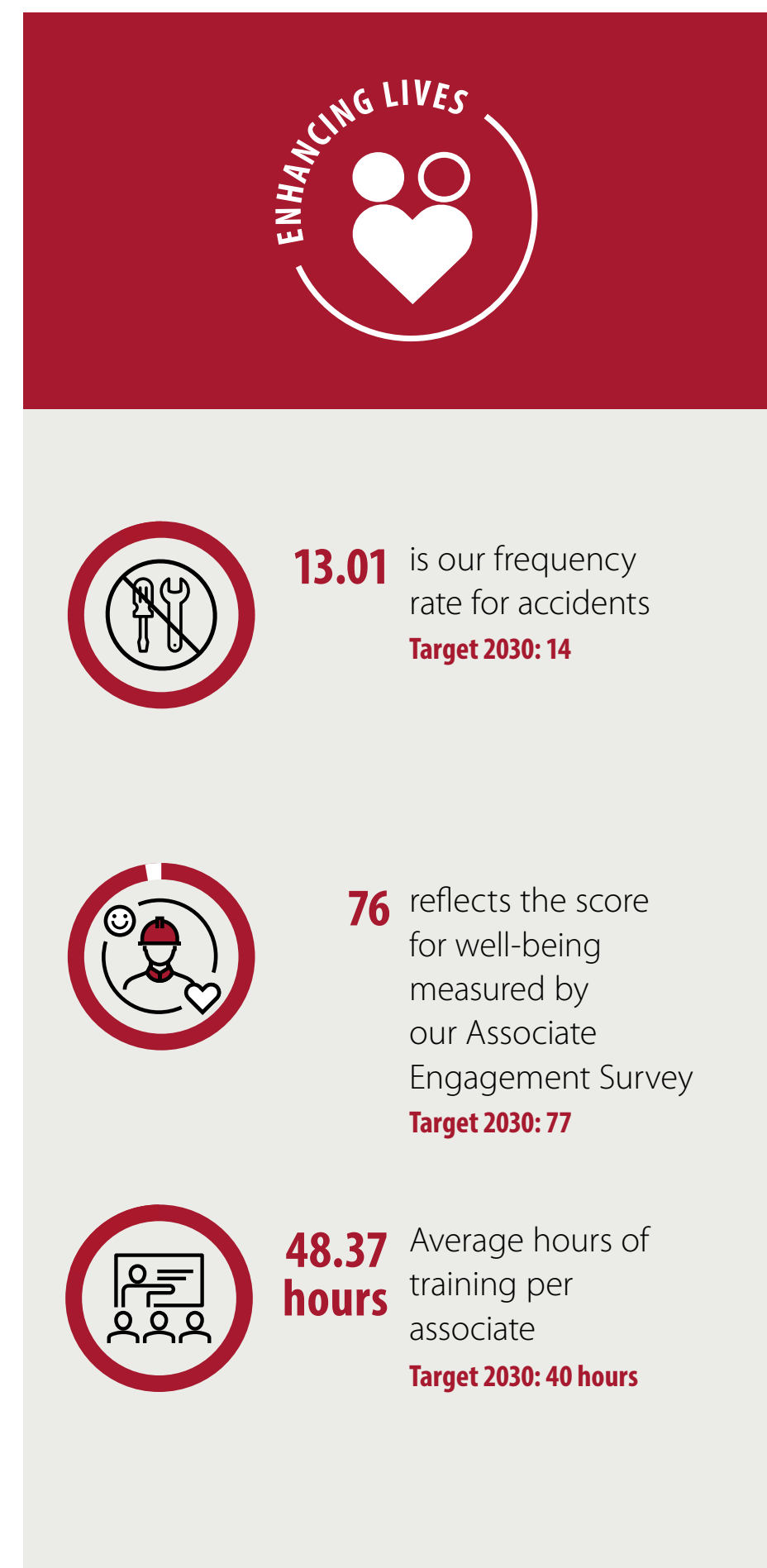
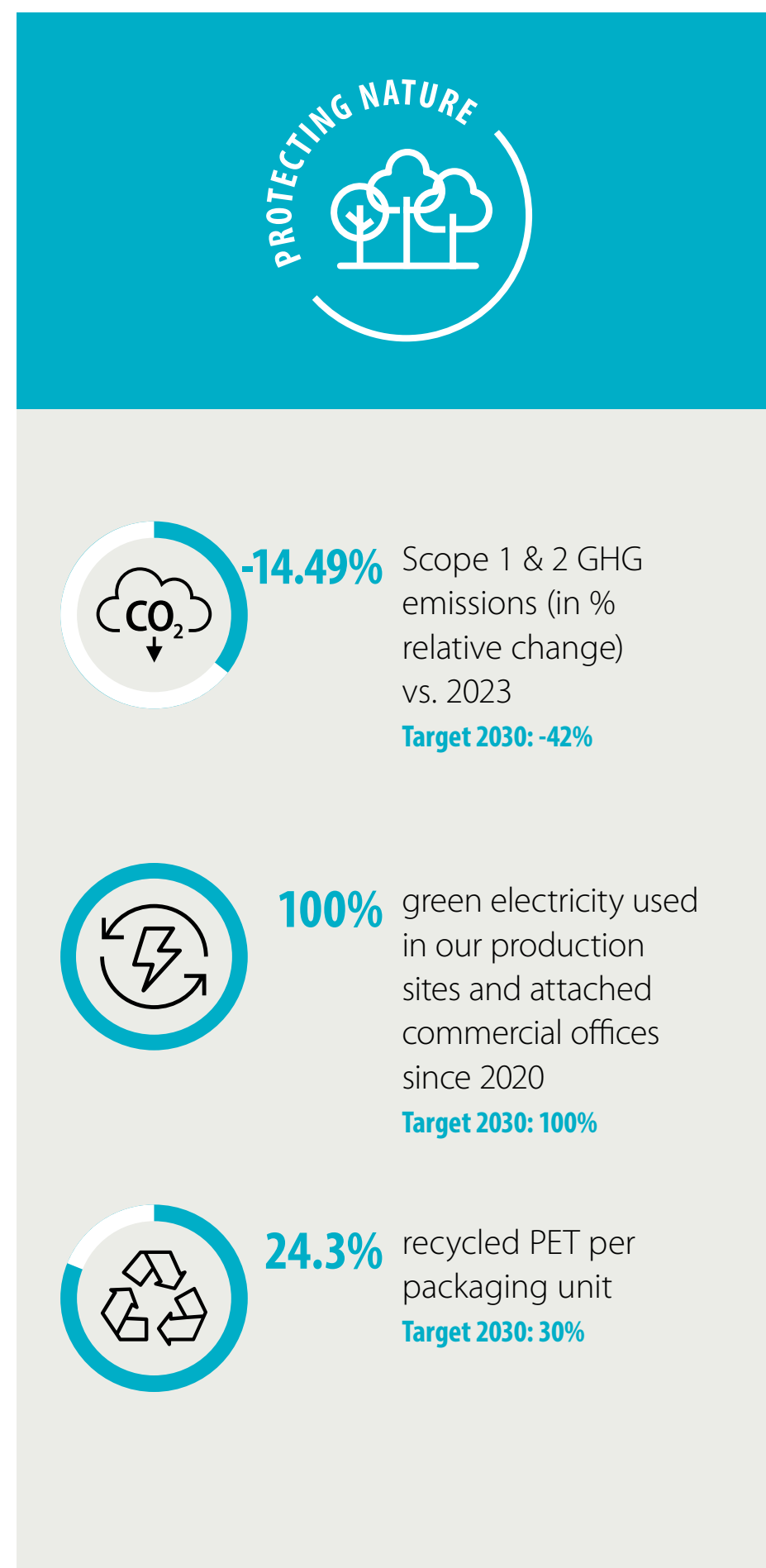
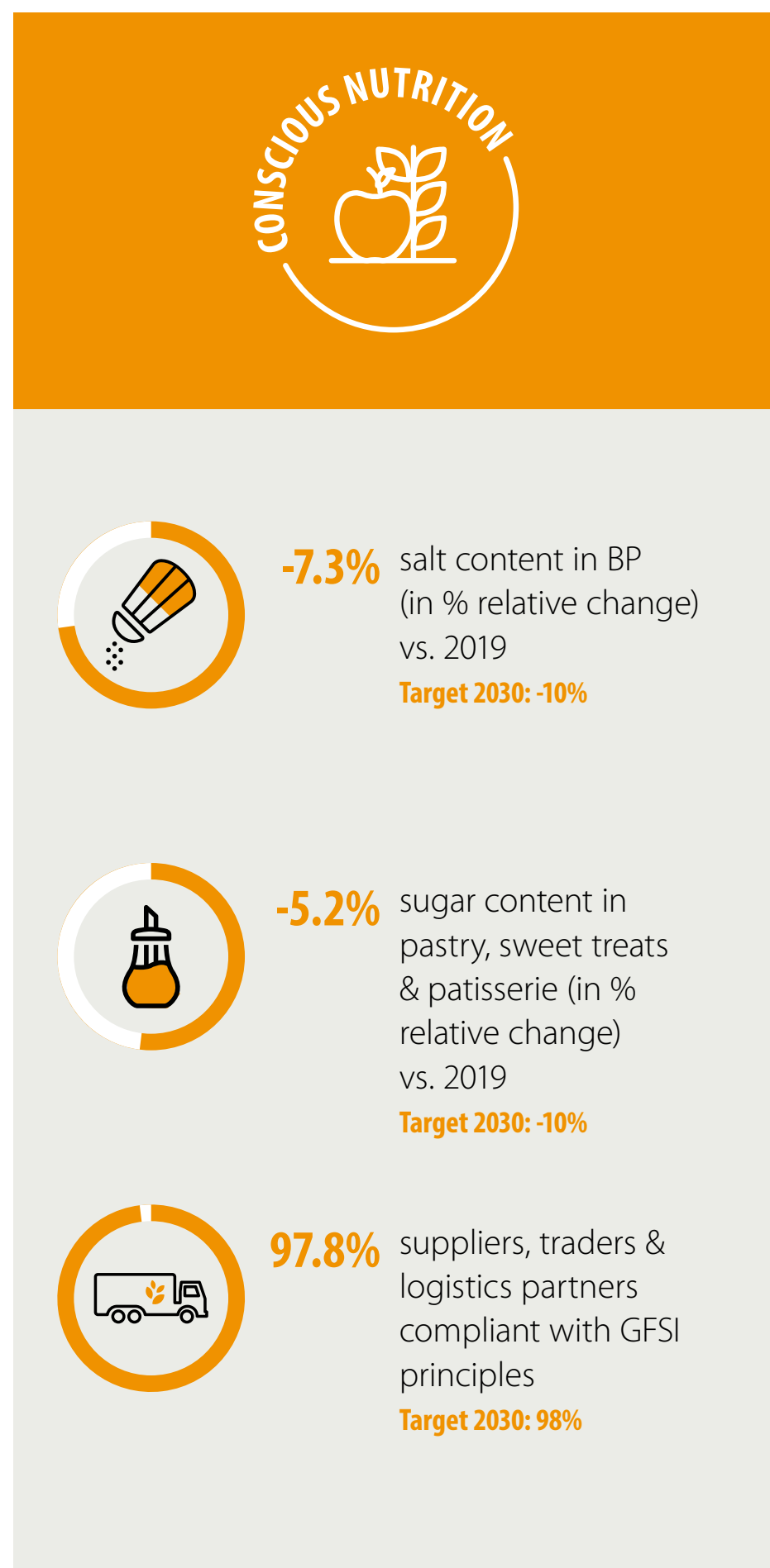
nationalities

Financial performance	BP	PBFS	TOTAL
Revenue	€1,271 million	€730 million	€1,984 million
Adjusted EBITDA	€175 million	€82 million	€256 million
EBIT	€91 million	€65 million	€156 million
Senior net financial debt			€520 million



*32 sites including the production site in the United States included according to the equity method.
** Employees in service at Vandemoortele on 31 December 2024, excluding Acquaviva (195) and Banneton (32).

Sustainability performance





OUR MISSION, VISION AND VALUES

OUR MISSION

Shaping a tasty future sustainably

Delivering 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 terms of 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 with 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 STRATEGY, BUSINESS MODEL AND VALUE CHAIN

SBM-1

OUR BUSINESS STRATEGY AND BUSINESS MODEL

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

To secure a position among the top three market leaders in the European Union, an excellent market, product and channel mix is key. Our market mix strategy involves **mergers and acquisitions**, mainly 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 are building **partnerships with suppliers and 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 ensure that our marketing strategy is correct and transparent, and that we avoid greenwashing at all costs.

People

Vandemoortele is committed to creating a **safe, engaging and inclusive work environment** for its associates. 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 personal growth and well-being of our associates is crucial, especially because of our growth strategy.

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.

Responding to **consumer demand** for products with a smaller environmental footprint, we have placed an emphasis on offering 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 and NGOs. In addition, we are working on opportunities for regenerative and sustainable agricultural practices to grow wheat for flour.

We aim to provide our customers and consumers with the best solutions in terms of taste, quality and service



OUR VALUE CHAIN



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.

By promoting **regenerative farming practices** such as conservation tillage and crop rotation, we help to improve soil health and reduce the risk of crop failure. We maintain clear traceability to monitor the origin and production processes of our raw materials.



Packaging

We see it as our responsibility towards our customers, consumers and society to ensure our products do **not contribute to plastic pollution**. However, high-quality packaging protects the quality and safety of our products and prevents food waste. We collaborate closely with local packaging suppliers to ensure that we make the right choices for our products. Our packaging development processes include design for recycling and we are exploring options for reusable packaging.



Food production

Our products are manufactured at 31 production sites spread across Europe. We place a strong emphasis on **sustainability and operational efficiency**.

For our **BP business line** ingredients are mixed and kneaded, with dough resting or rising if needed. The dough is shaped, moulded or layered, depending on the product. Our products are then baked or partially baked, quickly frozen to preserve taste and texture, and packaged for cold storage until distribution. Our products are always delivered frozen for easy preparation. Depending on the product, additional steps are also involved, such as filling or layering with creams, mousses, chocolate, decoration, etc.

Products in our **PBFS business line** are produced by blending ingredients such as oils, eggs, water and emulsifiers to create a stable and tasty mixture. The blends are cooled and then packaged or bottled for sale.



Waste management

We valorise as many of our organic waste streams as possible by converting them into **biodiesel, animal feed and fermentation products**. We strive to ensure that the waste resulting from our production does not end up in landfills. Our waste is sorted and recycled to the greatest extent possible.



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**. 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.

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.

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.



Research and development

We continuously 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 also protect our own reputation.



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 natural ingredients.

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.



End of life

Packaging plays a substantial role in sustainable food systems by **reducing the amount of food loss**. 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.



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 over 40 years, and have now also expanded to the USA and Asia. Banquet d'Or® offers a wide range of bread and pastry at different convenience levels. 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.



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 its 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 took a deep-dive into all of our patisserie brands and decided to create one unified specialist brand for all our cake and dessert solutions, in order to allow us to respond more effectively to the market and the desires of our customers. **Patisserie du Chef®** has been 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 invisible hand so you can focus on your business.

Patisserie du Chef®



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**.



Doony's® (rebranding of My Originals) stands for delicious **donuts** that make every moment more indulgent and uplifting. With a commitment to high quality and offering a rich variety of flavours, Doony's® enables our customers to embrace the growing donut trend while satisfying the diverse cravings of each and every consumer. Be it the desire to connect with family and friends or reconnect with themselves, Doony's® offers all consumers the opportunity to taste the magic of everyday life.

Doony's®



Pérènes®





PLANT-BASED FOOD SOLUTIONS

Our Plant-Based Food Solutions (PBFS) business line includes 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 by artisan and industrial bakeries and food service outlets, and through retail stores.

Our PBFS range contains both private labels, which we develop for customers, and our own brands. Our best-known brands are:



A consumer brand with a rich history in the culinary oil segment, which 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 and contributes to shared tasty moments together around the table.



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.



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-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.



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® delivers a dairy solution for professional use, excelling in terms of taste, quality and functionality.





Baker's®



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 and 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.

BAKER'S®

MARGARINE

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, Danishes 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 Gold Cup® range consists of 100% vegetable oils and fats that offer professionals greater functionality and convenience

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.



Croustico®: our full-service bakery and sandwich concept

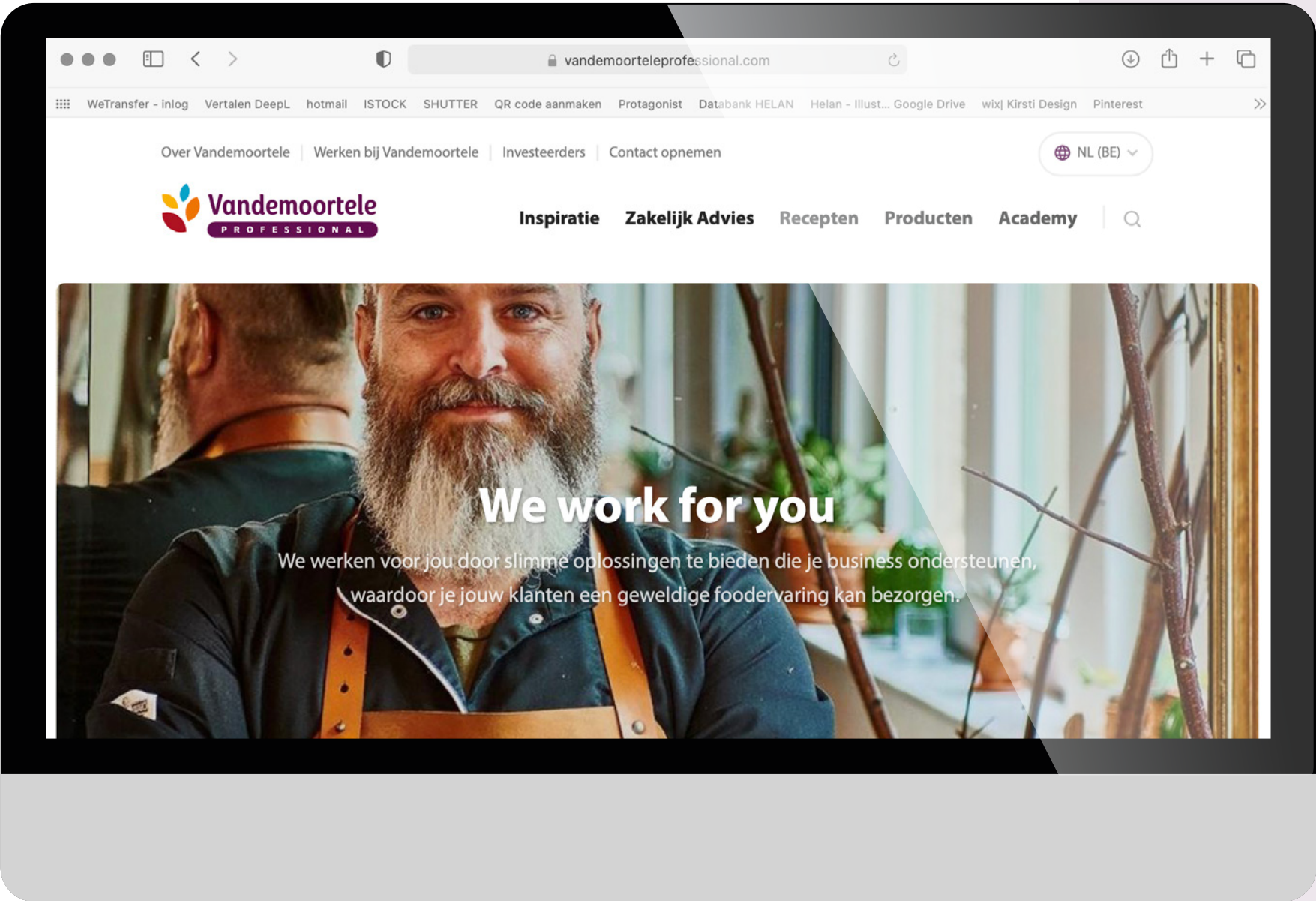
Croustico® is a Vandemoortele business unit that offers its 1,000 customers in Europe a full-service **'proximity' bakery and/or filled sandwich concept**. This includes 200 high-quality Vandemoortele products, on top of which a range of services is provided: recipe tutorials, manuals and live trainings 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 were introduced to our **online B2B order and communications platform**. MyCroustiPlace now accounts for almost 70% 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. We extended our solutions to France, Spain and Italy, and a further roll-out is planned in the near future.

Smarter = better

Our smart solutions are based on customers’ and operators’ current needs 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 four 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.

Our smart solutions are based on customers’ and operators’ current needs to reduce costs and increase margins

OUR PEOPLE



“I enjoy using creativity and fresh insights to champion the global growth of authentic Italian flavours”

Giulia Miglio International Category Manager Savoury

“In 2021, I joined Vandemoortele as International Category Manager for Italian Savoury. Building on more than a decade of experience in B2C marketing, I embraced the challenge of driving international growth for our Lanterna product range. My role has allowed me to introduce innovative concepts, strengthen brand presence, expand market reach and activate co-creation projects with key customers, all while championing the unique quality of Italian craftsmanship.”

“What I value most about working at Vandemoortele is the culture of innovation and trust, which empowers me to take ownership of decisions and explore new ideas. The company’s international outlook and focus on excellence inspire me to contribute to sustainable growth, while the collaborative team spirit makes each day both stimulating and rewarding.”

OUR PEOPLE AND CULTURE

OUR SOCIAL 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

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



GROWTH 4 PEOPLE

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 FOR GROWTH
Vandemoortele

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 and 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 **healthy, safe and engaging**.
- We support our associates in developing **competences** to be successful.
- We encourage the **personal and professional development** of all our associates through individual and collective development actions.
- Our **reward policy** is market-competitive (third quartile), 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, in order to support a good **work-life balance**.
- We provide a work environment that is **diverse, equitable and inclusive**, and provides opportunities for all.





OUR PERFORMANCE CULTURE

Our aim is to build an engaged and capable **people-oriented organisation** and a strong performance culture, supported by our leadership and HR 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, succession planning, 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 Leadership & HR policies. **Empowering leadership** is developed based on the nine leadership competences, monitored via 360 assessments and the annual Associate Engagement Survey.

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

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

- 1. Organisational effectiveness** is essential in 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/WINGS (commercial excellence), DRIVE (distribution excellence), Finance for the Future, Success (customer service), 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 regularly benchmark the cost levels and processes across all function 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 leadership and HR 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 & collective status and evolution of the strengths & weaknesses of our teams.

AWARDS AND RECOGNITIONS IN 2024

AWARDS



Superior Taste Awards

Two of Vandemoortele’s Belgian **mayonnaises** earned recognition from the International Taste Institute in 2024. Our mayo with eggs was awarded two stars and praised for its mousse-like texture and balanced flavour profile. The mayo with lemon received one star for its delicate and refreshing taste. These Superior Taste Awards, judged by a panel of chefs and sommeliers, highlight the quality and versatility of Vandemoortele’s products. With thousands of entries evaluated annually, these certifications affirm the excellence of our offerings in a highly competitive field.



Crystal Award for our La Lune Pistachio Croissant

Vandemoortele’s La Lune Pistachio Croissant, produced by Dolciaria Acquaviva, was honoured with the Crystal Award from the International Taste Institute for the third consecutive year. More than 200 taste experts, including chefs from the Michelin and Gault Millau guides, tasted our product. The croissant achieved an **impressive score of 91.1**, with judges commending its buttery, flaky dough and rich pistachio filling. This recognition underscores the company’s dedication to combining high-quality ingredients with innovative baking techniques; a testament to the expertise of Vandemoortele’s R&D and production teams.



DLG Medals for our bakery products

Vandemoortele received multiple medals from the German Agricultural Society (DLG) in 2024, recognising our **commitment to quality** in bakery products. We secured gold for our Doony’s Sugar Donut, our Banquet d’Or Butter Croissant (straight & bended), our Banquet d’Or Vegan Choc Roll and our olive sticks. Silver medals went to the Banquet d’Or Marble Cake, the Banquet d’Or Soft Bun, the My Originals Nature Donut, and the My Originals Mini Doony’s Mix Box. These awards are widely recognised among German consumers as a mark of superior product quality and craftsmanship.



‘KÜCHE’ Best Product Award

The ‘KÜCHE’ Best Product Awards are famous in the Food Service sector. The magazine’s expert jury consists of chefs, industry specialists and food service journalists who select the best food and technology products. The Vandemoortele **Chili Burger Bun** was awarded the silver medal in the Savoury Bakery Products category. Judges praised its innovative concept: a pre-sliced, spicy bun that retains freshness for up to 24 hours after thawing, making it a practical and flavourful solution for food service professionals.



‘Convenience Shop’ Show Star 2024 Award

In addition to the ‘KÜCHE’ Best Product Award, Vandemoortele’s **Chili Burger Bun** also earned the Show Star 2024 Award from ‘Convenience Shop’ magazine. The jury highlighted the product’s convenience and innovative design, emphasising its suitability for quick-service restaurants and retail outlets. The introduction of a spicy burger bun further demonstrated Vandemoortele’s ability to anticipate and respond to market trends.



LEANicon2024 Prize

Vandemoortele’s **production site in Izegem** received the LEANicon2024 Prize for its implementation of a lean digital communication system. This ‘one-app solution’ improved internal communication processes, raising employee engagement scores from 62% to 83%. The award, presented by the European Lean Managers Society (ALES), recognises our success in leveraging lean principles to enhance productivity without incurring additional IT costs.



BAS
Belgian Awards For
Sustainability Reports

Belgian Award for Best Sustainability Report

At the 2024 Belgian Awards for Sustainability Reports (BAS), organised by the Belgian Institute of Registered Auditors (IBR), Vandemoortele was recognised for having the **most original and creative sustainability report**. Competing against a record 72 submissions, the report was praised by the jury for its clear language, educational approach and easy-to-understand explanations of technical topics. The standout design and well-presented KPIs made it both engaging and accessible to a wide audience.





Saveur de l'Année 2025

Vandemoortele's Lanterna **Monoportion**

Focaccia was awarded the Saveur de l'Année 2025 distinction in France, following its Snacking d'Or win in 2023. This award, known for its focus on sustainable food, confirms Vandemoortele's ability to deliver innovative and high-quality products to the snack foods market.



Two Consumer Laurel Awards

Vandemoortele earned two major honours in Poland through the Consumer Laurel programme. In the frozen cakes category, we were named **Discovery of the Year 2024** after a comprehensive consumer survey. We also received the **Leader of Two Decades** distinction, recognising our consistent consumer trust and market presence since 2004. These awards reflect Vandemoortele's strong connection with its customers.

Top tier in **FINN** ranking

For the fifth year in a row, communications agency FINN analysed how 50 of Belgium's largest companies **report on their CO₂ emissions**. The key takeaway: Belgian companies remain highly ambitious in reducing emissions and sharing their progress. In 2023, over half of the analysed companies made it into the top tier for the first time. By 2024, this figure rose to nearly 70%. These leaders set quantified CO₂ targets for 2030 or sooner, share clear action plans and follow the Science-Based Targets initiative (SBTi). For the third consecutive year, Vandemoortele ranked among the top companies in terms of sustainability reporting.



M&A Award nomination

In 2024, Vandemoortele was honoured to be shortlisted for a Belgian M&A Award in the category

'Best Mid Cap Corporate Deal 2024' for the acquisition of Banneton Bakery. While we did not win, the nomination itself was a proud milestone! Banneton Bakery's strong fit with Vandemoortele's expertise will drive geographical expansion into the United States, enable complementary product offerings and accelerate growth through our operational and market knowledge. The M&A Award ultimately went to Axcent of Scandinavia and SKEL for their acquisition of INNO.

RECOGNITIONS



EcoVadis Platinum Medal

Vandemoortele achieved a Platinum medal from EcoVadis, placing us in **the top 1%** of companies assessed worldwide and across all industries. EcoVadis is a globally recognised assessment platform that rates businesses' sustainability based on four key categories: environmental impact, labour and human rights standards, ethics and procurement practices. Looking ahead, we will continue to monitor and report on ethics issues, strengthen third-party risk and compliance verification, and use the EcoVadis assessment tool to set priorities and guide future actions. The platform also supports the auditing of our most critical suppliers on their sustainability practices.



WWF Palm Oil Buyers Scorecard

In the 2024 WWF Palm Oil Buyers Scorecard, Vandemoortele improved its score, showing **progress in sourcing sustainable palm oil** for all products, including private labels. While we remain in the mid-range, we have set ambitious 2030 goals for fully traceable, deforestation-free and certified sustainable palm oil. These targets underscore our commitment to responsible sourcing and continuous improvement. A new scorecard will be published in 2027.



BREEAM 'Excellent' certificate

BREEAM (the Building Research Establishment Environmental Assessment Method) is the most widely used method for determining the **sustainability performance of buildings** worldwide. 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, Vandemoortele's headquarters obtained a BREEAM building certificate due to being nearly energy-neutral (BEN). In 2022, we received a new certification, upgraded to an 'Excellent' score.



ASCM Supply Chain Planning Certificate

In 2024, 20 Vandemoortele associates earned certification from the ASCM

Supply Chain Planning programme, an internationally respected initiative for supply chain professionals. This achievement strengthens our planning capabilities and enhances our supply chain expertise, driving **operational efficiency and excellence** across our global operations.



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. 17 of our 31 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.

Vandemoortele achieved a Platinum medal from EcoVadis, placing us in the top 1% of companies assessed worldwide

A high-angle photograph of a modern office space. A large, leafy indoor tree stands in the center. To the left, a white staircase with grey steps leads upwards. In the foreground, a long, dark grey table is partially visible. In the background, two people are seated at a round white table, working on laptops. A small yellow sign on the table says "WELCOME" with a smiley face. The overall atmosphere is bright and professional.

PART II

REPORT OF THE BOARD OF DIRECTORS

“THROUGH STRONG BUSINESS MANAGEMENT, WE ACHIEVED OUTSTANDING RESULTS”

2024 was a year of both challenges and opportunities for Vandemoortele. With key acquisitions, strategic capacity expansions and a focus on sustainable growth, the company strengthened its position in a turbulent global economy. CFO Herman Van Steenstraeten shares insights into our progress and the strategic plans that will drive continued success in 2025.

How do you reflect on 2024? Did the challenges of 2023, like inflation and shifting consumer behaviour, persist?

Herman Van Steenstraeten: “2024 presented a mixed economic picture. On one hand, consumer confidence rebounded and remained strong despite geopolitical turbulence. Inflation eased and EU unemployment hit a historic low. However, some structural challenges persisted – many key industries struggled with high energy costs and competition from China. The U.S. elections introduced further economic uncertainty. Meanwhile, record-breaking heatwaves and extreme weather highlighted global climate challenges. At Vandemoortele Group, we continue to adapt to this complex economic, political and social landscape.”

Are you satisfied with Vandemoortele’s 2024 financial results? Which achievements stood out?

Herman Van Steenstraeten: “In 2024, we achieved profitable growth through capacity expansions, innovation and quality improvements. This momentum was further strengthened by our acquisitions of Banneton Bakery (U.S.) in April and Dolciaria Acquaviva (Italy) in June. We made solid progress on our strategic objectives across both business lines, focusing on our customers and maintaining strong business discipline.”

“We are satisfied with our results, as both our business lines saw volume growth while our total profitability further increased. In Bakery Products, this growth was driven by Pastry, while the Industry channel led the way in Plant-Based Food Solutions. Banneton Bakery faced a mid-year setback due to rising U.S. raw material costs, but the situation was corrected by year-end as we adjusted our prices. Meanwhile, Dolciaria Acquaviva continued expanding, benefiting from strong Food Service growth in Italy. Our investments in new production lines will continue to support future growth.”

How did you implement your strategic sales focus on the product, channel and country mix?

Herman Van Steenstraeten: “In the past year, we achieved key milestones in our strategy. In Bakery Products, pastry growth was supported by having Torcé 2 at full capacity for an entire year. Geographically, acquiring Banneton Bakery gave us an industrial footprint and a strong retail presence in the U.S. The acquisition of Dolciaria Acquaviva secured a significant position in Italy’s thriving Food Service sector.”

“In Plant-Based Food Solutions, we invested in new tubs capacity in Belgium and Germany to support our retail channel as well as in new block line capacity in Spain and Germany to further grow our industry channel. We also continued expanding our Food Service channel in Europe.”

“We achieved profitable growth through capacity expansions, innovation and quality improvements”

Herman Van Steenstraeten – CFO

Herman Van Steenstraeten – CFO





Which business achievements stand out for 2024?

Herman Van Steenstraeten: “One of our most notable achievements was completing two significant M&A transactions in quick succession during the first half of the year. This accomplishment highlights the exceptional motivation, expertise and collaborative spirit that define Vandemoortele. It’s a clear demonstration of the strong, family-like culture that drives our continued success.”

In 2025, Vandemoortele will need to publish a CSRD-compliant report, covering both financial and sustainability topics. How have you prepared for this?

Herman Van Steenstraeten: “Achieving full compliance with CSRD regulations (Corporate Sustainability Reporting Directive) presents a challenge for many companies, particularly in integrating financial and sustainability reporting. While financial reporting methods have been well-established for some time, sustainability reporting practices are still evolving.”

“At Vandemoortele, we have been preparing for this transition for several years. This has been made possible through close collaboration between our financial, sustainability and IT teams to develop a comprehensive framework. Additionally, we have engaged external experts to help us meet the regulatory requirements and ensure proper auditing. Together, we will ensure full compliance with the CSRD. We believe our ambition to lead the sector in sustainability will further support our strategy for long-term sustainable growth.”

Which challenges, risks and opportunities do you see for Vandemoortele in 2025?

Herman Van Steenstraeten: “In 2024, we made significant investments in logistics and new production capacity, which will become operational in 2025. These investments will support continued growth in our core European market and further enhance profitability. Additionally, at Banneton Bakery, new capacity will allow us to better serve the U.S. market.”

“As always, predicting the impact of external factors is challenging. Geopolitical tensions could pose risks in 2025. However, we are better positioned today thanks to our local production capabilities in the U.S. Consumer demand in Europe could also be affected if inflationary pressures increase again or if economic activity slows. Despite these uncertainties, we remain cautiously optimistic. Our robust business model, industrial footprint and agility give us confidence that we can navigate potential challenges effectively.”

“We made significant investments in logistics and new production capacity”

Herman Van Steenstraeten – CFO

KEY FINANCIAL FIGURES

MILLION EURO	2020	2021	2022	2023	2024	2023
KEY FINANCIAL FIGURES						VARIANCE
REVENUE	1,197	1,330	1,739	1,925	1,984	59
Adjusted EBITDA*	104	119	165	216	256	40
EBITDA*	98	111	163	206	237	31
Adjusted EBIT**	44	55	103	151	174	23
EBIT (profit from operations)**	38	46	98	141	156	15
Profit of the year	37	33	71	109	111	2
SNFD***	133	92	34	2	520	518
RATIOS						
Adjusted EBITDA / Revenue	8.7%	8.9%	9.5%	11.2%	12.9%	
Adjusted EBIT / Revenue	3.6%	4.1%	5.9%	7.9%	8.8%	
Net profit / Revenue	3.1%	2.5%	4.1%	5.7%	5.6%	

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



CONSOLIDATED STATEMENTS

CONSOLIDATED BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER THOUSAND EURO	2024	2023	FOR THE YEAR ENDED 31 DECEMBER THOUSAND EURO	2024	2023
Assets			Equity and liabilities		
Goodwill	407,593	199,329	Share capital	79,365	79,365
Other intangible assets	204,241	5,262	Retained earnings & reserves	557,922	482,338
Property, plant & equipment	472,529	398,257	Equity	637,287	561,703
Investment in joint venture	206,704	-	Borrowings	700,484	84,549
Derivatives	1,225	1,271	Deferred tax liabilities	69,711	18,391
Deferred tax assets	34,522	37,783	Derivatives	9,177	-
Other financial assets	27	27	Employee benefits	26,404	17,747
Other assets	3,699	3,035	Provisions	8,395	8,747
Non-current assets	1,330,538	644,964	Other non-current liabilities	5,741	5,108
Inventories	197,039	179,177	Non-current liabilities	819,911	134,542
Trade and other receivables	300,737	270,610	Borrowings	17,987	11,965
Derivatives	6,847	1,489	Current tax	14,037	13,939
Cash	133,183	43,687	Derivatives	3,302	1,748
Other assets	6,226	6,122	Employee benefits	55,198	51,331
Current assets	644,033	501,085	Trade payables and other liabilities	426,849	370,821
Total assets	1,974,571	1,146,049	Current liabilities	517,373	449,804
			Total equity and liabilities	1,974,571	1,146,049

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER
THOUSAND EURO

2024

2023

Revenue	1,983,657	1,924,624
Raw materials and consumables used and goods for resale	(1,058,978)	(1,047,784)
Changes in inventories of finished goods and goods purchased for resale	11,827	(14,444)
Services	(366,292)	(359,309)
Employee benefit expenses	(352,019)	(311,437)
Depreciation and amortisation	(81,599)	(64,421)
Impairment loss (scope IAS 36)	-	(490)
Write-down on inventories and receivables	1,523	(853)
Change in provisions	1,766	(1,600)
Other operating income	32,014	30,818
Other operating expenses	(16,060)	(13,627)
Profit/(loss) from operations	155,838	141,476
Financial income	13,893	5,983
Financial expense	(28,910)	(13,424)
Share of profit (loss) from joint venture	505	-
Profit/(loss) before tax	141,326	134,036
Income tax (expense)	(30,058)	(24,706)
Profit/loss	111,268	109,330





BUSINESS REVIEW 2024

FINANCIAL PERFORMANCE

Building on a robust 2023, **we further strengthened our financial results in 2024**. We experienced higher volatility and price increases on raw materials. However, overall European inflation continued to decline gradually over the year, supporting a slight improvement in consumer confidence.

Our business performance improved across most key performance indicators, fully aligning with our strategic plans. Excluding acquisitions, **our revenue remained stable at €1,909 million in 2024**.

Including the acquisition of Dolciaria Acquaviva (7 months in 2024), revenue reached €1,984 million in 2024 (+3% compared to 2023). Note that Banneton Bakery is consolidated using the equity method in our financials 2024.

Prior to acquisitions, **adjusted EBITDA amounted to €236 million**. This reflects a 10% increase compared to 2023, which stood at €216 million. Adjusted EBIT totalled €167 million (+10% compared to 2023). The improvements in adjusted EBITDA and EBIT 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 tailored solutions we offer. Including the acquisitions of Dolciaria Acquaviva, adjusted EBITDA reached €256 million (+19% compared to 2023) , while adjusted EBIT

stood at €174 million in 2024 (+15% compared to 2023).

Uncertainty in raw material prices, weather conditions and consumption patterns remained a key challenge throughout 2024. In addition, we managed **significant capital expenditure (CapEx)** investments to support organic growth in both business lines. A new challenge in 2024 was the completion of two M&A transactions – Banneton Bakery and Dolciaria Acquaviva – followed by extensive integration work that mobilised large parts of our organisation. Thanks to our dedicated teams, we were able to stay on track.

On top of a strong adjusted EBIT of €174 million, there is a €19 million negative impact of adjusting items. Combined with interest expenses and income tax expenses, it enabled us to achieve **earnings after tax (EAT) of €111 million in 2024**, an increase of 2% compared to 2023. The consolidated balance sheet reflects equity of €637 million and a senior net financial debt of €520 million (compared to €2 million in 2023).

Performance of Bakery Products

2024 was another satisfactory year for the Bakery Products (BP) business line. Excluding acquisitions, **revenue increased by 2% to €1,196 million**, while adjusted EBITDA rose by 21% to €155 million. Adjusted EBITDA growth was mainly driven by a positive shift

towards higher value-added products and supported by pricing discipline to offset rising input costs, particularly for raw materials and ingredients. The overall sales volume increased by 1%, mainly due to our growth in the pastry market.

We actively managed our contract portfolio to **enhance customer service levels**. Including the acquisitions of Dolciaria Acquaviva, revenue reached €1,271 million, while adjusted EBITDA stood at €175 million in 2024.

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 the food service channel** proved successful. In BP we are expanding capacity both in Poland and in France. To further improve operational efficiency, we invested in a new automated warehouse in Italy. Overall, we maintained a customer-centric and solutions-driven approach.

Performance of Plant-Based Food Solutions

While revenue in 2024 declined with 4% to €730 million, due to decreasing raw material prices, **the Plant-Based Food Solutions (PBFS) business line achieved a 6% volume growth**, outpacing the market. After a record year in 2023, adjusted EBITDA decreased 7% to €82 million.

The **volume sold increased** across all our geographies. Among channels, the largest growth came from the industry sector. This was supported by the pumpable shortenings line in the Netherlands,

commissioned at the end of 2023, and the new block line in Germany, that became operational in 2024. Meaningful growth was also achieved in the attractive artisan bakery and food service channels, in line with our strategic objectives. Retail performance was mixed; while we achieved growth in the branded segment, private label sales declined due to strong competitive pressures.

In 2024, we also advanced **key capacity investments**, including a new block line in Spain to further expand our industry channel, and two new tub lines in Germany and Belgium to support our retail growth.

Important events after the closing date of the accounts

Three events occurred after the balance sheet date, which does not entail any adjustments to the present financial statements.

On February 14, 2025 Vamix NV, a Belgian joint-stock corporation, a subsidiary of Vandemoortele NV, signed an agreement for the acquisition of 100% of the share capital and voting rights of **Lizzi Srl**, an Italian joint-stock corporation active in the frozen bakery sector and a wholly owned subsidiary of Forno d’Asolo S.p.A. The transaction closed on 28 February 2025. Lizzi Srl offers a well-established presence in Italy and a broad portfolio of recognisable brands across sweet and savoury pastry, patisserie, bread, pizza and focaccia. Lizzi Srl’s activities represent a turnover above €70 million, employing over 240 people and operating four production plants in Northern Italy. The newly acquired business will become part of Vandemoortele’s Bakery Products business.

On March 21, 2025 Vandemoortele Lipids NV, a Belgian joint-stock corporation, a subsidiary of Vandemoortele NV, signed an agreement for the acquisition, through a share and asset purchase, of the **European Margarines & Spreads business of Koninklijke Bunge B.V.**, a Dutch private company with limited liability. Bunge’s Margarines & Spreads activities represent a turnover above €450 million, employing over 800 people and operating from 4 production plants in Germany (Hilter am Teutoburger Wald), Poland (Kruszwica and Karczew) and Finland (Turku). The newly acquired business will become part of Vandemoortele’s Plant-Based Food Solutions business. The transaction, which is subject to customary closing conditions, is expected to close in the course of 2026.

On March 21, 2025, Vamix NV, a Belgian joint-stock corporation, a subsidiary of Vandemoortele NV, signed a put-option agreement (*promesse unilatérale d’achat/ ééenzijdige aankoopbelofte*) with **Financière d’Ivry S.A.S.**, a French simplified joint-stock company and a wholly owned subsidiary of VIVESCIA, a French grain cooperative group, to acquire 100% of the share capital and voting rights of Délifrance SA, a French joint-stock corporation, active in the frozen bakery sector. Délifrance’s frozen bakery product activities represent a turnover of approximately €930 million, employing over 3,200 employees and operating a network of 14 production sites across Europe and Asia. The newly acquired business will become part of Vandemoortele’s Bakery Products business. The transaction, which is subject to customary closing conditions, is expected to close in the second half of 2025.

OUTLOOK FOR 2025

Assuming the geopolitical and macro-economic situation does not strongly deteriorate, we expect to continue our growth trajectory across both business lines, supported by our investments in new production lines and the major acquisitions of Banneton Bakery and Dolciaria Acquaviva in 2024. We aim to **accelerate our growth** in the food service channel across both business lines and remain confident in our ability to expand in other channels. The **integration of the acquired businesses** will be another focus point in 2025.

We are confident that we can continue to increase our results compared to the previous year, through a combination of growth and cost effectiveness.



RESEARCH AND DEVELOPMENT (R&D)

Innovation serves as a cornerstone of our future growth strategy, underpinned by a disciplined focus on a ‘fewer, bigger, better’ approach. To this end, we are developing a comprehensive **innovation roadmap**, addressing both short-term priorities and long-term objectives across our entire portfolio.

The R&D team is strategically aligned with Vandemoortele’s **commitment to sustainability**, prioritising key areas such as health and nutrition, Clean Label, sustainable packaging and advanced process technologies. Significant strides have been made in Clean Label development and sustainable packaging. We are intensifying our efforts in plant-based alternatives, advancing innovations that reduce salt and sugar in Bakery Products, and developing products with nutritional & health claims and less saturated fats in Plant-Based Food Solutions.

These advancements are supported by robust consumer research, tailored responses to customer needs and insights derived from collaborative projects with external partners, including the universities of Ghent and Leuven. At Vandemoortele, our **customers remain at the heart** of our operations, with their feedback and business partnerships highly valued as drivers of innovation and growth.



THE STATUTORY ANNUAL ACCOUNTS AS AT 31 DECEMBER 2024

Vandemoortele NV closed the 2024 financial year with a profit after tax of €1,351,156.24, composed of a profit before tax of €3,485,354.39 and a provision for income taxes of €2,134,198.15.

The **total result to be allocated for 2024 amounts to €112,066,344.36** and is composed of €1,351,156.24 in profit after tax for 2024 and €110,715,188.12 of result carried forward from the previous financial year.

Considering that an extraordinary shareholders' meeting already approved the distribution and payment of an **intermediate dividend** (*tussentijds dividend/dividende intercalaire*) of €5,004,849.96 in September 2024 to Safinco NV, the remaining results to be allocated for 2024 amount to €107,061,494.40 and the board proposes to allocate it as follows:

Dividends	€26,035,054.65
Retained results	€81,026,439.75

If this proposal is accepted, a **dividend of €47.65 per share** will be paid out to the 546,381 shareholders that are entitled to receive dividends. For the financial year 2024, the **financial risks** of the Company were managed by the raw material department and the treasury department within Vandemoortele NV. The Company itself has made use of financial instruments in respect to the purchase of raw materials, the hedging of interest rates and the hedging of foreign currencies.

2,326 share options were accepted in 2024. The share-based payments and stock option movements in the course of the 2024 financial year, including the sale of own shares for the purpose of the stock option plans, are described in detail in Disclosure 28.2.1 of the 2024 Financial Statements.

In order to finance the acquisitions of Banneton Bakery and Dolciaria Acquaviva, the Company, as internal bank of the Vandemoortele Group, entered as a borrower and guarantor into a Belgian law governed term and revolving credit facilities agreement (as amended and restated from time to time).

The Company does not have any **foreign branches**.

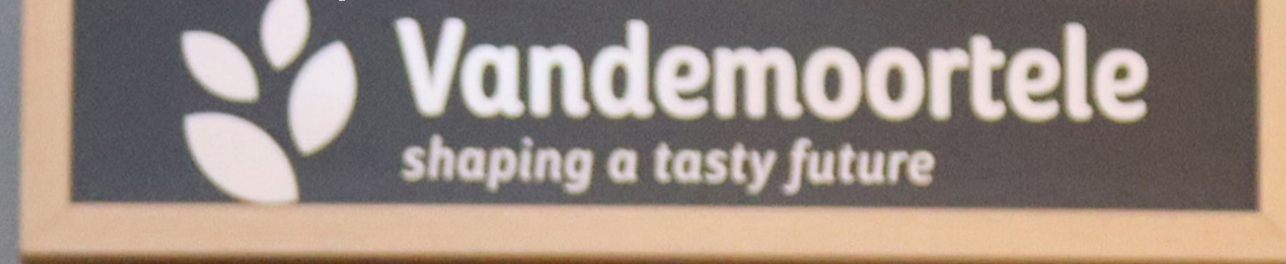
No work related to **research and development** was carried out at the level of Vandemoortele NV during the 2024 financial year.

In accordance with the law and the articles of association, the shareholders are requested to **grant a discharge to the directors and the statutory auditor** for the mandates they have undertaken during the 2024 financial year.

This report will be deposited in accordance with the **applicable relevant legal provisions** and will be kept available at the registered office of the company.



OUR PEOPLE



“Being part of an incredible team makes me proud!”

Tabea Maschmann Head of Finance

“In 2012, I started as an accounting associate at Meylip. From the very beginning, I was actively involved in key finance projects such as ‘Germany Legal Structure’, ‘Project Europe’, and ‘Finance for the Future’. As the finance organisation became increasingly efficient and effective, I also had the opportunity to grow and develop.”

“Five years ago, I was given the opportunity to step into the role of Head of Finance DACH and German Branch Manager. Not every company would offer such a role to a young mother of three small children, but Vandemoortele fosters an environment where family and professional growth go hand in hand. Of course, none of this would be possible without a great team, always supporting each other.”

OUR LEADERSHIP TEAM

GOV-1

BOARD OF DIRECTORS

The Board of Directors is Vandemoortele’s **highest decision-making body**, with the exception of 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. For the financial year 2024, the Board consisted of 13 directors. The current members are:

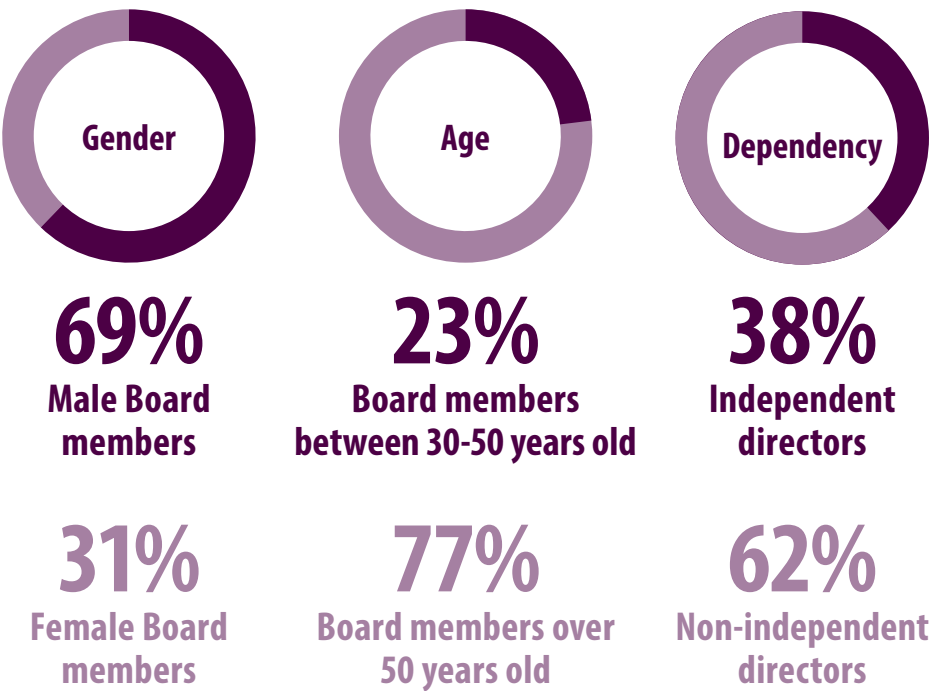
- **7 non-executive family directors:** Jean Vandemoortele* (Chairman), Catherine Billiet** (representing Catharion Consult Srl), Marie-Christine de Briey*, François Casier* (representing Arema Srl), Charles Vandemoortele** (representing Honest Foods Srl), Christian Vandemoortele* (representing Artval NV) and Nicolas de Briey (representing NB Conseil Srl);

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

- **5 non-executive and non-family directors:** Erwin Pardon (representing Panbosch), Cécile Bonnefond (representing CB management SASU), Natasja Laheij, Philippe Schailleé and Otmar Hofer;
- **Vandemoortele’s CEO**, who is also the company’s Managing Director: Yvon Guérin.

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.

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



1 executive director



7 non-executive family directors



5 non-executive and non-family directors



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 compliance with Belgian law, at least one-third of members are of a different gender than the other members.

Non-family 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 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 SASU) (Chair);
- Erwin Pardon (representing Panbosch);
- Jean Vandemoortele;
- Catherine Billiet (representing Catharion Consult Srl).

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, which makes the final decision on any such investment.

The committee currently consists of:

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

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.

* Peter Boone joined from January 2025.



Plant-Based Food Solutions
business line
BART BRUYNEEL



Bakery Products
business line
PETER BOONE



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 not been applied systematically. 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 in principal 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 six directors 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, and who constitute a counterbalance and allow for a balanced and real dialogue within the Board.

The Corporate Governance Code 2020 (provision 7.6) prescribes that non-executive directors should receive part of their remuneration in the form of shares in 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 sets 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.

Some principles of the Belgian Corporate Governance Code 2020 have been adjusted

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 highly competitive salaries that fall within Quartile 3 of the market. At the Group level, we engage with external parties for independent benchmarking for managers. 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, equity 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. Read more about this in our Sustainability Statement on page 53.



OUR RISK MANAGEMENT

Our risk management process is grounded in an **annual survey of 180 associates** across various business lines, functions, levels and regions. Participants provide insights into the key risks facing Vandemoortele, ranking them across categories including operational, financial, strategic, IT, sustainability, legal and compliance risks.

The internal audit team consolidates and quantifies this input, developing a **risk heat map** to facilitate prioritisation. This heat map forms the basis for a list of priority risks, which is presented to the ExCo and subsequently to the Audit Committee. Both bodies review and finalise the list of risks to be monitored at the Group level. For each priority risk, a mitigation plan is prepared and reviewed with the ExCo and Audit Committee. This process also feeds the audit plan for the upcoming year.

In 2022, we began integrating **Environmental, Social and Governance (ESG) risks** into our risk management framework. For 2024, the team has proposed including three ESG risks as priority risks: the war for talent, regulatory non-compliance and associates’ well-being.

FINANCIAL RISKS

Over-investment in organisational structure

Excessive investment in complex organisational structures can lead to **inefficiencies** by adding unnecessary layers of hierarchy. This slows down decision-making, as information and approvals must navigate multiple levels, increasing delays. Additionally, such structures raise operational costs through higher staffing and administrative expenses, thereby reducing overall organisational agility and financial efficiency.

Inability to pass inflation on to customers

Failing to increase prices in line with inflation can erode profit margins and weaken financial stability. This reduces **profitability** and limits resources for growth and innovation, as well as competitive positioning. A prolonged inability to offset inflation may also diminish the company’s market resilience.

Our risk management process is grounded in an annual survey of 180 associates across various business lines, functions, levels and regions

OPERATIONAL RISKS AND CHALLENGES

Cybersecurity

A cyberattack, especially from ransomware, could cause serious damage. To protect ourselves, we have **reinforced our ICT infrastructure** and secured adequate cybercrime insurance. In addition, we have created a security council, made up of team members from various departments, to monitor the evolution of this risk.

Manufacturing interruptions

Production disruptions can arise as a result of equipment failures, supply chain issues or natural disasters, all of which may have the effect of halting or slowing operations. Such interruptions can lead to revenue losses, delayed deliveries and missed sales opportunities. Delays can damage trust and strain relationships with customers. In turn, this may affect long-term customer loyalty and harm our reputation. Preparing for these risks with **contingency plans and robust systems** is key to minimising their impact.





LEGAL AND COMPLIANCE RISKS

Product liability

In rare cases, our products may contain contaminants or bacteria that compromise their safety or quality, potentially leading to claims from customers. Addressing such issues through **product recalls or replacements** could impact our financial results and harm our reputation.

Regulatory non-compliance

Legislation on the environment, climate, health and safety is becoming increasingly strict and complex. **New regulations concerning sustainable production**, such as packaging and carbon taxes, or requirements for product traceability, may strain our supply chain. In addition, the EU's Corporate Sustainability Reporting Directive (CSRD) will require large companies to disclose their management of social and environmental issues from 2024 onward.

At Vandemoortele, we strive to meet compliance requirements, and even to **become frontrunners** in specific areas. However, evolving regulations will likely present challenges and increase operational costs in the coming years. An inability to comply with global or local regulations – including packaging and carbon taxes, product traceability, sugar taxes and the GDPR – could result in financial penalties, operational disruptions and reputational damage.

STRATEGIC RISKS

Lack of digital progress

Failing to adopt and integrate new digital technologies and AI can make a company less competitive as industry standards evolve. This technological lag can lead to **inefficiencies in operations and decision-making**. Additionally, it may prevent the company from meeting customer expectations for innovation and personalisation. Over time, such a gap can erode market share and hinder long-term growth.

Unsuccessful integration of acquisitions

If a newly acquired entity does not align with Vandemoortele's culture or values, integration can pose a significant challenge. The misalignment can **hinder collaboration**, cause internal friction, and prevent the realisation of synergies. With two acquisitions completed in 2024, effective integration is critical to achieving Vandemoortele's strategic goals. Ensuring a good cultural fit and alignment with company values is essential for maximising the potential benefits of these acquisitions.

ESG TOP RISKS

War for talent

The post-COVID revival of the labour market has intensified **competition for skilled workers**, making talent attraction and retention a top priority. This is particularly challenging for roles like operators, where demand often exceeds supply. Candidates increasingly seek positions they can be proud

of, with employers who treat them well. In this environment, a strong employer brand – backed by a clear and ambitious sustainability vision – is a crucial competitive advantage.

Associates' well-being

Prolonged stress can lead to physical and mental exhaustion, reducing productivity as associates struggle to perform at their best. This may result in **higher absenteeism** as associates take time off to recover, and in increased turnover as they seek less-demanding work environments. Over time, these pressures can harm team morale and workplace satisfaction. Addressing associate well-being is essential to maintaining a healthy, motivated and effective workforce.

⊕ The information on the sustainability reporting of the Vandemoortele Group required under articles 3:6/2, 3:6/3 and 3:6/4 CCA are included in 'Part III: sustainability statements' of this report and include, where appropriate, the information on the essential intangible fixed assets and other essential intangible factors that are a source for the company's value creation.



PART III

SUSTAINABILITY STATEMENTS

“WE ARE BUILDING ON THE ACHIEVEMENTS OF RECENT YEARS WHILE MAKING FURTHER IMPROVEMENTS”

In 2024, Vandemoortele earned a prestigious Platinum rating from EcoVadis. This recognition underscores how years of dedicated effort have made sustainability an integral part of the company. Sustainability leaders Marc Croonen and Aurélie Comhaire reflect on their accomplishments, share their ambitions and unveil their vision for 2025.

2024 was a year of growth and expansion for Vandemoortele. How do the sustainability results compare?

Marc Croonen: “Overall, we are progressing well towards our 2030 sustainability goals. We’ve made strong progress again on two of our key sustainability pillars, Conscious Nutrition and Enhancing Lives. While our goals for Protecting Nature and Sustainable Organisation are more challenging, we are steadily moving in the right direction there as well.”

What were your main sustainability achievements?

Marc Croonen: “Our most significant achievement was advancing from EcoVadis Silver to Platinum. This recognition highlights how deeply sustainability is

embedded across our organisation, from workers to top management. Notable accomplishments include achieving ISO 50001 certification for energy management at our sites in Dresden and Dommitzsch, implementing comprehensive training on our whistleblowing procedure and further increasing the number of EcoVadis-certified suppliers, which strengthens sustainability across our supply chain.”

Aurélie Comhaire: “2024 was a standout year for safety, with a record low frequency and severity rate. We also exceeded our emissions reduction target, cutting Scope 1 and 2 GHG emissions by 14.49% and Scope 3 GHG emissions by 4.52% compared to our 2023 baseline. Another highlight was receiving the award for ‘Most Original and Creative Sustainability Report’ for our 2023 annual report. Through transparent and engaging communication, we went beyond compliance to foster meaningful connections with our stakeholders.”

Which commitments were more challenging in 2024?

Aurélie Comhaire: “Reducing water consumption and food loss was a challenge in 2024. In Bakery Products (BP), seasonal stock fluctuations impacted



Marc Croonen – Chief Human Resources, Sustainability and Communication

Aurélie Comhaire – Group Sustainability Manager



performance of our food loss intensity throughout the year. For Plant-Based Food Solutions (PBFS), high production scrap was a challenge, particularly in Santa Perpetua, Dresden and Zeewolde. We also had difficulties in reducing the number of food safety complaints.”

Marc Croonen: “Another challenge was the automation and digitalisation of our data gathering. While this shift holds great potential, its implementation has taken more time and effort than we initially expected. Additionally, preparing our CSRD reporting and SBTi commitments required significant time and resources. However, we successfully finalised our science-based targets and submitted them to SBTi.”

Has the CSRD legislation compelled you to make changes to your sustainability reporting?

Marc Croonen: “We are still seeking a balance between the transparency we have always aimed for and the compliance requirements of the CSRD. The standardised transparency required by the EU sometimes leads to less relevant information, as the prescribed metrics do not always provide sufficient context. Of course, we will share the required standard data alongside our more specific data, and it’s important that this information is explained and interpreted correctly.”

What are your sustainability priorities for 2025?

Aur lie Comhaire: “Our primary focus for 2025 is to build on the progress we have made while striving for further improvements. In some areas, such as food loss and energy efficiency, our processes are already highly optimised, leaving limited room for additional gains. However, we remain committed to reducing GHG emissions across Scope 1, 2 and 3 as part of our decarbonisation roadmap, ensuring we stay on track to meet our SBTi targets.”

Marc Croonen: “In 2025, we will focus on further digitalising and automating our data collection, which will enhance our efficiency. Additionally, we aim to increase sustainability throughout the entire value chain. In recent years, we have developed numerous sustainable solutions, including both products and packaging, and we now aim to market these more effectively. By doing so, we will collaborate with our customers and suppliers to further reduce our Scope 3 emissions. When all partners contribute, we can continue making meaningful progress for both people and the planet.”

“2024 was a standout year for safety, with a record low frequency and severity rate”

Aur lie Comhaire – Group Sustainability Manager

GENERAL INFORMATION

BP-1

BP-2

This sustainability statement applies to the **entire Vandemoortele Group** and is prepared aligned with the financial consolidation. However, while included in the financial statements, the acquisition Dolciaria Acquaviva has been deemed immaterial due to the size of the acquisition and is therefore not included yet in the 2024 sustainability information except for the Scope 1, 2 and 3 emissions where we have included the contribution of Acquaviva. The acquisition Banneton Bakery is financially consolidated according to the equity method, and therefore not included in our sustainability statements. The sustainability information defined as material in the double materiality assessment also extends to the upstream and downstream value chain.

Vandemoortele has omitted some specific information for **confidentiality reasons**. We will not report on the overall total weight of products and technical and biological materials used, the percentage of biologically sourced materials and weight of non-virgin reused or recycled components because of the commercial value of these metrics. During the double materiality analysis and report preparation, we applied the time horizons defined in ESRS 1 to assess the IROs on materiality: short-term (one year), mid-term (one to five years) and long-term (more than five years). The current year’s report is set up in compliance with the CSRD, prepared

in accordance with the European Sustainability Reporting Standards (ESRS). Our prior year’s reports followed the Global Reporting Initiative (GRI) standards.

Details on value chain estimations, sources of estimations, outcome uncertainties, changes in preparation and corrections of prior-period reporting errors are included in the Annex.

🔗 [Read more about changes in preparation in the Annex on page 150 \(ESRS 2 BP-1\).](#)

In accordance with the **European Sustainability Reporting Standards (ESRS)**, we have updated the structure of our sustainability statements to align with the CSRD requirements.

We have updated the structure of our sustainability statements to align with the CSRD requirements

DISCLOSURE REQUIREMENTS INCORPORATED BY REFERENCE

The following information is incorporated by reference to other parts of the annual report:

Disclosure requirement	Data point	Page
GOV-1	The composition and diversity of the administrative, management and supervisory bodies	39
GOV-1	The number of executive and non-executive members	39
GOV-1	Percentage by gender and other aspects of diversity that Vandemoortele takes into consideration	39
GOV-1	The percentage of independent Board members	39
SBM-1	Significant groups of products and/or services offered	18
SBM-1	Significant markets and/or customer groups served	11
SBM-1	Headcount of employees by geographical area	12
SBM-1	A breakdown of total revenue, as included in our financial statements	12
SBM-1	A description of our business model and value chain	15

GOVERNANCE

HOW WE ORGANISE ON SUSTAINABILITY

[GOV-1](#)[GOV-2](#)

In order 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** reporting to the Chief of HR, Sustainability & Communication, develops, proposes and implements the sustainability strategy of Vandemoortele. They coordinate and monitor the annual sustainability plan and focus on the daily implementation of the strategy. The Sustainability Team supports the dedicated sustainability project teams (see further) and is also responsible for communicating the Sustainability Strategy and its progress to all stakeholders. They update internal stakeholders via intranet news and International Group'Up four times per year, with the CEO also giving an update on the financial and sustainability results.

The **Project Leaders**, responsible for taking the lead in one or more commitments, draft topical action plans in order to achieve the targets linked to their commitments. They also lead the project team meetings and report on their progress twice a year, during the sustainability progress meetings. All project leaders, the Sustainability Team, the members

of the ExCo and the Management Teams participate in these. The Project Leaders meet separately with the Group Sustainability Manager at least four times a year to align on viewpoints, discuss bottlenecks, etc. They also act as internal contact points for questions about commitments and support for related actions.

[!\[\]\(3342c215b2a8b663596a81468d5dc314_img.jpg\) Read more about the composition of the Board and the ExCo in the Report of the Board \(ESRS 2 GOV-1\).](#)

Sustainability is an integral part of the Vandemoortele strategy. The ExCo and Board members were consulted several times during the development of our sustainability strategy. This allowed them to closely monitor, manage and oversee the impacts, risks and opportunities for Vandemoortele.

The **ExCo**, along with management and project teams, played an active role in shaping the sustainability strategy and setting the targets. The ExCo and Business Line Management engage with the Sustainability Team on a quarterly basis to align on impacts, risks and opportunities, as well as to review progress on the sustainability strategy and targets. By integrating sustainability into their risk management processes, the ExCo proactively identifies risks and



Impacts, risks and opportunities addressed by the Board and ExCo

The Board and ExCo addressed all material impacts, risks and opportunities outlined in the sustainability strategy during the **double materiality assessment** consultations. Their primary focus was on climate change, particularly because of the strategic partnerships aimed at reducing indirect emissions (Scope 3). Additionally, the importance of plant-based products – an area of significant consumer concern – was emphasised. To enhance our sourcing strategy, supplier management and audits, Vandemoortele must take further action to comply with new regulations and meet the expectations of our customers according to the Board. The internal audit department annually conducts a review of the top risks as part of the ERM exercise. The results of this exercise are also presented to the ExCo and the Audit Committee. The key priority risks addressed this reporting year are detailed on page 45.

opportunities that inform their strategic decisions and overall business strategy. This approach enables them to quickly recognise and address any emerging risks or opportunities.

The **Board of Directors** oversees all sustainability matters in a general way. They questioned and validated the material topics and strategy (see page 67), including the targets and KPIs. The Board bears ultimate responsibility for Vandemoortele’s 2030 roadmap. Twice a year the Board receives an update on the sustainability strategy, including the progress towards the targets and the material impacts, risks and opportunities from the Sustainability Team. All members are responsible for sustainability: there is no dedicated sustainability mandate for particular members. Specific aspects of sustainability are addressed by the Audit Committee and the Compensation & Nomination Committee.

[Read more about the key priority risks.](#)

Sustainability legislation and frameworks are recurring topics on the Board’s agenda. Both the Board and the ExCo receive regular updates from the Sustainability Team, senior managers from various functional areas (e.g. sales, HR, operations) and project leaders overseeing various sustainability priorities.

All Board and ExCo members participate in specific **training courses** to enhance their sustainability expertise, with a focus in 2024 on the CSRD and SBTi. New Board and ExCo members receive dedicated onboarding training on sustainability. Additionally, the Board and ExCo invite

external experts to provide insights on specific topics such as regenerative agriculture, the SBTi, the CSRD, business conduct, etc.

This **proactive approach** ensures that the Board and ExCo stay informed about the latest developments, equipping them with the necessary insights and tools to navigate emerging risks and seize new opportunities. As a result, the Board and ExCo have built strong expertise across all aspects of sustainability, including environment, social and governance (ESG) matters.

The Vandemoortele sustainability strategy feeds into our **commercial, functional and operational strategies**. We encourage our commercial and functional teams, our sites and our countries to set up local sustainability programmes that focus on key priorities and challenges.

2
times a year the Board of Directors receives an update on the sustainability strategy





OUR SUSTAINABILITY-RELATED REMUNERATION

GOV-3

Since sustainability is an integral component of Vandemoortele’s business strategy, the remuneration of our leaders is linked to the **achievement of our sustainability goals**. Since 2022, we have applied this principle to more than 750 managers. The sustainability goals are linked to our associates’ short-term incentives (STIs). Sustainability goals for the STIs are defined per job family, to ensure that all associates are aware of how they 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. For 2024, 20% of the variable remuneration was dependent on sustainability-related targets and (or) impacts. In addition, associates may also have individual performance goals linked to sustainability targets. The **percentage of remuneration** related to climate varies per job level. Therefore, it is not possible to report the percentage of remuneration related to climate in general.

In addition, associates may also have individual performance goals linked to sustainability targets.

[Read more about the full list of all sustainability targets used to calculate our associates’ STIs.](#)

STATEMENT ON DUE DILIGENCE

GOV-4

We are convinced that conducting thorough due diligence not only promotes sustainable and responsible business practices, but also integrates **human rights and environmental concerns** 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. 51-52 How we organise on sustainability
2) Engaging with affected stakeholders in all key steps of due diligence	P. 55-57 Engagement with key stakeholders
3) Identifying and assessing adverse impacts	P. 58-65 Our double materiality assessment
4) Taking actions to address those adverse impacts	P. 69-136 Our action plans
5) Tracking the effectiveness of these efforts and communicating them	P. 69-136 Our performance in 2024

INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

GOV-5

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 2024, the following reporting-related risk was included:

- **Regulatory non-compliance:** non-compliance with regulatory requirements and standards may lead to legal and financial repercussions, resulting in fines, sanctions and reputational harm.

In the long term, this risk may **impact the financial value** of the company. During the last risk assessment, the ExCo and the Audit Committee identified regulatory non-compliance as a priority risk. As a result, Vandemoortele developed a mitigation plan that includes continuous monitoring and timely communication of new or updated legislation.

🔗 [Read more about the risk management process.](#)

Internal control of sustainability KPIs

To ensure the accuracy of our sustainability indicators, our methodology and our calculations, we have developed **factsheets** for several sustainability indicators. The goal is to have a factsheet for each sustainability KPI, with a dedicated ‘owner’, definitions, a description of the calculation procedure, etc. The owner of each KPI completes a scorecard four times per year. In the future, this process will be automated to as great an extent as possible. The Sustainability Team checks the completed scorecard. In addition, our internal Audit team checked at the end of the year the quality of the sustainability data and data gathering systems. Our goal is to improve this process and perform more internal audit checks during the year.

The goal is to have a factsheet for each sustainability KPI



ENGAGEMENT WITH KEY STAKEHOLDERS

SBM-2

Our stakeholder dialogue helps us align with stakeholder expectations, and ensures that the perspective of the stakeholder on the material impacts, risks and opportunities is addressed. Each stakeholder group’s input is carefully reviewed and integrated into our **strategic planning and operational frameworks**. This ensures continuous improvement and helps us anticipate future challenges while staying responsive to stakeholder needs.

ASSOCIATES

Associate engagement is carried out through regular consultations and information-sharing initiatives. These include the annual Associate Engagement Survey, the annual Diversity and Inclusion Survey and our SpeakUp Tool, which is always available. We also perform anonymous enquiries after projects on an ad hoc basis.

- The **Associate Engagement Survey** evaluates associate’s satisfaction, identifies concerns and seeks suggestions for improvement. – *Consultation*
- The **Diversity and Inclusion Survey** assesses how associates see diversity, equity and inclusion in the workplace, and identifies gaps and areas for action. – *Consultation*

- The **SpeakUp Tool** provides an open channel for associates to raise concerns about all material impacts, risks and opportunities. – *Participation*
- **Anonymous enquiries** help us understand how our people feel about new initiatives. – *Consultation*

The results from the Associate Engagement Survey help us improve **working conditions and associate engagement**. Insights from the Diversity and Inclusion Survey influence our DEI strategy, while the SpeakUp Tool allows us to address associate concerns and make necessary changes to foster **a safer, more inclusive work environment**.

We review associate feedback regularly and make changes based on survey results. The SpeakUp Tool helps us take specific actions and **track long-term improvements**. When an anonymous enquiry flags a problem in terms of resources, communication or project strategy, we take steps to correct this.

The **ExCo and Board** receive regular updates on associate feedback to ensure it is taken into consideration when making key decisions. The CEO, supported by the ExCo as an advisory body, holds the most senior role within the organisation, with operational responsibility for ensuring engagement associates.





SUPPLIERS

We engage with our suppliers through multiple channels, including annual assessments (e.g. EcoVadis and Sedex), regular supplier meetings, annual vendor rating consultations and joint emission reduction efforts. These engagements help us stay on track with our sustainability goals, ensure supplier performance and encourage sustainable innovation.

- The **EcoVadis assessment** audits the practices of our critical suppliers to ensure responsible sourcing. – *Participation*
- Regular **supplier meetings** align suppliers with Vandemoortele’s expectations for ethics, environmental policies and compliance, providing opportunities to update supplier status. – *Consultation*
- **Vendor ratings** aim to enhance supplier performance through measurable KPIs. – *Consultation*
- **SBTi Scope 3 engagement** focuses on encouraging our suppliers to set science-based climate targets, so we can reduce carbon emissions and reach our SBTi targets together. – *Consultation*

The results from these engagements help us shape our **supplier segmentation and management (SRM)**. When needed, we take steps to improve supplier performance. Key suppliers receive detailed **scorecards** that track their progress, and vendor feedback helps us fine-tune our strategies. We also align with **SBTi goals** to strengthen our long-term sustainability efforts.

We regularly use EcoVadis scorecards and **vendor KPIs to review supplier performance** and improve relationships and results. These insights lead to **updates in our SRM policies and collaboration agreements** with suppliers. We track the SBTi status of the suppliers with the largest impact on our Scope 3 emissions.

The **Procurement Director and ExCo members** oversee supplier engagement and make sure the results are shared. The **Board and ExCo** receive annual updates about supplier-related engagements and performance, to keep our efforts aligned with our sustainability goals.

CUSTOMERS

Customer engagement occurs through a mix of consultations and information-sharing initiatives. These include a customer satisfaction survey (every two years), social media monitoring, continuous market research and direct engagement through annual TOP2TOP meetings.

- The **customer satisfaction survey** measures the quality of customer interactions and identifies areas for improvement. – *Consultation*
- **Market research** underpins strategic decisions related to product offerings, consumer trends and branding. – *Consultation*
- **Direct engagement initiatives** help identify evolving consumer expectations. – *Information*

The results from our customer satisfaction survey help us improve **customer experience**, influencing product development and service quality. Social media insights help us **refine our communication efforts** and product positioning. Market research feeds directly into our strategic planning process, including the Objectives, Goals, Strategies, Actions and Measures (OGSAM) framework.

We measure progress through **the Net Promoter Score (NPS)**, which we monitor twice a year via our customer satisfaction survey. We optimise our operations according to the results of this whenever needed. The results from direct customer interactions continuously guide our **commercial and brand strategies**.

The ExCo and Board are regularly updated on customer feedback, ensuring that customer insights are integrated into our strategic plans and daily operations.

WORKERS IN THE VALUE CHAIN AND LOCAL & AFFECTED COMMUNITIES

We engage indirectly with workers in the value chain and local communities, including affected communities through **on-the-ground and multi-stakeholder projects**. In this way, we gain insights into their perspectives. There is no distinct approach for gaining insights from specific vulnerable groups within the workforce in the value chain. However, our SpeakUp tools are always available to report concerns. Our efforts focus on **both social and environmental sustainability**.

- Projects on the ground aim to improve **working conditions**. The projects offer tools and support for economic development and welfare.
– *Participation*
- We collaborate with local communities and farmers through **NGOs, suppliers and recognised groups**, such as cooperatives. These are multi-stakeholder projects in which Vandemoortele actively participates. – *Participation*
- **SpeakUp tools** allow workers in the value chain and affected communities to report unethical behaviours or environmental risks in a confidential manner. – *Participation*

Reports from our SpeakUp tools help us shape our company policies and actions, supporting our sustainability commitments. We measure the effectiveness of engagement by **tracking incidents** and how long it takes to resolve them. These insights are used to **refine our long-term action plans**.

The **Group Sustainability Manager** ensures that the perspectives of workers in the value chain are taken into consideration, and **the Board and ExCo** receive annual updates on engagement outcomes. The CEO, supported by the ExCo as an advisory body, holds the most senior role within the organisation regarding operational responsibility for ensuring engagement with workers across the value chain.

INVESTORS AND BANKS

We frequently engage with investors and banks through meetings, complemented by SpeakUp tools to enable the raising of concerns.

- **SpeakUp tools** allow investors to express concerns related to governance or social responsibility. – *Participation*

Feedback from investors influences our **long-term financial goals**. The effectiveness of our engagements is assessed through quarterly Board and ExCo reviews. We incorporate feedback into our financial and sustainability planning processes.

The **Board of Directors** oversees these engagements, with the **ExCo involved on an ad hoc basis** to address immediate concerns.

NGOs, FEDERATIONS, GOVERNMENTAL BODIES AND INTERNATIONAL ORGANISATIONS

We continuously engage with NGOs, federations, governmental bodies and international organisations through **meetings and events**.

- These engagements focus on **understanding changes in the legislative landscape** and aligning our **strategy with evolving standards**.
– *Participation*

The feedback from these groups helps us **refine our business strategies** and adjust our sustainability goals to meet regulatory requirements. We track progress by assessing the outcomes of meetings and refining our short- and long-term action plans.

The **ExCo** oversees these engagements, with the Board and ExCo involved as needed to address evolving regulatory requirements.

CONSUMERS

We involve the perspectives of consumers by monitoring consumer trends via market research conducted by a third party. The SpeakUp tools facilitate the voicing of concerns by consumers.

- We ensure **expertise** in customer- and consumer-centricity, market dynamics and trends, as well as brand and innovation development through market research. – *Consultation*
- **SpeakUp tools** allow all stakeholders to express concerns related to governance or social responsibility. – *Participation*

The results of market research inform our commercial plans and strategies. We take the concerns of consumers into consideration when we develop our **long-term supply chain strategies**. Identified patterns in relation to the occurrence of incidents prompt long-term actions and/or policy changes.

The **ExCo and Board** are informed when the results of market research have an impact on the strategy, while SpeakUp incidents are reported quarterly to the ExCo and Board (or on an ad hoc basis when required). The CEO, supported by the ExCo as an advisory body, holds the most senior role within the organisation regarding operational responsibility for ensuring engagement with consumers.



OUR DOUBLE MATERIALITY ASSESSMENT

IRO-1

The undertaking of a double materiality assessment (DMA) is an essential step towards achieving CSRD compliance. By **identifying all material impacts, risks and opportunities** (IROs) across environmental, social and governance topics, the DMA 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.

The DMA did not change compared to the previous reporting period. 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: the production processes, the distribution channels and the geographical locations of all Vandemoortele sites of the entire Vandemoortele Group.
- Our **value chain**, both upstream and downstream, was mapped with a focus on high-risk business relationships and geographies. The full mapping of our value chain can be found in Part 1 (page 16).
- Lastly, we pinpointed the **key stakeholder groups** across the value chain and defined the stage of the materiality assessment process in which their engagement would be most appropriate. 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 our value chain. The analysis 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 peers, including competitors and sector leaders.

Given the **close link between impact and financial materiality**, we analysed how impacts and dependencies relate to the associated risks and opportunities. Therefore, important sustainability matters were reviewed from multiple angles. We focused on key resources that Vandemoortele relies on, such as raw materials and ingredients (flour, butter, cocoa, eggs and vegetable oils e.g. sunflower, rapeseed, linseed, palm, soya, coconut, etc.), energy, water and our associates.

The entire bottom-up analysis yielded a list of **200 potentially material IROs**. We checked the list for completeness, drawing on the classification of topics, subtopics and sub-subtopics in the ESRS (European Sustainability Reporting Standards) 1 (paragraph AR 16).

DETERMINING THE MATERIAL MATTERS BASED ON AN ASSESSMENT OF THE IROs

To determine the final material sustainability matters, we conducted a **stakeholder consultation**, as their engagement is an essential component of our DMA. 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 were also given the opportunity 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 via both online surveys and a dedicated session about the materiality assessment organised during a Board meeting.

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 done in a **qualitative manner**. In 2024, all potential material risks were incorporated into the risk management process. The financial impact and likelihood of each risk was evaluated using **quantitative criteria** to ensure accurate scoring.

200
potentially material IROs
were the result of our
bottom-up analysis

VALIDATION OF THE FINAL LIST OF MATERIAL MATTERS

We set the **materiality threshold at 62.5%**, aligning closely with the Enterprise Risk Management (ERM) threshold of 60%. All IROs below this threshold are considered non-material, while those above it are material to Vandemoortele.

To validate this final list of material sustainability matters, several meetings were conducted with the **Management Teams (MTs), ExCo and Board**. This multi-level review process serves as an internal control mechanism, ensuring that no critical issues are overlooked and that the assessment is thorough and accurate. Participants reviewed both the quantitative results from the online survey and the qualitative insights from the focus groups and interviews.

Some IROs scoring below 62.5% were still regarded as material, based on insights from the in-depth interviews and the focus groups:

- extreme weather conditions;
- footprint of goods transport and logistics;
- grievance mechanisms and whistleblowing procedure.

The IRO **‘Power outages and blackouts’** scored above the materiality threshold in the online survey, but was found to be non-material due to other, qualitative, information from discussions within the MTs. As Vandemoortele’s production sites are located in the European Union, the risk of power outages and blackouts is under control and extremely limited.

OUTCOME OF THE DOUBLE MATERIALITY ASSESSMENT

The **validated material IROs** were clustered at the level of the Vandemoortele commitments. The materiality matrix identified 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. These are also the topics that our stakeholders expect us to take action on.

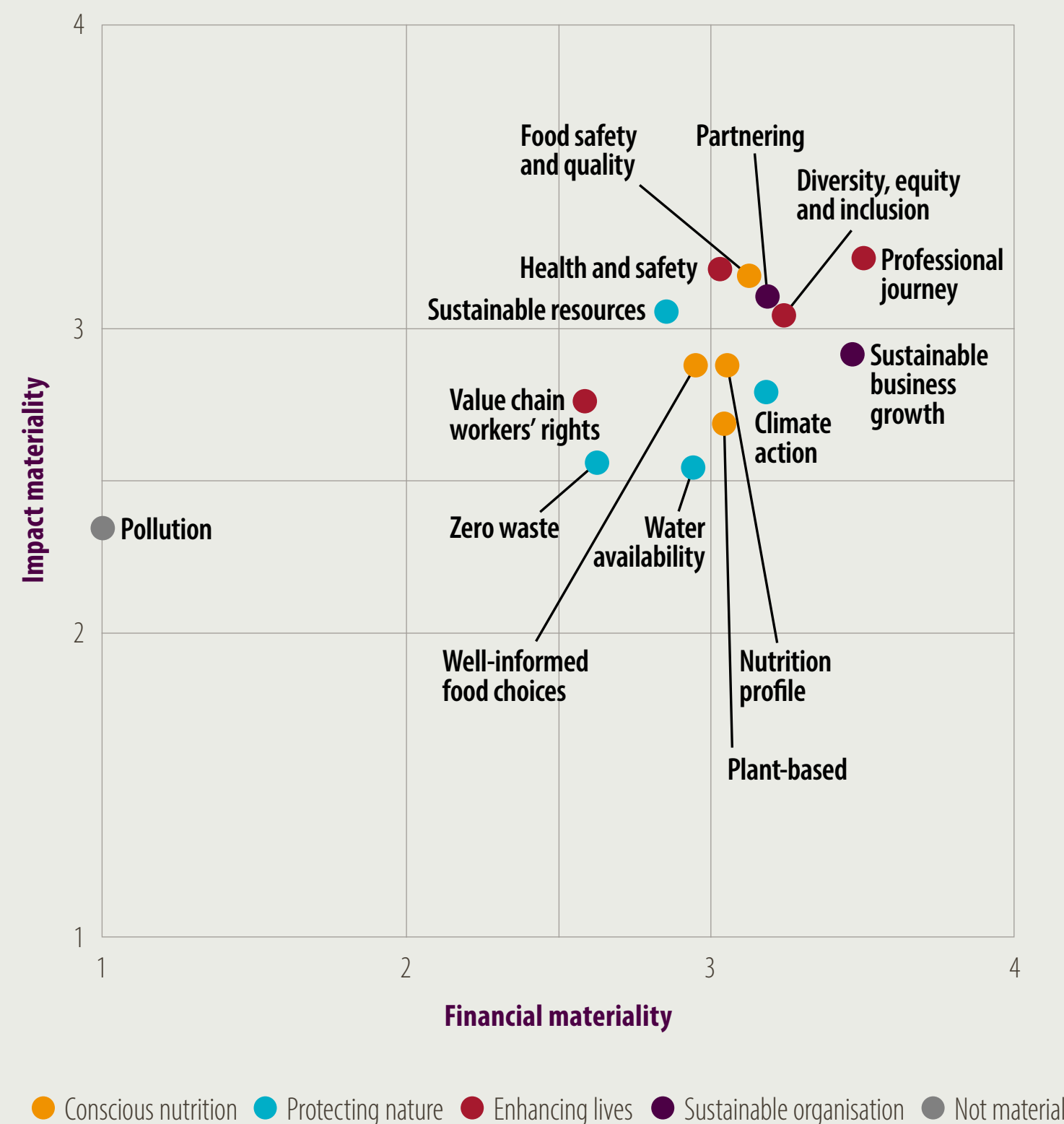
The **risks** identified in the DMA were incorporated into the ERM for this reporting year. This ensures that sustainability-related risks are prioritised in the same way as other types of risks.

🔗 [More information on the ERM can be found on page 45.](#)

Next year, we will assess how and when to update our DMA following our implementation of our ESG tool.

To validate this final list of material sustainability matters, several meetings were conducted with the Management Teams, ExCo and Board

Double materiality matrix



Material impacts, risks & opportunities

CONSCIOUS NUTRITION



Being a leader in food safety and quality

Product safety

Potential negative impact on consumers when offering expired products or products with harmful substances, unknown objects or microbial contamination

 **Impact**
 **Short term**
 **Downstream**

Allergen management

Potential negative impact on consumers when offering products that are unsafe for allergy sufferers

 **Risk**
 **Short term**
 **Downstream**

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

 **Risk**
 **Short term**
 **Downstream**
5-10% of REBITDA

Hazardous substances

Financial risk of more health issues and reputational damage due to chemical compounds in packaging, pesticides in raw materials or other causes

 **Risk**
 **Short/mid term**
 **Downstream**
5-10% of REBITDA

Quality products

Positive impact on consumers when offering authentic quality products for an optimal consumer experience

 **Impact**
 **Short term**
 **Downstream**

Poor quality of the products

Financial risk of lower sales and bad reputation due to quality errors leading to unpleasant texture, smell or taste

 **Risk**
 **Shortterm**
 **Downstream**
5-10% of REBITDA



Improving the nutrition profile of our products

Consumer health

Negative impact on consumers when offering unhealthy products

 **Impact**
 **Mid/long term**
 **Downstream**

Changing consumer behaviour

Financial opportunity or risk of consumer behaviour shifting to healthier diets and sustainable products

 **Risk/opportunity**
 **Short/mid/long term**
 **Downstream**



Offering plant-based alternatives

Plant-based diet

Positive impact on people and planet through offering plant-based products that are better for the climate and human health

 **Impact**
 **Short/mid/long term**
 **Downstream**

Changing consumer behaviour

Financial opportunity or risk of consumer behaviour changing to healthier diets and sustainable products

 **Risk/opportunity**
 **Mid/long term**
 **Downstream**



Facilitating well-informed food choices

Product transparency

Positive impact on consumers by communicating transparently on, for example, health claims, origins of ingredients, food additives and preservatives, and carbon footprint

 **Impact**
 **Mid term**
 **Downstream**

Impact labelling (environmental, carbon footprint)

Sustainable product labelling can present a financial risk or opportunity, as it offers valuable insights into a product's impact for consumers, enhancing our reputation and potentially boosting sales

 **Risk/opportunity**
 **Mid term**
 **Downstream**
3-5% of REBITDA

Life cycle analysis (LCA)

Financial risk or opportunity when using LCAs to indicate whether a product has a low or high impact

 **Risk/opportunity**
 **Mid term**
 **Downstream**
3-5% of REBITDA

Material impacts, risks & opportunities

PROTECTING NATURE



Climate action

Extreme weather conditions Financial risk due to more extreme weather conditions that destroy crops or infrastructure	 Risk  Short/mid/long term  Upstream
Own greenhouse gas emissions (Scope 1 & 2) Impact on the planet due to GHG emissions from the use of gas and electricity or refrigerants	 Impact  Short term  Own activities
Greenhouse gas emissions in the value chain (Scope 3) Impact on the planet due to GHG emissions from the sourcing of, for example, palm oil and wheat, goods transport, packaging and the consumption of products	 Impact  Short term  Upstream
Footprint of goods transport and logistics Impact on the planet due to GHG emissions from our own transport	 Impact  Short term  Own activities
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	 Impact  Short term  Own activities
Energy prices Financial risk due to higher costs; this is also an opportunity because there is an incentive to become more energy efficient	 Risk  Short term  Own activities

Preserving water availability

Water consumption Impact from the use of natural water resources, such as groundwater, both in own production processes and during sourcing	 Impact  Short term  Own activities
Water availability Financial risk due to shortages of sufficient natural water resources	 Risk  Mid/long term  Upstream

Ensuring sustainable resources

Responsible sourcing and purchasing Choosing resources that are produced in a sustainable manner	 Impact  Short/mid term  Upstream
Deforestation Deforestation as a result of, for example, palm oil sourcing or cocoa farming	 Impact  Short term  Upstream
Product traceability Monitoring where our raw materials come from and how they are produced	 Impact  Short/mid term  Upstream
Regenerative agriculture Working with suppliers that adopt regenerative farming, to support ecosystem regeneration	 Impact  Short/mid term  Upstream

Biodiversity loss Financial risk of losing farming capacity due to land-use change, desertification or lack of pollinators, leading to shortage of resources	 Risk  Mid/long term  Upstream
Sustainable resource use The use of reusable, recycled and sustainable resources and the efficient use of resources	 Risk/opportunity  Short/mid term  Upstream
Use of single-use plastic Financial risk, due to, for example, a ban on single-use plastics, loss of consumers due to their critical views on plastic packaging, etc.	 Risk  Mid term  Upstream
High demand and high cost of recycled plastic Financial risk due to low availability and high prices of recycled plastic	 Risk  Short term  Upstream

Working towards zero waste

Food waste The impact of using reusable, recycled and sustainable resources, and the efficient use of resources	 Impact  Short term  Downstream
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Material impacts, risks & opportunities

ENHANCING LIVES



 Ensuring a healthy and safe work environment

Safety and ergonomics Negative impact on associates due to accidents, work-related injuries or illnesses	 Impact  Short term  Own activities
Health and safety issues Financial risk due to lay-offs and reputational damage from hazardous and unhealthy working conditions	 Risk  Short term  Own activities 1-3% of REBITDA
Mental health Negative impact on associates due to insufficient attention to work-life balance, burnouts, etc.	 Impact  Short term  Own activities
Absenteeism Negative impact on associates due to work-related illness resulting in long-term absenteeism	 Impact  Short term  Own activities
Burnouts Financial risk of associates dropping out due to burnout, stress and excessive working hours	 Risk  Short term  Own activities 1-3% of REBITDA

 Providing a diverse, equitable and inclusive workplace

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	 Impact  Short term  Own activities
Digital inclusion Positive impact by ensuring that all associates can keep up with the rapid transformation, digitalisation and automation of jobs	 Impact  Short term  Own activities
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	 Impact  Short term  Own activities
Shifting demographics Financial risk or opportunity of population growth, ageing, new generations, urbanisation, social mobility, migration, etc.	 Risk  Short term  Own activities
Lack of diversity and inclusion Financial risk of losing talent as a result of being insufficiently diverse or inclusive	 Risk  Short term  Own activities
Fair remuneration Ensuring a decent and fair wage relative to performance	 Impact  Short term  Own activities

Associate security Income protection in case of illness, parenthood, etc.	 Impact  Short term  Own activities
Good working conditions Providing our employees with a pleasant working environment in terms of safety, working hours, remuneration, etc.	 Impact  Short term  Own activities
Risk/opportunity of good working conditions Opportunity when providing our employees with a pleasant working environment in terms of safety, working hours, remuneration, etc. making them want to continue working for Vandemoortele; risk in the event of poor working conditions causing them to strike or to leave	 Risk/opportunity  Short term  Own activities

Offering an engaging professional journey

Talent retention Positive impact by retaining talent	Impact Short term Own activities
Talent attraction Positive impact by attracting the right profiles	Impact Short term Own activities
Career development Positive impact through the development of our associates (performance reviews and internal mobility)	Impact Short term Own activities
Training Positive impact by encouraging our associates to broaden or deepen their skills and knowledge	Impact Short term Own activities
Good leadership Positive impact through strong people- and performance-oriented leaders who enable our associates to reach their full potential	Impact Short term Own activities 3-5% of REBITDA
War for talent Business risk due to attraction and retention of the right profiles becoming increasingly difficult	Risk Short term Own activities
No opportunities for career development Business risk when unable to meet expectations regarding personal development	Risk Short term Own activities 3-5% of REBITDA
Digital transformation of jobs Business opportunity when able to offer higher-quality jobs	Risk Mid term Own activities
Associate engagement Engaging our employees on sustainability, our values and our successes	Impact Short term Own activities

Ensuring workers’ rights in our value chain

Human rights in the value chain Positive impact on workers in the value chain by ensuring fair and safe working conditions	Impact Mid term Upstream
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	Impact Short term Upstream

Material impacts, risks & opportunities

SUSTAINABLE ORGANISATION



Ensuring sustainable business growth

Integrity and business ethics Avoiding bribery and corruption and promoting ethical behaviour amongst our associates	Impact Short term Own activities
Ethical business conduct Financial risk of fines when not acting ethically	Risk Short term Own activities
Grievance mechanism and whistleblowing procedure Enabling people to report incorrect behaviour at any time during their dealings with Vandemoortele	Impact Short term Upstream, own activities, downstream
No fair and free competition Financial risk of fines linked to illegal practices	Risk Short term Own activities
Cybersecurity and data privacy Avoiding cyberattacks and ensuring the data privacy of our associates, suppliers and customers	Impact Short term Own activities
Cybercrime Financial risk due to hacking, malware, phishing, etc.	Risk Short term Own activities >10% of REBITDA
Shift in the market Being unable to keep up with market changes	Risk Mid/long term Own activities

Raw materials price volatility and availability Customers reducing their purchase volumes or deciding to switch to another supplier because of increasing product prices	Risk Short term Upstream >10% of REBITDA
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 the ambition level of our customers	Risk/opportunity Mid term Own activities 3-5% of REBITDA
Customer satisfaction and service Financial opportunity or risk when customers are satisfied or dissatisfied	Risk/opportunity Short term Upstream
Sustainable investments Financial risk or opportunity when investing in sustainable innovations	Risk/opportunity Mid term Own activities
New technologies Being ahead or lagging behind because of (not) applying new technologies (digitalisation, automation, artificial intelligence)	Risk/opportunity Mid/long term Own activities 3-5% of REBITDA
Protection of intellectual property Financial risks related to intellectual property (lawsuits)	Risk Short term Own activities



Partnering in the value chain

Responsible supply chain management Screening our suppliers in terms of human rights, environmental commitments and training on these topics	Impact Short term Upstream
Partnerships in the supply chain Collaborating with various partners to create reputational opportunities and to have a positive impact in terms of climate, human rights, etc.	Impact Short term Upstream
Opportunity of partnerships in the supply chain Creating opportunities by working together with various partners	Opportunity Upstream
Listening to and dialogue with stakeholders Engaging with stakeholders to identify potential negative impacts	Impact Short term Up- & downstream
Communication Transparent internal and external communication, sharing correct information on ESG topics	Impact Short term Up- & downstream
Responsible marketing Promoting our products correctly (not ambiguously) and avoiding greenwashing	Impact Short term Downstream
Greenwashing Promoting the environmental performance of our products incorrectly or ambiguously may lead to reputational damage	Risk Short term Downstream

OUR SUSTAINABILITY STRATEGY 2030

RESILIENCE OF OUR BUSINESS STRATEGY

SBM-3

Vandemoortele’s business strategy is resilient and well-equipped to **address material risks** while still **seizing opportunities**. We strengthen our competitive edge through market positioning, mergers, acquisitions and global expansion. By prioritising value-added products and plant-based food solutions, we align with evolving consumer trends.

Sustainability is deeply integrated into our business strategy, with commitments to GHG reduction, responsible sourcing and regenerative agriculture, thus reducing regulatory and environmental risks. Strong partnerships with suppliers, customers and NGOs enhance supply chain stability and drive innovation. Additionally, Vandemoortele invests in employee well-being, inclusion and development, with the aim of fostering a motivated and engaged workforce.

With a balanced approach to **growth, sustainability and partnerships**, Vandemoortele is well-positioned for long-term success. A quantitative analysis of resilience linked to climate and biodiversity has yet to be carried out.



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.

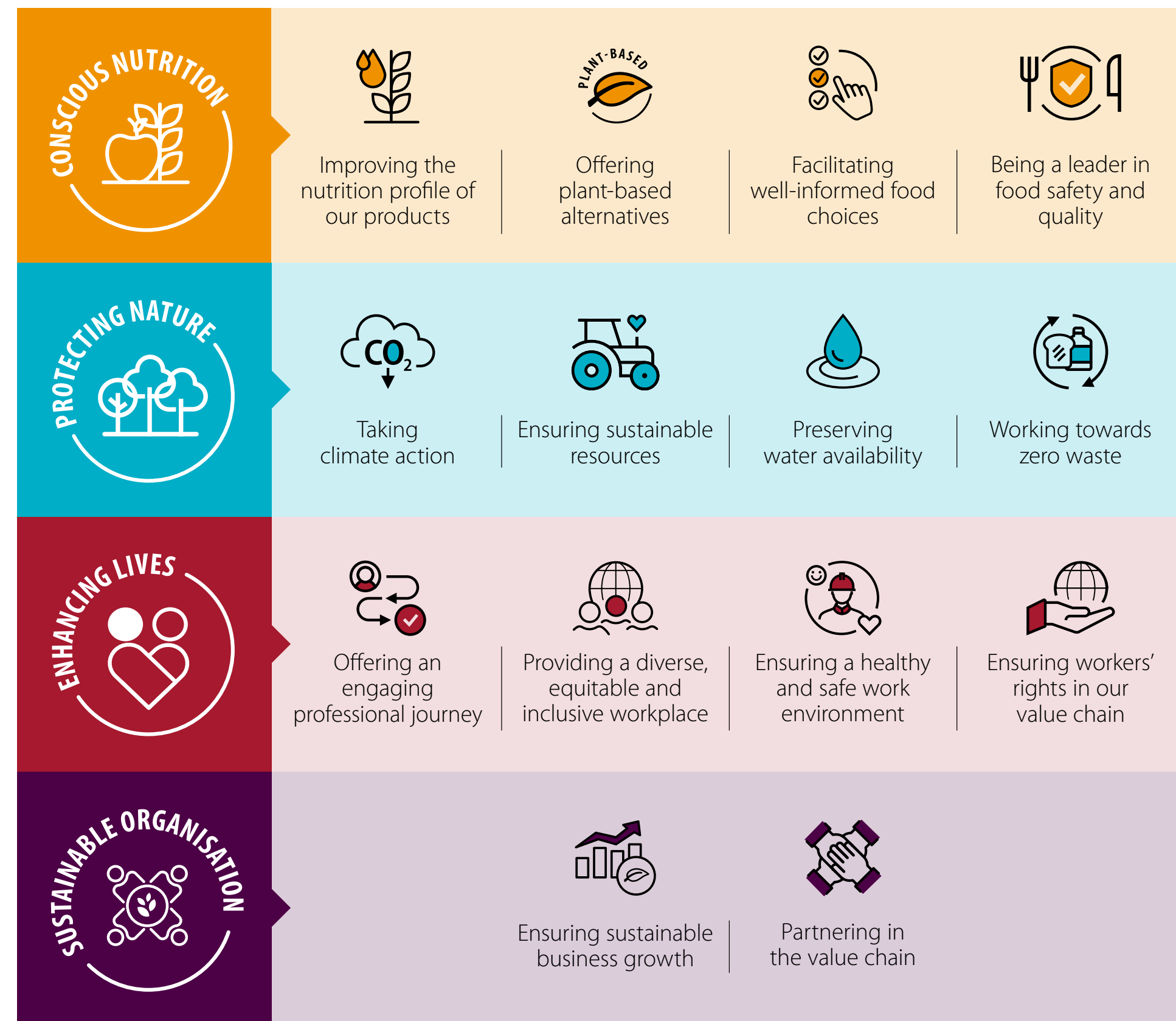
We take responsibility across the **entire value chain**: from sourcing, product design and production, to consumption and disposal of food and other waste. Our Sustainability Strategy 2030 provides a strong foundation for all our actions and places sustainability at the heart of our business. It covers 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 as well.

Economic success should not come at the expense of our planet or the people that live on it. This is why we implement measures to **safeguard both the planet and its inhabitants**, while enhancing 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 sustainability strategy is directed by three strategic topical goals and a solid foundation on governance, underpinned by fourteen commitments:

- **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 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:



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).



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).

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).



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).

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).



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).

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).

OVERVIEW REPORT

About this report

Part I: Vandemoortele at a glance

Part II: Report of the Board of Directors

Part III: Sustainability statements

- GOAL 1: CONSCIOUS NUTRITION
 - › Improving the nutrition profile of our products
 - › Offering plant-based products
 - › Facilitating well-informed food choices
 - › Being a leader in food safety and quality

› GOAL 2: PROTECTING NATURE

› GOAL 3: ENHANCING LIVES

› SUSTAINABLE ORGANISATION

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Part IV: Financial statements

GOAL 1

CONSCIOUS NUTRITION



Juan Murillo & Lucia Gallego Tejeda: “In the Science & Technology team of R&D for Plant-Based Food Solutions (PBFS), our mission is to shape long-term research strategies that drive innovation in products and processes. To achieve this, we collaborate closely with research institutes, universities, ingredient suppliers and machinery manufacturers. This dynamic ecosystem, combined with strong partnerships across quality, operations and engineering teams, fosters groundbreaking advancements.”

“Sustainability is at the heart of our work as we continuously refine products and processes to meet evolving consumer demands. A key milestone has

been the creation of a dedicated PBFS Science & Technology team, backed by investments in a cutting-edge pilot plant and advanced laboratory equipment to support the development and testing of plant-based food products.”

“Our innovation efforts are accelerating, with significant progress in developing new plant-based cheese alternatives. We are also actively exploring ways to enhance their nutritional profiles – tackling a critical challenge in today’s market. These initiatives reflect our commitment to delivering plant-based solutions that offer both exceptional taste and improved nutrition.”

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

Lucia Gallego Tejeda –
Science & Technology Expert

Juan Murillo –
Science & Technology Expert



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Part IV: Financial statements

Our targets and KPIs

	Improving the nutrition profile of our products	STATUS 2024	TARGET 2030	KEY ACTIONS
Salt content in BP vs. 2019 (in % relative change)		-7.3%	-10%	› An action plan for our pastry, patisserie, donuts and bread range
Sugar content in pastry, sweet treats & patisserie vs. 2019 (in % relative change)		-5.2%	-10%	› An action plan for our pastry, patisserie, donuts and bread range
	Offering plant-based alternatives	STATUS 2024	TARGET 2030	KEY ACTIONS
Vol% plant-based products in PBFS		73.2%	75%	› The launch of ‘Risso® Chanty Chef Vegan’ and ‘Risso® Chanty Duo Vegan’ › Research into plant-based cheese alternatives
	Facilitating well-informed food choices	STATUS 2024	TARGET 2030	KEY ACTIONS
Vol% Clean Label in BP		80.4%	80%	› Remove food additives from all our products across both business lines
	Being a leader in food safety and quality	STATUS 2024	TARGET 2030	KEY ACTIONS
Suppliers, traders & logistics partners compliant with GFSI principles (%)		97.8%	98%	› Our suppliers pursue GFSI certification, undergo audits by Vandemoortele or complete a food safety questionnaire
Incidents food defence & food fraud (number)		0 incidents	0 incidents	› Robust security measures and risk analyses
Food safety complaints vs. 2020 (in % relative change)		-4%	-10%	› Our production sites undergo GFSI unannounced audits › Product Lifecycle Management (PLM) software system with accurate product information



CONSCIOUS NUTRITION POLICY

S4-1

Vandemoortele's Conscious Nutrition Policy reflects our commitment to **balanced nutrition, plant-based alternatives, well-informed food choices and food safety and quality**; key components of our Sustainability Strategy 2030. The policy identifies and regulates the impacts, risks and opportunities (IROs) related to these areas.

SCOPE

This policy **applies to all stakeholders** within Vandemoortele, covering both internal teams and external partners. It guides our approach to product development, ingredient sourcing and consumer transparency across the Bakery Products (BP) and Plant-Based Food Solutions (PBFS) business lines.

OUR POLICIES

Over the years, we have established various policies and procedures to guide our commitment to conscious nutrition. These various policies are bundled in this **Sustainable Organisation Policy**, which offers overarching guidance by referencing the detailed policies on specific topics. This policy covers key areas, ensuring we meet our nutrition, sustainability and quality goals. As part of our commitment to Conscious Nutrition, Vandemoortele focuses on four key areas that address both consumer expectations and sustainability goals in the policies:





Nutrition profile: we aim to contribute to consumer health by offering well-balanced products, with less sugar, salt and saturated fats wherever possible. We also recognise changing consumer behaviour as both a risk and an opportunity, especially with the growing demand for healthier diets and products for diverse dietary needs.

- **Our position on sugar:** we recognise the WHO recommendations and actively work to reduce the sugar content in our products accordingly.
- **Our position on saturated fats:** we prioritise unsaturated fats whenever possible to support better health outcomes for consumers.
- **Our position on trans fats:** in the European Union, trans fats in vegetable margarines and fats are no longer a public health concern, thanks to the food industry's voluntary efforts to reduce trans fatty acids in food products.

Plant-based alternatives: we support plant-based diets for their positive environmental and health impacts. As consumer demand for sustainable, plant-based options increases, we see this as both a challenge and an opportunity to reduce our carbon footprint.

- **Our position on plant-based/vegan alternatives:** we align our product definitions with international standards to ensure the best quality in plant-based and vegan options.
- **Internal 'know-how' document:** this document outlines how we implement relevant external standards for plant-based alternatives.

Well-informed food choices: we prioritise transparent communication about our products, including their ingredients, origins and environmental impact. Our goal is to help consumers make well-informed food choices through product transparency, impact labelling and Life Cycle Assessments (LCAs).

- **Guideline for new 'compound' ingredients:** we set standards for introducing new ingredient combinations.
- **Food fraud policy:** this policy ensures transparency and integrity in sourcing and production.
- **Clean Label definition:** our clear, consistent definition of our own Clean Label ensures transparent communication with our customers.

Food safety and quality: we ensure product safety by meeting strict quality standards to prevent contamination, allergens and hazardous substances. Upholding high-quality standards is essential for maintaining consumer trust and protecting our reputation.

- **Product safety:** quality charter, good manufacturing processes (GMP), good cleaning policy, food defence policy, non-conformity procedure and traceability procedures.
- **Allergen policy:** we adhere to strict allergen management practices to protect consumer health.
- **Safety errors:** GMPs, non-conformity procedure and traceability procedures.
- **Hazard analysis and critical control points (HACCP):** we follow established procedures for

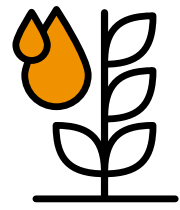
critical control points to ensure product safety.

- **Quality assurance:** foreign body policy, foreign body management, good cleaning policy, complaints procedures, non-conformity procedure and roadmap for external audits.

All policies and detailed position statements are available on the Vandemoortele website. The CEO, supported by the ExCo as an advisory body, acts as the most senior level in the organisation that is accountable for implementation of our policies.

THIRD-PARTY STANDARDS AND STAKEHOLDER INTERESTS

Our **Conscious Nutrition Policy** aligns with guidelines from reputable entities such as the World Health Organization (for nutrition), the European Commission (for trans fats) and various Clean Label and plant-based standards. Stakeholders, including consumers and regulatory agencies, have a vested interest in Vandemoortele's efforts to provide safe, nutritious and sustainable products. We ensure that our policies are shaped by market dynamics, trends and market research, so as to incorporate the interests of our consumers.



IMPROVING THE NUTRITION PROFILE OF OUR PRODUCTS

OUR IMPACTS, RISKS AND OPPORTUNITIES

SBM-3

As a market leader in the food industry, we understand the vital role of a healthy and nourishing diet. Today’s consumers are placing increasing importance on **healthy food choices**. 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 lifestyle-related diseases are growing concerns worldwide. Our indulgence products, like donuts, pastries and patisserie, are meant as occasional treats. In small quantities, they can easily be added to a balanced diet and lifestyle. While we do not aim to turn these pleasure foods into healthy products, we are committed to reducing their sugar and salt content. Striking the **right balance between taste and health** remains a delicate challenge for us, but we continue to improve the nutrition profile of our products wherever possible.

Vandemoortele products are designed to be enjoyed by everyone, from schoolchildren to construction

and office workers. However, **we encourage moderation** for individuals with higher health risks. This includes the YOPI group – young children, older adults, pregnant individuals and those with weakened immune systems – as well as individuals managing specific health conditions, such as diabetes. This guidance applies to both direct consumption, such as enjoying a croissant, and indirect consumption, such as cooking with our margarines.

OUR ACTION PLANS

S4-4

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.



External cooperations

As a committed food producer, Vandemoortele participates in valuable research projects initiated by third-party organisations. Our current cooperations include ‘PulseBake’, ‘KRAK’, ‘Novobake’ and ‘Tradicer’.

- 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. The project was completed in 2024. We are now considering how to implement what we have learned.
- Crispness is a key quality parameter for many of our bakery products. The ‘**KRAK**’ project explores whether audio recording and processing tools can be used to objectively measure crispness.
- The ‘**Novobake**’ project aims to provide practical knowledge about plant-based egg substitutes in bakery products. It is conducted by a HoGent-UGent research consortium, in collaboration with relevant industry partners.
- The aim of the ‘**Tradicer**’ project is to develop new fermentation strategies that use traditional cereal landraces and hop varieties to create novel sour beers and sourdough breads with authentic flavours.

OUR TARGETS ON IMPROVING THE NUTRITION PROFILE

S4-5

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 relevant product groups by 10 vol% by 2030. We have opted for a gradual decrease that does not compromise the premium taste of our products.

OUR PERFORMANCE	2024	TARGET 2030
Salt content in BP vs. 2019* (in % relative change)	-7.3%	-10%
Sugar content in pastry, sweet treats & patisserie vs. 2019 (in % relative change)	-5.2%	-10%
→ Check all of our targets and progress in the sustainability scorecard		
* The salt reduction is calculated based on the product’s state at the point of consumption. For products that require baking, the calculation accounts for water loss during the baking process. This value is standardised for each product group, determined through experimental data and expert knowledge.		

OUR PERFORMANCE IN 2024

In 2024, we continued to reduce the salt and sugar levels in our products. The **salt content** in our bakery products has decreased by 7.3%* compared to 2019. As part of our updated strategy, the target for salt reduction has been revised from a 15% reduction by 2025 to a 10% reduction by 2030. While working towards these goals, we remain committed to achieving the lowest possible salt levels in new recipes. Moreover, our R&D teams have reformulated several recipes to further reduce the salt content, with implementation set to begin in 2025.

Similarly, the **sugar content** in pastry, sweet treats and patisserie has decreased by 5.2% since 2019. However, a lot of work is still needed to achieve our 10% reduction target. To address this, we extended our sugar reduction timeline by five years in 2024. Our approach prioritises gradual improvement, ensuring that our salt and sugar reductions keep pace with market trends. We only implement changes after comprehensive sensory trials and we allow consumers ample time to adapt to the new taste.

Scientific partnerships

The **Vandemoortele Centre for Lipid Science and Technology** focuses on building knowledge to develop healthier lipid-based food products that deliver great taste, texture and mouthfeel. In recent years, we have explored alternative approaches to oil structuring, aiming to reduce the content of saturated fatty acids in lipid-based foods.

Our nutritional innovations are accelerated through partnerships with trusted scientific institutions. For example, we collaborate with the **University of Ghent** on scientific projects that support our Plant-Based Food Solutions (PBFS) business line. One of our projects involves developing industrial margarines with a low saturated fat content. We also work with other research partners, like **KU Leuven**. The insights we gather from these collaborations guide us when we develop new products or improve existing ones.





OFFERING PLANT-BASED ALTERNATIVES

OUR IMPACTS, RISKS AND OPPORTUNITIES

SBM-3

With the global population now exceeding 8 billion, the strain on our **overburdened planet** is becoming increasingly evident. A pressing question therefore arises: how will we feed so many people in the future, especially without further harming the environment?

Switching towards a more plant-based diet is one of the easiest and most eco-friendly solutions. Vandemoortele embraces this shift by focusing more on **plant-based ingredients and products**, in line with the goals of the European Green Deal. For instance, we prioritise margarine over butter, a choice that significantly reduces land use and has a smaller carbon footprint by over 50%.

Our plant-based approach not only minimises our climate impact, it also promotes **consumer health** and enhances **animal welfare**. Our plant-based products meet current and future consumer needs, and support people in making healthy and nutritious food choices.

Moreover, growing **consumer awareness** about health, sustainability and ethics is also driving demand for plant-based products. Consumers choose them for their lower ecological impact, their health benefits

and their support for animal welfare. By addressing those needs, we increase our sales volumes and improve customer satisfaction.

OUR ACTIONS IN 2024

S4-4

Our **Plant-Based Food Solutions (PBFS)** portfolio includes plant-based margarines, spreads, cooking oils and vinaigrettes. These products offer **nutritional benefits** compared to butter: they contain less saturated fatty acids and more unsaturated fatty acids, and often more omega-3 fatty acids. They also have a significantly lower environmental impact. In 2024, we expanded our range with the launch of Risso® Chanty Chef Vegan and Risso® Chanty Duo Vegan, two versatile plant-based creams for cooking and whipping. Looking ahead to 2025, we plan to take our first commercial steps into **plant-based cheese alternatives** for the industrial market.

In our **Bakery Products (BP)** business line, we offer a growing selection of plant-based products, such as our vegan croissants, our vegan chocolate rolls and the majority of our bread portfolio. We have also

developed a range of vegan patisserie products, from banana cakes to high-quality chocolate and blueberry mousses. While traditional dairy ingredients like milk, butter and eggs remain important in many recipes, our researchers are constantly exploring plant-based alternatives that deliver the same authentic taste and texture.

To reduce our impact, we are increasing our plant-based offerings while still maintaining popular recipes that use eggs and dairy. In 2024, we launched a plant-based apple crumble pie, thus further **diversifying our portfolio** with tasty, sustainable options.

Vandemoortele embraces the shift to a plant-based diet





Plant-Based Foods Award 2024

Each year, we present the Vandemoortele Plant-Based Foods Award to outstanding contributions in the field. This year’s winner, Bioscience Engineering graduate Antonia Dewettinck, impressed the jury with her exceptional master’s thesis on the development and processing of plant-based foods. Her innovative research proposed solutions for creating **vegetable fats with reduced saturated fat content**.

The jury praised the thesis for its high editorial quality, clear problem statement and advanced research techniques. Antonia’s findings are both scientifically valuable and practical for the food industry, contributing to healthier fat formulations for consumers. “I’m incredibly honoured to have received this award”, she shared.



OUR TARGETS ON PLANT-BASED ALTERNATIVES

S4-5

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 offerings**. This new target emerged as part of the revised sustainability strategy.

OUR PERFORMANCE	2024	TARGET 2030
Vol% plant-based products in PBFS*	73.2%	75%
→ Check all of our targets and progress in the sustainability scorecard		
* Currently, only vegan products are included in this KPI.		

OUR PERFORMANCE IN 2024

Vandemoortele is investing heavily in the development of plant-based alternatives. We are constantly **exploring new products** to expand our portfolio in both our business lines. Last year, plant-based products accounted for 73.2% of the PBFS business line: a promising result and an important step towards achieving 75% by 2030.



FACILITATING WELL-INFORMED FOOD CHOICES

OUR IMPACTS, RISKS AND OPPORTUNITIES

SBM-3

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 and more. With our own Clean Label definition, we respond to the growing demand for products with fewer additives and more ingredients of natural origin.

We work towards ingredient transparency by using **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 carefully evaluated to ensure that changes, such as removing an additive that affects shelf life, do not lead to increased food waste or other unintended consequences.

Health-conscious consumers increasingly seek detailed information about ingredients, E-numbers, additives and health claims. Similarly, eco-conscious consumers prioritise transparency about environmental impacts, including carbon footprints and Life Cycle Analyses (LCAs). Over the coming years, we will place even greater emphasis on providing clear, transparent consumer information, not only about our Clean Label, but also about the **carbon footprint and origin of our ingredients**. By performing LCAs, we gain deeper insights into the environmental impact of our products. Sharing this information enables consumers to make informed choices. It responds to their expectations and has a positive impact on our sales and reputation.





OUR ACTION PLANS

S4-4

R&D on Clean Label

Our R&D team continues to research ways to **remove food additives** from all our products across both business lines (BP and PBFS). This is done very carefully, without compromising taste, food safety or quality. Most of our bread products now meet our Clean Label standards and we are working to eliminate the E481 additive from our soft buns.

As a sustainable food manufacturer, we are regularly asked to remove specific preservatives from our PBFS recipes. To explore the possibilities, we participated in a **study on the impact of removing synthetic preservatives**, such as sorbate, from margarines. The study took place from 2020 to 2022, in collaboration with Ghent University and the Flemish Agency for Innovation and Entrepreneurship (VLAIO), and provided insights into the implications for food waste and safety. In 2023, we began applying these findings to develop sorbate-free recipes for our customers.

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 alternatives, allowing for a 60% reduction in cardboard packaging size. This innovation helps customers reduce their storage space, logistics costs and transport emissions.

Additionally, our **frozen products** are ready in just 20 minutes, enabling customers to serve freshly baked croissants and Danish pastries at any time of the day. This results in lower food waste and better on-shelf availability all day long.

OUR TARGETS ON WELL-INFORMED FOOD CHOICES

S4-5

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.

OUR PERFORMANCE	2024	TARGET 2030
Vol% Clean Label in BP	80.4%	80%
→ Check all of our targets and progress in the sustainability scorecard		

OUR PERFORMANCE IN 2024

Bakery Products (BP)

In 2024, we continued our efforts to remove food additives from our BP product categories. We adapted our portfolio to increase the vol% of references that comply with our **Clean Label requirements**. As a result, 80.4% of products in our BP business line were Clean Label in 2024, keeping us on track with our Clean Label ambitions. However, we remain committed to maintaining taste and minimising food waste, and will not remove additional food additives if this compromises these priorities.

In 2022, following the implementation of our stricter Clean Label definition, we adjusted our target from 83% to 80%. That target will be retained for another five years, until 2030.

OUR PEOPLE

“As part of the Quality team, I take pride in contributing to customer satisfaction”

Kassim Saeed Customer Specification Assistant for PBFS

“I grew up in Ghana (West Africa), where I began my primary education, and later completed my higher education in Belgium. I enjoy fostering a lively and positive team spirit by supporting my colleagues and starting each day with a smile.”

“I am happy to be part of our Group Quality team, where I can personally contribute to customer satisfaction through our commitment to quality. I am passionate about working at Vandemoortele because of the value and respect given to every associate. The welcoming atmosphere and the challenges of my role make it an exciting place to work!”



BEING A LEADER IN FOOD SAFETY AND QUALITY

OUR IMPACTS, RISKS AND OPPORTUNITIES

SBM-3

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 can jeopardise consumers’ well-being. Even minor issues, like an unpleasant smell, taste or texture, may prompt customers to buy their products elsewhere. In short, safety and quality issues may have serious business repercussions: from financial penalties and lower sales to loss of trust and reputational damage.

By aiming to be a leader in food safety and quality, **we protect both consumer health and our economic position**. To reach that ambitious goal, we can exceed legal requirements and align our products with customer expectations to ensure they meet the highest safety and quality standards. By offering high-quality and authentic products, we ensure an optimal consumer experience.

Vandemoortele products are crafted to be safe and enjoyable for everyone. However, minor food safety or quality issues may be more challenging for

individuals with higher health risks. This includes the YOPI group – young children, older adults, pregnant individuals and those with weakened immune systems – and people with specific health conditions, such as allergies or food intolerances. **Special care** is necessary for both direct and indirect consumption.

In recent years, food quality and safety requirements have become increasingly stringent. **Legislation is ever-changing**, for example on cross-contamination or pesticide use. This has an impact on our production processes and makes exceeding the legal requirements more challenging. However, we continue to make every effort to be a leader in the field.

By offering high-quality and authentic products, we ensure an optimal consumer experience





OUR FOOD SAFETY AND QUALITY ACTION PLANS

S4-4

Certification and auditing across the supply chain

To guarantee the highest possible quality and safety standards, we subject our production sites to **unannounced audits**. These tend to take place annually, but at least once every three years, and may occur at any time during a designated 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 Global Food Safety Initiative (GFSI). We encourage all our partners to pursue certification, undergo audits by Vandemoortele or – for low-risk suppliers – complete a food safety questionnaire.

Our non-certified suppliers are categorised as high-risk or low-risk based on the type of ingredients they provide. Currently, 30% of our suppliers are classified as high-risk (909 out of 3,030 suppliers). **High-risk suppliers** are scheduled for audits that assess their quality systems, manufacturing processes and cleanliness. If suppliers perform poorly, we request that they improve their performance and we draw up action plans to monitor their progress.

An **annual supplier assessment** evaluates factors such as non-conformities, certification status, volume, etc. If a supplier fails to improve despite our interventions, we may decide to replace them.

Our **low-risk suppliers**, mainly small local suppliers, often face challenges in achieving certification due to high associated costs. In such cases, we provide alternative quality control measures, 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 prefer suppliers that are located close to our manufacturing sites, to lower transport emissions and costs, and to reduce safety risks. Existing suppliers are reassessed each year to maintain our high quality and safety levels.

Food defence and food fraud

To protect our facilities from internal and external sabotage, we employ **robust security measures**, including surveillance cameras, fencing 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 supplier to the risk level of specific ingredients. Depending on the outcome, we take additional actions to monitor the supplier in question, such as audits or traceability questionnaires.

New software for Product Lifecycle Management

In 2023, we implemented a new Product Lifecycle Management (PLM) software system. This platform generates technical data sheets with **accurate product information** for our customers, playing a crucial role in ensuring food safety. The PLM system also features a supplier collaboration portal, where suppliers can add their own data and observations. This improves our data collection on ingredients and raw materials while providing us with more detailed information about the GFSI certification status of our suppliers.

Action plan to provide remedy

We strive to **minimise the presence of foreign bodies** in our products as much as possible. However, even natural elements, such as an apple pit in our apple filling, are flagged as food safety concerns.

From a customer perspective, the primary negative impact is on Vandemoortele's image and the **potential loss of customer trust**, as filing a complaint indicates an unpleasant experience. A more severe consequence – though it has not occurred – would be if a customer were to become ill or suffer harm. Over the past year, there has been no evidence of severe cases, such as food-borne illnesses.

Our action plan for providing remedies is integrated into our **continuous improvement initiatives** and complaint follow-up processes. Key measures include our foreign body policy, our Cleaning Academy and the revitalisation of our food safety culture (FoQuS), among other things.

OUR TARGETS ON FOOD SAFETY AND QUALITY

S4-5

To achieve the objectives of our various food safety and quality policies, we have defined several targets. We encourage our suppliers, traders and logistics partners to become **GFSI-certified**. 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.

OUR PERFORMANCE	2024	TARGET 2030
Suppliers, traders & logistics partners compliant with GFSI principles (%)	97.8%	98%
Incidents food defence & food fraud (number)	0 incidents	0 incidents
Food safety complaints vs. 2020 (in % relative change)	-4%	-10%
→ Check all of our targets and progress in the sustainability scorecard		

OUR PERFORMANCE IN 2024

Supplier audits

Among our suppliers, traders and logistics partners, 97.8% now adhere to the fundamental principles of the GFSI. 88.67% 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% by 2030. 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

By 2030, we aim to reduce the number of complaints by 10% compared to 2020. Thanks to our **foreign body policy**, food safety complaints decreased by 4% between 2020 and 2024. This result is largely driven by various types of automation and increased awareness among our associates.

Each complaint undergoes a thorough root cause analysis to prevent recurrence. In terms of food defence and food fraud, we recorded **zero incidents** in 2024, fully aligned with our 2024 and 2030 targets of zero incidents.





OVERVIEW REPORT

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› GOAL 1: CONSCIOUS NUTRITION

GOAL 2: PROTECTING NATURE

- › Taking climate action
- › Ensuring sustainable resources
- › Preserving water availability
- › Working towards zero waste

› GOAL 3: ENHANCING LIVES

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GOAL 2

PROTECTING NATURE



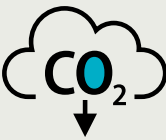
Hilal Berouag & Karolien De Maen:

“As a food company, we recognise the critical importance of sustainable sourcing and environmental stewardship in ensuring the future of our planet. Approximately 98% of our emissions come from our supply chain, primarily from sourcing raw materials. To address this, we actively collaborate along the value chain and select suppliers who share our values and our commitment to sustainability.”

“We are already making progress by sourcing low-carbon raw materials for all our key commodities, including wheat, butter and vegetable oils. We also strongly support regenerative agriculture practices, which improve soil health, water management, biodiversity and ecosystem resilience.”

“The global challenges of biodiversity loss, climate change and resource scarcity require bold and collaborative action. At Vandemoortele, we have made significant progress in tackling these challenges and are confident that this is the right approach to protect nature. By working together with our partners and staying committed to our sustainability goals, we aim to drive meaningful environmental change and ensure a better future for generations to come.”

Our commitments:



Taking climate action



Ensuring sustainable resources



Preserving water availability



Working towards zero waste

Karolien De Maen
– Procurement Manager

Hilal Berouag
– Buyer Raw Materials



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Part IV: Financial statements

Our targets and KPIs



 Taking climate action	STATUS 2024	TARGET 2030	KEY ACTIONS	
Scope 1 & 2 GHG emissions vs. 2023 (in % relative change)	-14.49%	-42%	› Green electricity › Trucks and cars	› Energy efficiency improvements › Investments in low-emission technologies
Scope 3 FLAG GHG emissions vs. 2023 (in % relative change)	-4.52%	-30.3%	› Low-carbon sourcing	› Low carbon by design and portfolio management
Supplier & customer engagement by Scope 3 non-FLAG emissions (%)	41.6%	73%	› Supplier and customer engagement	
Energy intensity Group vs. 2020 (in % relative change)	-8%	-15%	› Green electricity	› Energy efficiency improvements
Energy intensity BP vs. 2020 (in % relative change)	-9%	-15%	› Green electricity	› Energy efficiency improvements
Energy intensity PBFS vs. 2020 (in % relative change)	-7%	-15%	› Green electricity	› Energy efficiency improvements
Green electricity (%)	100%	100%	› Green electricity	
 Ensuring sustainable resources	STATUS 2024	TARGET 2030	KEY ACTIONS	
Sustainable certified palm oil (%)	81%	100%	› Dialogue with palm oil suppliers	› Grievances management
Sustainable certified soya (consumer and professional brands) (%)	100%	100%	› Round Table on Responsible Soy member	› Grievances management
Sustainable certified cocoa (consumer and professional brands) (%)	86%	100%	› Grievances management	
% of the identified impacts and risks on biodiversity have an action plan	new	100%	› Working groups and study programmes	
Recycled PET per packaging unit (brands) (%)	24.3%	30%	› Improved our database to gather more data on both outgoing and incoming packaging	
 Preserving water availability	STATUS 2024	TARGET 2030	KEY ACTIONS	
Wastewater intensity vs. 2020 (in % relative change)	-4.5%	-17%	› The introduction of dry cleaning in certain areas › The automated purging of cooling tower water	› The automation of our Cleaning-in-Place (CIP) installations
 Working towards zero waste	STATUS 2024	TARGET 2030	KEY ACTIONS	
Food loss intensity BP vs. 2021 (in % relative change)	2.1%	-30%	› Operational excellence › First Time Right principle	› Commercial obsoletes
Food loss intensity PBFS vs. 2021 (in % relative change)	-0.1%	-6.3%	› Operational excellence › First Time Right principle	› Commercial obsoletes

PROTECTING NATURE POLICY

[E1-2](#)
[E3-2](#)
[E4-2](#)
[E5-2](#)

Vandemoortele’s Protecting Nature Policy embodies our commitment to **climate action, sustainable resource management, water preservation and achieving zero waste**; core pillars of our Sustainability Strategy 2030. The policy outlines the impacts, risks and opportunities (IROs) associated with these areas. It details the actions we take and defines our long-term goals.

SCOPE

This policy, along with all other policies referenced in this document, applies to both **internal and external stakeholders** of Vandemoortele.

OUR POLICIES

Over the years, we have established various policies and practices to demonstrate our commitment to climate and environmental protection. The overarching Protecting Nature Policy serves to **consolidate, organise and complement** all relevant existing policies on key material topics, providing a unified framework for our approach.

Taking climate action: as a food company, we recognise our impact on climate change, especially through GHG emissions across our value chain. To address this, we are reducing energy consumption, investing in energy-efficient buildings, using renewable energy and collaborating with partners to likewise improve their performance.

- **Transition plan for climate change mitigation** (in development): a strategic roadmap that outlines our approach to reducing greenhouse gas (GHG) emissions and aligns with global climate goals, including limiting warming to 1.5°C, in line with the Paris Agreement.
- **Environmental Charter:** a commitment to continuous improvement in managing our environmental impact and fostering sustainable business practices. The Charter outlines our pledge to maintain high environmental performance standards and lists specific commitments to this end.
- **Energy-buying policy** (in development): currently under internal review, this document provides a clear overview of how Vandemoortele procures energy from renewable and non-renewable sources.

Ensuring sustainable resources: given the nature of our activities, we risk contributing to deforestation, biodiversity loss and unsustainable practices. These risks arise particularly when sourcing key commodities like palm oil, soya and cocoa or using packaging materials like single-use plastics. We address this by sourcing sustainably, protecting biodiversity and investing in traceability. We also collaborate with suppliers who use regenerative farming practices. For packaging, we reduce materials and prioritise reusable, recyclable or recycled options.





- **Sustainable sourcing policy:** ensures that biodiversity and ecosystem-related matters reported in E4 AR4 are addressed through the way we source our commodities and ingredients. These requirements also apply to our suppliers. The policy covers deforestation and other types of land conversion, biodiversity loss, the protection of critical habitats, traceability of resources, regenerative agricultural practices, human rights and any kind of exploitation.
- **Cocoa sourcing commitment:** cocoa is an ingredient in some of our Bakery Products, so we are fully aware of the important role we have in the procurement of it. In this document, you can find our commitments and targets for the sourcing of cocoa.
- **Palm oil sourcing commitment:** palm oil is an important ingredient in many of our products. We acknowledge our responsibility during its procurement and recognise palm oil as one of the most sustainable edible oils due to its high land-use efficiency.
- **Soya sourcing commitment:** since 2015, Vandemoortele has reported its soya sourcing progress to RTRS. We have been purchasing 100% certified sustainable soya for our consumer brands since 2017 and remain committed to maintaining this practice.
- **Eggs sourcing commitment:** Vandemoortele has used only cage-free eggs since 2019. For our sauces, we have gone even further by exclusively using free-range eggs since 2016.
- **Paper and cardboard packaging commitment:** all our paper bags, solid cardboard and corrugated cardboard packaging are made from recycled or

certified sustainable materials. By 2025, we aim to use 100% sustainable certified FSC/PEFC paper and cardboard.

- **Plastic packaging commitment:** we are continuously exploring innovative packaging designs that minimise resource usage. This includes reducing material consumption and adopting new packaging concepts. We are also working to increase the use of recycled plastic materials in our packaging.

Preserving water availability: Vandemoortele recognises its direct and indirect impacts on water; from tap water use in manufacturing to the irrigation of crops and cultivation of raw materials. With global water resources under increasing pressure, we face potential risks from water shortages in sourcing and production regions. To address this, we use water sparingly, comply with local regulations and implement projects to improve efficiency and reduce our impact.

More information on water management, water sourcing and water treatment is included in the Protecting Nature Policy. Our policy and water reduction measures are consistent across all Vandemoortele sites, regardless of whether they are in low-risk or high-risk water areas.

- **Environmental Charter:** we minimise water consumption.

Working towards zero waste: it is estimated that up to a third of all food produced for human consumption is lost or wasted, resulting in

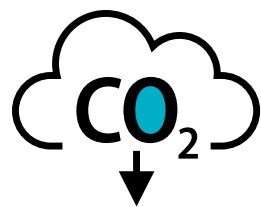
unnecessary use of ingredients, raw materials, transport and packaging. By optimising production processes, improving sales forecasting and managing waste properly, we are able to reduce losses and minimise the environmental impact.

- **Food waste policy:** this policy outlines the procedures and guidelines for handling dough rework, regrind and recuperated dusting flour at our Bakery sites.
- **Waste handling instructions and guidelines:** these are managed locally and may vary depending on the specific products, needs and regulations at each production location.

All policies and detailed position statements are available on Vandemoortele’s intranet. Policies related to external stakeholders are also available on our website. The CEO, supported by the ExCo as an advisory body, is accountable at the most senior level for implementing these policies.

THIRD-PARTY STANDARDS

Our Protecting Nature Policy aligns with recognised guidelines, including the principles of the RSPO, RTRS, FSC and PEFC.



TAKING CLIMATE ACTION

OUR IMPACTS, RISKS AND OPPORTUNITIES

[SBM-3](#)
[IRO-1](#)

Climate change is one of the biggest challenges facing both this and future generations. As a food company, we are aware of our impact, which mainly stems from our emissions of greenhouse gases (GHG). Our own use of **fossil fuels, electricity, refrigerants and transport** contributes to these emissions (Scope 1 and Scope 2 emissions). The majority of our footprint occurs, however, throughout our value chain: from sourcing commodities like palm oil and wheat to transporting goods, packaging and processing products (Scope 3 emissions).

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. We monitor carbon emissions along our value chain and actively engage our partners and suppliers to reduce their footprint.

With global warming turning into a major threat for nature and people worldwide, businesses in the agrifood sector face increasing risks. **Climate change**

affects agriculture and crop yields, making raw materials more expensive and harder to source. At the same time, extreme weather events like floods and hurricanes can damage our production sites and infrastructure. To protect our business and supply chain, we must address these physical climate risks. Additionally, we are facing transition risks, such as new environmental regulations, the growing demand for sustainable products and the need to implement new technologies to cut GHG emissions. Rising energy prices and future CO₂ taxes will complicate matters further.

We have not yet conducted a **climate resilience analysis**, including climate scenario modelling, but we plan to do so in the future. While we are unable at present to provide full details on all climate risks our business will face, we are committed to improving our understanding and response. By leading the energy transition and working as sustainably as possible, we aim to turn a number of climate challenges into opportunities.

OUR CLIMATE TRANSITION PLAN

[E1-1](#)

Our GHG emission reduction targets

Vandemoortele has set GHG emission reduction targets in line with the near-term criteria of the Science-Based Targets initiative (SBTi) and its guidelines for Forest, Land and Agriculture (FLAG). This ensures that our targets align with limiting global warming to 1.5°C above pre-industrial levels, as outlined in the Paris Agreement. **We have submitted our targets to SBTi and are awaiting feedback and validation.**

Overview of science-based targets (not yet validated by SBTi):

- **Scope 1 and 2 (market-based):** reduce emissions by 42% by 2030, compared to 2023 levels.
- **Scope 3 FLAG:** reduce emissions in the near-term target scope* by 30.3% by 2030, compared to 2023 levels.
- **Deforestation commitment:** achieve zero deforestation in our primary deforestation-linked commodities by 31 December 2025.
- **Scope 3 non-FLAG:** ensure that 73% of our suppliers and customers** (by emissions) set science-based targets by 2030.

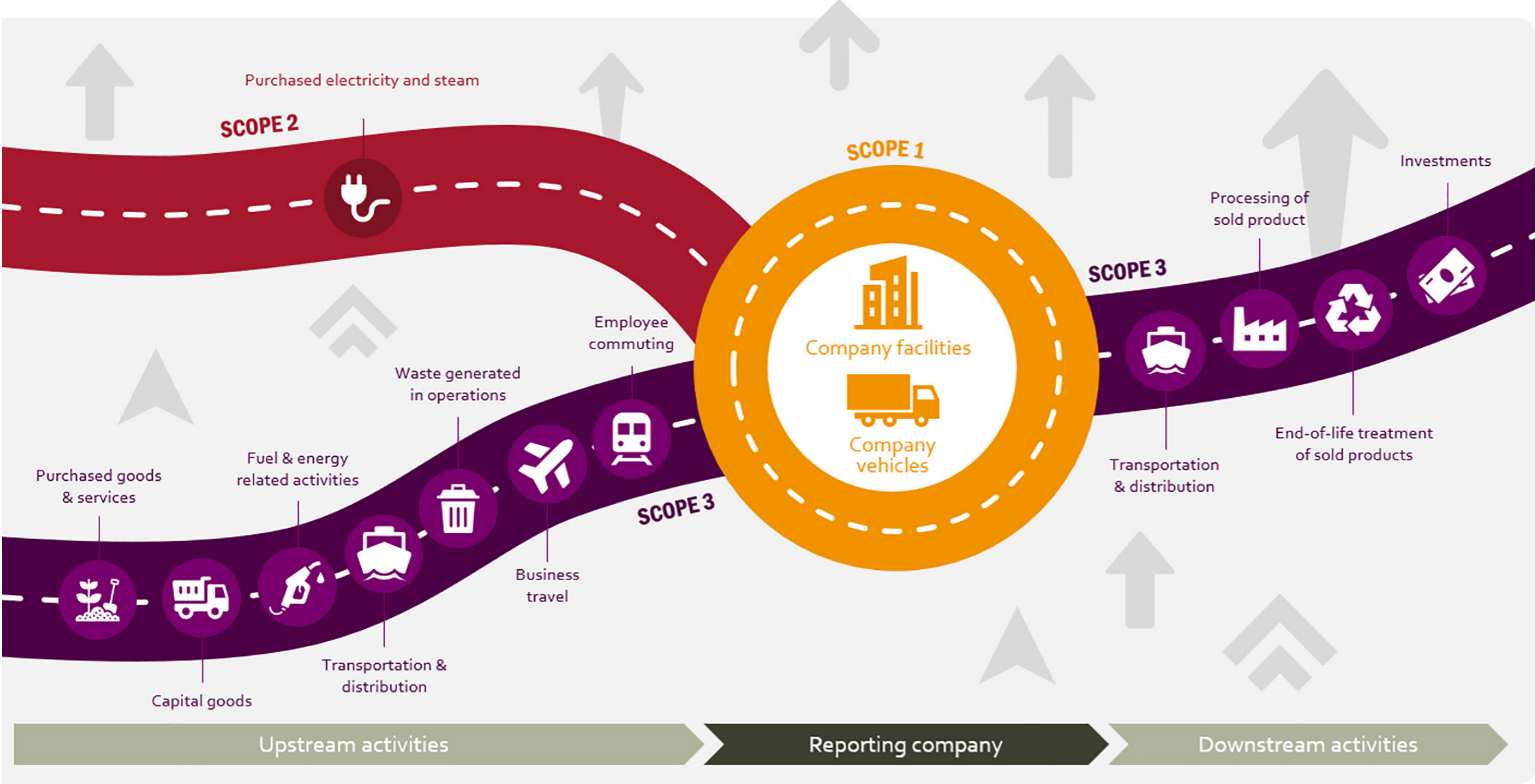
* Scope of 2030 target: FLAG (Forest, Land and Agriculture) emissions from centrally managed raw materials, including palm oil (products), butter, flour, rapeseed oil, soya bean oil and sunflower oil. This covers over 72% of Vandemoortele's total FLAG emissions.

** Suppliers covering purchased goods and services, capital goods, fuel- and energy-related activities, upstream transportation and distribution, and customers covering the processing of sold products.



The GHG Protocol categories relevant to Vandemoortele are:

SCOPE 1, 2 & 3 EXPLAINED



SCOPE 1
DIRECT EMISSIONS
Gas consumption in production sites, fuel consumption own transport & fleet, refrigerant leakages...

SCOPE 2
INDIRECT EMISSIONS
Purchased electricity and steam

SCOPE 3
INDIRECT EMISSIONS IN THE VALUE CHAIN
+/- 90% is from purchased goods & services

As a company in a land-intensive sector, we are required to distinguish between the so-called FLAG (Food, Land and Agriculture) emissions and the ‘non-FLAG’ or ‘energy/industry’ emissions when submitting targets to SBTi. For Vandemoortele, this distinction is only relevant for the emissions from our purchased goods & services within Scope 3.

FLAG
FOREST, LAND & AGRICULTURE
The emissions occurring until the product leaves the farm

Land use change
e.g. deforestation, conversion, drainage...

Land management
e.g. Fertilizers, methane emissions from cows, emissions from manure, crop residues, fuel consumption of agriculture machinery...

VS.

NON-FLAG
ENERGY & INDUSTRY EMISSIONS
The emissions occurring after the product leaves the farm and other emissions not linked to agriculture

Packaging

Processing raw materials

Waste processing

Transportation

Employee commuting

Decarbonisation levers

Vandemoortele has identified a range of decarbonisation levers and outlined key actions to reduce its GHG emissions. These measures cover our product portfolio, internal services and operational processes. These decarbonisation levers are dynamic and will evolve in the future.

Decarbonisation levers for Scope 1 & 2

Green electricity: we are transitioning to renewable energy sources across our operations and commercial offices, including our headquarters. Our goal is to maximise on-site energy generation through wind and solar power systems, in addition to purchasing renewable electricity or guarantees of origin for green electricity, primarily from hydropower, wind and solar energy sources.

Dependency: continued availability and acceptance of market-based mechanisms for renewable energy.

Trucks and cars: we are transitioning both our personnel and transport vehicles to low- and zero-emission alternatives. Vandemoortele has assessed the carbon emissions from product transport to customers (downstream), using our own fleet (Scope 1). Our action plan focuses on increasing truck fill rates, optimising routes, shifting to intermodal transport (rail and shipping), exploring alternative fuels (HVO, electric, hydrogen), improving carrier management and providing driver efficiency training. Given the current limitations of alternative energy technologies, we are prioritising immediate actions.

Dependency: availability of alternative fuel technologies or other zero-emission solutions, as well as infrastructure for charging electric vehicles.

Energy efficiency improvements: we improve energy efficiency and reduce process emissions by optimising our operations. Key focus areas include energy monitoring, predictive maintenance and fine-tuning process setpoints. We are constantly seeking new ways to enhance energy efficiency and decarbonise our process heat, for example by reducing energy peaks, optimising start-stop cycles and refining process parameters.

Dependency: none.

Investments in low-emission technologies: we enhance energy efficiency and reduce process emissions by upgrading production equipment to

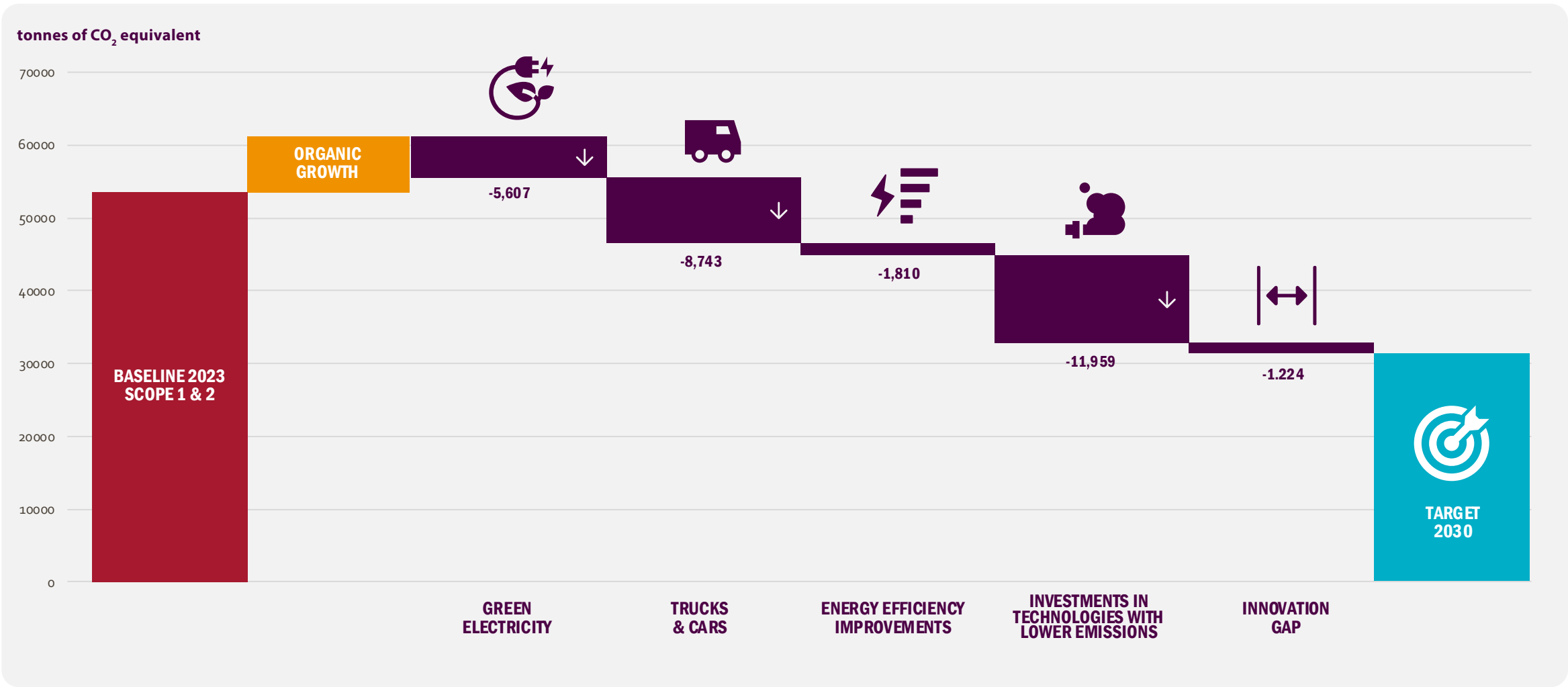
low-emission alternatives. This includes electrifying gas-fired heat applications, implementing heat recovery systems with heat pumps to generate hot water and steam, and replacing F-gases in cooling systems. We are gradually phasing out moderate and high Global Warming Potential (GWP) refrigerants in favour of natural refrigerants. In the meantime, we ensure our cooling systems operate safely and efficiently, following strict maintenance protocols to prevent refrigerant leaks. A company-wide refrigerant database has been set up to monitor leakage rates and related GHG emissions.

Dependency: availability and affordability of green electricity and mature technologies.

Innovation gap: after implementing all identified decarbonisation levers, an emission gap of 1,224 tonnes of CO₂ equivalent remains. Vandemoortele plans to close this gap through innovation. This may include shifting to new technologies or adopting alternative fuels. Additionally, regulatory changes may well help close our CO₂ gap. These could involve recognising guarantees of origin for biogas or allowing offsetting as a valid decarbonisation method (which is not yet the case).

Dependency: regulatory changes for market-based mechanisms for renewable gas or offsetting, and cost-effective technological solutions for thermal energy.

CLIMATE TRANSITION PLAN SCOPE 1 & 2





Decarbonisation levers for Scope 3

Scope 3 emissions account for approximately 98% of our total GHG emissions. We have identified the following decarbonisation levers to address emissions across our value chain (see below). In 2025, we will further define how much each lever should contribute towards achieving our FLAG and non-FLAG targets. We will do this in alignment with our overall business strategy, including the organic growth outlined in our strategic plan.

Low-carbon sourcing (focus: FLAG)

We are collaborating with our suppliers to reduce emissions in agriculture, focusing on key raw materials: palm oil, butter, flour, rapeseed oil, soya bean oil and sunflower oil.

- **Palm oil:** since palm oil is the largest contributor to our FLAG emissions, we almost source 100% RSPO-certified palm oil. This has a significantly lower carbon footprint compared to non-certified palm oil (*source: Schmidt & De Rosa, 2020*).
- **Regenerative agriculture practices:** we are encouraging our suppliers to adopt regenerative agriculture practices, which help reduce GHG emissions and increase soil carbon. These practices include:
 - minimising tillage;
 - maintaining soil coverage (e.g. cover crops);
 - crop rotation;
 - reducing synthetic fertilisers and replacing them with natural alternatives.

In addition, we are supporting dairy farm projects that focus on reducing methane emissions, improving herd performance, optimising manure management and increasing the use of renewable energy on farms. These actions also contribute to reductions in GHG emissions.

- **Land use change emissions:** emissions from land use change are a significant factor for commodities at high deforestation risk, such as palm oil and soya bean oil. Improving traceability and measuring both current and historical emissions from deforestation and land conversion will help improve data accuracy and give us more control over our emission reduction efforts. As part of this, sourcing more soya bean oil from European origins will help reduce land use change emissions. Eliminating these emissions for all commodities will take time, as a 20-year amortisation period applies to land use change events.

Dependencies: the ability and feasibility for farmers to transition to more sustainable agricultural practices. The final version of the GHG Protocol Land Sector and Removal Guidance, particularly for CO₂ removals and traceability.

Low carbon by design and portfolio management (focus: FLAG)

We are replacing high-carbon ingredients in our recipes with low-carbon alternatives and we are promoting more sustainable options to our customers. A key aspect of this will be offering more plant-based alternatives.

Dependencies: the willingness of Vandemoortele's customers and end-consumers to embrace products with a smaller carbon footprint.

Supplier and customer engagement (focus: non-FLAG)

We will collaborate with our suppliers to set science-based climate targets, aiming to transition together. We will track their progress and engage them in measuring and reducing their GHG emissions in line with climate science. These criteria will be incorporated into our supplier selection process. In addition, we are strengthening our partnerships with customers who are committed to science-based targets. Our goal is to ensure that 73% of our Scope 3 emissions, within the scope of the near-term non-FLAG target, are linked to suppliers and customers with science-based climate targets (validated by SBTi or set in alignment with the latest SBTi near-term criteria).

Dependencies: market evolution and willingness of our suppliers and customers to partner and set science-based targets.

We are collaborating with our suppliers to reduce emissions in agriculture, focusing on key raw materials

Investment and funding

Our Climate Transition Plan plays a vital role in strengthening our business. However, it also requires significant investment in both operational costs (OpEx) and capital expenditures (CapEx). Evaluating these investments, integrating them into our business decisions and defining appropriate financing strategies are key to the plan’s success.

In line with our commitment to climate change mitigation, Vandemoortele is dedicated to **allocating the necessary resources** to support this transition. Currently, the CapEx and OpEx linked to our transition plan are not yet Taxonomy-aligned. In 2024, a total of €2.6 million was allocated to our transition plan for Scope 1 and 2 emissions. During FY25, we will further incorporate our transition plan into our strategic plan. We need more maturity before we can share future amounts. The largest portion of this amount is related to CapEx.

Through our ‘Low carbon by design’ approach and portfolio management, we aim to replace high-impact ingredients with **lower-carbon alternatives** in our recipes. This reduces our climate footprint and helps customers achieve their decarbonisation goals. While sourcing low-carbon raw materials usually increases OpEx, we strive to create added value by offering lower-carbon products.

To ensure continued progress, our transition plan will be regularly updated to reflect **new developments and evolving strategies**, keeping it aligned with both our business objectives and climate commitments.

Decarbonisation investment plans

- i. Specific decarbonisation investment plans for 2025 have been incorporated into the approved budget. We are currently developing a comprehensive **CapEx strategy**, focused on reducing GHG emissions, water consumption and energy intensity. This plan will be integrated into Vandemoortele’s long-term investment strategy, to ensure we meet our 2030 commitments. Sustainability priorities are embedded in our financial strategy to ensure responsible capital allocation.
- ii. **Regular reviews** will be integrated into approval and monitoring processes to ensure funds are allocated and used efficiently. Progress will be transparently communicated through sustainability disclosures.

Locked-in emissions

Vandemoortele has conducted a **qualitative assessment** of potential locked-in greenhouse gas (GHG) emissions linked to its current and planned key assets. The primary sources of these emissions include fossil-fuel-powered vehicles, production infrastructure, machinery and cooling processes using F-gasses (below 2,500 GWP).

Locked-in emissions are expected to **remain below the threshold** required to meet our 2030 targets and will not hinder our ability to achieve them. The transition risk for these emissions is minimal, as most decarbonisation levers do not rely on intermediary technologies that could lock in emissions. In cases

where transitional solutions are necessary, they will not compromise the overall target.

The inclusion of the transition plan in our strategy and business model

Embedding our climate transition plan into Vandemoortele’s strategy and business model is essential for aligning with environmental goals and ensuring long-term business resilience. This integration allows us to set **clear, actionable climate objectives**, demonstrating our commitment to tackling climate change while still maintaining profitability.

By prioritising **renewable energy and energy-efficient practices**, we mitigate exposure to fluctuating energy costs and reduce our environmental impact. Targeted capital investments (CapEx) are also essential to further decarbonise our activities.

We source **sustainable raw materials** to minimise our impact on climate and biodiversity. Challenges like deforestation, often linked to key commodities such as palm oil, soya and cocoa, are addressed through partnerships with suppliers and NGOs. Additionally, we support the adoption of regenerative and sustainable agricultural practices for crops like wheat, rapeseed and sunflower.





To meet growing consumer demand for lower-impact products, we are expanding our portfolio of **plant-based items**. One of our two core business lines, Plant-Based Food Solutions, fully caters to this demand, while our Bakery Products division continues to innovate in this area.

Sustainability is increasingly becoming a key factor in consumer purchasing decisions. By embedding climate transition into our strategy and business model, we strengthen our market position, future-proof our operations, improve our brand reputation and attract environmentally conscious consumers.

The approval of the transition plan

The transition plan follows a **structured approval process** across multiple organisational levels, similar to other sustainability matters and investment cases. To achieve Vandemoortele’s 2030 ambitions, the plan has been presented to both management teams, the Executive Committee (ExCo) and ultimately the Board for review and endorsement.

Designed to be dynamic, the transition plan is updated annually to incorporate new insights, evolving knowledge and technological advancements. While the current version is based on our existing assumptions and understanding, it serves as a strategic foundation to guide our progress towards 2030.

This plan, along with the necessary investments, will be integrated into the **2026-2029 strategic plan**. Each year, as part of the budget preparation process, the key elements of the strategic plan are thoroughly

reviewed and refined to align with the latest priorities. These updates are then reflected in the budget for the upcoming year, ensuring a consistent focus on our long-term objectives.

Both the strategic plan and the budget undergo an **annual approval and review process** by our management teams, the ExCo and the Board. This ensures accountability and alignment with Vandemoortele’s sustainability commitments.

Our progress in implementing the climate transition plan

Vandemoortele has started executing its climate transition plan across Scope 1, 2 and 3 emissions. Despite our organic volume growth this year, we remain **on track to reduce emissions** in a linear trajectory, demonstrating our ability to decouple business growth from increased GHG emissions.

[🔗 For further details on our 2024 achievements, refer to the section ‘Our performance in 2024’.](#)

We have **strengthened our governance structures** to ensure accountability and transparency in the plan’s execution. Progress is regularly reviewed by the ExCo and the Board of Directors, with updates shared with key stakeholders through our annual integrated report.

OUR ACTION PLANS

E1-3

ⓘ All climate mitigation actions are outlined in the section ‘Our climate transition plan’ on page 87 and ‘Our performance in 2024’ on page 93.

In the future, we will better assess the climate adaptation measures needed to safeguard Vandemoortele’s production sites, operations and resources for the years ahead.

OUR TARGETS

E1-4

Vandemoortele is committed to science-based targets in line with the ambition to limit global warming to 1.5°C. We aim to achieve **net-zero emissions by 2050**. To support that long-term goal, we have defined near-term targets for our Scope 1, 2 and 3 emissions.

ⓘ See our transition plan for climate change mitigation on page 87.

Additionally, we have set entity-specific targets to reduce energy consumption relative to production volume and to keep our electricity 100% green:

OUR PERFORMANCE	2024	TARGET 2030
Scope 1 & 2 GHG emissions vs. 2023 (in % relative change)	-14.49%	-42%
Scope 3 FLAG GHG emissions vs. 2023 (in % relative change)	-4.52%	-30.3%
Supplier & customer engagement by Scope 3 non-FLAG emissions (%)	41.6%	73%
Energy intensity (in % relative change) Group vs. 2020	-8%	-15%
Energy intensity (in % relative change) BP vs. 2020	-9%	-15%
Energy intensity (in % relative change) PBFS vs. 2020	-7%	-15%
Green electricity (%)	100%	100%

→ Check all of our targets and progress in the sustainability scorecard

OUR PERFORMANCE IN 2024

Our company carbon footprint

In 2024, Vandemoortele’s **total GHG emissions** amounted to approximately 2.35 million tonnes of CO₂ equivalent. Scope 1 emissions accounted for 35,871 tonnes, while Scope 2 (market-based) emissions totalled 10,393 tonnes. This means that only 2.0% of our total emissions stem from our direct operations, including production plants, warehouses, offices, fleet and purchased energy. For Scope 2 emissions, we used 100% green electricity, of which 82% was unbundled with Guarantees of Origin (GOs) and 18% was bundled with green contracts. We do not have biogenic emissions in our Scope 1 and 2.

Thanks to our steady progress in energy efficiency and investments in electrification we **reduced our Scope 1 and 2 emissions** by 14.49% compared to 2023. In total, we achieved a GHG emission reduction of 5,137 tCO₂e for Scope 1 and 2,700 tCO₂e for Scope 2. This reduction was driven by various decarbonisation actions, including:

- a shift from grey to green electricity in recent acquisitions (3.2%);
- reductions in fleet size and transport activities (3.1%);
- energy consumption reductions and shifts to low-GWP refrigerants in our PBFS and BP operations (5.0%);
- the closure of factories in Paindor (1.4%);
- the electrification of our personnel fleet (1.9%).



For Scope 3, we have calculated emissions for both 2023 and 2024. We improved the completeness and accuracy of these calculations, aligning them more closely with the latest GHG Protocol standards. In 2024, **Scope 3** represented 98% of our total company carbon footprint, with 61% of these emissions linked to agriculture and land use, also known as FLAG emissions. We made significant efforts to reduce these FLAG emissions, achieving a 4.52% reduction in the emissions within the scope of our near-term target. This is a strong result for our first year, especially considering the organic growth in two commodities that contribute most to our FLAG emissions: palm oil and butter.

The biggest driver of this reduction was the shift to **certified palm oil**. In 2024, we purchased almost exclusively RSPO-certified palm oil. Additionally, we supported carbon reduction initiatives with suppliers of flour, butter and vegetable oils, collectively reducing and removing more than 20,000 tonnes of CO₂e in our value chain. We already have several projects and collaborations with suppliers in place, with the goal of continuing to reduce emissions linearly into 2025.

We have also taken steps in **supplier and customer engagement**. In 2024, we mapped out Scope 3 emissions per supplier and customer within the scope of our target. This allowed us to calculate our baseline and track progress against our supplier and customer engagement target. It will also help us set priorities for engagement in the coming months and years. We have started inquiring about carbon reduction targets in our discussions with suppliers and have already

included setting science-based targets as criteria in some supplier contracts.

In 2024, 41.6% of emissions were covered by **suppliers and customers with science-based targets**, which represents an increase of 12.1% compared to the year before. Another 5% of emissions were linked to suppliers and customers committed to setting SBTi targets. In the coming year, we plan to further develop our supplier engagement programme and integrate it more formally into our procurement processes. We also aim to strengthen our partnerships with customers with science-based targets, as we believe we can support each other in meeting our climate goals.

Our energy performance

In 2024, **we reduced our energy intensity at Group level by 8%** compared to 2020. The BP business line achieved a 9% reduction in energy intensity, while the PBFS business line saw a 7% decrease. We also continued using 100% green electricity.

Vandemoortele and Axiane: allies in shaping a tasty future sustainably

In February 2024, Vandemoortele proudly announced a pioneering long-term partnership with French milling expert Axiane, part of the Axéreal Group. As one of the first major European industrial companies to do so, we signed a forward-looking contract where **sustainability, supply security and value creation through innovation** are integral to our business strategy. Through this collaboration, the Axéreal Group is working closely with farmers to promote regenerative agriculture practices in wheat production. The success of the first harvest in 2023 was notable, with the regenerative wheat yielding a carbon footprint (including carbon removals) that was 81% lower than the conventional wheat reference of Agribalyse.



ENERGY CONSUMPTION AND MIX

E1-5

ADDITIONAL CSRD METRICS	PERFORMANCE 2024 (MWh)
Taking climate action	
Consumption of purchased or acquired electricity, heat, steam or cooling from fossil sources	22,992
Fuel consumption from coal and coal products	0
Fuel consumption from crude oil and petroleum products	11,263
Fuel consumption from natural gas	85,207
Fuel consumption from other fossil sources	10,799
Energy consumption from fossil sources	130,261
Energy consumption from nuclear sources	0
Fuel consumption from renewable sources	1,019
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	207,076
Consumption of self-generated non-fuel renewable energy	2,632
Energy consumption from renewable sources	210,727
Total energy consumption	340,988
Renewable energy production	2,632
Non-renewable energy production	0
Percentage of energy consumption from nuclear sources in total energy consumption	0
Percentage of renewable sources in total energy consumption	61.8%
Percentage of fossil sources in total energy consumption	38.2%
Energy intensity from activities in high climate impact sectors*	0.00017 MWh / EUR

🔗 [Check our GHG emission targets on page 141.](#)

*More information on the high climate impact sectors can be found in ‘The methodology and assumptions of our KPIs and metrics’.

E1-6

ADDITIONAL CSRD METRICS	BASE YEAR 2023 (tCO ₂ e)	PERFORMANCE 2024 (tCO ₂ e)	% VS. BASE YEAR
Taking climate action			
Scope 1 GHG emissions			
Gross Scope 1 GHG emissions (tCO ₂ e)	41,008	35,871	-12.5%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0%	0%	0%
Scope 2 GHG emissions			
Gross location-based Scope 2 GHG emissions (tCO ₂ e)	57,786	42,455	-26.5%
Gross market-based Scope 2 GHG emissions (tCO ₂ e)	13,093	10,393	-20.6%
Scope 3 GHG emissions			
Total gross indirect (Scope 3) GHG emissions (tCO ₂ e)	2,320,648	2,300,036	-0.9%
Upstream			
1. Purchased goods and services	2,034,553	1,988,003	-2.3%
2. Capital goods	36,547	55,116	50.8%
3. Fuel and energy-related activities (not included in Scope 1 or Scope 2)	27,873	24,685	-11.4%
4. Upstream transportation and distribution	96,514	104,474	8.2%
5. Waste generated in operations	1,730	1,682	-2.8%
6. Business travel	706	1,100	55.8%
7. Employee commuting	3,916	3,896	-0.5%
Downstream			
9. Downstream transportation and distribution	39,410	40,254	2.1%
10. Processing of sold products	58,851	59,158	0.5%
12. End-of-life treatment of sold products	16,921	17,941	6.0%
15. Investments	3,626	3,726	2.8%
Total GHG emissions			
Total GHG emissions (location-based) (tCO ₂ e)	2,419,442	2,378,361	-1.7%
Total GHG emissions (market-based) (tCO ₂ e)	2,374,748	2,346,299	-1.2%
GHG emissions intensity, market-based (total GHG emissions per net revenue)	0.0012 tCO₂e/EUR		
GHG emissions intensity, location-based (total GHG emissions per net revenue)	0.0012 tCO₂e/EUR		



OUR GHG REMOVALS IN THE UPSTREAM VALUE CHAIN

E1-7

As part of our FLAG emissions reduction strategy, we are incorporating **verified biogenic removals** from our upstream value chain. This approach aligns with the SBTi FLAG guidance v1.1 and the draft GHGP Land Sector and Removals Guidance (September 2022). Our suppliers use solid MRV technologies, a mass balance booking approach and ensure traceability to the farm level or at least to the sourcing region (supply shed method) with the necessary safeguards. All removals are third-party verified.

In 2024, we achieved a total of 1,717 tCO₂e in removals, through **soil carbon sequestration** driven by practices such as cover cropping, adding more organic carbon to the soil, and reduced tillage. These efforts were carried out by European farmers, primarily in France. At present, we do not purchase carbon credits outside of our value chain and we do not make claims of net-zero or carbon neutrality.

OUR DECARBONISATION INVESTMENTS

E1-8

Vandemoortele recognises the critical importance of GHG reduction initiatives within our sustainability strategy. To drive these efforts, we have implemented an **internal carbon pricing mechanism** with a ‘shadow price’ of €100 per tonne of CO₂. While we

started with the ETS price indicator, we have opted for a higher value to emphasise the significance of our GHG reduction efforts. This pricing mechanism applies to all CapEx linked to the Scope 1 & 2 transition plan (€2.6 million) across all Vandemoortele entities and can be used for investments aimed at reducing Scope 1 & 2 emissions.

The **shadow price is reviewed annually** to ensure its continued relevance and effectiveness. It is incorporated into our business cases to account for the potential benefits and risks of GHG emissions. By integrating this price into our decision-making, we aim to reflect the true cost of carbon and incentivise sustainable choices throughout our operations.

While our Scope 1 & 2 GHG reduction targets play a more significant role in decision-making than the shadow carbon price, we view this internal carbon pricing as an important signal of our support for carbon pricing as a policy instrument. It ensures that the **value of carbon is recognised across all levels of the company**.

Vandemoortele applies **internal carbon pricing** to relevant business activities, ensuring that the financial implications of GHG emissions are considered in our strategic planning and investment decisions. This approach helps us manage the risks and opportunities associated with climate change, reinforcing our commitment to sustainability and responsible business practices.

OUR PEOPLE

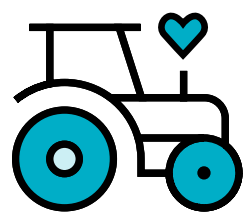
“I had the opportunity to broaden my skills thanks to the many technological innovations and investments made by the Group”

Stéphane Gavel Maintenance Technician

“I work at Vandemoortele for 14 years now, at the Athies site, where I arrived one year after its opening. At that time, the site had only one bread production line on a mesh belt. Since then, the factory has expanded with the addition of two more mesh belt lines and one sole baking line.”

“Initially specialised in mechanics, I had the opportunity to broaden my skills thanks to the many technological innovations and investments made by the Group. Today, my knowledge also extends to electricity, automation and refrigeration.”

“Vandemoortele is committed to supporting its employees in their training and skill development. Each day brings new challenges and learning opportunities, and together with the various departments, we strive to provide our customers with the highest-quality products.”



ENSURING SUSTAINABLE RESOURCES

OUR IMPACTS, RISKS AND OPPORTUNITIES

SBM-3

Research 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, particularly when sourcing key commodities like palm oil, soya and 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 enter the ocean every year. Our reliance on biodiversity for crop production makes these losses a direct threat to our operations, for example through droughts, soil degradation, storms or ingredient shortages.

To counter these risks, we source our ingredients sustainably, with respect for people and the planet. At the same time, we invest in **product traceability** and monitor the origins and production methods of our raw materials. To enhance our positive impact, we work with suppliers who adopt **regenerative farming practices**, thereby supporting ecosystem regeneration.

In terms of **packaging**, we minimise our material usage and prioritise recyclable, reusable or recycled

options to minimise our environmental impact and reinforce our commitment to sustainability. However, the market is currently anticipating low availability and high prices of recycled plastics and other eco-friendly materials. In addition, the use of single-use plastics cannot always be avoided due to specific functionality, quality, hygiene or safety requirements. To respect the environment and maintain customer trust, we are continually looking for new ways to address this issue.

OUR BIODIVERSITY RISK ASSESSMENT

E4-1**IRO-1**

In the future, we will conduct a **comprehensive risk assessment of our value chain** to identify and evaluate biodiversity risks. We will determine whether activities in our value chain negatively affect biodiversity-sensitive areas. This assessment will form the foundation of our biodiversity resilience strategy. We are, however, already taking proactive measures to ensure that our sourcing activities do not negatively impact biodiversity in producing countries. Through participation in multi-stakeholder projects, we contribute to local initiatives in regenerative agriculture, environmental protection

and conservation. These efforts are conducted in collaboration with NGOs, suppliers and local communities.

OUR ACTION PLANS

E4-3

Dialogue with palm oil suppliers

Strong collaboration and regular communication with our suppliers are essential for responsible sourcing at Vandemoortele. To encourage this 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.

The **NDPE policy** requires our suppliers to avoid converting forests or peatlands into plantations and to uphold labour and community rights. Since 2017, all our key palm oil suppliers – accounting for over 95% of our total supply have committed to an NDPE policy, supporting our efforts to build a more sustainable palm oil value chain.





In 2022, we asked our **palm oil suppliers** to participate in a new EPI survey. We reviewed the results in 2023 and jointly established action plans. In 2024, we conducted a new assessment to track progress and update the status of the agreed-upon actions.

Grievances management

Our grievance mechanism allows us to **deal with grievances in a structured and timely manner**.

It is fully aligned with related processes, like our whistleblowing procedure. In 2023, we made our grievance mechanism public, in order to increase transparency and ensure that everyone has access to the right tools for reporting grievances. This allows us to monitor our value chain effectively and engage with our direct suppliers to address any breaches of our sourcing commitments.

Round Table on Responsible Soy member

In 2011, Vandemoortele joined the Round Table on Responsible Soy (RTRS). Additionally, in 2018, we were among the eight initial subscribers to **Alliance4Soy**, a consortium of food companies that now 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. Together, we work to align governance practices to ensure **100% responsible soya for all our products**. Through our involvement in Alliance4Soy, we also contribute to 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 provide direct benefits to farmers in Brazil's critical Cerrado biome and surrounding environments. By adding new incentives for soya bean growers, we recognise their efforts to protect their native habitats and halt conversion.

In 2024, we expanded our efforts by purchasing soya oil through AceTrack and ProTerra, adopting a **new approach to soya sourcing that employs geo-localisation**. This allows us to track our soya beans back to the farm level, ensuring full traceability and reinforcing our commitment to responsible sourcing.

Sustainable farming practices for wheat

Wheat is a vital ingredient in our Bakery Products (BP) business line and ensuring its quality is essential to meeting customer expectations. To **reduce the environmental impact of wheat cultivation**, we focus on sourcing low-carbon wheat and the promotion of regenerative farming practices. We collaborate with farmers to implement techniques such as reduced fertiliser use, carbon sequestration and sustainable farming methods that enhance soil health, improve water retention and increase biodiversity. These practices help lower carbon emissions and enhance the long-term resilience of agriculture.

Since 2022, we have been sourcing **low-carbon wheat**, laying the groundwork for significant change across multiple countries. This early adoption now enables us to scale up our efforts, ensuring that

regenerative agriculture and low-carbon wheat are increasingly adopted on a larger scale. This has allowed us to make meaningful progress in reducing carbon emissions. We sourced substantial volumes of low-carbon wheat in 2024 and we will continue to expand these efforts in 2025.

Working groups and study programmes

Since 2022, we have participated in a Belgian working group on biodiversity, organised by **The Shift and WWF Belgium**. This group is composed of representatives from various internationally active companies from different sectors, with the aim to exchange on and align their efforts in achieving a nature-positive future. During this programme, participants develop and implement personal roadmaps taking into account international biodiversity standards and frameworks (e.g. the global biodiversity framework, science-based targets for nature, TNFD...). This programme concluded in 2024, providing valuable insights and connections.

In 2023 and 2024, the participants in our **Young Graduates programme** assessed the impact of Vandemoortele’s activities on biodiversity. This analysis highlighted specific biodiversity gaps in our sustainability strategy, allowing us to focus on targeted areas for improvement. By the end of 2024, the group defined an action plan to tackle biodiversity at different levels and identified existing processes and areas in which actions aimed at improving local biodiversity can be implemented.

Plastic packaging

As part of our commitment to contributing to a circular packaging economy, all Vandemoortele-branded retail PET packaging has contained at least **30% recycled content** since the end of 2024. Throughout 2025, our private-label retail PET bottles will also start incorporating 30% recycled content.

To make packaging reporting more efficient, we have **improved our database** to gather more data on both outgoing and incoming packaging. We collaborate with our suppliers to collect sufficient data and provide our customers with transparent information about our packaging choices. To drive continued innovation, we monitor projects aimed at making packaging ‘smarter’, for example by adding data carriers (labels, watermarks, etc.) to improve traceability throughout the value chain.



Planting 500 trees at our sustainability teambuilding event!

On 12 December 2024, the Vandemoortele Sustainability Team and our Project Leaders headed out for a day of tree planting. Guided by Natuurpunt, Belgium’s largest nature conservation organisation, we rolled up our sleeves, donned our gloves and planted around 500 trees. These trees will support the local environment by **enhancing biodiversity and absorbing carbon emissions** in the years ahead. For the team, the experience was not only enjoyable but also a powerful reminder of our ongoing commitment to sustainability and teamwork.

OUR TARGETS FOR ENSURING SUSTAINABLE RESOURCES

E4-4

By sourcing sustainably, we aim to reduce our impact on resource availability and **production methods. Our goal is to procure 100% of our key commodities – palm oil, soya and cocoa – with sustainable certification** (minimisation & avoidance). These targets support the EU Biodiversity Strategy, though the EU strategy extends beyond certification alone. The target of identifying biodiversity impacts and risks in order to develop an action plan by 2030 (minimisation & avoidance) aligns with the EU strategy’s goal of ecosystem restoration, strict conservation and pesticide reduction. In addition to our focus on commodities, we have set a target for our packaging materials. By 2030, we aim to incorporate at least 30% recycled content in each PET packaging unit.

OUR PERFORMANCE	2024	TARGET 2030
Sustainable certified soya (consumer & professional brands) (%)	100%	100%
Sustainable certified cocoa (consumer & professional brands) (%)	86%	100%
Sustainable certified palm oil (%)	81%	100%
% of identified biodiversity impacts and risks to have an action plan	New	100%
Recycled PET per packaging unit (%)	24.3%	30%
→ Check all of our targets and progress in the sustainability scorecard		

OUR PERFORMANCE IN 2024

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. We accept both segregated palm oil, which comes only from certified sources, and palm oil from the Mass Balance Supply Chain model, where sustainable palm oil from certified sources is mixed with conventional palm oil. We have also received RSPO-certification, which allows us to label our products as RSPO-certified.

In 2024, 81% of the palm oil included in our finished products was certified. We aim to reach 100% as soon as possible, which we believe is achievable despite pricing and availability challenges.

Sustainable certified soya

Vandemoortele has been a member of the **Round Table on Responsible Soy (RTRS)** since 2011. This organisation advocates responsible soya production through sustainable agricultural practices, environmental protection and fair working conditions. RTRS soya is 100% deforestation- and conversion-free (DCF).

Since 2017, we have been working towards **100% RTRS-certified soya** in our consumer and professional brands. By 2030, we aim to extend this commitment to all our products. In 2024, 100% of all soya used in our supply chain was sustainable certified; either through RTRS credits (for indirect volumes) or ProTerra and AceTrack certifications (for direct soya oil volumes).

Sustainable certified cocoa

The chocolate value chain faces significant structural challenges, including poverty among cocoa farmers, depleted soil and deforestation. To secure the future of chocolate, all actors in the value chain must address these issues. At present, we purchase both liquid and solid chocolate certified by the **Rainforest Alliance (RA)**. Upon customer request, we also source Fairtrade®-certified chocolate. We have received RA certification, allowing us to label our products as RA-certified.

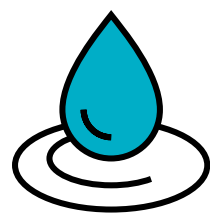
In 2024, 86% of the cocoa in our branded products was certified, a 15% increase from 2023. This improvement was the result of an internal push to include sustainable certified cocoa in more products. We remain committed to achieving 100% sustainable cocoa in our consumer and professional brands by 2030.

Packaging materials

At the end of 2024, 24.3% (250 tonnes) of the PET we used consisted of **recycled materials (r-PET)**, putting us on track to meet our target of 30% r-PET by 2030.

Since 2021, we have exclusively used **100% recycled and recyclable paper and cardboard**. 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.

100%
of all soya used in our supply chain in 2024 was sustainable certified



PRESERVING WATER AVAILABILITY

OUR IMPACTS, RISKS AND OPPORTUNITIES

IRO-1

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 such 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 presents a potential risk for Vandemoortele, as water shortages in our sourcing regions could have a significant impact on our activities. A recent mapping exercise identified our production sites in Italy, northern France (Arras), Belgium and Spain (Barcelona) as being located in high-risk water areas. Given the growing scarcity of water, we are committed to using this vital resource as sparingly and economically as possible.

HOW WE ACT ON WATER

E3-2

Actions in our production plants

As we have already implemented numerous measures to **improve water efficiency** in our production processes, our opportunities for further reduction are limited. Key initiatives include the introduction of dry cleaning in certain areas, the automation of our Cleaning-in-Place (CIP) installations and the automated purging of cooling tower water.

In 2024, we installed a new **CIP system** at our PBFS site in Izegem, enhancing automation, monitoring and safety throughout the cleaning process. We also strengthened the water management culture in our operations: we launched digital water consumption monitoring and centralised our communication campaigns.

To simultaneously conserve energy and reduce fresh water consumption, we invested in **heat recovery systems for our cooling compressor units**. These systems reduce water evaporation in cooling towers while improving overall efficiency. Additionally, we introduced an adiabatic cooling tower to further minimise fresh water usage. More units are currently being installed and will become operational in 2025.

The recovery systems for cooling compressor units and adiabatic cooling towers **optimise both energy and water efficiency**. They capture waste heat for reuse and reduce evaporation losses. Depending on their design, operating conditions and environmental factors, these systems can save between 20% and 80% of water compared to traditional cooling methods. Precise information on savings requires site-specific calculations.

Furthermore, our Saint-Vulbas site has launched an in-depth **water sobriety plan** to identify additional opportunities for reducing its environmental impact.

Actions in our sourcing areas

In the areas where we source our ingredients, we **support initiatives** such as the Rainforest Alliance, the Round Table on Responsible Soy (RTRS) and the Roundtable on Sustainable Palm Oil (RSPO). These initiatives **promote more efficient water usage**, in order to ensure availability and prevent 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).





Adiabatic cooling towers at our BP site Torcé 2 (France)

We have installed an adiabatic cooling tower at our site in Torcé to drastically **reduce our use of cooling water**. More towers will also soon become operational. Adiabatic cooling towers use 95% less water than traditional cooling systems. The technology also reduces the need for water treatment chemicals.

With this state-of-the-art solution, combined with other water saving actions in our production processes, we have minimised both our water consumption and our environmental impact.

To prepare for the **impact of droughts on crop growth**, we also identify single-source suppliers for all our commodities, i.e. suppliers that are our sole supplier of a particular commodity or ingredient. We explore alternative sourcing options or suppliers for these commodities or ingredients to mitigate the risk of crop failure and raw material shortages.

OUR TARGETS ON PRESERVING WATER AVAILABILITY

E3-3

We monitor freshwater usage across our operations using a **water intensity indicator**. This provides transparency across the organisation, particularly for our operational staff. Since our water consumption is directly tied to our production volumes, this knowledge allows our operators and supervisors to quickly react when our water consumption goes up and to promote more water-efficient work methods. Our targets apply to all production sites; we do not set stricter water management goals for sites located in water-risk areas.

OUR PERFORMANCE	2024	TARGET 2030
Wastewater intensity vs. 2020 (in % relative change)	-4.5%	-17%
→ Check all of our targets and progress in the sustainability scorecard		

OUR PERFORMANCE IN 2024

In 2024, our joint factories used **763,520 m³ of fresh water** (all tap water). Approximately 60% was used in our products, while the remaining 40% was used for cleaning, CIP and cooling processes. Our options for reusing water in our production processes are limited due to strict food safety regulations.

Compared to our reference year of 2020, our **wastewater consumption per kilogram of product**

decreased by 4.5% in 2024. This was mainly driven by our ongoing efforts to use water more efficiently, particularly at our BP production sites, where we implemented new cooling tower technologies. The increase in our production volumes also enabled us to organise our processes more efficiently. At our PBFS sites, the reduction in water usage was less significant, due to food safety constraints and new stricter cleaning protocols.

E3-4

ADDITIONAL CSRD METRICS	PERFORMANCE 2024
Preserving water availability	
Total water consumption (m ³)	763,520
Total water consumption in areas at water risk, including regions of high water stress (m ³)	419,033
Water intensity ratio (m ³ /€)	0.04%



WORKING TOWARDS ZERO WASTE

OUR IMPACTS, RISKS AND OPPORTUNITIES

IRO-1

Food waste is a significant issue that affects the environment, economy and society alike. 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, transportation and packaging. This waste also contributes to greenhouse gas emissions and other environmental challenges.

As a food company, we see it as our responsibility to **minimise food waste**, both during production and in the post-production stages. By optimising our production processes, we reduce changeover losses and minimise waste caused by quality issues or production faults. We also improve our sales forecasting methods and follow-up practices to prevent commercial obsolesces.

To reduce food losses in our production lines, we focus on automation, good maintenance and optimal production planning

OUR ACTION PLANS

E5-2

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

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 nearing the limits of improvement, although we continue to pursue further enhancements. Material efficiency in the BP business line is slightly lower, largely due to the more extensive range of products and recipes.

To reduce food losses in our production lines, we focus on **automation, good maintenance and optimal production planning**. Thanks to our advanced scanning system and our Manufacturing Execution System (MES), we ensure full traceability and control throughout the production process. Our MES helps identify inefficiencies in material usage,



thereby minimising waste. Over the past few years, we have also made significant investments 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 regularly reviewing the results, our operators become more conscious of their role in reducing food losses.

To monitor operational performance, we have implemented a **Performance Control System (PCS)**, which involves hourly, daily, weekly and monthly meetings at various organisational levels. This allows us to identify loss-related and other operational issues promptly, so we can quickly analyse and resolve or escalate them. Our MES and PCS have been implemented at all production sites in the PBFS business line. In Zeewolde, a new Batch Control System has been partially implemented and will be fully operational by spring 2025. Once complete, this system will provide deeper insights into our production losses and the actions needed to reduce them.

First Time Right principle

Food losses can also occur due to quality issues or manufacturing faults, such as incorrect ingredient dosing or labelling errors. We manage such issues through the First Time Right principle, which involves **meticulously monitoring all processes to prevent mistakes**. We continue to raise awareness of food waste among our associates and aim to standardise operations across all our production sites.

Commercial obsoletes

Even without production faults or quality issues, products sometimes fail to be sold before their ‘sell by’ date, resulting in commercial obsoletes. By placing even **greater emphasis on the demand side** (forecast accuracy) and closing the gap with the supply side (S&OP, planning), we minimise commercial obsoletes. When risks of obsolescence arise, we collaborate with our customers to offer them lower prices for products with shorter ‘best before’ dates.

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 fermented. In the PBFS business line, food waste is converted into biodiesel when reuse is not an option.

We have made significant investments in evaluation and management systems, to increase awareness of food waste issues across our organisation

KAIZEN events to reduce food loss

Operational excellence is one of the key pillars of our company and food loss has become an integral part of our Operational Excellence programme. As part of our ongoing efforts to continuously improve, several KAIZEN events have been conducted at different production sites. In addition to achieving tangible improvements, these events have also raised **awareness of food waste on the shop floor**. Best practices have been implemented and shared across sites.



OUR TARGETS TOWARDS ZERO WASTE

E5-3

By focusing on the outlined targets, we aim to **address our direct impact on food waste**. Our policies require all of our departments and business lines to take tailored measures to achieve this goal. By reducing food losses (prevention) and valorising organic streams into biodiesel, animal feed or fermentation (recovery), we contribute to our zero food waste objective.

OUR PERFORMANCE	2024	TARGET 2030
Food loss intensity BP vs. 2021 (in % relative change)	2.1%	-30%
Food loss intensity PBFS vs. 2021 (in % relative change)	-0.1%	-6.3%
→ Check all of our targets and progress in the sustainability scorecard		

OUR PERFORMANCE IN 2024

Bakery Products (BP)

In 2024, our **food loss intensity in BP increased by 2.1%** compared to 2021.

The 2024 result presents a **mixed picture** regarding manufacturing food loss. While improvement projects have contributed positively, their impact has been partially offset by issues such as wheat quality, changed market demands of product portfolio, a higher number of product conformity incidents and the start-up of new capacities (testing). On a positive note, we made further progress in reducing food loss in the supply chain and distribution, particularly related to logistics losses and product obsolescence.

Manufacturing food loss

We made **improvements in our bread factories**, although the wheat crop has been challenging, leading to food loss during transitional periods. The reintroduction programme for misshaped products in fresh production is ongoing and has yielded positive results in reducing food loss. Additionally, we noticed a shift towards floor oven bread which is more complex and longer to process and generates by nature more losses.

In our **pastry plants**, we faced high pressure to meet market demand, often resulting in smaller, less efficient production runs. In spite of this, we were able to maintain food loss levels in line with the strong performance of 2023. The new production facility at Torcé, which began operations in 2023, has shown

further improvement and is now performing at the same levels as comparable production lines.

In the **donut section**, new product lines in dedicated packaging resulted in extra losses. Additionally, we experienced significant loss due to a specific off-taste issue. In the patisserie section, we are seeing a shift towards more individual portions, which has led to higher losses during production.

Looking ahead, we are exploring **new techniques, processes and equipment to reintroduce food surpluses** and meet our 2030 target. Training plans have been implemented and we are continuing to standardise processes across our operations. Benchmarking exercises between factories help us challenge and learn from each other, leading to further improvements.

Logistic & commercial food loss

Our efforts to **prevent at-risk stock** have significantly reduced food loss from stock obsolescence, evidencing strong progress since 2023. This has involved implementing a digital solution to track at-risk stock based on sales forecasts. Additionally, SC & commercial teams in our 12 EU countries, as well as in the USA and Asia, have been actively involved. We will continue to strengthen this focus.

Plant-Based Food Solutions (PBFS)

For the PBFS business line, 2024 was a good year in terms of food loss. We managed to reverse the negative trend. **We reduced the food loss intensity by 0.1% compared to 2021**. The improvement was mainly driven by **reductions in quality, commercial and logistical scrap**, where we met the 2024 target thanks to continuous efforts. However, production losses remain a challenge, as capacity constraints, new line start-ups and the introduction of new technologies like pumpable shortening have not favourably impacted the final results.

Looking ahead to 2025, the **outlook remains positive**. Current efforts, combined with further capacity expansion, will help stabilise production losses. At the same time, the impact of new line start-ups will continue to be closely monitored.



EU TAXONOMY REPORTING

The EU Taxonomy Regulation (EU 2020/852) is a classification framework 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 ('DA Article 8'). For Vandemoortele, the reporting requirements concern reporting on 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', issued in 2021, updated in 2023), the technical annex for the four other environmental objectives (the 'Environmental Delegated Act', issued in 2023) and the FAQs released by the European Commission.

The 2024 reporting 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 except for a more in-depth analysis and understanding of criteria for eligible OpEx. All calculations are based on the reported data in Vandemoortele's consolidated financial statements.

[**🔗 The full Taxonomy reporting can be found in the annex on p. 165.**](#)

Turnover

Currently, the **food and beverage sector does not fall within the scope of the EU Taxonomy**, as no substantial contribution criteria have been defined for our industry under the Environmental Delegated Acts. While the European Commission has acknowledged the sector's potential role in climate change mitigation and adaptation, the development of technical screening criteria has been delayed. As a result, Vandemoortele's turnover is not considered Taxonomy-eligible at this time. We are closely monitoring all new publications on the environmental objectives and we prepare 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 individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions as defined by the Taxonomy Regulation, are considered eligible. Starting from the 2024 full CapEx list, Vandemoortele focused on capital expenditure above €200,000 as these are the larger projects. Such projects might concern investments in e.g. construction, real estate or energy, which have the potential to be considered as eligible CapEx in relation to such individual measures. Splitting the investments between economic activities is performed based on a thorough analysis of these projects by discussing these expenditures at project level with the finance and procurement team and by a detailed review of invoices to which eligibility category the CapEx relates. We identified 27.3% of these acquisitions compared to all acquisitions of property, plant and equipment and intangible assets (as included in note 16 and 17 of the financial report 2024) to be eligible. The assessment demonstrated that unique allocation to one of the objectives and economic categories was possible and revealed the following main eligible CapEx:

- **Climate change mitigation:** renovating floor and buildings in Poland and UK (7.2)
- **Climate change mitigation:** new buildings for production and warehousing in France and Italy (7.7)
- **Climate change mitigation:** new ventilation system (1.2)





- **Circular economy:** new IT equipment across the Group (7.7)
- **Water:** new urban wastewater treatment in Italy (2.2)

A detailed assessment on alignment was performed on the 2024 eligible CapEx. This revealed that as for now, **no CapEx was identified as Taxonomy-aligned** because most of the investments were planned and contracted before the EU Taxonomy regulation was clear, obtaining confirmation in time from third parties was not feasible and furthermore, Vandemoortele is still to perform its climate resilience assessment, an essential component of the Do No Significant Harm criteria for multiple activities considered as eligible.

⊖ [A more comprehensive view on Vandemoortele's climate ambitions and investments it will undertake can be found in its climate transition plan on page 87.](#)

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 is **considered not material**

to our business model as it represents less than 1% of total 2024 operating expenditures (calculated as the sum of 'Services', 'Employee benefits expenses' and 'Depreciation, amortisation and write down' as included in the consolidated income statements, totalling €798 million). We apply the reporting exemption as provided in the FAQ 13 of the Commission Notice C/2023/305, hence the value as aligned OpEx is nil.

Minimum safeguards

Reporting EU Taxonomy-aligned activities requires an assessment against the Minimum Safeguards. Even though Vandemoortele does not report any Taxonomy-aligned activities yet, **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).

In our CSRD report more details can be found on the four substantive topics: Human rights, including workers' rights, Bribery/corruption, Taxation and Fair competition. Both **governance and compliance are identified as key priorities** by the Board of Vandemoortele, particularly concerning regulatory non-compliance risks. The company ensures for instance that training on the Code of Conduct and whistleblowing procedures is provided to associates. Furthermore, Vandemoortele confirms that it 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 labour or human rights, anti-corruption, tax or competition 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 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 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 84.](#)

We will seek integration of the EU Taxonomy in our sustainability ambitions where relevant.

Vandemoortele has clearly expressed its sustainability ambitions, from energy and climate change to water, packaging and responsible sourcing

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› GOAL 2: PROTECTING NATURE

› GOAL 3: ENHANCING LIVES

- › **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**

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GOAL 3

ENHANCING LIVES



Joke De Leeuw & Samir Bedrici:

“At Vandemoortele, we are committed to creating healthy, safe and inclusive workplaces for all our associates. We foster personal growth and professional development, recognising the importance of a diverse and talented workforce. Every team member is provided with equal opportunities to thrive, achieve their career goals and contribute to our collective success.”

“Our people-centric approach ensures that every individual is respected, valued and supported. We also collaborate closely with our suppliers to promote fair and ethical labour conditions and we engage with local communities to build positive social connections. Through these efforts, we aim to enhance the working and living conditions of people throughout our entire value chain.”

“In 2024, we demonstrated our commitment to providing healthy and safe work conditions in many ways. Based on the results of our Engagement Survey, we offered teams across all departments valuable opportunities to develop their leadership skills and strengthen our safety culture. For example, we dedicated one week to translating our ambition for safe workplaces into strong commitments. Collaboration between expert teams improved consistency in key processes by uniting efforts under a ‘one voice’ approach.”

“By relying on the cultural wealth of our Group and staying true to our values, we aim to achieve zero accidents. All our associates play a vital role in creating a safe culture that puts people at the heart of our values.”

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



**Samir Bedrici –
Group HSE Manager**

**Joke De Leeuw –
Learning & Development Manager**

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Part IV: Financial statements



Our targets and KPIs

 Offering an engaging professional journey	STATUS 2024	TARGET 2030	KEY ACTIONS
Training per associate category (average hours)	All: 48.37 MG: 69.94 WC: 43.88 BC: 42.28	40 hours	› Competency matrices › The Vandemoortele Academy
Associates who adhere to P&DMP per associate category (%)	All: 94% MG: 99% WC: 91% BC: 94%	All: 95% MG: 99% WC: 97% BC: 93%	› Professional journey conversations for all of our associates › The workshop ‘How to help your team craft their professional journey’
Training & development score AES (score/100)	64	64	› Competency matrices › The Vandemoortele Academy › Professional journey conversations for all of our associates › Leaders 4 Growth programme
Sustainable engagement score AES (score/100)	78	80	› Our annual Associate Engagement Survey (AES)
 Providing a diverse, equitable and inclusive workplace	STATUS 2024	TARGET 2030	KEY ACTIONS
Representation of women at senior level (B+ level) (%)	27.83%	40% to 60%	› Equal representation of women in our recruitment procedures
Equal hours of training per associate per gender (ratio)	0.97	Ratio: 0.90 to 1.10	› Training is designed to support all associates
Gender pay gap (Vandemoortele definition) (%)	-2%	-2% to +2%	› Completed a study on the gender pay gap among blue-collars and white-collars across all our countries
Inclusive workplace index AES (score/100)	79	81	› Peer-to-peer feedback on diversity and inclusion › Our whistleblowing procedure or the SpeakUp portal
Full inclusivity for minorities AES (score/100)	67	73	› Expanded our focus on gender inequality to include age, ethnicity, religion and beliefs through a survey
 Ensuring a healthy and safe work environment	STATUS 2024	TARGET 2030	KEY ACTIONS
Severe accidents (no permanent disability)	2	0	› Our safety programme ‘ICARe, U2?’
Severity rate of Lost Workday Cases	0.55	0.3	› Peer-to-peer at all level of our operations
Frequency rate of Lost Workday Cases	13.01	14	› Independent Business Safety audits on our High Severity › Risk Safety Leadership Seminars › Local safety pillars in our operation sites
Well-being index AES (score/100)	76	77	› Prevention to help our associates avoid burnout or excessive workloads › Short-term and individual stress or burnout monitoring
 Ensuring workers’ rights in our value chain	STATUS 2024	TARGET 2030	KEY ACTIONS
Key commodities participating in a project on the ground (%)	75%	100%	› The Southern Central Forest Spine (SCFS) project in Malaysia › RTRS credits for all the soya we process › Regenerative agriculture practices to help farmers produce decarbonised wheat

ENHANCING LIVES POLICY

S1-1

S2-1

Vandemoortele’s Enhancing Lives Policy reflects our commitment to offering an engaging professional journey, providing a diverse, equitable and inclusive workplace, ensuring a healthy and safe working environment for our associates, and ensuring workers’ rights in our value chain. These are key components of our Sustainability Strategy 2030. The policy identifies and addresses the **impacts, risks and opportunities** (IROs) related to these areas.

SCOPE

This policy applies to **all stakeholders** within Vandemoortele, covering both internal teams and external partners. The data on professional journeys, diversity & inclusion, and health & safety is focused on our own employees. Policies concerning workers’ rights specifically address the workers in our value chain.

OUR POLICIES

Over the years, we have established various policies and procedures to guide our commitment to enhancing lives. These policies are consolidated in the Enhancing Lives Policy, which offers overarching guidance by referencing detailed policies on specific topics. The policy covers four key areas that address both **associate expectations and sustainability goals**. It applies to our workers, administrative and commercial associates, managers and senior leaders.

Offering an engaging professional journey:

we support all our associates in expanding their skills through learning opportunities, internal mobility and career advancement. By fostering people- and performance-oriented leadership, we empower our associates to achieve their full potential.

Our professional journey policies include:

- **Training and Learning Commitment:** this describes how Vandemoortele supports associates in their personal development.
- **Employee Value Proposition (EVP):** a guide for current and future associates that communicates Vandemoortele’s mission and values. It provides guidelines for employer branding, social media conduct, visual identity and tone of voice.
- **People Review & Professional Journey Policy:** our Professional Journey process focuses on the career development of all associates. The talent evaluation process (People Review) drives both individual and collective actions.
- **Associate Engagement Survey (AES):** this annual survey for all associates gathers feedback on 15 different topics. The results drive actions to improve associate engagement on those 15 topics across all levels, countries and functions.

Providing a diverse, equitable and inclusive workplace:

we are dedicated to creating a diverse, equitable and inclusive working environment where all associates can be themselves. Respect is a core value and we strive to make all associates feel welcome, involved and valued. Our commitment to diversity, equity and inclusion is a key part of our business strategy and is likewise reflected in our policy.

- **Diversity and Inclusion policy:** states our commitment to an equitable, diverse and inclusive workplace. All individuals are treated with respect, regardless of age, gender, ethnicity, disability, marriage or civil partnership status, pregnancy or maternity/paternity status, race, religion, political opinion or beliefs. We are dedicated to recruiting, hiring, promoting and retaining a diverse workforce.

Ensuring a healthy and safe working environment:

by preventing accidents, injuries and work-related illnesses, we safeguard physical well-being, reduce absences and enhance workplace productivity. We prioritise managed safety, focusing on awareness, mindfulness and constructive feedback.

- **Health and Safety Commitment:** we are committed to providing a safe and healthy workplace for all our associates and visitors.





- **ICARe, U2?:** this programme drives the continuous improvement of our safety culture.
- **Code of Business Conduct:** a practical guide on how to behave in daily activities.
- **7 Pillars of Well-being:** our well-being programme Add Flavour outlines our approach to fostering a healthy and supportive work environment.

Ensuring workers' rights in our value chain:

we aim to make 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.

- **Supplier Code of Conduct:** aligned with the ten principles of the UN Global Compact, this promotes sustainable supply chain practices and compliance with social and environmental standards. The policy applies to suppliers, contractors and partners, ensuring that third parties reflect our commitment to responsible sourcing and sustainability.
- **Human Rights Policy:** demonstrates Vandemoortele's commitment to respecting and promoting human rights, both within our organisation and in the communities we serve. The policy aligns with our Social Charter, and adheres to child labour laws and applicable local and international standards. The policy addresses trafficking in human beings, forced labour or compulsory labour, and child labour.
- **Sourcing commitments on palm oil, soya, paper & cardboard, eggs and plastic packaging:** the production of the raw materials

and ingredients we source presents social challenges. We commit ourselves to tackling these challenges, in collaboration with our direct suppliers.

All policies and detailed position statements are available on Vandemoortele's intranet. Policies related to workers in the value chain are also available on our website. The CEO, supported by the ExCo as an advisory body, is accountable at the most senior level for implementing these policies.

Third-party standards and stakeholder interests

Our Enhancing Lives Policy aligns with **recognised guidelines**, including the ISO 45001 Health & Safety Management standard, Willis Towers Watson engagement survey results and the ten principles of the UN Global Compact. The interests of our associates are integrated in these policies on the basis of the results of our Associate Engagement Survey (AES). Additionally, our policies for workers in the value chain are shaped by scientific research and corrective feedback gathered through our SpeakUp tool.

THE SCOPE OF OUR OWN WORKFORCE

SBM-3

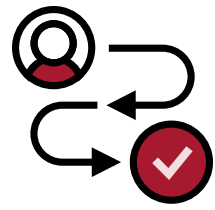
All associates are affected by the material impacts. The types of associates impacted include workers (blue-collar – BC), administrative and commercial associates (white-collar – WC), and managers and senior leaders (Management). In general, all impacts,

risks and opportunities affect Vandemoortele associates equally across various functions, including administration, production, transportation and warehousing. For non-employees (self-employed individuals and those provided by third parties), we uphold the same principles, but monitoring is limited to safety and ergonomics.

Vandemoortele is committed to fostering a **safe and inclusive working environment**. We have conducted a thorough analysis to understand how specific vulnerable groups within our workforce – such as young and senior individuals, women and people who identify as minority members – may be at greater risk of harm in certain contexts or activities. This understanding has been developed through continuous monitoring, consultation and data-driven assessments.

By gaining a comprehensive **understanding of the unique risks** faced by these groups, we are better equipped to implement targeted measures that enhance workplace safety, well-being and engagement. Our ongoing commitment to listening, analysing data and collaborating with external experts will continue to guide our strategies in reducing the risk of harm to all our associates, ensuring a safer and more equitable workplace for all.

⊕ The required information about Characteristics of the Undertaking's Employees is included on page 12 and 151 in the report.



OFFERING AN ENGAGING PROFESSIONAL JOURNEY

OUR IMPACTS, RISKS AND OPPORTUNITIES

SBM-3

As a large-scale employer, Vandemoortele has a direct impact on the professional journeys and personal development of thousands of people. We encourage our associates to broaden and deepen their skills by providing them with the right **learning support**. We facilitate opportunities for internal mobility, and we encourage and challenge 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 growth of our associates, we ensure that we attract, develop and retain the right talent.

The success of our company depends heavily on our people. In the **war for talent**, attracting the right candidates is becoming increasingly challenging. More than ever, meeting our associates' expectations is crucial. The rapid transformation, digitalisation and automation of jobs, combined with the growing demand for on-the-spot learning, present challenges, but at the same time exist as opportunities that we aim to leverage.

OUR ACTION PLANS

S1-4

Coaching and training

Over the past few years, we have introduced regular **professional journey conversations** for all of our associates. This has become an increasingly important part of our company culture. To show our leaders how best to conduct such conversations, we organise the workshop 'How to help your team craft their professional journey' twice a year at the central level, and on an ad hoc basis for specific target groups. Participants are offered a step-by-step approach to career coaching and a chance to practice their skills.

The Performance & Development Management Process (P&DMP) provides our associates with **continuous feedback** on their performance and development goals. During these conversations, they can also discuss their career ambitions. This facilitates the talent review process and enables leaders to discuss internal mobility, promotion goals and opportunities. Thanks to this process, we have improved our internal mobility and succession nominations (from 36% in 2021 to 50% in 2024). We have also enhanced the satisfaction of our associates with their personal development and professional journey, from an AES score of 51 in 2018 to 64 in 2024.

To help our associates and managers assess their professional competences, we are rolling out **competency matrices** across our organisation. These allow us to map the development needs of individual associates and the collective training needs of our company. Over the past few years, we have developed matrices for Operations, Sales, Marketing, Supply Chain, HR, IT, Procurement, Finance and Customer Care. We are currently in the process of setting up matrices for HSE, Quality and Research & Development, to be launched in 2025. To assess the effectiveness of the competency matrices, we track completion levels, identify key gaps and monitor progress across the different functional groups.

We encourage our associates to broaden and deepen their skills by providing them with the right learning support





A wide range of 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 2024, we expanded the platform and enhanced its visibility for all associates. We also monitored the popularity of learning items, in order to determine which kinds of training are most needed.

Leadership



To move forward as a company, we need strong people- and performance-oriented leaders who enable our associates to reach their full potential. Four years ago, we embarked on an exciting journey with the launch of our **Leaders 4 Growth programme**, an in-house learning initiative based on our own leadership model. Crafted from feedback from over 1,000 associates, the 18-month programme focuses on 9 essential leadership competences.

This unique Leaders 4 Growth programme encourages people managers to actively examine and develop their **leadership competences**, in line with our corporate values of respect, cooperation and ambition. It is available across all our sites and countries, and provides two different training journeys: one for corporate managers, who lead white-collars, and one adapted for first line managers, who lead blue-collars.

Since the programme's inception, more than 500 people have participated in either the corporate manager training (> 300) or the first line manager training (> 200). Most participants provided very positive feedback. Line managers who have not yet participated will be urged to do so in 2025. The initial results of the programme are promising: the **leadership ratings** of most participating leaders **improved significantly** following their training. The 360 feedback highlights that the greatest progress occurred in the areas of coaching and development skills. In our 2024 Associate Engagement Survey, the general score for Line Management went up from 67 (in 2018) to 75.



Associate Engagement Survey

All our associates are invited to participate in our annual Associate Engagement Survey (AES). This helps us better **understand their opinions** on 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 communication, the degree of inclusiveness, etc. In 2024, we achieved a record response rate of 89%.

Based on the results of the survey, we implement **improvement actions** across all our sites and for all our associates. Our managers review the results with their teams and define action plans together, which are then monitored throughout the year. Different teams are actively encouraged to share their actions and best practices, with the aim of fostering continuous improvement.

More internal programmes



Our **mentorship programme** is a voluntary initiative that pairs two associates who are not hierarchically linked. The goal is for them to exchange knowledge and experiences. Each year, we launch two new waves of mentors and mentees. To date, 385 associates (180 mentors & 205 mentees) have participated in the programme. In 2024, when asked "How likely are you to recommend the mentoring programme to a colleague?" participants gave an average score of 9.22/10: a resounding success. The programme adds an extra layer of support and development opportunities for our associates.



Through our **Young Graduates programme**, we offer recent graduates the opportunity to learn, build a network and gain extra experience. Our young graduates organise workshops with various department heads and work on cross-functional strategic projects in collaboration with senior management members. Twice a year, they gather in person to learn, expand their networks and have fun. In 2024, we launched the fourth wave of the Young Graduates programme, which has had 94 participants to date.





OUR TARGETS ON PERSONAL DEVELOPMENT

S1-5

Vandemoortele invests in the personal development of all its associates. The aim is to provide **targeted programmes** that improve the competences and employability of our people, while also strengthening our organisational capabilities. To achieve this, we have set an average training target of 40 hours per associate, per year, across all categories, by 2030. At least 95% of our associates should also participate in the Performance and Development Management Process (P&DMP).

OUR PERFORMANCE	2024	TARGET 2030
Training per associate category (average hours)	All: 48.37 MG: 69.94 WC: 43.88 BC: 42.28	40 hours
Associates who adhere to P&DMP per associate category (%)	All: 94% Management: 99% White-collars: 91% Blue-collars: 94%	All: 95% MG: 99% WC: 97% BC: 93%
Training & development score AES* (score/100)	64 points	64 points
Sustainable engagement score AES* (score/100)	78 points	80 points
→ Check all of our targets and progress in the sustainability scorecard		
* Associate Engagement Survey.		

OUR PERFORMANCE IN 2024

S1-13

On average, our employees received **48.37 hours of training in 2024**. Across all departments and roles, our blue-collar associates engaged in an average of 42.28 hours of training. Our white-collars completed 43.88 hours and management logged 69.94 hours. On average, **94% of our associates adhered to the P&DMP**: 94% of blue-collars, 91% of white-collars and 99% of management. In 2024, we focused our efforts on embedding the P&DMP for blue-collars, increasing participation from 87% in 2023 to 94% in 2024.

In 2024, we conducted our latest **Associate Engagement Survey (AES)**. Compared to the previous edition, we scored one point higher (64) for training and professional development, placing us three points above the European benchmark. Our associates feel they receive adequate training to improve their skills and sufficient opportunities for personal development and growth. Regarding sustainable engagement, our score remained consistent.

At Vandemoortele we apply the **70/20/10 principle**. This means that we believe that 70% is learned by experience (on the job, project, job rotation, internships...). It is a hands-on learning process where associates acquire job-specific skills and knowledge directly in their work environment. 20% from the learning is done by interaction with others (coaching, mentorship, sharing of best practices, job shadowing...). The other 10% is learned by formal training.

OUR PEOPLE

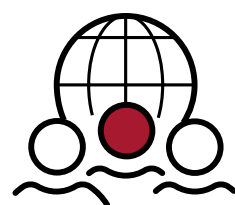


**“Seeing coworkers
take steps forward
fills me with pride”**

Thorsten Vieth Country HR manager

“As Country HR Manager, I have been supporting our associates in Germany, Austria and Switzerland since 2016. During this time, I have initiated and successfully implemented many positive changes, together with my HR colleagues and the management teams. I am particularly enthusiastic about the focus that Vandemoortele places on developing our associates and giving them the autonomy to fully realise their potential. Seeing individuals take steps forward fills me with pride.”

“Since November 2023, my HR responsibilities have expanded to the Netherlands. I am very excited about this opportunity, which allows me to grow personally and professionally. I truly enjoy the close international collaboration with my colleagues and the chance to contribute to the continued development of Vandemoortele’s culture.”



PROVIDING A DIVERSE, EQUITABLE AND INCLUSIVE WORKPLACE

OUR IMPACTS, RISKS AND OPPORTUNITIES

SBM-3

Vandemoortele employs more than 4,000 associates from **different backgrounds**. We are committed to creating a diverse, equitable and inclusive working environment where all our associates feel valued and empowered to be themselves, regardless of age, gender, ethnicity, abilities, beliefs, sexual orientation, etc.

We ensure **fair treatment, competitive remuneration and good working conditions** for all associates. Respect is a key value for Vandemoortele: we do everything we can to make all our associates feel welcome, involved and appreciated.

Providing good working conditions increases **associate engagement and productivity**. It also reduces voluntary associate turnover (now at 4.7%) and prevents loss of investments in recruitment and training. In a rapidly changing society marked by ageing populations, digitisation, urbanisation and migration, retaining talent is more critical than ever. By providing an engaging, inclusive and diverse work environment, we are able to retain and attract the right profiles, and we prevent our associates from feeling underappreciated or misunderstood.

OUR ACTION PLANS

S1-4

Coaching and peer-to-peer feedback

As stated in our Diversity, Equity & Inclusion (DEI) policy, we encourage associates to address and/or **report any form of inappropriate behaviour**. We have integrated peer-to-peer feedback on diversity and inclusion in our 'ICARe, U2?' programme. This digital platform is available to all associates across all sites. At present, it is primarily used to flag unsafe behaviours; no non-inclusive acts or comments were reported in 2024.

In addition to this platform, associates can report inappropriate behaviour to team leaders, HR professionals, associate representatives or others. For those who feel uncomfortable with giving personal feedback, we offer alternative options such as our **whistleblowing procedure or the SpeakUp portal**.

To help associates understand acceptable and unacceptable behaviour, we provide **team and individual coaching**, self-assessment tools to detect hidden biases and, in specific cases, training sessions focused on 'respect'. More importantly, we take a **proactive approach** to fostering an inclusive work environment. All our communications and





programmes – including those for talent reviews, employer branding, mentoring, training and more – are designed to support all associates, including minority or underrepresented groups. In addition, we maintain transparent internal communication about how we address inclusivity, equity and representation.

The DEI situation is monitored through our **engagement survey**, which includes specific questions on diversity, inclusion and equity. These are combined with GDPR-compliant questions regarding identification as part of a minority group. The actions identified through this process are implemented with a short-term perspective (12 months) and aligned with goals set for 2030.

Gender

At Vandemoortele, we are committed to ensuring **equal representation of women** in our recruitment procedures. We guarantee that women have the same professional growth opportunities as men and pledge to provide equal pay for equal work, as stated in our policy.

We assess **gender pay equality** at least once a year. Based on these assessments, we take appropriate actions at both the Group and local levels to address any disparities. Each year, a budget is allocated to address and eliminate the remaining gender pay gap at the management level. We have also completed a study on the gender pay gap among blue-collars and white-collars across all our countries.

Ethnicity & beliefs

Over the past few years, we have expanded our

focus on gender inequality to include **age, ethnicity, religion and beliefs**. Our first step was to gather more data and assess our current situation. Since such information is considered private, we collected it on a voluntary basis, through a survey among our associates.

The 2023 results revealed that people with African or mixed backgrounds more often feel that their opinions are not fully taken into account. Similarly, people with Asian or Middle Eastern backgrounds more often feel that their ethnic origin and beliefs are not always respected. In 2024, we observed that ethnicity tends to have a positive impact on the **sense of inclusion**, while beliefs are more likely to lead to feelings of reduced inclusivity. The scope of this annual initiative includes all associates across all countries, with measurements conducted through the Associate Engagement Survey (AES).

To address these concerns and foster inclusivity, we **share best practices** across our organisation. These include creating prayer rooms, translating instructions, promoting communication about respect and inclusivity, providing self-assessment tools to detect hidden biases and offering recruitment trainings for our leaders.

OUR TARGETS FOR A DIVERSE, EQUITABLE AND INCLUSIVE WORKPLACE

S1-5

As stated in our policy, we are committed to recruiting, hiring, promoting, developing and retaining a diverse pool of candidates and associates.

To support this commitment, we have set specific targets, such as a **zero gender pay gap** (between -2% and 2%) and a **representation of 40% to 60% female leaders (at the B+ level)**.

To ensure all associates feel welcome and included, we monitor their experiences through our annual **Associate Engagement Survey (AES)**. This survey includes GDPR-compliant questions designed to assess engagement levels and identify challenges faced by different minority groups.

OUR PERFORMANCE	2024	TARGET 2030
Representation of women at senior level (B+ level) (%)	27.83%	40 to 60%
Equal hours of training per associate per gender (ratio)	0.97	Ratio: 0.90 to 1.10
Gender pay gap (Vandemoortele definition) (%)	-2%	-2% to +2%
Inclusive workplace index AES (score/100)	79	80
Full inclusivity for minorities AES (score/100)	67	73
→ Check all of our targets and progress in the sustainability scorecard		

OUR PERFORMANCE IN 2024

Between 2020 and 2024, we made significant progress in **gender diversity and inclusion**. The number of women in senior management positions (B+ level: top 100 Group-wide) increased from 28.7% to 29.9%. 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 2024.

Our male and female associates are offered the same **training and development opportunities**. In 2024, the difference in training hours between women and

men was minimal. On average, our male associates completed 48.97 training hours, compared to 47.30 hours for female associates.

In 2024, we did not further reduce the **gender pay gap** at the management level: it evolved from -2.6% in 2022 to -1.8% in 2023 and stabilised at -2% in 2024. This indicates that, on average, women in management roles earned 2% less than their male counterparts. However, the gap is limited to 1.8% for existing management (like-for-like comparison), with the wider gap primarily explained by new hires. We will focus on areas of our organisation where differences persist, and improve salary offers during the hiring process. We have also analysed pay practices for part-time versus full-time management members and found a 0% gap. A similar analysis of rewards across different management levels showed a 0% gap in applying the reward strategy.

In order to track our progress, we use the Associate Engagement Survey to **measure diversity, equity and inclusiveness** across countries and teams. In the past, we used the DEI category as an indicator, based on two questions in the survey. In 2024, we decided to switch to the Inclusive Workplace Index, which is based on the average score of seven survey questions related to an inclusive workplace. In 2024, we achieved an AES score of 79, which is 1 point above the European benchmark level. We are pleased to see that our associates recognise our efforts in diversity, equity and inclusion. In addition, we measure how included minority groups feel within our company. The average

score for people identifying as minority members was 67, compared to 71 for all associates.

In 2024, we learned that minorities based on age, ethnicity and sexual orientation are very positive about our Diversity, Equity & Inclusion (DEI) efforts, while those based on beliefs and gender are slightly less positive.

We ensure that all our employees are paid fair and adequate wages, consistently above the legal minimum, which we monitor closely as part of our core values. With most of our operations based in the EU, where trade unions and CBA agreements are in place, and our U.S. presence focused mainly on sales roles, we maintain a steadfast commitment to providing wages that exceed minimum requirements in all regions.

[S1-6](#)[S2-9](#)[S1-10](#)[S1-16](#)

ADDITIONAL CSRD METRICS

PERFORMANCE 2024

Providing a diverse, equitable and inclusive workplace

Employee turnover (number)	442
Employee turnover (%)	11%
Employees (headcount) at top management level (number)	6*
Employees at top management level (%)	0.15%
Employees (headcount) under 30 years old (number)	489
Employees under 30 years old (%)	12%
Employees (headcount) between 30 and 50 years old (number)	2,240
Employees between 30 and 50 years old (%)	55%
Employees (headcount) over 50 years old (number)	1,365
Employees over 50 years old (%)	33%
Training hours by gender (average hours)	M: 48.97 F: 47.30
Gender pay gap (ESRS definition)** (%)	5.3%
Annual total remuneration (ratio)	28.91

*Peter Boone started in January 2025 and is therefore not included in this figure.

**When we calculate the total gender pay gap for all 4,094 employees, we have a pay gap of 5.3%. This means that women earn on average 5% less than men. Note that the ESRS definition is different from the pay-gap definition of our KPI (see the methodology and assumptions of our KPIs and metrics).





ENSURING A HEALTHY AND SAFE WORK ENVIRONMENT

OUR IMPACTS, RISKS AND OPPORTUNITIES

SBM-3

As a large-scale employer, we have a responsibility to ensure a healthy and safe working environment for our employees, non-employees (such as interim or self-employed individuals) and contractors. By **preventing accidents, work-related illnesses and injuries**, we protect their physical integrity, avoid distress and maintain high morale. This reduces absences and fosters a more efficient and productive workplace.

We strongly believe in **managed safety** instead of regulated safety. We focus on raising awareness, promoting a mindful attitude and using constructive feedback techniques. Our Health & Safety programme ‘ICARe, U2?’ supports our commitment to creating healthy & safe conditions for our associates across both production sites and offices, as outlined in our Health, Safety and Environment policy.

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 burnout. By offering inclusive, safe and healthy working conditions, combined with meaningful, rewarding work and various personal

growth opportunities, we promote happiness, engagement and well-being.

Although health and safety issues mainly have an impact on the associates involved (as well as their families), they also affect Vandemoortele as an employer. Potential **consequences** range from production stoppages and supply disruptions to increased operational costs, reputational damage, absenteeism and lay-offs. A healthy and safe working environment is a cornerstone of our operational excellence and a strategic priority for Vandemoortele. It also makes us an attractive employer for qualified talent.

To reinforce this commitment, we integrate well-being principles in our **Code of Business Conduct**, ensuring they are a fundamental part of our way of working.





OUR ACTION PLANS

S1-4

I CARE U2? Most accidents are not caused by technical defects but by unsafe behaviours. With our safety programme ‘ICARe, U2?’, we seek to spread safety leadership and foster a culture of safety awareness. 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 of incidents 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:** short training sessions held in small groups at the workplace, to raise awareness and educate associates about safety practices.
- **Peer2Peer interactions:** we promote a work environment where the exchange of experiences and ideas comes naturally. In the event of unsafe behaviour, we ask our associates to react and provide constructive feedback.
- **Gemba walks:** our site management teams undertake regular ‘proximity walks’ on the floor to discuss safety, well-being and working conditions with our associates.

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 greater responsibility for the safety of both themselves and others. This is the ultimate objective of our ‘ICARe, U2?’ safety programme.

To maintain excellent working conditions, we aim for a maturity level ‘**interdependency**’, where associates share ideas and care for each other. Safety is one of our core company values; it reflects how we do business and supports our pursuit of operational excellence.

In order to get all site teams aligned, we have added appropriate safety tools to our Operational Excellence programmes. This approach promotes synergies and sustains our progress in safety. Our tools include:

- **ICF model:** the Internal Control Framework (ICF) model for safety-related risks encourages continuous improvement to manage risks effectively. It enables us to take the right actions to improve our working methods and behaviours.
- **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 2024, local safety teams were deployed in accordance with our programme ‘ICARe, U2?’, which aims to promote a safety culture throughout our organisation. They all work towards

achieving the sustainable management of our risks.

- **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.

Our programme ‘**ICARe, U2?**’ is the cornerstone of our commitment to enhancing lives. All of our associates who are directly affected by any occupational illness or accident related to Vandemoortele activities are covered by the health insurance provided by the Group, in line with the national health framework. The illness or accident must be duly recognised by external stakeholders (doctors, authorities, insurers). All occupational illnesses and accidents are investigated to improve work conditions within our Group.

Our progress of the last two years shows that our safety leadership is growing and that our associates are taking greater responsibility for the safety of both themselves and others



Collaboration for more well-being

We prioritise

prevention to help our associates avoid burnout or excessive workloads. In cases where burnout does occur, our associates are supported through the standard financial benefits provided during illness, such as the continuation of full or partial salary payments.

When absenteeism due to workload arises, we consider a **range of solutions**, depending on the context. These may include hiring temporary associates, delaying initiatives or projects, redistributing certain tasks or a combination of these measures.

To monitor long-term collective stress and happiness, we conduct an **annual Associate Engagement Survey (AES)** and a **semi-annual pulse survey**. These surveys result in the creation of approximately 300 to 400 actions annually, ensuring continuous improvement in our associates’ happiness, engagement and well-being.

For short-term and individual stress or burnout monitoring, we provide platforms where **associates can request support**, whether psychological, legal, medical or otherwise. This support is available on a 24/7 basis in most countries. Additionally, we encourage our leaders to actively care for their teams. Their efforts in this regard are evaluated through 360-degree feedback and the engagement survey.

A culture of health: Vandemoortele’s well-being initiatives in Poland

At Vandemoortele, we embrace the philosophy “A healthy body means a healthy spirit”, which is reflected in our well-being programmes for associates in Central Europe, particularly in Poland.

Legimi reading platform: approximately 50% of our associates in Poland use the Legimi platform, which offers a wide range of books and audiobooks in Polish and Ukrainian. This initiative fosters a culture of reading and sharing, strengthening interpersonal relationships and community bonds.

MultiSport cards: we co-finance MultiSport cards, a popular benefit that provides access to sports facilities. With around 80 users in Poland and 25 in other Central European countries, this programme encourages an active lifestyle.

Runmageddon participation: in 2024, a team of our associates participated in the Runmageddon Rekrut, a challenging obstacle race. Their participation demonstrated teamwork, resilience and a spirit of adventure, embodying the values we promote at Vandemoortele.

These initiatives not only enhance the well-being of our associates, but also build a stronger sense of community and teamwork.



OUR TARGETS ON ENSURING A HEALTHY AND SAFE WORK ENVIRONMENT

S1-5

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 AES, assessments of employee turnover, an analysis of changes in absenteeism and an evaluation of work-life balance metrics.

OUR PERFORMANCE IN 2024

Accidents

We aim for zero accidents and believe that **all accidents can be prevented**. In 2024, we recorded 13.01 Lost Workday Cases per million work hours (including our own associates and temporary employees, but excluding contractors, visitors and students/apprentices), a decrease of 4.4 compared to the previous year. The frequency rate in 2023 was 17.3. The severity rate of accidents (i.e. the number of lost workdays per 1,000 working hours) stood at 0.55. The accidents mainly consisted of bruises, small cuts, slips and tripping incidents. There were two severe accidents in 2024.

Our accident frequency rate has been steadily decreasing for several years. However, the **severity rate** remained stable in 2024. Most of the incidents and accidents were linked to human and/or organisational aspects, which remain key challenges to address. As Health and Safety is part of our Operational Excellence strategy, we use a safety maturity matrix to audit and evaluate our progress.

Well-being index

In the 2024 **Associate Engagement Survey** (AES), we achieved a favourable general well-being score of 76 points, reflecting the overall success of the seven well-being pillars on which we have focused.

Our most significant progress was in **Development and Physical Health**. This was driven by various initiatives, including expanded learning opportunities through the Vandemoortele Academy, our commitment to providing at least 40 hours of training per individual and our emphasis on professional journeys and physical health programmes.

We can also celebrate the fact that our associates **embrace Vandemoortele’s culture**, through which challenging traditional ways of working is encouraged. Associates feel comfortable with their job responsibilities, thanks to our focus on autonomy, belonging and competence. Additionally, there is a strong sense of pride in our collaborative culture and the teamwork that is consistently delivered.

While we made progress in improving **mental health**, we still lag behind the European benchmark (-4), as was the case last year. Feedback from the AES highlights the need to set clear priorities and adhere to them, which helps reduce stress and positively impacts the mental health of our associates. Since November 2024, all teams have been working



OUR PERFORMANCE	2024	TARGET 2030
Severe accidents (with permanent disability) (number)	2	0
Severity rate of Lost Workday Cases*	0.55	0.3
Frequency rate of Lost Workday Cases*	13.01	14
Well-being index AES** (score/100)	76	77
→ Check all of our targets and progress in the sustainability scorecard		
* Contractors, visitors and students/apprentices are excluded.		
** Associate Engagement Survey.		



on action plans to develop initiatives aimed at enhancing well-being at various levels.

The results of the annual **Over2You Engagement Survey** highlight several key areas where Vandemoortele associates have expressed positive views regarding their well-being.

First, the Management Team’s commitment to associate well-being is evident, with many associates recognising efforts to ensure a healthy work-life balance. The physical working conditions are also rated positively by the majority. Additionally, associates feel that the Management Team’s decisions align with Vandemoortele’s core values, **fostering integrity and transparency** in business practices. There is a strong belief that associates have ample opportunities for personal growth and development. Training opportunities are abundant, enabling associates to enhance their skills and perform their jobs effectively.

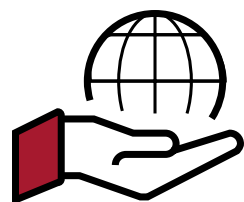
The company’s **well-defined business strategy** and its **commitment to environmental responsibility** are highly appreciated by the workforce. Vandemoortele is also commended for actively seeking associate feedback, contributing to a collaborative and inclusive work environment. Associates feel empowered, with the authority to carry out their responsibilities and a clear understanding of their roles. Furthermore, Vandemoortele is praised for fostering an environment that encourages innovation, challenges traditional methods and supports continuous improvement.

However, the survey also highlights **areas for improvement**. Associates have raised concerns about prioritisation and the manageability of workloads. There is a call for greater focus and discipline in adhering to established priorities. While teamwork is generally strong, there is room for improvement in how line managers build and lead teams, provide regular feedback and develop associates’ potential. Associates also expressed a desire for more innovative solutions to work-related challenges, as well as greater encouragement to go the extra mile. Ensuring that associates feel personally accomplished and valued in their work remains a top priority.

S1-14

ADDITIONAL CSRD METRICS	PERFORMANCE 2024
Ensuring a healthy and safe work environment	
People in its own workforce who are covered by a health and safety management system (%)	100%
Fatalities in own workforce as a result of work-related injuries and work-related ill health (number)	0
Recordable work-related accidents for own workforce (number)	85
Days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health related to employees (number)	3,590

While associates generally feel respected, there is a desire for **more consistent respect** across all job roles. Departments are encouraged to seek continuous improvement in customer service and to enhance the sharing of best practices across departments and locations. Vandemoortele’s social responsibility within the community is another area for growth.



ENSURING WORKERS' RIGHTS IN OUR VALUE CHAIN

OUR IMPACTS, RISKS AND OPPORTUNITIES

SBM-3

We aim to have a positive impact on society and to address social injustice. By ensuring fair working conditions, we seek to **treat people equitably**, not only within Vandemoortele but across our entire value chain. Our efforts focus particularly on those most affected by our activities, such as farmers and intermediary supply chain actors – including mills, collection centres and cooperatives – who connect farmers with suppliers of ingredients and raw materials in Europe.

We pay special attention to the **supply chains of key commodities** like palm oil, cocoa and soya, where risks of child labour and forced or compulsory labour can exist. By fostering positive social change, we aim to create meaningful opportunities for minorities and underprivileged groups, such as decent working conditions and quality education.

In collaboration with local communities and other partners (e.g. NGOs and suppliers), we provide **on-the-ground support** for projects that improve people's living and working conditions. These actions have a dual impact: they minimise the risk of human rights violations and help address environmental challenges like deforestation.

OUR ACTIONS IN 2024

S2-4

In 2024, one human rights incident has been identified within our upstream value chain. We remain **proactive in minimising any potential negative impacts**. Our efforts to safeguard value chain workers are tailored to each project. They rely on collaboration with stakeholder teams who are actively engaged on the ground and closely connected to local communities. While we are not directly involved in the specific processes, we play a supporting role by contributing to projects.

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 partners with companies and other stakeholders to regenerate supply chains, soils and communities worldwide. As a partner company, Vandemoortele contributes to landscape projects that promote the sustainable production of palm oil. Until 2022, we supported a project in Aceh, Sumatra (Indonesia). Since 2023, we have been contributing to the **Southern Central Forest Spine (SCFS) project** in Malaysia.

The SCFS project aims to **develop a sustainable landscape model** that balances sustainable production, forest conservation, resilient livelihoods and good labour practices. In 2024, the project made significant progress: 38 mills achieved 100% traceability to plantation and 27 mills established No Deforestation, No Peat and No Exploitation (NDPE) action plans. This positive outcome resulted from the launch of an NDPE task force in partnership with a refinery group to drive collective landscape action. The task force collaborated to design engagement plans and mobilise suppliers to participate in the NDPE action plan.

Our efforts to safeguard value chain workers are tailored to each project





In late 2024, EF also engaged 669 new smallholders in various initiatives aimed at **diversifying their income and improving livelihoods**. These initiatives included mushroom production and an eco-tourism programme. Additionally, six new companies joined EF’s labour protection capacity-building programme, bringing the total to 35 companies engaged in 2024 through various supplier engagement strategies. One key initiative was the Decent Work Training (DWT) on Ethical Recruitment, hosted in Malaysia’s Johor region.

Soya

Since 2011, Vandemoortele has been a member of the **Round Table on Responsible Soy** (RTRS). This organisation ensures that soya production occurs without deforestation or land conversion, while prioritising responsible labour conditions and community relations. Through RTRS, we support local communities in Brazil by providing long-term commitments and financial incentives to soya producers.

We contribute to this mission by purchasing RTRS credits for all the soya we process. These credits serve as **direct payments for environmental services** to RTRS-certified farmers who, despite being legally allowed to clear land, are committed to halting land conversion in the Cerrado (Mato Grosso state), Brazil’s second most biodiverse region after the Amazon rainforest. At present, 50% of this savannah landscape has been lost due to agricultural expansion.

RTRS-certified farms actively implement environmental management measures, for example employing advanced equipment to reduce water

and herbicide use by over 70%. They also engage in community initiatives, such as promoting education and well-being. Additionally, by purchasing soya oil with ProTerra certification, we ensure that workers and communities are treated with dignity and respect.

Wheat

In 2022, we launched an innovative carbon reduction initiative in collaboration with our direct wheat suppliers, introducing regenerative agriculture practices to **help farmers produce decarbonised wheat**. By 2023, we reached a major milestone with the first successful harvest, underscoring our commitment to sustainable agriculture.

Building on this success, 2024 has been a year of expansion and progress. **The project has extended to new regions**, allowing more farmers to embrace regenerative practices and significantly boosting the production of decarbonised wheat. This growth has been fuelled by strategic partnerships that enhance our ability to scale efforts and amplify our impact. These collaborations are important in advancing sustainability, fostering resilient farming systems and making meaningful strides in the fight against climate change.

OUR TARGETS ON WORKERS’ RIGHTS IN OUR VALUE CHAIN

S2-5

We monitor breaches of our Supplier Code of Conduct and our Ensuring Sustainable Sourcing policy through our **grievance mechanism**. When non-compliance is verified, we engage with our direct suppliers to set up a corrective action plan. One new

grievance related to a social matter was brought to our attention at the end of 2024 and we are following up on it. 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.

OUR PERFORMANCE	2024	TARGET 2030
Key commodities* participating in a project on the ground (%)	75%	100%
→ Check all of our targets and progress in the sustainability scorecard		
* Key commodities: palm, cocoa, soya and wheat.		

OUR PERFORMANCE IN 2024

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. Through these projects, we aim to create 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, representing 75% of our key commodities.



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SUSTAINABLE ORGANISATION



Tomas Gevels & Laura Iacobelli:

“At Vandemoortele, sustainable growth is not just a goal – it is our responsibility to build a resilient business that benefits generations to come. Our value chain partners play a vital role in achieving this vision. Our Supplier Code of Conduct reinforces our commitment to ethical sourcing and shared accountability, setting clear expectations for sustainability throughout the supply chain.”

“Beyond our value chain, we focus on building strong partnerships with local communities and other key stakeholders. Together, we align sustainability initiatives across the sector, leveraging transparency and open dialogue to build trust and inspire widespread engagement. Integrity remains

at the core of everything we do, guiding us to uphold the highest ethical standards and ensure compliance with all applicable laws. By fostering trust, accountability and collaboration, we aim to create lasting value for our stakeholders and make a meaningful positive impact on both people and the planet.”

“Transparency is a cornerstone of our governance framework. We believe in openly communicating our sustainability goals, progress and challenges, as this fosters accountability and encourages joint solutions. This approach helps us meet the evolving expectations of our stakeholders while reinforcing trust across our ecosystem.”

Our commitments:



Ensuring sustainable business growth



Partnering in the value chain

Tomas Gevels –
Group Internal Audit Manager

Laura Iacobelli –
Sustainability officer





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Our targets and KPIs

 Ensuring sustainable business growth	STATUS 2024	TARGET 2030	KEY ACTIONS	
Associates who received training on the Code of Conduct and the whistleblowing procedure (%)	69%	100%	› Our whistleblowing procedure and grievance mechanism	› E-learning session about our Code of Business Conduct and Ethics
Sustainability index AES (score/100)	79	78	› Our online portal SpeakUp	
 Partnering in the value chain	STATUS 2024	TARGET 2030	KEY ACTIONS	
Centrally managed suppliers accepted/signed our Supplier Code of Conduct or have a SCOC in line with the one of Vandemoortele (%)	96%	100%	› Sustainability questions into our audits and sourcing tenders	
Critical centrally managed direct suppliers that are verified according to our sustainability criteria (%)	92%	100%	› EcoVadis sustainability criteria or are audited by similar organisations	› Engagement Policy Implementation (EPI) survey of our palm oil suppliers



SUSTAINABLE ORGANISATION POLICY

G1-1

Vandemoortele’s Sustainable Organisation Policy reflects our commitment to **sustainable business growth** and **partnering in the value chain**; both cornerstones of our Sustainability Strategy 2030. The policy is designed to identify and manage the impacts, risks and opportunities (IROs) related to these areas.

SCOPE

This policy applies to all stakeholders within Vandemoortele, covering both internal teams and external partners across the value chain, both upstream and downstream.

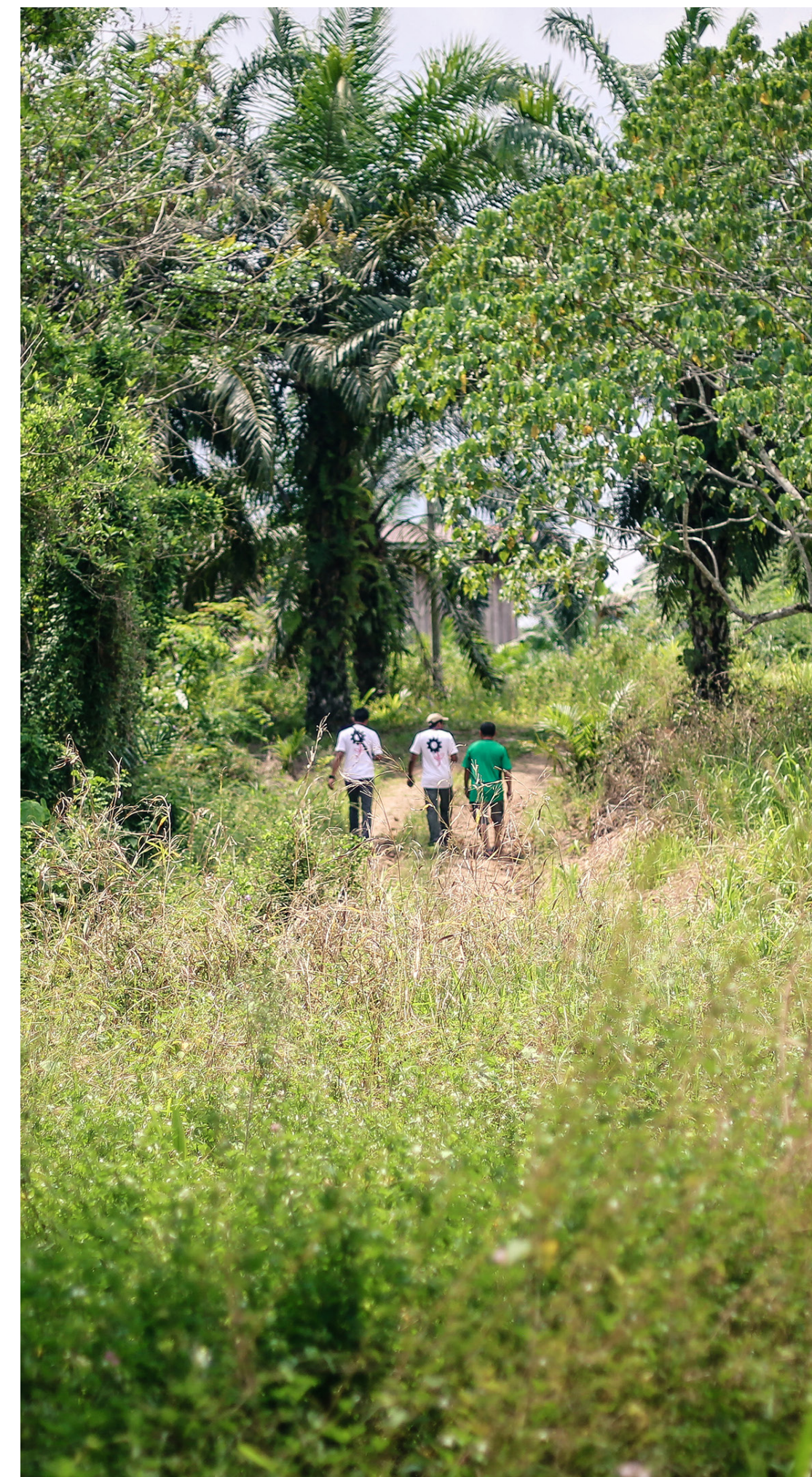
OUR POLICIES

Over the years, we have established various policies and procedures to guide our commitment to being a sustainable organisation. These various policies are bundled into this Sustainable Organisation Policy, which offers overarching guidance by referencing to the detailed policies on specific topics. These policies cover two key areas, ensuring we meet our ethical and partnering goals.

Ensuring sustainable business growth: for Vandemoortele, sustainable growth means balancing profitable growth, social inclusion and protecting the environment: three interconnected pillars that are crucial for personal and societal well-being. We comply with all applicable legislation, taking necessary actions to avoid non-compliance risks.

Our sustainable growth policies include:

- **Sustainable Value Creation Charter:** ensures sustainable growth and profitability for the benefit of all stakeholders, now and in the future.
- **Corporate Governance Charter:** serves as the guiding governance framework for the company.
- **Code of Business Conduct and Ethics:** promotes responsible corporate behaviour and fair labour practices focusing on integrity, care and protection, thus fostering a sustainable and inclusive work environment. The policy helps prevent breaches that could lead to financial risks, and ensures that both employees and management are aligned with ethical standards.
- **Whistleblowing procedure:** provides guidance on reporting suspected wrongdoings in the workplace, thus ensuring an open, accountable and ethical culture. All stakeholders (employees, suppliers, customers, etc.) are encouraged to report issues without fear of retaliation. This promotes integrity and compliance across the organisation.
- **Grievance Mechanism:** outlines how Vandemoortele addresses supply chain issues and ensures that breaches are reported and resolved in a timely manner. Complaints can be submitted any time through an online tool.
- **Competition and Fair Trade:** our Code of Business Conduct and Ethics outlines strict guidelines to comply with anti-trust and competition laws, protecting Vandemoortele against unfair practices. Our document & e-learning about the Competition Law remind stakeholders of legal principles to ensure nobody breaches Competition Law rules in interactions with customers, suppliers and competitors.
- **Information Security Policy:** outlines how Vandemoortele protects against cybercrime and ensures governance in cybersecurity and data privacy.
- **Crisis management:** covers Vandemoortele’s governance during crises of various kinds, such as cybersecurity breaches.
- **Intellectual Property Policy:** establishes guidelines to safeguard Vandemoortele’s intellectual assets, while mitigating risks like IP infringements and lawsuits.
- **Privacy & Data Protection Policy:** ensures compliance with data protection regulations and promotes responsible handling of personal data.





Partnering in the value chain: value chain partners are essential to our sustainable business success. By collaborating with various partners, we create positive impacts across the value chain in areas including climate, human rights and supply chain transparency.

Our value chain policies include:

- **Supplier Code of Conduct:** aligned with the 10 principles of the UN Global Compact, our Supplier Code of Conduct promotes sustainable supply chain practices and compliance with social and environmental standards. It applies to suppliers, contractors and partners, ensuring that third parties reflect our commitment to responsible sourcing and sustainability.
- **Procurement Policy:** covers all procurement activities at Vandemoortele, including purchasing goods and services, supplier selection and onboarding, contract management and risk management.
- **Grievance mechanism:** provides a structured approach for reporting and resolving supply chain concerns, ensuring issues are addressed transparently and efficiently.
- **Human Rights Policy:** demonstrates Vandemoortele’s commitment to respecting and promoting human rights, both within our organisation and in the communities we serve. This aligns with our Social Charter and adheres to child labour laws and applicable local and international standards. This policy addresses trafficking in human beings, forced labour or compulsory labour, and child labour.

- **Supplier Onboarding Procedure:** suppliers undergo a thorough pre-qualification process before onboarding. This includes evaluating their capabilities, financial stability, certifications, references and legal compliance.
- **Corporate Communication Procedure:** ensures transparent, consistent, clear and honest communication at all organisational levels.
- **Social Media Procedure:** defines the principles of responsible and transparent communication on social media.

All policies and detailed position statements are available on Vandemoortele’s intranet. Policies related to external stakeholders are also available on our website. The CEO, supported by the ExCo as an advisory body, is accountable at the most senior level for implementing these policies.

THIRD-PARTY STANDARDS

Our **Sustainable Organisation Policy** aligns with recognised guidelines, including the UN Global Compact, the Corporate Governance Codes, the United Nations Convention against Corruption and general standards that are required by many stakeholders in various jurisdictions, as well as 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.



ENSURING SUSTAINABLE BUSINESS GROWTH

OUR IMPACTS, RISKS AND OPPORTUNITIES

IRO-1

SBM-3

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 support the development of 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.

OUR ACTION PLANS

G1-3

In 2023, we successfully revamped our internal **Code of Business Conduct and Ethics**, 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 reduce various risks like unfair competition, cybercrime, corruption and bribery, etc.

In addition, we developed an **e-learning session** to explain our Code of Business Conduct and Ethics (including corruption and bribery) and our whistleblowing procedure. In 2024, all white-collar associates were required to complete this course,





while blue-collars received on-site, face-to-face training. In 2025, we will determine the optimal frequency for this training.

Sales, marketing, procurement and raw materials are considered **higher-risk functions** due to frequent interactions with external stakeholders. However, we provide training to all associates, recognising that every function faces potential risks of corruption and bribery.

Reporting concerns through SpeakUp

At Vandemoortele, we expect all our associates, customers, consumers, 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, etc.

If someone prefers not to speak to a contact directly or feels they are not being heard, they can **raise their concerns** through our online portal SpeakUp. Reports can be made anonymously and are treated with utmost care. Every case is assigned to an authorised case handler, who conducts a thorough investigation. Investigators operate independently from management involved in the prevention and detection of corruption and bribery.

When an issue is raised through the SpeakUp portal, it is directed to the Chief of HR, Sustainability and Communication Officer, the Chief Legal & Risk Officer and the Head of Internal Audit & Risk Management. They assign the case to the relevant domain (e.g. HR France), where designated responsible persons follow up on the issue and report back. The domain responsible discusses the case locally and assesses whether action is needed. On average, **cases are resolved within 3-4 weeks**. If a victim feels their concerns have not been properly addressed, they can raise additional concerns.

All **case handlers** have been trained and a handbook is available to guide them through the process. Regular input through the SpeakUp Tool helps reinforce awareness of and trust in the system. In 2024, a total of 12 cases were raised through SpeakUp.

To support the roll-out of the portal, we launched a **comprehensive communication campaign** via the intranet and HR managers actively raised awareness about the tool.

The **protection of whistleblowers** is ensured in accordance with applicable law transposing Directive (EU) 2019/1937 of the European Parliament and the Council. Investigation outcomes are shared only with the Chief of HR, Sustainability & Communication Officer and the Chief Legal & Risk Officer from the Executive Committee (ExCo). Other ExCo members do not receive this information. Additionally, the Audit Committee is informed on a quarterly basis.



OUR TARGETS 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 **metrics 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.

OUR PERFORMANCE	2024	TARGET 2030
Associates who received training on the Code of Conduct and the whistleblowing procedure (%)	69%	100%
Sustainability index AES (score/100)	79 points	78 points
→ Check all of our targets and progress in the sustainability scorecard		

OUR PERFORMANCE IN 2024

The 2023 update of our sustainability strategy includes a new target to promote the **correct behaviour of our associates**. By 2030, all our associates will have undertaken one or more training sessions on the Code of Conduct and the whistleblowing procedure. In 2024, 69% of our associates have undertaken a training session on the Code of Conduct and the whistleblowing procedure.

The sustainability index in our **engagement survey** reflects how sustainable our associates think we are. In 2024, this score remained steady at 79, giving us great satisfaction, as it highlights the positive impact of our sustainability initiatives.

G1-4

ADDITIONAL CSRD METRICS	PERFORMANCE 2024
Ensuring sustainable business growth	
Convictions for violations of anti-corruption and anti-bribery laws (number)	0
Amount of fines for violations of anti-corruption and anti-bribery laws (€)	0
Functions-at-risk covered by training programmes (%)	79.5%

69%

of our associates have undertaken a training session on the Code of Conduct and the whistleblowing procedure

OUR PEOPLE

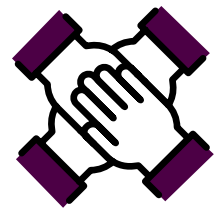
“We identify and address risks while also promoting best practices”

Hans Harders Internal Audit Team

“I joined the Vandemoortele Internal Audit Team in July 2023. Internal Audit plays a key role in identifying and addressing risks while promoting best practices across the organisation. Our assignments span a wide range of areas, from production plants to sales entities and Group-wide processes. Beyond audits, we take on consulting missions such as formalising policies & procedures and reviewing the Crisis Management Process.”

“What excites me most about this role is the variety of topics we address and the opportunity to modernise audit processes using digital tools to maximise our impact. However, it is the collaboration with teams across the company that makes the journey both inspiring and rewarding.”





PARTNERING IN THE VALUE CHAIN

OUR IMPACTS, RISKS AND OPPORTUNITIES

IRO-1

SBM-3

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 most critical 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.

OUR ACTION PLANS

G1-2

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, who supply various materials and finished goods directly to Vandemoortele, 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 assessment** 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 three 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.

We also want to **exchange knowledge** about various topics with our selected partner-customers: 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, allowing us to work together towards a sustainable future.

OUR TARGETS ON 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 own. In addition, we monitor our centrally managed critical suppliers according to sustainability criteria.

OUR PERFORMANCE	2024	TARGET 2030
Centrally managed suppliers accepted/signed our Supplier Code of Conduct or have a SCOC in line with the one of Vandemoortele (%)	96%	100%
Critical centrally managed suppliers verified according to our sustainability criteria	92%	100%
→ Check all of our targets and progress in the sustainability scorecard		

In our 2030 strategy, we want to achieve our ESG goals in cooperation with all of our partners

OUR PERFORMANCE IN 2024

In 2024, 96% of our centrally managed direct suppliers accepted/signed our Supplier Code of Conduct (SCOC) or had an SCOC aligned with our own. Starting in 2025, we will also require indirect suppliers with whom we establish new business relationships to sign our SCOC.

In 2024, 92% of our centrally managed critical direct suppliers had been verified or were in the process of being verified by EcoVadis or a similar organisation. Our goal is to have – where the action plan indicates the necessity – 100% of our centrally managed **critical direct suppliers audited** by 2030 according to sustainability criteria.

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;
- **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;
- 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. 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 donated to the Spanish Red Cross to help individuals, families and communities struggling because of this devastating natural disaster.

- **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 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.

- At Vandemoortele, we stand in deep solidarity with everyone affected by **the recent DANA, which has severely impacted several regions in Spain**, particularly Andalusia, the Valencian Community, Murcia and Catalonia. Tragically, more than 200 lives have already been lost and the final toll remains uncertain. Our hearts go out to individuals, families and communities facing hardship due to this devastating natural disaster. We extend our thoughts to all those affected, as well as to the emergency teams and volunteers working tirelessly to provide aid during this difficult time. In moments of uncertainty, we reaffirm our commitment to supporting local communities. To contribute to relief efforts, Vandemoortele will donate €10,000 to the Spanish Red Cross.



SUSTAINABILITY SCORECARD: PERFORMANCES AND TARGETS

SUSTAINABILITY KPI	BASELINE VALUE	BASELINE	STATUS 2020	STATUS 2021	STATUS 2022	STATUS 2023	STATUS 2024	TARGETS 2030
Improving the nutrition profile of our products								
Salt content in BP vs. 2019 (in % relative change)	1.22%	2019		-2.05%	-2.4%	-6%	-7.3%	-10%
Sugar content in pastry, sweet treats & patisserie vs. 2019 (in % relative change)	12.5%	2019		-1.6%	-4.3%	-2%	-5.2%	-10%
Offering plant-based alternatives								
Vol% plant-based products in PBFS			50%	64%	73%	72.98%	73.2%	75%
Offering Clean Label products								
Vol% Clean Label in BP			74% (old definition)	76.3% (old definition)	76.5%	79.6%	80.4%	80%
Being a leader in food safety & quality								
Suppliers, traders & logistics partners compliant with GFSI principles (%)			93%	97%	97.2%	97.8%	97.8%	98%
Incidents food defence & food fraud (number)			0	0	0	0	0	0
Food safety complaints vs. 2020 (in % relative change)	0.25 complaints/1000 T produced	2020		5%	-13%	-1%	-4%	-10%
Taking climate action								
Scope 1 & 2 GHG emissions vs. 2023 (in % relative change)	54,101 tCO ₂ e	2023				new	-14.49%	-42%
Scope 3 FLAG GHG emissions vs. 2023 (in % relative change)	1,074,612 tCO ₂ e	2023				new	-4.52%	-30.3%
Supplier & customer engagement by Scope 3 non-FLAG emissions (%)	37.1%	2023				new	41.6%	73%
Energy intensity Group vs. 2020 (in % relative change)	1.68 GJ/T produced	2020	+1.8%	+1.9%	-1.2%	-5.8%	-8%	-15%
Energy intensity BP vs. 2020 (in % relative change)	2.39 GJ/T produced	2020		-5.2%	-8.5%	-9.1%	-9%	-15%
Energy intensity PBFS vs. 2020 (in % relative change)	0.738 GJ/T produced	2020		+6.5%	+3.1%	-1.9%	-7%	-15%
Green electricity (%)			100%	100%	100%	100%	100%	100%
Ensuring sustainable resources								
Sustainable certified palm oil (%)						new	81%	100%
Sustainable certified soya (consumer and professional brands) (%)			25%	58%	82%	100%	100%	100%
Sustainable certified cocoa (consumer and professional brands) (%)				30%	48.5%	71%	86%	100%
% of the identified impacts and risks on biodiversity have an action plan						new	new	100%
Recycled PET per packaging unit (brands) (%)						new	24.3%	30%
Preserving water availability								
Wastewater intensity vs. 2020 (in % relative change)	0.46 l/kg	2020		+1.9%	-11.4%	-5.6%	-4.5%	-17%



SUSTAINABILITY KPI	BASELINE VALUE	BASELINE	STATUS 2020	STATUS 2021	STATUS 2022	STATUS 2023	STATUS 2024	TARGETS 2030
Working towards zero waste								
Food loss intensity BP vs. 2021 (in % relative change)	4.36%	2021				new	2.1%	-30%
Food loss intensity PBFS vs. 2021 (in % relative change)	1.53%	2021				new	-0.1%	-6.3%
Offering an engaging professional journey								
Training per associate category (average hours)				MG: 16.9 WC: 10.9 BC: 5	MG: 30.7 WC: 13.5 BC: 19.7	All: 42.2 MG: 53.3 WC: 38.8 BC: 37.6	All: 48.37 MG: 69.94 WC: 43.88 BC: 42.28	40
Associates who adhere to P&DMP per associate category (%)				MG: 98.6% WC: 96% BC: 86.4%	MG: 99% WC: 97% BC: 90%	All: 90.15% MG: 99% WC: 90% BC: 87%	All: 94% MG: 99% WC: 91% BC: 94%	All: 95% MG: 99% WC: 97% BC: 93%
Training & development score AES (score/100)			58	58	59	63	64	64
Sustainable engagement score AES (score/100)			77	77	75	78	78	80
Providing a diverse, equitable and inclusive workplace								
Representation women at senior leadership (B+ level) (%)			23%	21%	29.5%	28.7%	27.83%	40% to 60%
Equal hours of training per associate per gender (ratio)				1.82	1.82	1.02	0.97	Ratio: 0.9 to 1.1
Gender pay gap (Vandemoortele definition) (%)				-2.7%	-2.6%	-1.8%	-2%	-2% to +2%
Inclusive workplace index AES (score/100)			old: 80	old: 80	old: 82	old: 83 - new: 78	new: 79	81
Full inclusivity for minorities AES (score/100)						66	67	0 points
Ensuring a healthy and safe work environment								
Severe accidents (without permanent disability) (number)			0	1	0	1	2	0
Severity rate of Lost Workday Cases			0.85	0.66	0.56	0.66	0.55	0.3
Frequency rate of Lost Workday Cases			19.2	20.2	19.6	17.3	13.01	14
Well-being index AES (score/100)					73	76	76	77
Ensuring workers’ rights in our value chain								
Key commodities participating in a project on the ground (%)			palm (via Earthworm) + soya (via ACT)	palm (via Earthworm) + soya (via ACT)	60%	60%	75%	100%
Ensuring sustainable business growth								
Associates who received training on the Code of Conduct and whistleblowing (%)						new	69%	100%
Sustainability index AES (score/100)			old: 75	old: 75	old: 76	old: 78 - new: 79	new: 79	78
Partnering in the value chain								
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%	96%	100%
Critical centrally managed direct suppliers that are verified according to our sustainability criteria (%)			palm suppliers (EPI)	palm suppliers (EPI)	60%	85%	92%	100%

ADDITIONAL CSRD METRICS

ADDITIONAL CSRD METRICS	PERFORMANCE 2024 (MWh)
Taking climate action	
Consumption of purchased or acquired electricity, heat, steam or cooling from fossil sources	22,992
Fuel consumption from coal and coal products	0
Fuel consumption from crude oil and petroleum products	11,263
Fuel consumption from natural gas	85,207
Fuel consumption from other fossil sources	10,799
Energy consumption from fossil sources	130,261
Energy consumption from nuclear sources	0
Fuel consumption from renewable sources	1,019
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	207,076
Consumption of self-generated non-fuel renewable energy	2,632
Energy consumption from renewable sources	210,727
Total energy consumption	340,988
Renewable energy production	2,632
Non-renewable energy production	0
Percentage of energy consumption from nuclear sources in total energy consumption	0
Percentage of renewable sources in total energy consumption	61.8%
Percentage of fossil sources in total energy consumption	38.2%
Energy intensity from activities in high climate impact sectors*	0.00017 MWh/EUR

*More information on the high climate impact sectors can be found in ‘The methodology and assumptions of our KPIs and metrics’.

ADDITIONAL CSRD METRICS	BASE YEAR 2023 (tCO ₂ e)	PERFORMANCE 2024 (tCO ₂ e)	% VS. BASE YEAR
Taking climate action			
Scope 1 GHG emissions			
Gross Scope 1 GHG emissions (tCO ₂ e)	41,008	35,871	-12.5%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0%	0%	0%
Scope 2 GHG emissions			
Gross location-based Scope 2 GHG emissions (tCO ₂ e)	57,786	42,455	-26.5%
Gross market-based Scope 2 GHG emissions (tCO ₂ e)	13,093	10,393	-20.6%
Scope 3 GHG emissions			
Total Gross indirect (Scope 3) GHG emissions (tCO ₂ e)	2,320,648	2,300,036	-0.9%
Upstream			
1. Purchased goods and services	2,034,553	1,988,003	-2.3%
2. Capital goods	36,547	55,116	50.8%
3. Fuel and energy-related activities (not included in Scope 1 or Scope 2)	27,873	24,685	-11.4%
4. Upstream transportation and distribution	96,514	104,474	8.2%
5. Waste generated in operations	1,730	1,682	-2.8%
6. Business travel	706	1,100	55.8%
7. Employee commuting	3,916	3,896	-0.5%
Downstream			
9. Downstream transportation and distribution	39,410	40,254	2.1%
10. Processing of sold products	58,851	59,158	0.5%
12. End-of-life treatment of sold products	16,921	17,941	6.0%
15. Investments	3,626	3,726	2.8%
Total GHG emissions			
Total GHG emissions (location-based) (tCO ₂ e)	2,419,442	2,378,361	-1.7%
Total GHG emissions (market-based) (tCO ₂ e)	2,374,748	2,346,299	-1.2%
GHG emissions intensity, market-based (total GHG emissions per net revenue)		0.0012 tCO₂e/EUR	
GHG emissions intensity, location-based (total GHG emissions per net revenue)		0.0012 tCO₂e/EUR	

ADDITIONAL CSRD METRICS E1	BASE YEAR 2023	PERFORMANCE 2024 (tCO ₂ e)	% vs. BASE YEAR	2030 TARGET
Scope 1 & Scope 2 GHG emissions (market-based)	54,101	46,264	-14.49%	-42%
Total gross Scope 3 FLAG emissions	1,482,881	1,412,867	-4.7%	
Scope 3 FLAG GHG emissions in 2030 target Scope (incl. removals)	1,074,612	1,025,995	-4.5%	-30.3%
Total gross Scope 3 non-FLAG (Energy & Industry emissions)	837,767	887,168	5.9%	
Suppliers and customers engagement by Scope 3 non-FLAG emissions (%)	37.1%	41.6%	12.1%	73%

ADDITIONAL CSRD METRICS E3	PERFORMANCE 2024
Preserving water availability	
Total water consumption (m ³)	763,520
Total water consumption in areas at water risk, including regions of high water stress (m ³)	419,033
Water intensity ratio (m ³ /€)	0.04%

ADDITIONAL CSRD METRICS S1	PERFORMANCE 2024
Providing a diverse, equitable and inclusive workplace	
Employee turnover (number)	442
Employee turnover (%)	11%
Employees (headcount) at top management level (number)	6*
Employees at top management level (%)	0.15%
Employees (headcount) under 30 years old (number)	489
Employees under 30 years old (%)	12%
Employees (headcount) between 30 and 50 years old (number)	2,240
Employees between 30 and 50 years old (%)	55%
Employees (headcount) over 50 years old (number)	1,365
Employees over 50 years old (%)	33%

ADDITIONAL CSRD METRICS S1	PERFORMANCE 2024
Training hours by gender (average hours)	M: 48.97 F: 47.30
Gender pay gap (ESRS definition)** (%)	5.3%
Annual total remuneration (ratio)	28.91

ADDITIONAL CSRD METRICS S1	PERFORMANCE 2024
Ensuring a healthy and safe work environment	
People in its own workforce who are covered by a health and safety management system (%)	100%
Fatalities in own workforce as a result of work-related injuries and work-related ill health (number)	0
Recordable work-related accidents for own workforce (number)	85
Days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health related to employees (number)	3,590

ADDITIONAL CSRD METRICS G1	PERFORMANCE 2024
Ensuring sustainable business growth	
Convictions for violations of anti-corruption and anti-bribery laws (number)	0
Amount of fines for violations of anti-corruption and anti-bribery laws (€)	0
Functions-at-risk covered by training programmes (%)	79.5%

*Peter Boone started in January 2025 and is therefore not included in this figure.
**When we calculate the total gender pay gap for all 4,094 employees, we have a pay gap of 5.3%. This means that women earn on average 5% less than men. Note that the ESRS definition is different from the pay-gap definition of our KPI (see The methodology and assumptions of our KPIs and metrics).

ESRS CONTENT INDEX

IRO-2

ESRS 2 GENERAL DISCLOSURES

Disclosure requirements		Comments	Page
BASIS FOR PREPERATION			
BP-1	General basis for preparation of sustainability statements		50
BP-2	Disclosures in relation to specific circumstances		Vandemoortele does not report on other legislation or generally accepted sustainability reporting standards and frameworks in the sustainability statement. 50 150 153
GOVERNANCE			
GOV-1	The role of the administrative, management and supervisory bodies		39, 51
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies		51
GOV-3	Integration of sustainability-related performance in incentive schemes		53
GOV-4	Statement on due diligence		53
GOV-5	Risk management and internal controls over sustainability reporting		54
STRATEGY			
SBM-1	Strategy, business model and value chain		15-17
SBM-2	Interests and views of stakeholders		There are no changes in strategy and business model as this is the first year of CSRD reporting. 55
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		60-67
IMPACT, RISK AND OPPORTUNITY MANAGEMENT			
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities		58-60
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement		142-146, 154-155
MDR-P	Policies adopted to manage material sustainability matters		71-72, 85-86, 111-112, 129-130
MDR-A	Actions and resources in relation to manage material sustainability matters		A time horizon for completing key actions is included when relevant. Most actions will continue as long as they remain relevant, so no time horizon is included in those cases. The resources allocated to the management of material impacts are not reported as this information is not yet sufficiently mature to be included in this report. 69-136
METRICS AND TARGETS			
MDR-M	Metrics in relation to manage material sustainability matters		138-141, 156-165
MDR-T	Tracking effectiveness of policies and actions through targets		Vandemoortele does not report externally on interim targets. 138-139, 152-153

The targets related to environmental matters are not based on conclusive scientific evidence.

TOPICAL STANDARDS

Disclosure requirements		Comments	Page
ESRS E1 CLIMATE CHANGE			
GOV-3	Integration of sustainability-related performance in incentive schemes		53
E1-1	Transition plan for climate change mitigation	Vandemoortele does not have economic activities that are covered by delegated regulations on climate adaptation or mitigation under the Taxonomy Regulation. No significant CapEx amounts are invested during the reporting period related to coal, oil and gas-related economic activities. Vandemoortele is not excluded from the EU Paris-aligned Benchmarks.	87
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		60-67, 87
IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	A resilience analysis, including the use of climate scenario analysis, has not been conducted. We will conduct this analysis in the future.	58-60, 87
E1-2	Policies related to climate change mitigation and adaptation		85-86
E1-3	Actions and resources in relation to climate change policies	The resources allocated to the management of material impacts are not reported as this information is not yet sufficiently mature to be included in this report.	89-91
E1-4	Targets related to climate change mitigation and adaptation	The scope of the GHG emission calculations has been expanded. In Scope 1 and Scope 2, transport solutions, offices, warehouses and more are now included. Regarding Scope 3 emissions, the calculation methodology has been improved compared to 2022, and the scope of the near-term targets has been defined based on the 2023 calculations, which now serve as the baseline for the targets. Therefore, this is the first year that Vandemoortele has defined comprehensive GHG emission reduction targets. As there was no comprehensive GHG target in the past, there are no changes or errors compared to the previous reporting period, nor any previous baseline value that affects the new target, its achievement or the presentation of progress over time.	93
E1-5	Energy consumption and mix		95
E1-6	Gross Scopes 1, 2, 3 and total GHG emissions		95
E1-7	GHG removals and GHG mitigation projects financed through carbon credits		96
E1-8	Internal carbon pricing		96
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	This DR is not reported because a phase-in provision applies.	
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		58-60, 102
E3-1	Policies related to water and marine resources		85-86
E3-2	Actions and resources related to water and marine resources	The resources allocated to the management of material impacts are not reported as this information is not yet sufficiently mature to be included in this report.	102-103
E3-3	Targets related to water and marine resources	The targets set and presented are voluntary.	103



E3-4	Water consumption		103
E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	This DR is not reported because a phase-in provision applies.	
ESRS E4 BIODIVERSITY AND ECOSYSTEMS			
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model		98
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	The material IROs identified by Vandemoortele are located in the value chain. Therefore, data points related to its own operations are not material.	60-67, 98
IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities		58-60
E4-2	Policies related to biodiversity and ecosystems		85-86
E4-3	Actions and resources related to biodiversity and ecosystems	Biodiversity offsets were not used in our action plan. Local communities and indigenous people are involved in the projects on-the-ground that Vandemoortele supports, and consulted on the actions included in these projects. The resources allocated to the management of material impacts are not reported as this information is not yet sufficiently mature to be included in this report.	98-100
E4-4	Targets related to biodiversity and ecosystems	Biodiversity offsets were not used in the target setting.	101
E4-5	Impact metrics related to biodiversity and ecosystems change	Not material	
E4-6	Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	This DR is not reported because a phase-in provision applies.	
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		58-60
E5-1	Policies related to resource use and circular economy		85-86
E5-2	Actions and resources related to resource use and circular economy	The resources allocated to the management of material impacts are not reported as this information is not yet sufficiently mature to be included in this report.	104-105
E5-3	Targets related to resource use and circular economy	The targets set and presented are voluntary.	106
E5-4	Resource inflows	Not material	
E5-5	Resource outflows	Not material	
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	This DR is not reported because a phase-in provision applies.	
ESRS S1 OWN WORKFORCE			
SBM-2	Interests and views of stakeholders		55-57
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	No analysis has been conducted to identify impacts on workers resulting from transition plans for reducing negative impacts on environment and achieving greener and climate-neutral operations.	60-67, 113, 117, 120, 125
S1-1	Policies related to own workforce	Human rights are not a material topic concerning the internal workforce; therefore, all related data points are not applicable.	111-112
S1-2	Processes for engaging with own workers and workers’ representatives about impacts		55-57



S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns		131-133
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	No analysis has been conducted to identify if own practices cause or contribute to material negative impacts on own workforce. The resources allocated to the management of material impacts are not reported as this information is not yet sufficiently mature to be included in this report. No analysis has been conducted to identify negative impacts that arise from transition to a greener, climate-neutral economy. Therefore, no measures are taken.	113-114, 117-118, 121-122, 125-126
S1-5	Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities		115, 118, 123, 126
S1-6	Characteristics of the undertaking's employees		12, 151
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	This DR is not reported because a phase-in provision applies.	
S1-8	Collective bargaining coverage and social dialogue	Not material	
S1-9	Diversity metrics		119
S1-10	Adequate wages	We ensure all employees receive fair and adequate wages, consistently exceeding the legal minimum, which we monitor closely as part of our core values. With the majority of our operations based in the EU, where trade unions and collective bargaining agreements are in place, and a U.S. presence focused mainly on sales roles, we remain committed to providing wages above minimum requirements in all regions.	119
S1-11	Social protection	Not material	
S1-12	Persons with disability	Not material	
S1-13	Training and skills development metrics		115
S1-14	Health and safety metrics	Number of cases of recordable work-related ill health of employees is not reported because a phase-in provision applies.	124
S1-15	Work-life balance metrics	Not material	
S1-16	Compensation metrics (pay gap and total compensation)		119
S1-17	Incidents, complaints and severe human rights impacts	Not material	
ESRS S2 WORKERS IN THE VALUE CHAIN			
SBM-2	Interests and views of stakeholders		55-57
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	No material negative impacts, risks or opportunities were defined. Vandemoortele does not have a Global Framework Agreement or other agreements related to respect of human rights of workers.	60-67, 125
S2-1	Policies related to value chain workers		111-112
S2-2	Processes for engaging with value chain workers about impacts		55-57
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns		131-133

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	No material negative impacts, risks or opportunities were defined. The resources allocated to the management of material impacts are not reported as this information is not yet sufficiently mature to be included in this report.	125-126
S2-5	Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities		126
ESRS S4 CONSUMERS AND END-USERS			
SBM-2	Interests and views of stakeholders		55-57
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		60-67, 73, 75, 77, 80
S4-1	Policies related to consumers and end-users	Human rights is not a material topic for consumers and end-users.	71-72
S4-2	Processes for engaging with consumers and end-users about impacts	Vandemoortele did not assess how effective the engagement with consumers and end-users is.	55-57
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns		131-133
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	The resources allocated to the management of material impacts are not reported as this information is not yet sufficiently mature to be included in this report. No analysis has been conducted to identify if own practices cause or contribute to material negative impacts on own workforce.	73, 75, 78, 81-82
S4-5	Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities		74, 76, 78, 82
ESRS G1 CONDUCT			
GOV-1	The role of the administrative, supervisory and management bodies		39
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities		58-60, 131, 135
G1-1	Corporate culture and business conduct policies		129-130
G1-2	Management of relationships with suppliers	Policy to prevent late payments, especially to SMEs is not material for Vandemoortele.	135-136
G1-3	Prevention and detection of corruption and bribery		131-133
G1-4	Confirmed incidents of corruption or bribery		133

LIMITED ASSURANCE REPORT OF THE STATUTORY AUDITOR ON THE CONSOLIDATED SUSTAINABILITY STATEMENTS OF VANDEMOORTELE NV 31 DECEMBER 2024

To the general shareholders’ meeting

In the framework of our legal limited assurance engagement on the consolidated sustainability statements of Vandemoortele NV (“the company”) and its subsidiaries (“the group”), we hereby submit our report on this mission.

We have been appointed by the by the general assembly dated 14 February 2025, in accordance with the proposal of the board of directors issued and upon recommendation of the audit committee, to perform a limited assurance engagement on the consolidated sustainability information of the group, included in the sustainability statements of the annual integrated report on 31 December 2024 and for the financial year then ended (the “consolidated sustainability statements”).

Our mandate will expire on the date of the general meeting deliberating on the financial statements for the financial year ended 31 December 2025. We have performed our limited assurance engagement on the consolidated sustainability statements of the group for the first time during the current reporting period.

Limited assurance conclusion

We have performed a limited assurance engagement on the consolidated sustainability statements of the group.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the consolidated sustainability statements, in all material respects:

- have not been prepared in accordance with the requirements stipulated in article 3:32/2 of the Code of Companies and Associations, including accordance with the applicable European Sustainability Reporting Standards (ESRS);
- have not been prepared in accordance with the process carried out by the group to identify the information reported in the consolidated sustainability statements (the “process”) as set out in the note “Our double materiality assessment”;
- do not comply with the requirements of Article 8 of EU Regulation 2020/852 (the “Taxonomy Regulation”) regarding the disclosures in subsection EU Taxonomy Reporting within the environmental section of the consolidated sustainability statements.

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information (“ISAE 3000 (Revised)”), as applicable in Belgium.

Our responsibilities under this standard are described in more detail in the section of our report “Responsibilities of the statutory auditor relating to the limited assurance engagement on the consolidated sustainability statements”.

We have complied with all ethical requirements relevant to limited assurance engagements on the consolidated sustainability statements in Belgium, including those regarding independence.

We apply the International Standard on Quality Management 1 (ISQM 1), which requires us to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have obtained from the board of directors and the company’s officials all explanations and information required for our limited assurance engagement. We believe that the evidence we have obtained in the framework of our limited assurance engagement is sufficient and appropriate to provide a basis for our conclusion.

Other matter

The scope of our work is limited to our limited assurance engagement on the consolidated

sustainability statements of the group for the year ended 31 December 2024. Our limited assurance engagement does not extend to information related to the comparative figures or any other figures related to prior years included in the consolidated sustainability statements.

Responsibilities of the board of directors relating to the preparation of the consolidated sustainability statements

The board of directors is responsible for designing and implementing a process and for disclosing this process in the note “Our double materiality assessment” of the consolidated sustainability statements. This responsibility includes:

- understanding the context in which the group’s activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the group’s financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and

- making assumptions and estimates that are reasonable in the circumstances.

The board of directors is also responsible for the preparation of the consolidated sustainability statements, which includes the information established by the process,

- in accordance with the requirements set out in article 3:32/2 of the Code of Companies and Associations, including the applicable European Sustainability Reporting Standards (ESRS);
- in compliance with the requirements of Article 8 of the Taxonomy Regulation regarding the disclosure of the information included in subsection EU Taxonomy Reporting within the environmental section of the consolidated sustainability statements.

This responsibility comprises:

- designing, implementing and maintaining such internal control that the board of directors deems necessary for the preparation of the consolidated sustainability statements that is free from material misstatements, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

The board of directors are responsible for overseeing the group's sustainability reporting process.

Inherent limitations in preparing the consolidated sustainability statements

In reporting forward-looking information in accordance with ESRS, the board of directors is

required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected and deviations may be of material importance.

Responsibilities of the statutory auditor relating to the limited assurance engagement on the consolidated sustainability statements

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the consolidated sustainability statements is free from material misstatements, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken based on the consolidated sustainability statements.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), as applicable in Belgium, we apply professional judgement and maintain professional scepticism throughout the engagement. The work performed in an engagement aiming to obtain a limited level of assurance, for which we refer to the section "Summary of the work performed" is less in scope than in an engagement aiming to obtain a reasonable level of assurance. Therefore, we do not express an opinion with a reasonable level of assurance as part of this engagement.

Since the forward-looking information in the consolidated sustainability statements and the assumptions on which it is based, relate to the future, they may be affected by events that may occur in the future and/or by potential actions of the group. The actual outcomes are likely to be different from the assumptions made, as the anticipated events often do not occur as expected, and the deviation from them could be material. Therefore, our conclusion does not provide any assurance that the reported actual outcomes will correspond with those included in the forward-looking information in the consolidated sustainability statements.

Our responsibilities in respect of the consolidated sustainability statements, in relation to the process, include:

- obtaining an understanding of the process, but not for the purpose of providing a conclusion on the effectiveness of the process, including the outcome of the process; and
- designing and performing procedures to evaluate whether the process is consistent with the company's description of its process, as disclosed in the note "Our double materiality assessment".

Our other responsibilities in respect of the consolidated sustainability statements include:

- acquiring an understanding of the group's control environment, the relevant processes, and information systems for preparing the consolidated sustainability statements, but without assessing the design of specific control activities, obtaining supporting information about their



implementation, or testing the effective operation of the established internal control measures;

- identifying where material misstatements are likely to arise in the consolidated sustainability statements, whether due to fraud or error; and
- designing and performing procedures responsive to where material misstatements are likely to arise in the consolidated sustainability statements. The risk of not detecting a material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the consolidated sustainability statements. The procedures in a limited assurance engagement vary in nature and timing and are less in extent than procedures performed for a reasonable assurance engagement. 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.

The nature, timing and extent of the procedures selected depend on professional judgement, including the identification of areas where material misstatements are likely to arise in the consolidated sustainability statements, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the process, we:

- obtained an understanding of the process by:

- performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
- reviewing the group's internal documentation of its process; and
- evaluated whether the assurance evidence obtained from our procedures with respect to the process implemented by the group was consistent with the description of the process set out in the note "Our double materiality assessment".

In conducting our limited assurance engagement, with respect to the consolidated sustainability statements, we have:

- obtained an understanding of the group's reporting processes relevant to the preparation of its consolidated sustainability statements by obtaining an understanding of the group's control environment, processes and information system relevant to the preparation of the consolidated sustainability statements but not with the purpose of providing a conclusion on the effectiveness of the group's internal control;
- evaluated whether the information identified by the process is included in the consolidated sustainability statements;
- evaluated whether the structure and the presentation of the consolidated sustainability statements has been prepared in accordance with the ESRS;
- performed inquiries with relevant personnel and analytical procedures on selected information in the consolidated sustainability statements;
- performed substantive assurance procedures

on selected information in the consolidated sustainability statements;

- compared disclosures in the sustainability statements with the corresponding disclosures in the financial statements;
- obtained evidence on the methods and assumptions for developing estimates and forward-looking information as described in the section "Responsibilities of the statutory auditor related to the limited assurance engagement on the consolidated sustainability statements";
- obtained an understanding of the group's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the consolidated sustainability statements.

Statements related to independence

Our audit firm and our network have not performed any engagements which are incompatible with the limited assurance engagement, and our audit firm has remained independent of the group throughout the course of our mandate.

Signed at Ghent.

The statutory auditor

Digitally signed by
Tom Windelen
 Ondertekend door: Tom Windelen (Signature)
 Ondertekentijd: 28-Mar-2025 | 17:48 CET

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Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL
 Represented by Tom Windelen



CHANGES IN MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

BP-2

‘Circular Packaging’ was initially identified as a material topic due to its prominence in the previous strategy. However, a reassessment has determined that it now falls below the materiality threshold. As a result, **‘Circular Packaging’ has been deemed less strategically important** this reporting year, and will no longer be reported as a standalone material impact. Instead, it will be integrated into the broader context of Ensuring Sustainable Resources.

OUR ASSOCIATES’ SHORT-TERM INCENTIVES

The calculation of our associates’ **short-term incentives** (STIs) depends in part on the following sustainability targets:

Conscious nutrition



- Vol% Clean Label products in BP
- Vol% plant-based products in PBFS
- Suppliers, traders & logistics partners compliant with GFSI principles (%)
- Food safety complaints vs. 2020 (in % relative change)
- Incidents food defence & food fraud (number)

Protecting nature



- Energy intensity Group vs. 2020 (in % relative change)
- Energy intensity BP vs. 2020 (in % relative change)
- Energy intensity PBFS vs. 2020 (in % relative change)
- Food loss intensity BP vs. 2021 (in % relative change)
- Food loss intensity PBFS vs. 2021 (in % relative change)
- Recycled PET per packaging unit (brands) (%)
- Scope 1 & 2 GHG emissions vs. 2023 (in % relative change)
- Scope 3 FLAG GHG emissions vs. 2023 (in % relative change)

Enhancing lives



- ‘Safety Management Score’ (= Safety performance score/Safety Mgt System score)
- Training per associate category (average hours)
- Inclusive workplace index AES (score/100)
- Well-being index AES (score/100)
- Gender pay gap (Vandemoortele definition) (%)

Sustainable organisation



- Associates who received training on the Code of Conduct and whistleblowing (%)
- Critical centrally managed direct suppliers verified according to our sustainability criteria (%)
- Finance & IT initiatives to support sustainability
- Master data initiatives to support sustainability
- Collaborations with customers
- Secretariat general initiatives to support sustainability
- Digital initiatives to support sustainability



ADDITIONAL CSRD METRICS ON OWN WORKFORCE

S1-6	Austria	Belgium	Czech Republic	France	Germany	Hungary	Italy	Netherlands	Poland	Slovakia	Spain	United Kingdom	United States	Total
Number of employees (headcount/FTE)	4	1,162	44	1,380	363	11	326	218	259	6	208	101	12	4,094
Number of permanent employees (headcount/FTE)	4	1,146	44	1,344	329	11	322	216	256	6	199	101	12	3,990
Number of temporary employees (headcount/FTE)		16		36	34		4	2	3		9			104
Number of non-guaranteed hours employees (headcount/FTE)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Number of full-time employees (headcount/FTE)	4	969	43	1,272	319	11	315	178	258	6	202	97	11	3,685
Number of part-time employees (headcount/FTE)		193	1	108	44		11	40	1		6	4	1	409

ⓘ See p.12 for more info on the Characteristics of the Undertaking’s Employees.

HOW WE SET OUR TARGETS

MDR-T

To define our targets, we organised multiple **working sessions**. For each commitment, a group of experts evaluated the targets from our previous strategy, competitor benchmarks, regulatory requirements and planned investments. This collaborative approach determined which targets were both achievable by 2030 and sufficiently ambitious for Vandemoortele.

The **GHG Scope 1, 2 and 3 targets** align with the SBTi near-term criteria, compatible with the Paris Agreement’s 1.5°C goal. Other nature protection targets are based on planned investments leading up to 2030. The 30% recycled PET goal follows the EU 2025/40 - Packaging & Packaging Waste Regulation but is even more ambitious, as we aim to achieve this target by 2027 instead of 2030.

For matters related to **associates**, targets are primarily informed by the annual Associate Engagement Survey, which gathers input from all Vandemoortele employees. Associates also participate in the Performance & Development Management Process, where their feedback and contributions help shape personal performance and development goals. Progress is tracked throughout the year through continuous feedback between managers and associates, ensuring challenges are addressed promptly and actions are implemented to enhance both individual and collective performance.

For other areas, such as **conscious nutrition or value chain workers**, targets are established by internal experts in their respective fields. These targets are periodically reviewed to ensure they remain relevant and aligned with strategic priorities. Social projects impacting value chain workers rely on studies and dialogues with credible representatives to set meaningful targets. This ensures that the targets address real needs and generate a tangible impact on the ground.

Although **consumers** are not directly involved in the target-setting process, their needs and preferences are assessed through market research. Insights from these studies guide strategic decisions and ensure that actions align with consumer expectations and market demands.

In developing our targets, we relied on **several assumptions**. To begin with, we assumed that the necessary financial, technological and human resources will be available to achieve the stated goals. Vandemoortele is expected to continue innovating in products, processes and systems to meet ambitious targets. Furthermore, the market demand, consumer behaviour and competitive landscape are anticipated to remain consistent with current trends and forecasts. Essential raw materials and ingredients are assumed to remain sufficiently available at reasonable costs. The company also expects that technologies will continue to advance, enabling more efficient and sustainable solutions. Additionally, suppliers are assumed to be willing to collaborate on improvements within the value chain, such as sustainable sourcing.



CHANGES OR ERRORS IN TARGETS AND METRICS

BP-2

MDR-T

Since 2024 marks Vandemoortele’s first reporting year under the CSRD, all required CSRD metrics are included in this report. Below is a list of corrections and changes identified compared to the previous report.

Conscious nutrition

- **Maintain 100% unannounced GFSI certification (Vandemoortele operations):** to allow for better focus, we will stop reporting this KPI externally. However, it will continue to be monitored internally and we will integrate it into our Food Safety Policy.

Protecting nature

- **CO₂ intensity reduction (Scope 1 & 2):** the 75% reduction target will no longer be reported, as the focus has shifted to absolute targets in line with SBTi.
- **On-site green electricity generation (solar, wind):** the target will now be tracked qualitatively as part of our Environmental Policy.
- **Gross Scope 1 and Scope 2:** 2023 figures have been restated compared to last year’s report: as 2023 is our baseline for science-based targets, the emissions of the Acquaviva sites have been added and minor adjustments were made to improve accuracy and comparability with our 2024 figures.
- **Supplier engagement, Scope 3 emissions non-FLAG:** our previous target of 70.6% was based

on the GHG inventory of 2022. As we have taken 2023 as baseline for our SBTi targets, we have redefined the scope and target based on our new baseline.

- **Scope 3 GHG emissions:** we have improved and better aligned our calculation methodologies for Scope 3 emissions since the calculation of 2022 that was published in last year’s report. As 2023 is our new baseline, we have not recalculated the 2022 inventory.
- **100% traceability to mill:** this is no longer externally communicated as a target but is integrated into our Sourcing Policy and the Palm Progress Report. The same approach applies to **100% traceability to plantation.**
- **100% barn eggs:** this is no longer externally communicated as a target but incorporated into our Sourcing Policy.
- **100% FSC or PEFC-certified paper and cardboard:** this target has been achieved and will no longer be reported, but it remains part of our Sourcing Policy and will continue to be monitored.
- **Grievances related to palm oil & cocoa:** the target for ensuring action plans for all (100%) verified environmental grievances has been discontinued. However, this KPI will still be monitored internally and remains qualitatively part of our policy.
- **Sustainable certified palm oil:** the entire portfolio is now considered, rather than just Vandemoortele brands.

- **BP food loss reduction:** last year’s target has been revised to ensure more accurate, consistent and automated measurement methodologies, enhancing transparency and auditability. As a result, the baseline year has been adjusted from 2020 to 2021 to align with improved data integrity and system compatibility.
- **PBFS food loss reduction:** the year 2021 was chosen as the new baseline since it was the first full year after ‘Project Europe’ implementation, ensuring accurate digital reporting.
- **Non-sorted waste reduction:** the 5.8% reduction target is no longer part of the sustainability strategy, as only food waste was identified as material in the double materiality assessment.

Enhancing lives

- **Equal number of successors per gender in jobs with a successor (C+):** as this will now be monitored internally in a qualitative way, we will no longer report this KPI externally.
- **Inclusive workplace index (AES):** changed in the reporting year from a score to an index, as it now combines multiple questions (an index rather than a score).
- **The 2030 targets for AES** have been adjusted to encompass the recent acquisition of Dolciaria Acquaviva.
- **Gender pay gap (Vandemoortele definition):** in previous reports, this KPI was consistently reported as positive, whereas it should have been

negative. When the KPI is negative it indicates that women earn, on average, less than men.

- **100% of verified social grievances related to key commodities (palm, cocoa, soya) with an action plan by 2030:** this KPI will no longer be reported externally but will continue to be monitored internally and included in our Sourcing Policy and Palm Progress Report.

Sustainable organisation

- **5 collaborations with customers:** to allow for better focus, we will stop reporting this KPI externally. However, it will continue to be monitored internally and qualitatively, and we will describe these collaborations in our report.
- **Sustainability score AES:** changed in the reporting year from a score to an index, as it now combines multiple questions (an index rather than a score).
- **Supplier Code of Conduct compliance:** the calculation of this KPI – centrally managed suppliers who accepted and/or signed our Supplier Code of Conduct (SCoC) – was expanded to include more suppliers. In 2023, nearly 700 suppliers were invited to sign the Vandemoortele SCoC, and this number increased to almost 900 in 2024. Suppliers who were inactive in 2024, as well as those managed locally, were excluded from the KPI.

LIST OF DATA POINTS IN CROSS-CUTTING AND TOPICAL STANDARDS THAT DERIVE FROM OTHER EU LEGISLATION

The table below outlines the ESRS data points that derive from other EU legislation, as referenced in ESRS 2 Appendix B and where this information can be found if deemed material.

IRO-2

Disclosure requirement and related data point	EU legislation	Page
ESRS 2 GOV-1 Board’s gender diversity, paragraph 21 (d)	› SFDR reference › Benchmark Regulation reference	39
ESRS 2 GOV-1 Percentage of board members who are independent, paragraph 21 (e)	› Benchmark Regulation reference	39
ESRS 2 GOV-4 Statement on due diligence, paragraph 30	› SFDR reference	53
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities, paragraph 40 (d) i	› SFDR reference › Pillar 3 reference › Benchmark Regulation reference	NA
ESRS 2 SBM-1 Involvement in activities related to chemical production, paragraph 40 (d) ii	› SFDR reference › Benchmark Regulation reference	NA
ESRS 2 SBM-1 Involvement in activities related to controversial weapons, paragraph 40 (d) iii	› SFDR reference › Benchmark Regulation reference	NA
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco, paragraph 40 (d) iv	› Benchmark Regulation reference	NA
ESRS E1-1 Transition plan to reach climate neutrality by 2050, paragraph 14	› EU Climate Law reference	87
ESRS E1-1 Undertakings excluded from Paris-aligned benchmarks, paragraph 16 (g)	› Pillar 3 reference › Benchmark Regulation reference	143
ESRS E1-4 GHG emission reduction targets, paragraph 34	› SFDR reference › Pillar 3 reference › Benchmark Regulation reference	87
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	› SFDR reference	95
ESRS E1-5 Energy consumption and mix, paragraph 37	› SFDR reference	95
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43	› SFDR reference › Pillar 3 reference › Benchmark Regulation reference	95

Disclosure requirement and related data point	EU legislation	Page
ESRS E1-6 Gross Scope 1, 2, 3 and total GHG emissions, paragraph 44	› SFDR reference › Pillar 3 reference › Benchmark Regulation reference	95
ESRS E1-6 Gross GHG emissions intensity, paragraphs 53 to 55	› SFDR reference › Pillar 3 reference › Benchmark Regulation reference	95
ESRS E1-7 GHG removals and carbon credits, paragraph 56	› EU Climate Law reference	96
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risk, paragraph 66	› Benchmark Regulation reference	NA
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk, paragraph 66 (c)	› Pillar 3 reference	NA
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes, paragraph 67 (c).	› Pillar 3 reference	NA
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities, paragraph 69	› Benchmark Regulation reference	NA
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	› SFDR reference	NA
ESRS E3-1 Water and marine resources, paragraph 9	› SFDR reference	102-103
ESRS E3-1 Dedicated policy, paragraph 13	› SFDR reference	85-86
ESRS E3-1 Sustainable oceans and seas, paragraph 14	› SFDR reference	NA
ESRS E3-4 Total water recycled and reused, paragraph 28 (c)	› SFDR reference	NA
ESRS E3-4 Total water consumption in m³ per net revenue on own operations, paragraph 29	› SFDR reference	103



Disclosure requirement and related data point	EU legislation	Page
ESRS 2- IRO 1 – E4 paragraph 16 (a) i	› SFDR reference	98
ESRS 2- IRO 1 – E4 paragraph 16 (b)	› SFDR reference	98
ESRS 2- IRO 1 – E4 paragraph 16 (c)	› SFDR reference	98
ESRS E4-2 Sustainable land/agriculture practices or policies, paragraph 24 (b)	› SFDR reference	85-86
ESRS E4-2 Sustainable oceans/seas practices or policies, paragraph 24 (c)	› SFDR reference	NA
ESRS E4-2 Policies to address deforestation, paragraph 24 (d)	› SFDR reference	85-86
ESRS E5-5 Non-recycled waste, paragraph 37 (d)	› SFDR reference	NA
ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39	› SFDR reference	NA
ESRS 2- SBM3 – S1 Risk of incidents of forced labour, paragraph 14 (f)	› SFDR reference	NA
ESRS 2- SBM3 – S1 Risk of incidents of child labour, paragraph 14 (g)	› SFDR reference	NA
ESRS S1-1 Human rights policy commitments, paragraph 20	› SFDR reference	NA
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 21	› Benchmark Regulation reference	NA
ESRS S1-1 Processes and measures for preventing trafficking in human beings, paragraph 22	› SFDR reference	NA
ESRS S1-1 Workplace accident prevention policy or management system, paragraph 23	› SFDR reference	112
ESRS S1-3 Grievance/complaints handling mechanisms, paragraph 32 (c)	› SFDR reference	131-133
ESRS S1-14 Number of fatalities and number and rate of work-related accidents, paragraph 88 (b) and (c)	› SFDR reference › Benchmark Regulation reference	124
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness, paragraph 88 (e)	› SFDR reference	124
ESRS S1-16 Unadjusted gender pay gap, paragraph 97 (a)	› SFDR reference › Benchmark Regulation reference	119
ESRS S1-16 Excessive CEO pay ratio, paragraph 97 (b)	› SFDR reference	119
ESRS S1-17 Incidents of discrimination, paragraph 103 (a)	› SFDR reference	NA
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD guidelines, paragraph 104 (a)	› SFDR reference › Benchmark Regulation reference	NA

Disclosure requirement and related data point	EU legislation	Page
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain, paragraph 11 (b)	› SFDR reference	125
ESRS S2-1 Human rights policy commitments, paragraph 17	› SFDR reference	112
ESRS S2-1 Policies related to value chain workers, paragraph 18	› SFDR reference	112
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 19	› SFDR reference › Benchmark Regulation reference	112
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 19	› Benchmark Regulation reference	112
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36	› SFDR reference	125-126
ESRS S3-1 Human rights policy commitments, paragraph 16	› SFDR reference	NA
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles and/or OECD guidelines, paragraph 17	› SFDR reference › Benchmark Regulation reference	NA
ESRS S3-4 Human rights issues and incidents, paragraph 36	› SFDR reference	NA
ESRS S4-1 Policies related to consumers and end-users, paragraph 16	› SFDR reference	71-72
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines, paragraph 17	› SFDR reference › Benchmark Regulation reference	NA
ESRS S4-4 Human rights issues and incidents, paragraph 35	› SFDR reference	NA
ESRS G1-1 United Nations Convention against Corruption, paragraph 10 (b)	› SFDR reference	129-130
ESRS G1-1 Protection of whistleblowers, paragraph 10 (d)	› SFDR reference	131-133
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws, paragraph 24 (a)	› SFDR reference › Benchmark Regulation reference	133
ESRS G1-4 Standards of anti- corruption and anti-bribery, paragraph 24 (b)	› SFDR reference	133

THE METHODOLOGY AND ASSUMPTIONS OF OUR KPIs AND METRICS

Targets and metrics	Reason for base year	Methodologies and significant assumptions	Validated by an external body
CONTRIBUTING TO CONSCIOUS NUTRITION			
Improving the nutrition profile of our products			
Salt content in BP vs. 2019 (in % relative change)	Baseline year 2019, the first year this KPI was monitored, was chosen to track the efforts being made.	The relative amount of salt reduction on products as consumed, expressed as a percentage of volume sold within the BP business line, compared to the baseline 2019. The water loss for each product’s technology is an average defined based on expertise.	NA
Sugar content in pastry, sweet treats & patisserie vs. 2019 (in % relative change)	Baseline year 2019, the first year this KPI was monitored, was chosen to track the efforts being made.	The relative amount of sugar on products as consumed, expressed as a percentage of volume sold within the BP business line. The water loss for each product’s technology is an average defined based on expertise.	NA
Offering plant-based alternatives			
Vol% plant-based products in PBFS	NA	The KPI calculates the percentage of plant-based ingredients within the sold volumes of PBFS products.	NA
Facilitating well-informed food choices			
Vol% Clean Label in BP	NA	The relative amount of Clean Label products, expressed as a percentage of volume sold within the BP portfolio. Our definition of Clean Label can be found on our website.	NA
Being a leader in food safety and quality			
Suppliers, traders & logistics partners compliant with GFSI principles (%)	NA	All data components are manually maintained. Supplier registers are based on SAP BW data but are populated with additional manually maintained data on certifications, TDS expiry dates, etc. Local suppliers, ingredients for Ghislenghien and logistics partners are not present in SAP.	NA
Incidents of food defence & food fraud (number)	NA	No assumptions.	NA
Food safety complaints vs. 2020 (in % relative change)	The baseline was updated to 2020 instead of 2016 (the update was done in FY23) as the original had become outdated and no longer provided a meaningful basis for comparisons. Over time, many of our factories have undergone significant changes in equipment, infrastructure and product lines, making a more recent baseline year necessary for accurate and relevant comparisons.	Food safety related complaints per 1,000 tonnes of volume sold compared with baseline in % relative change compared to our baseline year.	NA

PROTECTING NATURE

Taking climate action			
Energy intensity GROUP, BP & PBFS vs. 2020 (in % relative change)	The baseline year 2020 is used, as it results from the update of the Vandemoortele sustainability strategy in 2021 and corresponds to the year from which all relevant data insights are available. This ensures the most useful and accurate baseline value.	Relative change in % of the total energy (electricity + fossil) expressed in MWh, consumed per tonne of palletised product, compared to 2020.	External mandatory energy audits (energy legislation, governmental non-binding energy policy agreements, etc.)
Green electricity (%)	NA	All our consumed electricity is green.	NA
Energy consumption	NA	NA	WUC validates energy consumption for the production sites.
Energy consumption from renewable sources	NA	NA	WUC validates energy consumption for the production sites.
Fuel consumption from renewable sources	NA	NA	WUC validates energy consumption for the production sites.
Consumption of purchased or acquired electricity, heat, steam or cooling from fossil sources & renewable sources	NA	Information from AIB is used for country mix and residual mix calculations to determine the share of each energy source.	WUC validates energy consumption for the production sites.
Total energy consumption from fossil sources & nuclear sources Fuel consumption from coal and coal products, crude oil and petroleum products, natural gas and other fossil sources	NA	Information from AIB is used for country mix and residual mix calculations to determine the share of each energy source.	WUC validates energy consumption for the production sites.
Renewable energy production	NA	Only solar PV renewable energy is being produced in the Vandemoortele Group. Due to the type of contracts (PPA/lease) on the solar energy produced, the part of the generated energy directly consumed on-site is owned by Vandemoortele. The excess solar electricity produced and injected in the grid is owned by the owner of the solar panels. Therefore, all renewable energy produced for Vandemoortele = all self-generated renewable energy consumed.	WUC validates energy consumption for the production sites.
Non-renewable energy production	NA	There is no non-renewable energy production in the Group.	WUC validates energy consumption for the production sites.
Energy consumption from nuclear sources (%)	NA	All electricity from the group is either from green (renewable energy) contracts or GOs are bought for the grey contracts resulting in 0% energy consumption from nuclear sources.	WUC validates energy consumption for the production sites.
Consumption of self-generated non-fuel renewable energy	NA	Only solar PV renewable energy is being produced in the Vandemoortele Group. Due to the type of contracts (PPA/lease) on the solar energy produced, the part of the generated energy directly consumed on-site is owned by Vandemoortele. The excess solar electricity produced and injected in the grid is owned by the owner of the solar panels. Therefore, all renewable energy produced for Vandemoortele = all self-generated renewable energy consumed.	WUC validates energy consumption for the production sites.

Energy intensity (MWh/€)	NA	We use for this KPI as the nominator the total energy consumption (as mentioned above) and divided this with the net revenue as mentioned in our consolidated financial statements in our financial report. All Vandemoortele entities fall within the scope of high climate impact sector (NACE codes A to H and section L) Manufacture of margarine & bakery: NACE code C Water treatment: NACE code E	WUC validates energy consumption for the production sites.
Gross Scope 1 GHG	SBTi baseline is 2023: recent and representative year in terms of the activities covered. There are no external factors that have an influence on the representativeness.	EF sources: ADEME, UKGov, and IPCC AR6. CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ and NF ₃ emissions are included. We included our new acquisition Acquaviva based on production level.	Targets have been submitted to SBTi
Gross location-based Scope 2 GHG	SBTi baseline is 2023: recent and representative year in terms of the activities covered. There are no external factors that have an influence on the representativeness.	Disclosure of types of contractual instruments, Scope 2 GHG emissions. EF sources: ADEME, IEA, AIB, and CO2EF.be. CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ and NF ₃ emissions are included. We included our new acquisition Acquaviva based on production level.	Targets have been submitted to SBTi
Gross market-based Scope 2 GHG	SBTi baseline is 2023: recent and representative year in terms of the activities covered. There are no external factors that have an influence on the representativeness.	Disclosure of types of contractual instruments, Scope 2 GHG emissions. EF sources: ADEME and AIB. CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ and NF ₃ emissions are included. For steam we use the location-based emission factor, as there is no other information available related to market-based for steam. We included our new acquisition Acquaviva based on production level.	Targets have been submitted to SBTi
Total GHG emissions location-based & market based	NA	See sum of Scope 1, Scope 2 location-based & market-based and Scope 3.	NA
GHG emissions intensity, location-based & market-based	NA	No other assumptions made than the ones mentioned.	NA
Scope 1 & 2 GHG emissions vs. 2023 (in % relative change)	SBTi baseline is 2023: recent and representative year in terms of the activities covered. There are no external factors that have an influence on the representativeness.	No other assumptions made than the ones mentioned above for the GHG part.	Targets have been submitted to SBTi
Scope 3 FLAG GHG emissions vs. 2023 (in % relative change)	SBTi baseline is 2023: recent and representative year in terms of the activities covered. There are no external factors that have an influence on the representativeness.	See Scope 3 GHG emissions from significant categories. FLAG (Forest, Land and Agriculture) are part of category 1 Purchased goods and services. This includes palm oil (products), butter, flour, rapeseed oil, soya bean oil and sunflower oil. This target covers over 72% of Vandemoortele’s total FLAG emissions. The scope is the Vandemoortele Group in line with the financial consolidation, excluding the Acquaviva sites, Ghislenghien, Moia and Carros.	Targets have been submitted to SBTi
Supplier & customer engagement by Scope 3 non-FLAG emissions (%)	SBTi baseline is 2023: recent and representative year in terms of the activities covered. There are no external factors that have an influence on the representativeness.	The Scope 3 emissions in categories 1 Purchased goods and services, 2 Capital goods, 3 Fuel- and energy-related activities, 4 Upstream transportation and distribution and 10 Processing of sold products have been calculated as much as practically feasible per supplier and ranked from large to small contribution. For the first 75% of these emissions for which the supplier/customer is known, the SBTi status of these suppliers/customers have been checked for the corresponding year based on the database on the SBTi website. Only suppliers/customers with near-term target status ‘Targets set’ have currently been considered for this KPI. For the remaining 25%, an estimate was made: we assume the same % SBTi coverage applies for this last quartile as for the third quartile.	Targets have been submitted to SBTi

Ensuring sustainable resources			
Sustainable certified soya (%)	NA	Metric based on the volumes of direct and indirect soya purchased and covered by certificates. This metric includes consumer & professional brands.	Audits from certification bodies (RSPO, RTRS, RA)
Sustainable certified cocoa (%)	NA	Metric is based on the number of products, not volume based. This metric includes consumer & professional brands.	Audits from certification bodies (RSPO, RTRS, RA)
Sustainable certified palm oil (%)	NA	All Vandemoortele finished products containing palm oil must include palm oil which is at least mass balance certified.	Audits from certification bodies (RSPO, RTRS, RA)
Recycled PET per packaging unit (brands) (%)	NA	This ratio is calculated as the volume ratio (expressed in kg) of post-consumer recycled PET over total PET (virgin + recycled) put on the market in a 12-month-rolling period. Only Vandemoortele brands are included.	If present, the % of r-PET per packaging unit is validated against the supplier's specification sheet.
Preserving water availability			
Wastewater intensity vs. 2020 (in % relative change)	2020 was selected as the baseline, as it marked the launch of the sustainability strategy and the first year of measurement.	Change in % of amount of liters of wastewater charged per kg of end-product produced, compared to 2020.	NA
Total water consumption	NA	NA	NA
Total water consumption in water-risk areas, including regions of high water stress	NA	Identification of areas at water risk and high water stress through Acqueduct Water Risk Atlas. For this KPI we only consider the regions in 'extremely high' & 'high' water stress. Assumption on reliability of the cartography given by the independent external source.	NA
Water intensity ratio (m³/revenue)	NA	Refer to water consumption KPI. The revenue is based on the consolidated income statement as published in our financial report.	NA
Working towards zero waste			
Food loss intensity BP vs. 2021 (in % relative change)	After Project Europe, gathering all data and reporting was stable as from 2021.	Main part of food loss is measured and reported in the daily action of the production sites. Food loss is all loss out of production put in the bins and the deviation of ingredients used against the predefined quantities. Palletised overweight is not included, this is food we gave away for free. In SAP we use the BOM with water to give the correct quantities. Secondly, we use the PBI supply chain data to report losses for quality incidents, obsoletes stock, deviation in stock counts, transport incidents... All is expressed against the total volume sold of the BP division, data generated by SAP.	As MI is a production KPI, daily follow-up by internal management, deviations are closely followed.
Food loss intensity PBFS vs. 2021 (in % relative change)	After Project Europe, gathering all data and reporting was stable as from 2021.	Food loss intensity (PBFS) consists of 4 main parts: (1) production loss, (2) production scrap, (3) logistic scrap and (4) commercial scrap. For production loss we use the material balance KPI, but we exclude the overfilling as this is a financial loss, but not a food loss. If checkweigher data is not structurally available, an assumption is made. For our site in Zeewolde we use a different measurement, in anticipation of the implementation of the new Batch Control System. In Hamburg, we have an agreement with Cargill on 0.75% of production loss (vs. production volume). For the other categories, we rely on product movements registered in our warehouses with a specific movement type. All is expressed against the total volume sold of the PBFS division.	No

ENHANCING LIVES

Employees by gender (headcount)	NA	The total number of employees published in the company's annual report is the headcount of all Vandemoortele associates on our payroll (both active and passive) at the end of the reporting period.	No
Employees in countries with 50 or more employees (headcount)	NA	The total number of employees published in the company's annual report is the headcount of all Vandemoortele associates on our payroll (both active and passive) at the end of the reporting period.	No
Employees by contract type and gender (headcount)	NA	The total number of employees published in the company's annual report is the headcount of all Vandemoortele associates on our payroll (both active and passive) at the end of the reporting period. The different contract types are: temporary, permanent, non-guaranteed hours.	No
Creating a safe and healthy work environment			
Severe accidents (with permanent disability) (number)	NA	Accidents of own employees and interim personnel are included. Please note that in this KPI we only included the permanent disabilities that we are aware of from external insurance company on the moment of reporting.	External mandatory accident reporting (authorities, labour inspections, work accident insurance, etc.)
Severity rate of Lost Workday Cases	NA	Accidents that occurred more than 365 days ago are not included (even if still open). Accidents of own employees and interim personnel are included.	External mandatory accident reporting (authorities, labour inspections, work accident insurance, etc.)
Frequency rate of Lost Workday Cases	NA	Accidents that occurred more than 365 days ago are not included (even if still open). Accidents of own employees and interim personnel are included.	External mandatory accident reporting (authorities, labour inspections, work accident insurance, etc.)
Well-being index AES (score/100)	NA	Associates fill in their own demographic data. It is assumed that this is done correctly and that each associate fills in the survey only once. The survey was sent out to all associates in October 2024. Vandemoortele uses the tool from Willis Towers Watson. There are specific questions linked to each KPI. The tool automatically calculates the result for each KPI, no manual intervention needed anymore. This KPI measures the well-being of our associates. This aligns with the Vandemoortele core values of prioritising the health, happiness and professional growth of the workforce.	No
People in our own workforce covered by a health and safety management system (%)	NA	The total number of employees published in the company's annual report is the headcount of all Vandemoortele associates on our payroll (both active and passive) at the end of the reporting period.	No
Fatalities in own workforce as a result of work-related injuries and work-related ill health (number)	NA	Accidents of own employees and interim personnel (contractors, visitors and apprentices are excluded).	External mandatory accident reporting (authorities, labour inspections, work accident insurance, etc.)



Recordable work-related accidents for our own workforce (number)	NA	Accidents of own employees and interim personnel (contractors, visitors and apprentices are excluded).	External mandatory accident reporting (authorities, labour inspections, work accident insurance, etc.)
Days lost to work-related injuries, fatalities from work-related accidents, work-related ill health and fatalities from ill health related to associates (number)	NA	Due to accidents of own employees and interim personnel (contractors, visitors and apprentices are excluded).	External mandatory accident reporting (authorities, labour inspections, work accident insurance, etc.)
Providing a diverse, equitable and inclusive workplace			
Representation of women at senior level (B+ level) (%)	NA	NA	No
Equal hours of training per gender	NA	The number of active employees at the end of the year is considered. We count all learning hours, even for employees who are no longer active, as these hours are viewed as an investment in people's professional journey.	At the end of the year, every country follows its own reporting standards (e.g. Belgium's 'sociale balans').
Training hours by gender (average hours)	NA	Numerator: we count all learning hours that happened within Vandemoortele, even if this associate already left the organisation in that year, as we see it as an investment in the professional journey. Denominator: we count all active associates (calculated in headcount) at one fixed moment in time (end of year). 'Active' employee: only Employee Status (External Code) 'A'. We do not count temporary/contingent workers. External operators are not included in the data. Learning hours per course are counted at the moment of completion. Hours spread over multiple years will only be added once full learning has been completed. <i>Based on headcount per 31/12/2024.</i>	At the end of the year, every country follows its own reporting standards (e.g. Belgium's 'sociale balans').
Inclusive workplace index AES (score/100)	NA	Associates fill in their own demographic data. It is assumed that this is done correctly and that each associate fills in the survey only once. The survey was sent out to all associates in October 2024. Vandemoortele uses the tool from Willis Towers Watson. There are specific questions linked to each KPI. The tool automatically calculates the result for each KPI, no manual intervention needed anymore. This KPI measures if associates feel respected and included, if they feel treated with integrity & honesty.	No
Gender pay gap (Vandemoortele definition) (%)	NA	The gender pay gap for management (around 800 persons) is calculated using salary information from the HR database, including pay bands and comparative ratios. The comparative ratio is calculated by dividing the FTE annual salary by the applicable Vandemoortele pay bands. If this figure is positive, it means that men earn less than women.	This data sheet is submitted to Hukaroi for statistical analysis.
Gender pay gap (ESRS definition) (%)	NA	For this KPI we follow the ESRS definition: the gender pay gap, defined as the difference of average pay levels between female and male employees, expressed as percentage of the average pay level of male employees. If this figure is positive, it means that men earn less than women.	NA
Annual total remuneration (ratio)	NA	The annual base salary of the highest paid individual compared to the average annual total base salary for all employees (excluding the highest-paid individual).	NA



Full inclusivity for minorities AES (score/100)	NA	Associates fill in their own demographic data. It is assumed that this is done correctly and that each associate fills in the survey only once. The survey was sent out to all associates in October 2024. Vandemoortele uses the tool from Willis Towers Watson. There are specific questions linked to each KPI. The tool automatically calculates the result for each KPI, no manual intervention needed anymore. This KPI is based on average of the scores of all categories of the associates having replied “yes” to the question: “Do you consider yourself part of a minority group (e.g. age, beliefs, ethnicity, sexual orientation...)?”	No
Employees at top management level (headcount and %)	NA	This refers to the highest-ranking executives in our organisation, more specifically the Executive Committee (ExCo). The Vandemoortele ExCo consists of 6 people: Managing Director PBFS Chief Executive Officer (CEO) Chief Financial Officer (CFO) Chief Human Resources, Sustainability & Communication Chief Legal and Risk Officer Chief Transformation Officer Note: Managing Director BP joined in January 2025	No
Employees (headcount) under 30 years old (number and %)	NA	The total number of employees published in the company’s annual report is the headcount of all Vandemoortele associates on our payroll (both active and passive) at the end of the reporting period.	No
Employees (headcount) between 30 and 50 years old (number and %)	NA	The total number of employees published in the company’s annual report is the headcount of all Vandemoortele associates on our payroll (both active and passive) at the end of the reporting period.	No
Employees (headcount) over 50 years old (number and %)	NA	The total number of employees published in the company’s annual report is the headcount of all Vandemoortele associates on our payroll (both active and passive) at the end of the reporting period.	No
Offering an engaging professional journey			
Training & development score AES (score/100)	NA	Associates fill in their own demographic data. It is assumed that this is done correctly and that each associate completes the survey only once. The survey was sent out to all associates in October 2024. Vandemoortele uses the tool from Willis Towers Watson. There are specific questions linked to each KPI. The tool automatically calculates the result for each KPI, no manual intervention needed anymore. This KPI measures all time spent for personal & professional development, whether in a formal training, a best practice sharing session, informal learning moments, coaching, performance & development management programme, professional learning journey, people review, mentoring, etc.	No
Training per associate category (MG, WC & BC) (average hours)	NA	Numerator: we count all learning hours that happened within Vandemoortele, even if this associate already left the organisation in that year, as we see it as an investment in the professional journey. Denominator: we count all active associates (calculated in headcount) at one fixed moment in time (end of year). ‘Active’ employee: only Employee Status (External Code) ‘A’. We do not count temporary/contingent workers. External operators are not included in the data. Learning hours per course are counted at the moment of completion. Hours spread over multiple years will only be added once full learning has been completed.	At the end of the year every country follows its own reporting standards (e.g. Belgium uses the ‘sociale balans’).

Associates who adhere to P&DMP per associate category (MG, WC & BC) (%)	NA	This KPI is calculated by dividing the total number of associates that had their P&DMP with the total number of associates in the category ST, WC or BC.	No
Sustainable engagement score AES (score/100)	NA	Associates fill in their own demographic data. It is assumed that this is done correctly and that each associate completes the survey only once. The survey was sent out to all associates in October 2024. Vandemoortele uses the tool from Willis Towers Watson. There are specific questions linked to each KPI. The tool automatically calculates the result for each KPI, no manual intervention needed anymore. This KPI measures the intensity of employees’ connection to their organisation, based on three core elements: 1. Extent of employees’ discretionary effort committed to achieving work goals (being engaged) 2. An environment that supports productivity in multiple ways (being enabled) 3. A work experience that promotes well-being (feeling energised).	No
Employee turnover (number and %)	NA	The total number of employees published in the company’s annual report is the headcount of all Vandemoortele associates on our payroll (both active and passive). This is calculated as: the total number of employees who have left the undertaking during the reporting period.	No
Ensuring workers’ rights in our value chain			
Key commodities participating in a project on the ground (%)	NA	Depending on the status of a project, each key commodity is assigned a pre-defined score between 0 and 1. The commodities considered are palm, flour, cocoa & soya. The KPI is calculated as a proportion of the number of key commodities with a project on the ground in place divided by the total number of key commodities (times 100).	No

SHAPING A SUSTAINABLE ORGANISATION

Ensuring sustainable business growth			
Associates who received training on the Code of Conduct and whistleblowing (%)	NA	The number of active employees at the end of the reporting year is considered.	No
Functions-at-risk covered by training programmes (%)	NA	Sales, marketing, procurement and raw materials are considered higher-risk functions due to frequent interactions with external stakeholders. The number of active employees at the end of the year is considered.	No
Sustainability index AES (score/100)	NA	Associates fill in their own demographic data. It is assumed that this is done correctly and that each associate completes the survey only once. The survey was sent out to all associates in October 2024. Vandemoortele uses the tool from Willis Towers Watson. There are specific questions linked to each KPI. The tool automatically calculates the result for each KPI, no manual intervention needed anymore. This KPI measures how associates perceive the sustainability efforts of Vandemoortele, related to health and safety, social responsibility, environment, well-being...	No
Convictions for violations of anti-corruption and anti-bribery laws (number)	NA	The number of convictions we get for anti-corruption & anti-bribery laws.	No
Amount of fines for violations of anti-corruption and anti-bribery laws (€)	NA	This is the total amount of fines that we get for anti-corruption & anti-bribery reasons.	No
Executive & non-executive members (number)	NA	NA	No
Board’s gender diversity ratio (%)	NA	NA	No
Independent board members (%)	NA	NA	No
Variable remuneration dependent on sustainability-related targets and (or) impacts (%)	NA	NA	No
Partnering in the value chain			
Centrally managed suppliers have accepted/signed our Supplier Code of Conduct or have a SCOC in line with the one of Vandemoortele (%)	NA	NA	No
Critical centrally managed suppliers verified according to our sustainability criteria (%)	NA	Vandemoortele considers all the critical direct suppliers that are audited on their sustainability practices via EcoVadis platform or other accepted audit companies (f.e. Sedex, Cerved, ISO 14001, ISO 50001, CDP...).	No

THE METHODOLOGY AND ASSUMPTIONS RELATED TO SCOPE 3 EMISSIONS

Scope 3 emissions are emissions in the value chain and typically come with different assumptions and estimations. Calculations are made aligned with the GHGP Corporate Value Chain Accounting & Reporting Standard and its Technical guidance and with the Land Sector and Removals guidance (Pilot Testing and Review Draft).

CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, and NF₃ and biogenic GHG emissions other than CO₂ (such as CH₄ and N₂O) are included. Biogenic CO₂ emissions from the combustion or biodegradation of biomass are not included in the gross Scope 3 emissions (no data available to be reported separately).

Methodologies, assumptions and emission factors per Scope 3 category:

- 1 Purchased goods and services:** all upstream cradle-to-gate emissions not otherwise included in categories 2-8. All raw materials, ingredients, traded goods, packaging, other goods: based on the actual volumes purchased in the reporting year. Services are spend-based. Emission factors: supplier-specific (limited availability), LCA studies on sector level, WFLDB, Agrifootprint 6.3 and Agribalyse 3.1.1 for raw materials, ingredients and traded goods. UK DEFRA and ecoinvent 3.10 for packaging, ADEME for services.
- 2 Capital goods:** all CapEx purchasing spend (excl. VAT), multiplied by spend-based cradle-to-gate emission factors. Emission factors: ADEME.

- 3 Fuel and energy-related activities:** all upstream emissions from fuels and electricity that were included in Scope 1 and 2 inventory. Emission factors: ADEME, AIB.
- 4 Upstream transportation and distribution:** inbound: from tier 1 supplier to Vandemoortele site (not controlled by Vandemoortele), assumed to be 640 km by truck for all purchased volumes (PEFCR guidance EU supply chain). Emission factors: ecoinvent 3.10. Outbound: transportation and distribution purchased by the reporting company:
 - **Chartering:** these carry products from Vandemoortele's warehouses to our distribution centres or customers on a load-to-load basis. Emissions are calculated based on distances, average fuel consumption and emission factors per l fuel consumed (ADEME).
 - **3PL:** these distribute our products from their own warehouses: the Vandemoortele goods are only a portion of their freight. For the majority of emissions, supplier specific data was received for 2023 and is extrapolated for 2024 based on spend.
 - **Export:** shipping routes distances are estimated based on destinations data. Emission factors: ecoinvent 3.10.
- 5 Waste generated in operations:** emission factors: UK DEFRA 2023 (recycling or combustion) for food waste for feed or biomethane production and sorted waste for recycling, ADEME (residual waste) for unsorted waste and ecoinvent 3.10 for wastewater sludge treatment.

- 6 Business travel:** only air travel is considered, train travel is negligible and therefore not included (in 2022 <1%). The air travel distances from the associates in Belgium are received from the travel agency and an extrapolation is made for the full Group based on the number of managers and white-collars. Emission factors: ecoinvent 3.10.
- 7 Employee commuting:** in 2022, specific commuting data was gathered on country-level. For 2023 and 2024, an extrapolation was made based on the number of associates. We plan to do an update on the specific data for 2025. Emission factors: ADEME.
- 9 Downstream transportation and distribution:** transportation and distribution of products sold by Vandemoortele in the reporting year between the reporting company's operations and the end consumer, not paid by Vandemoortele. Emission factors: Agribalyse 3.1.1.
- 10 Processing of sold products:** we made an estimation of the Scope 2 emissions (location-based) occurring during the baking of our frozen bakery products at our clients, before selling them to the consumers. We assume that for electrical ovens each batch is at full capacity, 10 minutes preheating time for all batches and full power during complete baking time. Business line PBFS is also selling products to industrial customers for further processing, but there are different applications with different GHG profiles. Therefore, we are unable to reasonably estimate the downstream emissions associated with these

various end uses. We expect this impact to be lower than the currently included emissions from our bakery products and we believe excluding this part is not compromising the relevance of our reported inventory.

- 12 End-of-life treatment:** food waste and packaging disposal and treatment of products sold by Vandemoortele at the end of their life. We assume that 17% of sold volumes are food waste (source UNEP), frying oils are assumed fully waste disposal. We assume that 90% of purchased packaging materials becomes consumer waste (10% is assumed to become waste in Vandemoortele's own operations, category 5). Emission factors: UK DEFRA 2023 and ADEME.
- 15 Investments:** 80% (equity stake) of the full year Scope 1 and 2 emissions of Banneton Bakery (primary data, investment-specific). Emission factors: ADEME and US EPA.

3% of the Scope 3 GHG emissions were calculated using primary data (supplier-specific and investment-specific).

For the sites of Acquaviva, Paindor, Moia and Ghislenghien, detailed data was not always available; in those cases extrapolations were made based on the sold volumes for those production sites (<4% of total emissions).

Upstream leased assets, Use of sold products, Downstream leased assets and Franchises are categories that are not applicable to Vandemoortele.

FULL EU TAXONOMY REPORT

	Year 2024			Substantial contribution criteria						DNSH criteria (‘Does Not Significantly Harm’)						Category transitional activity (20)	Enabling activity (19)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year 2023 (18)			
Economic activities (1)	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)				Minimum safeguards (17)		
		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)		€1,983,657	100%																		
Total (A + B)		€1,983,657	100%																		

The total reconciles to the total turnover 2024 as disclosed in the line “total external revenue” in note 5.1 of the financial statements.

	Year 2024			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')										
Economic activities (1)	Code(s) (2)	CapEx (3)	Proportion of CapEx (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)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, year 2023 (18)	Enabling activity (19)	Category transitional activity (20)	
		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											
Renovation of existing buildings	CCM 7.2	€2,841	2.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL											2.5%
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	€607	0.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL											0.0%
Acquisition and ownership of buildings	CCM 7.7	€29,770	23.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL											10.2%
Manufacture of electrical and electronic equipment	CE 1.2	€608	0.5%	N/EL	N/EL	N/EL	N/EL	EL	N/EL											0.0%
Urban wastewater treatment	WTR 2.2	€225	0.2%	N/EL	N/EL	EL	N/EL	N/EL	N/EL											0.8%
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		€34,051	27.3%	26.7%	0.0%	0.2%	0.0%	0.5%	0.0%											13.8%
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		€34,051	27.3%	26.7%	0.0%	0.2%	0.0%	0.5%	0.0%											13.8%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy-non-eligible activities (B)		€90,613	72.7%																	
Total (A + B)		€124,664	100%																	

The total reconciles to the total of investment acquisitions of 2024 as disclosed in notes 16 and 17 of the financial statements.

* Activities meeting the eligibility criteria of multiple objectives are only counted once.



	Year 2024			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')						Category transitional activity (20)	Enabling activity (19)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year 2023 (18)		
Economic activities (1)	Code(s) (2)	OpEx (3)	Proportion of OpEx (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)				Minimum safeguards (17)	
		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. OpEx 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)		€7,254	100%																	
Total (A + B)		€7,254	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

The other four templates related to nuclear and fossil gas related activities have not been included in this annual report. Since Vandemoortele is not active in these sectors, the values to be reported in templates 2 to 5 are not completed.

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)	€1,983,657	100%
Total (A + B)	€1,983,657	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)	€34,051	27%
Total (A.1 + A.2)	€34,051	27%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES		
CapEx of Taxonomy-non-eligible activities (B)	€90,613	73%
Total (A + B)	€124,664	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)	€7,254	100%
Total (A + B)	€7,254	100%

FINANCIAL REPORT

2024

Financial
year results

We are proud
of the great
progress we have
made in many
areas.



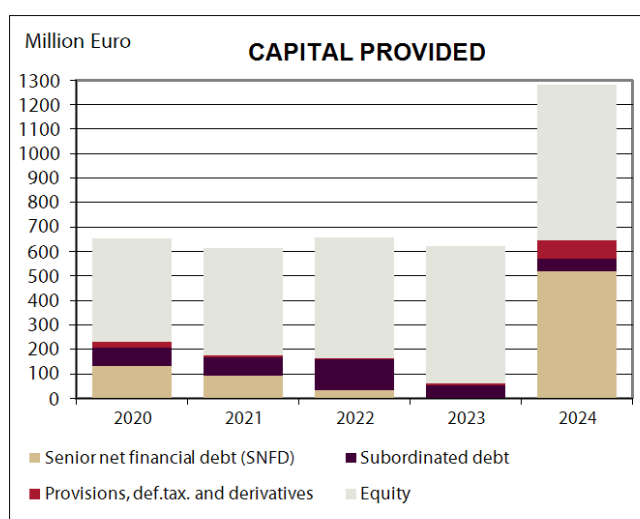
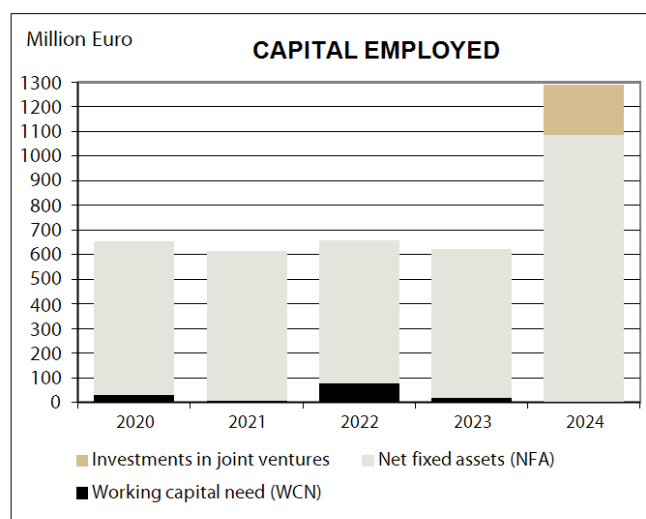
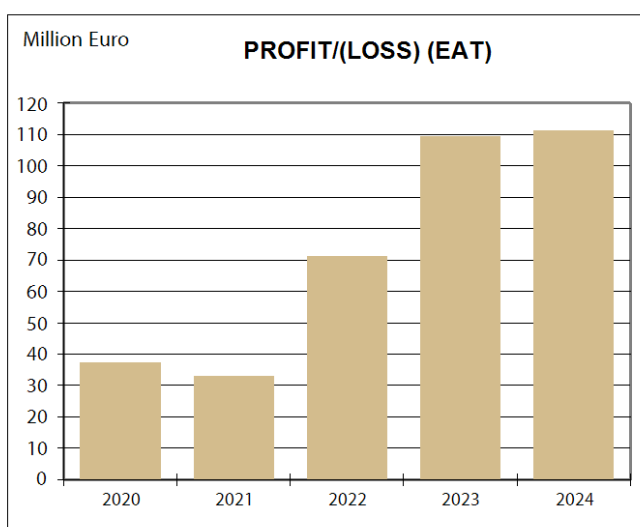
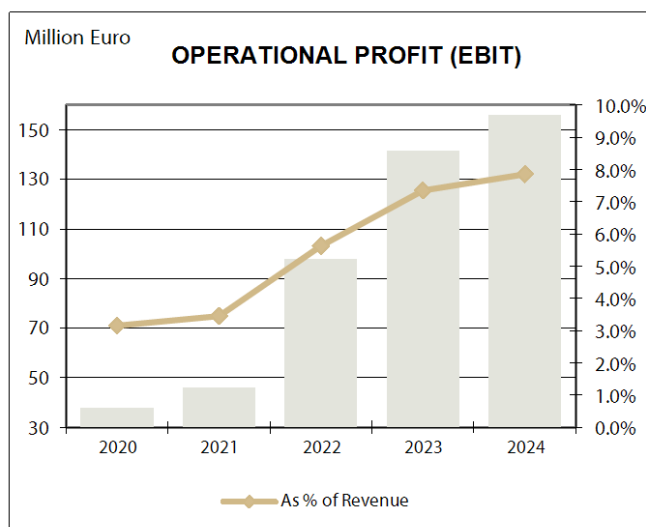
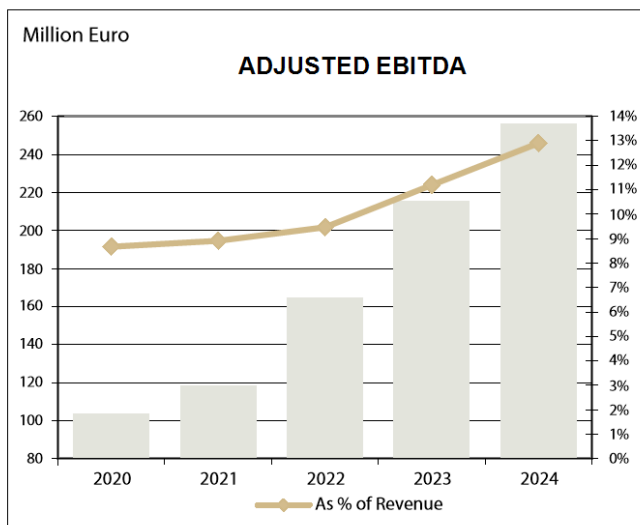
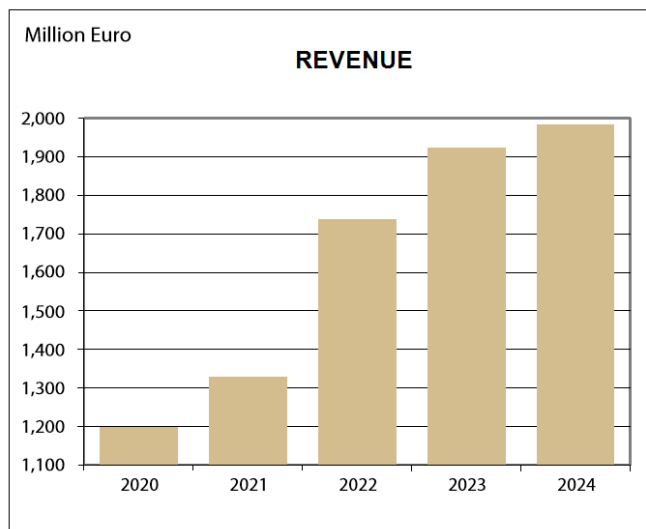
Vandemoortele
shaping a tasty future

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KEY FINANCIAL FIGURES

KEY FINANCIAL FIGURES ⁽¹⁾	2020	2021	2022	2023	2024
MILLION EURO					
Revenue	1,197	1,330	1,739	1,925	1,984
Adjusted EBITDA	104	119	165	216	256
<u>Depreciations & amortisations</u>	<u>-60</u>	<u>-64</u>	<u>-62</u>	<u>-64</u>	<u>-82</u>
Adjusted EBIT	44	55	103	151	174
<u>Adjusting items</u>	<u>-6</u>	<u>-9</u>	<u>-5</u>	<u>-10</u>	<u>-19</u>
EBIT (profit from operations)	38	46	98	141	156
<u>Depreciations, amortisations & impairments</u>	<u>61</u>	<u>65</u>	<u>65</u>	<u>65</u>	<u>82</u>
EBITDA	98	111	163	206	237
Net financial income / (expense)	-8	-5	-5	-7	-15
Result according to the equity method	0	0	0	0	1
<u>Gain on disposal of equity accounted investments</u>	<u>26</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Pre-tax current profit/(loss)	56	41	93	134	141
<u>Income tax expense</u>	<u>-19</u>	<u>-8</u>	<u>-21</u>	<u>-25</u>	<u>-30</u>
Profit/(loss) (EAT)	37	33	71	109	111
Net fixed assets (NFA)	622	606	578	603	1,084
Working capital need (WCN)	31	8	78	18	-9
<u>Investments in joint ventures</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>207</u>
Capital employed	653	613	656	621	1,283
Senior net financial debt (SNFD)	133	92	34	2	520
<u>Subordinated debt</u>	<u>75</u>	<u>75</u>	<u>126</u>	<u>51</u>	<u>51</u>
Net financial debt (NFD)	208	167	160	53	571
Equity	423	437	492	562	637
<u>Provisions, employee benefit obligation, deferred taxes and derivatives</u>	<u>22</u>	<u>9</u>	<u>4</u>	<u>6</u>	<u>74</u>
Capital provided	653	613	656	621	1,283
Ratio's					
Adjusted EBITDA / Revenue	8.7%	8.9%	9.5%	11.2%	12.9%
Adjusted EBIT / Revenue	3.6%	4.1%	5.9%	7.9%	8.8%
Net profit (loss) / Revenue	3.1%	2.5%	4.1%	5.7%	5.6%
NFD / Equity	49%	38%	33%	9%	90%
NFD / Adjusted EBITDA	2.0	1.4	1.0	0.2	2.2
Senior NFD / Equity	32%	21%	7%	0%	82%
Senior NFD / LTM Adjusted EBITDA	1.3	0.8	0.2	0	2.0
LTM Adjusted EBIT / Capital employed	6.7%	9.0%	15.7%	24.3%	13.6%
Capital Expenditures (excl. Lease)	58	40	48	78	107

(1) Definitions of the key financials are specified in the following Note 1. Alternative performance measures



1. ALTERNATIVE PERFORMANCE MEASURES

Vandemoortele's financial information contains indicators and measures prepared in accordance with applicable financial reporting standards and regulations, as well as other measures prepared in accordance with the Group's performance reporting, defined as Alternative Performance Measures (APMs). APMs are measures that are 'adjusted' compared to those presented in accordance with IFRS, and the reader should therefore consider them in addition to – as opposed to instead of – the latter.

APMs are useful to users of financial information, as they are the measures that the Company's management uses to evaluate its financial performance, cash flows or financial position when making operational or strategic decisions for the Group.

EBIT

EBIT is defined as the profit/loss from operations.

EBITDA

EBIT before depreciation, amortisation and impairments.

EBITDA can be reconciled as follows:

For the year ended 31 December	2024	2023
THOUSAND EURO		
EBIT	155,838	141,476
Amortisation	15,153	2,616
Depreciation	66,446	61,805
Impairment loss (scope IAS 36)	0	490
EBITDA	237,437	206,387

Our business performance has improved across most key performance indicators, fully aligning with our strategic plans. Stable overall volumes albeit with an improved product mix and including the acquisition of Dolciaria Acquaviva has resulted in an EBITDA of €237.4 million versus €206.4 million in 2023. Excluding the acquisition of Dolciaria Acquaviva, an increase of 6% in terms of EBITDA was achieved in 2024.

Adjusted EBIT

This is the adjusted profit from operations consisting of all income and expenses relating to normal business operations and before adjusting items (incl. depreciation and amortisation). Adjusted EBIT provides a normalised result that is not distorted by irregular profits, losses or other.

Adjusted EBIT can be reconciled as follows:

For the year ended 31 December THOUSAND EURO	2024	2023
EBIT	155,838	141,476
Adjusting items	18,641	9,628
Adjusted EBIT	174,479	151,105

The adjusted EBIT in 2024, including the adjusted EBIT for 7 months of Dolciaria Acquaviva amounted to €174.5 million, which is 15% higher year-on-year. Excluding the adjusted EBIT of Dolciaria Acquaviva, an increase of 11% in the adjusted EBIT was realised in 2024.

Adjusted EBITDA

Adjusted EBIT before depreciation and amortisation.

For the year ended 31 December THOUSAND EURO	2024	2023
EBITDA	237,437	206,387
Adjusting items	18,641	9,138
Adjusted EBITDA	256,078	215,525

Adjusted EBITDA, including the adjusted EBITDA for 7 months of Dolciaria Acquaviva, increased to €256.1 million, which is 19% higher year-on-year.

Adjusting items

Items that are related to restructuring programmes, lay-off costs that cannot be associated with the future organisation, gains/losses on disposals, dismantling costs, impairment losses (scope IAS36), fade-out costs for production or logistics sites that are closed during the year and consultancy fees relating to possible mergers and acquisitions.

Adjusting items are composed of the following items:

For the year ended 31 December THOUSAND EURO	2024	2023
Consultancy cost relating to mergers and acquisitions	(17,084)	(4,068)
Optimisation of operations	(1,688)	(4,223)
Lay-off costs not linked to future reorganisation	(600)	(883)
Result on disposal of idle assets	731	36
Total adjusting items (excl. impairments)	(18,641)	(9,138)
Impairment loss (scope IAS 36)	0	(490)
Total adjusting items	(18,641)	(9,628)

The total adjusting items of €18.6 million are largely related to consultancy costs for realised and potential acquisitions.

Net fixed assets

Assets that are used in the operations of our business, which are required to be used for a period longer than one year (i.e. buildings, machinery, and similar).

For the year ended 31 December	2024	2023
THOUSAND EURO		
Goodwill	407,593	199,329
Intangible assets	204,241	5,262
Property, plant and equipment	472,529	398,257
Other financial assets (excl. mutual funds)	27	27
Net fixed assets	1,084,389	602,875

Goodwill has increased by €208.3 million in 2024, with this primarily stemming from the acquisition of Dolciaria Acquaviva.

The net book value of the intangible fixed assets has increased by €199.0 million of which €184.6 million is attributable to the purchase price allocation of Dolciaria Acquaviva.

The net book value of the property, plant, and equipment amounted to €472.5 million in 2024, compared to €398.3 million in 2023. This mainly concerns 31 production sites in 8 countries, of which 26 are for Bakery Products (BP) and 5 for Plant-Based Food Solutions (PBFS). An amount of €37.7 million of the total increase is attributable to the acquisition Dolciaria Acquaviva.

The Group invested €71.2 million (2023: €58.8 million) and €19.4 million (2023: €19.6 million) in the BP and PBFS business lines respectively and added €17.2 million new lease assets.

In BP we are expanding capacity both in Poland and in France.

To further improve operational efficiency, we invested in a new automated warehouse in Italy.

Investments in PBFS focused on advancing key capacity investments, including a new block line in Spain to further expand our industry channel, and two new tub lines in Germany and Belgium to support our retail growth.

(Operational) working capital need

The current assets less the current liabilities.

For the year ended 31 December THOUSAND EURO	2024	2023
Inventories	197,039	179,177
Trade receivables	220,975	215,625
Trade payables	(390,185)	(346,831)
Operational working capital need	27,830	47,972
Other working capital need	(36,388)	(30,226)
Working capital need	(8,558)	17,746

(Operational) working capital need as of 31 December 2024 includes the working capital need of Dolciaria Acquaviva, which amounted to €7.6 million.

Increasing prices for raw materials and heightened activity, primarily in the BP business line, resulted in a €4.6 million increase in inventories, bringing the total to €183.8 million (excluding inventories of Dolciaria Acquaviva). Trade payables rose by €22.6 million to €369.4 million (excluding trade payables of Dolciaria Acquaviva), mainly due to significant capital expenditures in the final months of the year. Lower sales prices at the end of the year compared to the previous year's end, along with reduced days outstanding, led to a €15.8 million decrease in trade receivables, totalling €199.8 million (excluding trade receivables of Dolciaria Acquaviva).

Other working capital need

Other current assets less other current liabilities.

For the year ended 31 December THOUSAND EURO	2024	2023
Other assets	9,925	9,157
Other receivables	9,497	5,471
Current tax	16,995	15,633
Employee benefits	(55,198)	(51,331)
Other liabilities	(17,608)	(9,156)
Other working capital need	(36,388)	(30,226)

The decrease in other working capital need is attributable to the other working capital of Dolciaria Acquaviva (-€5.8 million).

Net financial debt

The borrowings excluding the issuance costs minus cash and cash equivalents and current other financial assets.

For the year ended 31 December THOUSAND EURO	2024	2023
Borrowings (Note 24)	718,471	96,653
- Cash and cash equivalents (Note 22)	(133,183)	(43,687)
- Financing to joint venture ⁽¹⁾	(14,435)	0
Net financial debt	570,853	52,966

The increase of the senior net financial debt by €517.9 million is explained by the following factors:

- The cash out for the acquisition of Dolciaria Acquaviva (€288.5 million net of cash acquired) and of Banneton (€215.8 million including acquisition costs and non-competition agreement);
- The reimbursement of the third-party financial debt of Dolciaria Acquaviva (€69.3 million) at the acquisition date;
- The reimbursement of the third-party financial debt at the acquisition date and the financing of working capital need of Banneton (€14.4 million);
- A cash flow from operating activities of €240.4 million (€161.6 million from BP and €78.8 million from PBFS);
- A working capital need (including Dolciaria Acquaviva and before factoring) decrease of €11.0million (€3.9 million from BP and €7.1 million from PBFS);
- CapEx of €90.6 million (€71.2 million from BP and €19.4 million from PBFS);
- Increased factoring and other cash in/outflows of €6.2 million;
- Purchase of treasury shares for €12.0 million;
- Cash out of €20.4 million for interests paid;
- Income taxes paid amounting to €38.0 million and a net dividend pay-out of €26.4 million.

Senior net financial debt

Net financial debt excluding the subordinated loan.

For the year ended 31 December THOUSAND EURO	2024	2023
Net financial debt	570,853	52,966
- Subordinated loan (Note 25)	(51,289)	(51,388)
Senior net financial debt	519,564	1,577

Four new terms loans amounting to €615 million have been closed, mainly to finance the acquisition of Banneton and Dolciaria Acquaviva.

Capital employed

The amount of capital investment to operate.

For the year ended 31 December THOUSAND EURO	2024	2023
Net fixed assets	1,084,389	602,875
Working capital need	(8,558)	17,746
Investments in joint venture ⁽¹⁾	206,704	0
Commodity derivatives	1,077	(57)
Capital employed	1,283,612	620,564

The increase in capital employed is attributed to the investment in joint venture Banneton Bakery (refer to Note 18 Investment in joint venture), a higher net book value of fixed assets, resulting from the acquisition of Dolciaria Acquaviva (refer to Net fixed assets) and investments in tangible fixed assets, including IFRS 16 (€106.7 million), which exceed the booked depreciation and impairments of tangible fixed assets (€66.4 million). This is partially offset by a reduced working capital requirement (-€26.3 million), despite the working capital need acquired through the acquisition of Dolciaria Acquaviva.

Capital provided

Capital provided consists of equity and debt. It is the means by which the capital employed is financed.

For the year ended 31 December THOUSAND EURO	2024	2023
Equity	637,287	561,703
Provisions, net deferred taxes and derivatives	49,068	(11,852)
Non-current employee benefit obligation	26,404	17,747
Net financial debt	570,853	52,966
Capital provided	1,283,612	620,564

The increase in equity is mainly explained by the net result for the year (€111.3 million), the net dividend paid out during the year (€26.4 million) and the purchase of treasury shares (€12.0 million).

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December THOUSAND EURO		2024	2023
Revenue		1,983,657	1,924,624
Raw materials and consumables used and goods for resale		(1,058,978)	(1,047,784)
Changes in inventories of finished goods and work in progress		11,827	(14,444)
Services	5	(366,292)	(359,309)
Employee benefit expenses	6	(352,019)	(311,437)
Depreciation and amortisation	7	(81,599)	(64,421)
Impairment loss (scope IAS 36)	7	-	(490)
Write-down on inventories and receivables	7	1,523	(853)
Change in provisions	8	1,766	(1,600)
Other operating income	9	32,014	30,818
Other operating expenses	10	(16,060)	(13,627)
Profit from operations		155,838	141,476
Financial Income	11	13,893	5,983
Financial Expense	12	(28,910)	(13,424)
Share of profit from joint venture		505	-
Profit before tax		141,326	134,036
Income tax (expense)	13	(30,058)	(24,706)
Profit		111,268	109,330

The accompanying notes form an integral part of the financial statements.

OTHER COMPREHENSIVE INCOME

For the year ended 31 December THOUSAND EURO		2024	2023
Profit/(loss) for the year		111,268	109,330
Other comprehensive income		2,699	1,958
Items that may be reclassified subsequent to profit or loss:		1,223	4,249
Cash flow hedges, net of tax	23.6	(3,346)	(1,425)
Currency translation differences	23.3	4,569	5,675
Items that will not be reclassified subsequent to profit or loss:		1,476	(2,291)
Remeasurements of defined benefit obligations, net of tax	28	1,476	(2,291)
Total comprehensive income for the year		113,967	111,288

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED BALANCE SHEET

For the year ended 31 December THOUSAND EURO	Note	2024	2023
Assets			
Goodwill	15	407,593	199,329
Intangible assets	16	204,241	5,262
Property, plant & equipment	17	472,529	398,257
Investment in joint venture	18	206,704	-
Derivatives	25	1,225	1,271
Deferred tax assets	20	34,522	37,783
Other financial assets		27	27
Other assets		3,699	3,035
Non-current assets		1,330,538	644,964
Inventories	21	197,039	179,177
Trade and other receivables	19	300,737	270,610
Derivatives	25	6,847	1,489
Cash	22	133,183	43,687
Other assets		6,226	6,122
Current assets		644,033	501,085
Total Assets		1,974,571	1,146,049
Equity and liabilities			
Share capital	23	79,365	79,365
Retained earnings & reserves	23	557,922	482,338
Equity		637,287	561,703
Borrowings	24	700,484	84,549
Deferred tax liabilities	20	69,711	18,391
Derivatives	25	9,177	-
Employee benefits	28	26,404	17,747
Provisions	29	8,395	8,747
Other non-current liabilities	30	5,741	5,108
Non-current liabilities		819,911	134,542
Borrowings	24	17,987	11,965
Current tax		14,037	13,939
Derivatives	25	3,302	1,748
Employee benefits	28	55,198	51,331
Trade payables and other liabilities	30	426,849	370,821
Current liabilities		517,373	449,804
Total equity and liabilities		1,974,571	1,146,049

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December THOUSAND EURO	Note	2024	2023
Profit from operations		155,838	141,476
Amortisation	7	15,153	2,616
Depreciation	7	66,446	61,805
Impairment loss (scope IAS 36)	7	-	490
EBITDA	1	237,437	206,387
Amortisation from government grants to profit or loss	9	(715)	(637)
Fair value adjustments on commodity contracts	9	(57)	57
Change in provisions	8	(1,766)	1,600
Change in long-term employee benefits		7,790	(374)
Write-down on inventories and receivables	7	(1,523)	853
Loss / (gain) on disposals of intangible assets and PPE	9 / 10	(795)	(548)
Other		(618)	262
Cash flow from operating activities before changes in working capital		239,753	207,601
Decrease / (increase) in inventories		(4,909)	22,880
Decrease / (increase) in trade receivables		15,593	9,657
Increase / (decrease) in trade payables		23,722	11,811
Increase / (decrease) in other working capital		(19,787)	14,953
Net cash generated from operating activities		254,372	266,902
Interest received		969	272
Net interest paid		(21,375)	(7,700)
Income taxes paid		(38,046)	(27,454)
Other financial fees		4,425	2,638
Cash flow from operating activities in continuing operations		200,345	234,657
Acquisition of intangible assets	16	(17,969)	(942)
Acquisition of property, plant and equipment (excl. leasing)	17	(89,481)	(77,384)
Acquisition through business combinations, net of cash acquired	14	(288,474)	-
Investment in joint venture	18	(198,700)	-
Proceeds from sale of intangible assets		1	21
Proceeds from sale of property, plant and equipment		6,918	1,099
Government grants received		226	796
Cash flow from investing activities in continuing operations		(587,480)	(76,410)
Proceeds from borrowings	24.5	609,623	-
Repayment of borrowings	24.5	(69,172)	(101,241)
Repayment of lease liabilities	24.5	(10,999)	(9,522)
Financing to joint venture		(14,435)	-
Dividends paid		(26,371)	(34,311)
Acquisition of treasury shares		(12,011)	(7,130)
Cash flow from financing activities in continuing operations		476,635	(152,204)
Net increase / (decrease) in cash		89,499	6,044
Cashless bank overdrafts as of 1 January	22	43,687	37,643
Effect of exchange rate fluctuations		(3)	-
Cash less bank overdrafts as of 31 December	22	133,183	43,686

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	2024						
	Share Capital	Treasury Shares & Safinco certificates	Currency Translation Adjustment	Retained Earnings and Reserves	Hedging Reserves	Employee Benefits	Total Equity
THOUSAND EURO							
As at 1 January	79,365	(80,896)	6,429	543,690	4,083	9,032	561,703
Comprehensive income							
Profit for the year	-	-	-	111,268	-	-	111,268
Other comprehensive income	-	-	4,569	-	(3,346)	1,476	2,699
Total comprehensive income	-	-	4,569	111,268	(3,346)	1,476	113,967
Transactions with owners							
Movement treasury shares & Safinco certificates	-	(12,011)	-	-	-	-	(12,011)
Dividends paid	-	-	-	(26,371)	-	-	(26,371)
Total transactions with owners	-	(12,011)	-	(26,371)	-	-	(38,382)
As at 31 December	79,365	(92,907)	10,997	628,588	737	10,508	637,287
	2023						
	Share Capital	Treasury Shares & Safinco certificates	Currency Translation Adjustment	Retained Earnings and Reserves	Hedging Reserves	Employee Benefits	Total Equity
THOUSAND EURO							
As at 1 January	79,365	(73,766)	754	468,672	5,508	11,323	491,856
Comprehensive income							
Profit for the year	-	-	-	109,330	-	-	109,330
Other comprehensive income	-	-	5,675	-	(1,425)	(2,291)	1,958
Total comprehensive income	-	-	5,675	109,330	(1,425)	(2,291)	111,288
Transactions with owners							
Movement treasury shares & Safinco certificates	-	(7,130)	-	-	-	-	(7,130)
Dividends paid	-	-	-	(34,311)	-	-	(34,311)
Total transactions with owners	-	(7,130)	-	(34,311)	-	-	(41,441)
As at 31 December	79,365	(80,896)	6,429	543,690	4,083	9,032	561,703

The accompanying notes form an integral part of the financial statements.

1. GENERAL INFORMATION

The Group that includes Vandemoortele NV (“Vandemoortele” or “the Company”) and its subsidiaries is a Belgian family-owned business that has grown to become a leading food group on the European scale. The Group focuses on two business lines or operating segments: Bakery Products (BP) and Plant Based Food Solutions (PBFS). The 2024 consolidated financial statements of the Group include the Company, 30 consolidated subsidiaries controlled by the Company and one joint venture.

Safinco NV, the parent company of Vandemoortele NV, is a limited liability company incorporated and domiciled in Belgium. The registered office of Vandemoortele NV and Safinco NV is Ottergemsesteenweg-Zuid 816, 9000 Ghent.

The consolidated financial statements and the statutory financial statements of Vandemoortele NV were approved for issue by the Board of Directors on 27 March 2025. The shareholders will be requested to approve the consolidated financial statements and the statutory financial statements of Vandemoortele NV at the annual meeting held on 13 May 2025.

Due to the technical limitations inherent to the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the accompanying consolidated financial statements.

2. APPLICATION OF NEW AND REVISED IFRS

2.1 NEW AND REVISED IFRSs EFFECT UPON AMOUNTS REPORTED AND/OR DISCLOSURES IN THE FINANCIAL STATEMENTS

In the current year, 2024, the Group has considered a number of new and revised IFRS requirements issued by the International Accounting Standards Board (IASB) that are mandatorily effective for accounting periods that begin on or after 1 January 2024. This concerns:

- Amendments to IAS 1 – Non-current Liabilities with Covenants
- Amendment to IAS 1 – Classification of Liabilities as Current or Non-current
- Amendments to IAS 16 – Lease Liability in a Sale and Leaseback
- Amendments to IAS 7 and IFRS7 – Supplier Finance Arrangements

These improvements and amendments do not have a material impact on the amounts included in the 2024 financial statements.

2.2 NEW AND REVISED IFRSs ISSUED BUT NOT YET EFFECTIVE

The Group has not applied the following new and revised IFRS requirements that have been issued but are not yet effective. Once the standards become effective, they will be relevant to the Group:

- Amendments to IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments (applicable for annual periods beginning on or after 1 January 2026, but not yet endorsed in the EU)
- Annual Improvements to IFRS Accounting Standards Volume 11 (applicable for annual periods beginning on or after 1 January 2026, but not yet endorsed in the EU)
- IFRS 18 Presentation and Disclosure in Financial Statements (applicable for annual periods beginning on or after 1 January 2027, but not yet endorsed in the EU)

IFRS 18 will replace IAS 1 Presentation of Financial Statements and is applicable to annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements:

- Classification of all income and expenses into five categories in the statement of profit or loss: operating, investing, financing, discontinued operations, and income tax. Additionally, it includes a requirement to present a newly defined operating profit subtotal. The Group's net profit will remain unchanged.
- Disclosure of management-defined performance measures (MPMs) in a single note in the financial statements.

- Enhanced guidance to be provided on how to group information in the financial statements.
- In addition, the Group is required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.
- The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other.'

Impacts of these new and revised IFRS standards, issued but not yet effective, have not been calculated. However, except for IFRS 18, no material impact on the financial statements of Vandemoortele is expected.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 BASIS FOR PREPARATION

The consolidated financial statements for 2024 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use by the European Union and effective as of 1 January 2024.

The key accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied, unless otherwise stated.

Depending on the applicable IFRS requirements, the measurement basis used to prepare the consolidated financial statements is the historical cost, with the exception of certain financial instruments that are measured at fair value at the end of each reporting period as explained in Notes 27 and 25.

Recognition and measurement alternatives permitted by IFRS:

STANDARD	ACCOUNTING POLICY CHOICE
IAS 2 Inventories	Measurement of the cost of inventories on a first in, first out (FIFO) basis
IAS 16 Property, Plant and Equipment	Historical cost
IAS 38 Intangible Assets	Historical cost
IAS 40 Investment Property	Historical cost
IFRS 16 Leases	IFRS16 not applied with respect to low value and short-term leases

Specific accounting policies applied with respect to the presentation:

STANDARD	IFRS 1 ALTERNATIVE USED
IAS 1 Presentation of Financial Statements	Income statement by cost nature Indirect method applied in preparing the cash flow statement
IAS 7 Cash Flow Statements	Interest paid/received presented as part of cash flows from operations Dividends received/paid presented as cash flows from financing activities
IAS 16 Property, Plant and Equipment	The gain or loss on disposal of items of property, plant and equipment is presented as other operating income/expense
IAS 19 Employee Benefits	The net interest expense with respect to defined benefit plans, other long-term employee benefits and termination benefits is presented as part of Employee Benefits in the income statement
IAS 20 Accounting for Government Grants and Disclosure of Government Assistance	Capital grants are presented as deferred revenue and are recognised in Other Operating Income in the income statement Grants related to income are recognised in the income statement as Other Operating Income
IAS 21 Effects of Changes in Foreign Exchange Rates	Except for exchange differences realised on the core operating business (purchases and sales related to the Bakery Products and Plant-Based Food Solutions business), exchange differences on loans and receivables, trade payables, and other liabilities and borrowings are classified as Financial Income or Expense.
IAS 28 Investments in Associates and Joint Ventures	The share of profit/loss from investments in associations and joint ventures is excluded from profit/loss from operations but included in profit/loss before tax
IAS 38 Intangible Assets	The gain or loss on disposal of intangible assets is presented as Other Operating Income/Expense
IFRS 9 Financial Instruments	The effective portion of changes in the fair value of derivatives qualifying as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of "Cash flow hedges, net of tax" (for interest rate and commodity hedges). The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included within Other Operating Expense. Amounts accumulated in other comprehensive income for interest rate hedges are reclassified to interest expense in the periods when the hedged item affects profit or loss. For the commodity hedges, as the hedged commodity purchases result in the recognition of a non-financial asset (inventory), the gains and losses accumulated in other comprehensive income are removed from equity and included in the initial measurement of the cost of the non-financial asset.

3.2 KEY JUDGEMENTS AND MAJOR SOURCES OF ESTIMATION UNCERTAINTY

3.2.1 KEY JUDGEMENTS

In preparing the consolidated financial statements for 2024, the following major judgements have been made that have a significant impact on the results of 2024 and the measurement of Vandemoortele's assets and liabilities at the end of 2024.

Judgements include the following notes:

- *Note 19 Trade and other receivables, credit risk management – whether the trade receivables subject to factoring qualify for derecognition.*
- *Note 23.2 Treasury shares and Safinco Certificates – whether the Safinco Certificates meet equity classification.*

3.2.2 MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The following notes provide details about estimation uncertainties that may pose a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities:

- *Note 14 Business combinations – determination of the fair value of the consideration transferred, assets acquired, and liabilities assumed, measured on a provisional basis.*
- *Note 15 Goodwill – key assumptions used to determine the recoverable amount of cash-generating units that goodwill has been allocated to.*

3.3 SUMMARY OF RELEVANT MATERIAL ACCOUNTING POLICIES

3.3.1 CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries. Subsidiaries are all entities controlled by the Parent Group. They are fully consolidated from the date of acquisition, being the date on which Vandemoortele Group acquired control, and will continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the financial statements of the Parent Company, using consistent accounting policies (for like transactions and other events in similar circumstances).

The following accounting procedures are followed:

- The like items of assets, liabilities, equity, income, expenses and cash flows of the Parent Company are combined with those of its subsidiaries.
- The carrying amount of the Parent Company's investment in each subsidiary and its portion of equity of each subsidiary is offset.
- All inter-company balances, income and expenses, unrealised gains and losses and dividends resulting from intercompany transactions are eliminated in full (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full).

3.3.2 FOREIGN CURRENCIES

The consolidated financial statements are presented in euro (€, EUR), which is also the functional currency of the Parent Company. Each entity in the Group determines its own functional currency, and the items included in the financial statements of each entity are measured in that functional currency. There are currently no subsidiaries for which the functional currency differs from the local currency of the foreign entity.

Foreign currency transactions

Transactions in foreign currencies are recognised initially at the exchange rate prevailing on the date of the transactions. Subsequently, at period closing, monetary assets and liabilities denominated in foreign currencies are translated at the balance sheet date rate. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Exchange differences arising from the retranslation of non-monetary items carried at fair value are recognised in the income statement for the reported period, with the exception to this being differences arising during the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity.

Foreign operations

On consolidation, the assets and liabilities of the Group's Companies that use a functional currency other than the euro are translated into euro at the exchange rates prevailing on the balance sheet date. Income and expense items of foreign operations are translated into euro at the average exchange rates for the period. The components of shareholders' equity of foreign operations are translated at historical rates. Exchange differences arising from the translation of shareholders' equity to euro at year-end exchange rates are classified as part of equity under the heading Cumulative Translation Adjustments.

On the disposal of a foreign operation, all exchange differences accumulated in equity relating to that operation attributable to the owners of the Company are reclassified to profit or loss. A disposal of a foreign operation means a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation. A partial disposal of an interest in a joint arrangement or an

associate that includes a foreign operation of which the retained interest becomes a financial asset, is also considered a disposal of a foreign operation.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is reattributed to non-controlling interests. The differences are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates that do not result in the Group losing control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments arising from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity, and are translated at the closing rate.

Exchange rates

The following exchange rates have been used in preparing the financial statements

1 euro = x foreign currency	CLOSING RATE		AVERAGE RATE	
	2024	2023	2024	2023
US Dollar	1.0389	1.1050	1.0918	1.0866
GB Pound	0.8292	0.8691	0.8697	0.8821
Swiss Franc	0.9412	0.9260	0.9549	0.9740
Czech Kroner	25.1850	24.7240	24.8939	24.7890
Hungarian Forint	411.3500	382.8000	397.7879	418.5557
Polish Zloty	4.2750	4.3395	4.4509	4.7970

3.3.3 GOODWILL

Goodwill arising from an acquisition of a business is carried at cost as established on the date of acquisition of the business less accumulated impairment losses, if any.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net fair value. The net fair value is determined on the date of acquisition of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net fair value on the date of acquisition of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a gain from a bargain purchase.

The Group performs an annual impairment analysis, in accordance with the Group's accounting policy. The recoverable amounts of the cash-generating units are determined based on value-in-use calculations. Value-in-use is calculated based on estimates and judgements of the expected cash flows, which are discounted on a WACC (weighted average cost of capital) basis. For a description of the main estimates and valuation assumptions, as well as and a sensitivity analysis of the assumptions applied, see Note 15.

3.3.4 BUSINESS COMBINATIONS

The Group uses the acquisition method to account for business combinations when the acquired activities and assets qualify as a business, and control is transferred to the Group. To determine if a set of activities and assets constitutes a business, the Group evaluates whether the acquired set includes at least one input and a substantive process, and whether it has the capacity to generate outputs.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any resulting goodwill is tested annually for impairment. Any gain on a bargain purchase is immediately recognised in profit or loss. Transaction costs are expensed as incurred, except when they relate to the issuance of debt or equity instruments.

Any contingent consideration is measured at fair value on the acquisition date. If a contingent consideration obligation that qualifies as a financial instrument is classified as equity, it is not remeasured, and its settlement is accounted for within equity. Otherwise, contingent consideration is remeasured at fair value at each reporting date, and any changes in fair value are recognised in profit or loss.

3.3.5 INTANGIBLE ASSETS

Acquired intangible assets

Patents, licences (e.g. computer software), trademarks, brands, and similar rights are valued at cost less accumulated amortisation and impairment losses. If these assets are acquired in a business combination, the cost is equal to the fair value assigned at the time of the acquisition. In other cases, the cost is equal to the purchase price.

Intangible assets are amortised using the straight-line method over their estimated useful lives as from the moment they become available for use. Currently, the estimated useful lives are as follows:

Customer relations	5 – 20 years
Trademarks	10 – 15 years
Non-competition agreement	5 years
Software licenses	4 years

Internally generated intangible assets

Costs associated with developing or maintaining computer software programs are generally recognised as an expense as incurred. However, (internal or external) costs that are directly associated with the production of unique software products controlled by the Group and that are likely to generate future economic benefits, are recognised as intangible assets. They are amortised over their estimated useful life. Currently the estimated useful lives range between three and five years.

Expenditure on research activities is expensed in the income statement as incurred. Expenditure on development activities in general does not meet the capitalisation criteria of IAS 38 (the probable future economic benefits are not generated and the expenditure cannot be reliably measured), and is expensed as incurred.

3.3.6 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciations and impairment losses. The cost includes all direct costs and all expenditure to bring the asset to its working condition and location of intended use. Borrowing costs directly attributable to the acquisition, and construction or production of a qualifying asset are capitalised as part of the cost of that asset. The estimated cost of dismantling an asset and restoring a site to its original state at the end of its useful life is included in the cost of the asset. Major components of property, plant and equipment are accounted for as separate assets when they have useful lives different to those of the other assets to which they relate.

Subsequent costs are recognised in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and when the cost of the item can be reliably measured. All other repair and maintenance costs are expensed as incurred.

Depreciation of property, plant and equipment is calculated from the date the asset becomes available for use, using the straight-line method over the estimated useful life of the asset. The estimated useful lives are as follows:

Buildings	20	–	40 years
Equipment	3	–	10 years
Furniture and Fittings	3	–	10 years
Vehicles	4	–	8 years

Property, plant and equipment under construction, as well as land, are not depreciated.

The residual value and the useful life of the asset are adjusted annually if the change is material.

Improvements to leased buildings are capitalised and depreciated over the remaining term of the lease, or over their expected useful life, if shorter.

Gains and losses on disposals, determined by comparing proceeds with the carrying amount, are included in the income statement.

3.3.7 LEASES

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability in respect of all lease arrangements in which it is the lessee.

Assets and liabilities arising from a lease are initially measured at present value. Lease liabilities include the net present value of the following lease payments:

- fixed payments (less any lease incentives),
- variable lease payments that are based on an index or rate,
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

For most contracts of the Group the interest rate implicit in the lease cannot be readily determined, and therefore the incremental borrowing rate is used. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including:

- the risk-free rate based on government bond rates,
- a country-specific risk adjustment,
- a credit risk adjustment based on bond yields,
- an entity-specific adjustment, to take into account the risk profile of the entity that enters into the lease.

For a limited number of contracts the interest rate in the contract can be readily determined. For these contracts the lease payments are discounted using the interest rate implicit in the lease.

The Group is exposed to possible future increases in variable lease payments based on an index or rate, with these not being included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate become effective, the lease liability is reassessed and adjusted against the right-of-use asset.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made on or before the commencement date less any lease incentives received,
- any initial direct costs, and
- an estimate of the costs related to the dismantling and removal of the underlying asset.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the change in lease payments is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

If it is reasonably certain that the Group will exercise a purchase option, the asset is depreciated on a straight-line basis over its useful life (see 3.3.6 Property, plant and equipment above). In all other circumstances, the asset is depreciated on a straight-line basis over the shorter of the asset's useful life or the lease term.

For short-term leases (a lease term of 12 months or less) or leases of low value items (mainly IT equipment and small office furniture) to which the Group applies the recognition exemptions available in IFRS 16, the lease payments are recognised as operating expenses.

Some property leases contain variable payment terms linked to the use of the property (mainly warehouses). Variable lease payments that depend on the use are recognised as an operating expense in profit or loss in the period in which the condition that triggers those payments occurs.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in 3.3.9 Impairments of Assets.

3.3.8 INTEREST IN JOINT VENTURES

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Interests in joint ventures are accounted for in accordance with the equity method. They are initially recognised at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group's share of the profit or loss and OCI of the joint venture, until the date on which joint control ceases.

The Group assesses whether joint control is still held or if another classification is more appropriate at each reporting date or if there is a change in circumstances.

3.3.9 IMPAIRMENTS OF ASSETS

The Group regularly reviews the carrying value of property, plant and equipment, goodwill and intangible assets to determine whether there is any indication of impairment. In addition, goodwill is reviewed for impairment at least annually. If there is any indication of impairment, the asset's recoverable amount is estimated. An impairment loss is recognised in the income statement as the amount by which the asset's carrying amount exceeds its recoverable amount (the higher of an asset's fair value less costs of disposal and its value in use).

The fair value is the price that would be received for selling an asset in an orderly transaction between market participants on the date in question, while value in use is the present value of estimated future cash flows. Estimated future cash flows are expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

To assess impairment, assets are grouped together at the lowest levels for which separately identifiable cash inflows exist (cash-generating unit). In exceptional circumstances, impairment losses recognised in prior years are reversed through the income statement. This occurs when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. As an exception, an impairment loss recognised for goodwill is never reversed in a subsequent period.

3.3.10 INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Cost is determined by the first in, first out (FIFO) method. Cost includes direct materials and, where applicable, direct labour costs, as well as those overheads that have been incurred in bringing the inventories to their present location and condition (based on normal operating capacity).

3.3.11 FINANCIAL ASSETS (EXCLUDING DERIVATIVES)

Financial assets of the Group mainly include cash and cash equivalents, trade and other receivables, loans, and derivative instruments (Note 3.3.17).

At the time of initial recognition, financial assets are classified either as measured at amortised cost or at fair value through profit or loss. This classification is based on the contractual cash flow characteristics of the financial instrument and the entity's business model.

Financial assets held with the intent to collect contractual cash flows, where those cash flows consist solely of payments of principal and interest, are classified as measured at amortised cost. Any other financial assets are classified as measured at fair value through profit or loss. The Group has not elected to classify any financial assets as measured at fair value through other comprehensive income.

At initial recognition, the group measures a financial asset at its fair value plus - in the case of a financial asset not at fair value through profit or loss - transaction costs that are directly attributable to the acquisition of the asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the income statement.

Financial assets classified as measured at amortised cost (such as loans, trade and other receivables and cash and cash equivalents) are subsequently measured using the effective interest method less any credit loss allowance. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that precisely discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) over the expected life of the debt instrument to the net carrying amount on initial recognition. Effective interest is recognised in profit or loss.

The Group measures the expected credit loss allowance for financial assets measured at amortised cost based on the lifetime expected credit losses if the credit risk on the financial instrument has significantly increased since initial recognition. If the credit risk has not significantly increased since initial recognition, the expected credit loss allowance is measured based on the 12-month expected credit losses. However, for trade receivables, the Group applies a simplified approach and directly measures the expected credit loss allowance at an amount equal to the lifetime expected credit losses.

The Group derecognises a financial asset when the contractual rights to the cash flows generated by the asset expire, or the Group transfers the rights to receive contractual cash flows related to the financial asset through the transfer of a substantial amount of the total risks and rewards associated with ownership of the asset. Any interest created or retained by the Group in transferred financial assets is recorded as a separate asset.

3.3.12 CASH AND CASH EQUIVALENTS

Cash includes cash on hand and cash in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash. At the time of original recognition, they have a maturity of three months or less, and are subject to an insignificant risk of change in value.

Cash and cash equivalents are carried in the balance sheet at nominal value. Bank overdrafts are shown on the balance sheet within borrowings as a current liability.

3.3.13 SHARE CAPITAL

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity, in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3.3.14 TREASURY SHARES & SAFINCO CERTIFICATES

Safinco certificates relate to depository receipts issued by the STAK Vandemoortele foundation, a shareholder of Safinco NV, which in turn is a shareholder of Vandemoortele NV. Vandemoortele NV has the right (but not the obligation) to purchase offered depository receipts if no certificate holders express interest in purchasing these receipts.

When the Group purchases its own shares or Safinco certificates, the amount of the consideration paid (including directly attributable expenses) is recognised as a deduction from equity under treasury shares. Proceeds from the sale of treasury shares or Safinco certificates are included directly in net equity without any impact on profit or loss.

It is not the Group's policy to remeasure the treasury shares and Safinco certificates to fair value.

Refer to Note 23.2 Treasury shares and Safinco certificates for more information regarding the equity classification of the Safinco certificates.

3.3.15 GOVERNMENT GRANTS

Government grants are initially recognised as deferred income when there is reasonable assurance that they will be received and that the Company will comply with the conditions attached to them. Grants that compensate for expenses incurred are recognised as other operating income on a systematic basis in the same periods as those in which the expenses are incurred. Grants that compensate the Company for the cost of an asset are recognised as other operating income on a systematic basis over the useful life of the asset.

3.3.16 FINANCIAL LIABILITIES (EXCLUDING DERIVATIVES)

Financial liabilities of the Group consist of bank borrowings, subordinated bonds, trade and other payables, and derivative instruments (note 3.3.17).

At initial recognition, financial liabilities are classified as either measured at amortised cost or at fair value through profit or loss. Financial liabilities held for trading (including derivative instruments) are classified as

measured at fair value through profit or loss. All other financial liabilities are classified as measured at amortised cost. The Group has not elected to classify any financial liabilities that would normally be measured at amortised cost as measured at fair value through profit or loss.

Financial liabilities classified as measured at fair value through profit or loss are initially and subsequently measured at fair value. Any related transaction costs are expensed as incurred.

Financial liabilities classified as measured at amortised costs are initially recognised at fair value, net of transaction costs. After initial recognition, these liabilities are subsequently measured at amortised cost using the effective interest rate method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that precisely discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) during the expected life of the financial liability to the net carrying amount on initial recognition. Effective interest is recognised in profit or loss.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Financial liabilities are no longer recognised in the balance sheet when, and only when, they are extinguished. That is, when the obligation specified in the contract is either discharged, cancelled or expires. If there has been an exchange between an existing borrower and lender of debt instruments with substantially different terms or there has been a substantial modification of the terms of an existing financial liability, that transaction is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. A gain or loss arising from the extinguishment of the original financial liability is recognised in the statement of profit or loss.

3.3.17 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

Contracts to buy commodities meeting the own use criteria are not recognised as financial instruments under IFRS 9 and are instead accounted for as executory contracts. Such contracts are recognised when the commodity is received, and costs are recorded in inventory or as an expense, depending on its nature.

All other derivatives are initially recognised at fair value on the date when a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The Group designates certain derivatives as hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

The fair values of derivative financial instruments designated in hedge relationships are disclosed in notes 25 and 27. Movements in the hedging reserve in shareholders' equity are shown in note 23.6.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss from the ineffective portion is recorded immediately in profit or loss. For interest rate swaps, this is included in net finance expense, and for commodity hedges, it is included in other operating income/expense.

Amounts accumulated in equity are accounted for as follows:

- Where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), deferred hedging gains and losses are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss, because the hedged item affects profit or loss (for example, through cost of goods sold).
- The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance cost at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in net finance expense/income except for the change in fair value relating to commodity derivatives that are included in operating income/expense.

This accounting treatment applies to a synthetic forward contract that allows and commits the Group to purchase the shares held by the co-venturer of Banneton at any time from and after 30 April 2026.

3.3.18 EMPLOYEE BENEFIT OBLIGATIONS

Pension Obligations

The Vandemoortele Group has various post-employment schemes, including both defined benefit and defined contribution pension plans.

A defined benefit plan is a post-employment benefit plan that defines an amount of pension benefit that an employee will receive upon retirement. The liability recognised in the balance sheet for a defined benefit retirement plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The projected unit credit method is used to calculate the defined benefit obligation on an annual basis. Remeasurements comprising actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the effect of the asset ceiling (if applicable) and the return on plan assets (excluding interest) are recognised as 'Other Comprehensive Income' (equity) in the period in which they occur.

Past service cost is the increase in the present value of the defined benefit obligation for employee service in prior periods as a consequence of the introduction of or change to post-employment benefits or other long-term employee benefits.

A defined contribution plan is a post-employment benefit plan. Under this plan, the Group pays fixed contributions into a separate entity (a fund or an insurance company) and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to an employee's service in the current and prior periods. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. However, if, under a defined contribution plan, there remains a legal or constructive obligation for the Vandemoortele Group, the plan is treated as a defined benefit plan.

Other long-term employee benefits

Some Group companies provide other long-term benefit schemes to their employees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and achieving a minimum service period. The expected costs of these benefits are spread over the period of employment.

3.3.19 PROVISIONS

Provisions are recognised in the balance sheet (1) when the Group has a present obligation (legal or constructive) as a result of a past event, (2) when it is probable (more likely than not) that an outflow of resources will be required to settle the obligation, and (3) when the amount can be reliably measured.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation on the balance sheet date.

Restructuring provisions

Provisions for restructuring costs (including termination benefits) are recognised when the Group has a detailed formal plan. Furthermore, the Group should have raised a valid expectation among those affected that it will initiate the restructuring by starting to implement the plan or announcing its main features to those affected by it. No provisions are made for costs relating to the ongoing activities of the Company.

Litigations and tax risks

Provisions for tax risks other than corporate income tax risks are recorded if the Group considers that the tax authorities might challenge the position taken by the Group. Provisions for litigation are booked for those litigations where the Group is – or could be – a defendant against claims of customers, suppliers or employees. An assessment is performed with respect to the above-mentioned risks, together with the Group's tax, HR and legal advisers. The Group books a provision for those litigations and tax risks that can be clearly identified and for which a reliable estimate of the potential cost can be made.

Environmental provisions

The Group books a provision for those environmental risks that are clearly defined and for which there exists a legal obligation to restore the environment, where a reliable estimate can be made of the potential cost.

Onerous Contracts

A provision for onerous contracts is recognised when the expected benefits from a contract are lower than the unavoidable costs of meeting the contractual obligations.

Other provisions

Other provisions are booked for all other identifiable risks.

3.3.20 REVENUE RECOGNITION

Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods to the customers. The five-step model is applied to account for revenue arising from contracts with customers.

The Group recognises revenue from contracts with customers and revenue from other sources.

Revenue from contracts with customers relates to a general agreement with a customer about the sale of goods.

- Revenue is recognised from the point in time when control of the goods is transferred to the customer. There are no contracts in which goods are transferred over time.
- Contracts with customers generally have a short-term duration.
- The performance obligation in contracts with customers is satisfied upon delivery of the goods. Payment terms are fixed in the contracts and are linked to the performance obligation being satisfied.
- Contracts with customers include only one performance obligation; no allocation of the transaction to different performance obligations is needed.
- No warranties outside the legal warranties or specific related obligations (obligation for returns and refunds) are included in contracts with customers.

Gross sales are recognised as the volume sold valued at list or contract price. The gross sales are compensated by two types of discounts:

- Invoiced discounts, which immediately affect the selling price of the products included in the invoice. These are all allowances deducted from the invoice when specific conditions have been met.
- Non-invoice discounts, which are allowances paid or payable to the customer when reaching specific targets over a time horizon. These are materialised through a credit note of the company or an invoice from the customer. These non-invoice discounts are deducted from the gross sales. The most frequently used non-invoice discounts concern volume discounts, trade marketing allowances, cash discounts, coupons and variable commissions. The recognition of some of these discounts includes an element of judgement for which management relies on historical statistics about redemption rates.

3.3.21 INCOME TAXES

Income tax for the year comprises current and deferred tax. Income tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity. In such cases, the tax effect is also recognised directly in equity.

Current tax is the expected tax payable, using tax rates enacted, on the taxable profit of the current year and adjustments to tax expenses of previous periods.

Following IFRIC 23 Uncertainty over Income Tax Treatments a provision is recognised for matters in which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to be paid. The assessment is based on the judgement of tax professionals within the Company, supported by previous experiences in respect of such activities and, in certain cases, based on independent specialist tax advice.

Deferred taxes are recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method.

Under the balance sheet liability method, a deferred tax liability or asset is recognised for all taxable and deductible differences between the tax bases of assets and liabilities and their carrying amount in the balance sheet.

A deferred tax asset is only recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. A deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised.

In the context of a business combination (Refer to Note 3.3.1 above), deferred taxes are recognised for temporary differences between the fair value of the acquired assets and assumed liabilities and their tax base. No deferred taxes are recognised on goodwill that is not deductible for tax purposes.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

4. OPERATING SEGMENT INFORMATION

The operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, responsible for resource allocation and performance assessment for the operating segments, has been identified as the CEO and the Executive Committee (ExCo).

The operating segments for the purpose of allocating resources and assessing performance have been determined based on the information reviewed by the CEO and the ExCo. They consider the business from a product family perspective.

The Group operates using four performance measures, all linked to business performance. The primary performance measure is adjusted EBITDA. Additional performance measures are EBITDA, adjusted EBIT and EBIT. All performance measures are detailed in the Alternative performance measures added to the Key Financial Figures.

For its strategic decision-making process, Vandemoortele distinguishes between the Bakery Products (BP) operating segment and the Plant Based Food Solutions (PBFS) operating segment. The BP operating segment comprises the development, production and sale of frozen bakery products. We supply bakery products to artisan bakers, industrial and professional customers, and retail organisations through three channels: artisan bakery, food service and retail. The PBFS operating segment comprises the development, production and sale of margarines, culinary oils & fats. PBFS products are offered through four channels, namely artisan bakery, food service, retail and industry. In total, the Group offers twelve main brands, namely Gelfin'Or, Banquet D'Or, Les Pains Pérènes, Lanterna, My Original's, La Patisserie du Chef, Vandemoortele, Risso, Fama, Vitelma, Acquaviva and Schiocco.

Sales between operating segments are carried out following the arm's-length principle. Sales by PBFS to BP amounted to €27.5 million in 2024 (2023: €26.8 million). Revenue from external parties reported to the CEO and ExCo is measured in a manner consistent with that in the income statement.

The following tables present key financial information regarding the Group's operating segments for the years ended 31 December 2024 and 31 December 2023.

4.1 FINANCIAL SEGMENT INFORMATION

THOUSAND EURO	BAKERY PRODUCTS		PBFS		UNALLOCATED ⁽¹⁾		TOTAL	
	2024	2023	2024	2023	2024	2023	2024	2023
P&L information								
External revenue	1,270,513	1,177,667	702,512	735,248	10,632	11,709	1,983,657	1,924,624
Internal revenue	0	0	27,548	26,781	(27,548)	(26,781)	0	0
Revenue	1,270,513	1,177,667	730,060	762,029	(16,916)	(15,072)	1,983,657	1,924,624
Adjusted EBITDA	174,531	127,910	81,673	87,924	(127)	(309)	256,077	215,525
Adjusting items (excl. depreciation, amortisation and impairments)	(15,797)	(8,874)	(2,843)	(264)	0	0	(18,640)	(9,138)
EBITDA	158,734	119,036	78,830	87,660	(127)	(309)	237,437	206,387
Depreciation, amortisation and impairments	67,495	51,323	14,104	13,588	0	0	81,599	64,911
EBIT	91,239	67,714	64,726	74,072	(127)	(309)	155,838	141,476
Adjusting items (incl. depreciation, amortisation and impairments)	15,797	9,364	2,843	264	0	0	18,640	9,628
Adjusted EBIT	107,036	77,078	67,569	74,336	(127)	(309)	174,478	151,105
Financial income							13,893	5,983
Financial expense							(28,910)	(13,424)
Share of profit from joint ventures							505	0
Income tax (expense)							(30,058)	(24,706)
EAT (earnings after tax)							111,268	109,330

⁽¹⁾ Unallocated includes intersegment eliminations / external revenue (mainly transport), EBIT and adjusted EBIT that do not belong to the BP or PBFS segments.

The total adjusting items amounting to €18.6 million are mainly related to consultancy costs for realised and potential acquisitions.

Performance of Bakery Products

2024 was another highly satisfactory year for the Bakery Products (BP) business line. Excluding acquisitions, revenue increased by 2% to €1,196 million, while adjusted EBITDA rose by 21% to €155 million. Revenue growth was mainly driven by higher volumes, combined with a positive shift towards higher value-added products, and supported by pricing discipline to offset rising input costs, particularly for raw materials and ingredients. The overall volume sold increased by 1%, mainly due to our growth in the pastry market.

We actively managed our contract portfolio to enhance customer service levels. Including the acquisition of Dolciaria Acquaviva (7 months in 2024), revenue reached €1,271 million, while adjusted EBITDA stood at €175 million in 2024.

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 the food service channel proved successful. In BP we are expanding capacity both in Poland and in France. To further improve operational efficiency, we invested in a new automated warehouse in Italy. Overall, we maintained a customer-centric and solutions-driven approach.

Performance of PBFS

The Plant-Based Food Solutions (PBFS) business line came from a record year in 2023. While revenue in 2024 declined by 4% to €730 million, due to decreasing raw material prices, the Plant-Based Food Solutions (PBFS) business line achieved a 6% volume growth, outpacing the market. Adjusted EBITDA also decreased 7% to €82 million. As with BP, revenue growth was primarily driven by volumes, while maintaining pricing discipline.

The volume sold increased across all our geographies. Among channels, the largest growth came from the industry sector. This was supported by the pumpable shortenings line in the Netherlands, commissioned at the end of 2023, and the new block line in Germany, which became operational in 2024. Meaningful growth was also achieved in the attractive bakery and food service channels, in line with our strategic objectives. Retail performance was mixed; while we achieved growth in the branded segment, private label sales declined due to strong competitive pressures.

In 2024, we also advanced key capacity investments, including a new block line in Spain to further expand our industry channel, and two new tub lines in Germany and Belgium to support our retail growth.

THOUSAND EURO	BP		PBFS		UNALLOCATED		TOTAL	
	2024	2023	2024	2023	2024	2023	2024	2023
Total assets per seament								
Net fixed assets ⁽¹⁾	913,253	441,247	171,136	161,628	0	0	1,084,389	602,875
Other non-current assets ⁽²⁾					211,627	3,828	211,627	3,828
Total non-current assets (excl. deferred tax assets)	913,253	441,247	171,136	161,628	211,627	3,828	1,296,016	606,703
Investment net fixed assets	310,150	66,599	22,796	21,775	0	0	332,946	88,374
Assets working capital need	329,203	286,539	193,978	194,279	(105,166)	(89,901)	418,015	390,917
Other current assets ⁽³⁾	56,612	65,071	18,709	18,639	150,697	26,457	226,019	110,168
Total current assets	385,815	351,610	212,687	212,919	45,531	(63,443)	644,033	501,085
Total assets (excl. deferred tax assets)	1,299,068	792,857	383,823	374,547	257,158	(59,615)	1,940,049	1,107,788
Assets working capital need	329,203	286,539	193,978	194,279	(105,166)	(89,901)	418,015	390,917
Liabilities working capital need	(224,446)	(185,810)	(165,739)	(157,135)	0	0	(390,185)	(342,945)
Total operational working capital need	104,757	100,729	28,239	37,144	(105,166)	(89,901)	27,830	47,972

(1) A breakdown of the net fixed assets is presented in the Alternative Performance Measures section preceding these financial statements

(2) In 2024 this includes the EUR 206.7 million investment in the joint venture Banneton Bakery

(3) Other current assets include other receivables, other financial assets and cash and isn't fully allocated to BP or PBFS (since current reporting period other receivables are allocated to the business lines and 2023 was restated)

4.2 ENTITY-WIDE GEOGRAPHICAL INFORMATION

Vandemoortele is a family business with Belgian roots that has grown to become a truly international food company. The Group is active in various geographical regions as listed below. The rest of Europe mainly consists

of Scandinavia and Hungary. Outside Europe, the Group is mainly active in North America, Africa and the Middle East.

The revenue per country is based on the geographical location of the external customers:

THOUSAND EURO	2024	2023
Revenue per country (customer based)		
France	530,999	548,293
Italy	270,513	202,311
Germany	261,856	269,644
Belgium	210,045	204,685
Spain	141,463	142,082
The Netherlands	136,977	153,867
UK	131,044	123,218
Poland	51,234	43,291
Czech Rep & Slovakia	53,254	50,950
Rest of Europe	114,056	114,123
Outside Europe	82,216	72,160
Total	1,983,657	1,924,624

The net fixed assets per country are based on the geographical location of our companies and concerns mainly the plants of the Group. These are the values of acquired assets with an expected economic lifetime of more than one year.

THOUSAND EURO	2024	2023
Net fixed assets per country		
Goodwill (non allocated)	407,593	199,329
Italy	272,589	37,570
France	161,366	151,731
Belgium	118,910	113,386
Poland	31,680	26,965
The Netherlands	25,139	23,709
Germany	21,879	21,293
Spain	15,664	15,031
United States of America	15,058	6
UK	14,117	13,413
Other	394	441
Total	1,084,389	602,875

4.3 MAJOR CUSTOMERS

The BP and PBFS operating segments predominantly perform business-to-business activities. Our customers are food sellers in all shapes and sizes, such as supermarkets, hotels, restaurants, quick-service restaurants, canteens, petrol stations, artisan bakers, industrial bakers and food industries. Our products are sold across the following distribution channels: retail, artisan bakery, food service and food industry.

- Retail: consumers can buy branded and private label products from our range directly in the supermarket.
- Artisan bakery: the product range for the artisan bakery is puff pastry sheets, bread, donuts, patisserie, savoury and margarines.
- Food service: with our extensive and complete range of convenience products, we respond to the latest food trends and consumer needs. For example, restaurants can offer their customers our top quality sandwiches, sauces, desserts and sweet and savoury snacks.
- Food industry: we supply specialised margarines to other industrial food processors.

Overall, the retail distribution channel, which represents approximately 65% and 28% of the volume sold of BP and PBFS respectively, are partly concentrated, with the three top retailers controlling at least half of the market share in France, Germany, the Netherlands, the United Kingdom and Belgium.

No individual customer represents more than 10% of Group revenue. The revenue from the top five customers combined represented 14.1% of the total Group revenue in 2024 (2023: 15.7%).

For the BP and PBFS business lines, the top five customers accounted for 17.2% (2023: 18.9%) and 15.2% (2023: 17.0%) of the total revenues in 2024 respectively. When we consider the top ten customers, the share increases to approximately 29.1% for BP, 22.3% for PBFS and 22.2% for the Group overall.

5. SERVICES

For the year ended 31 December	2024	2023
THOUSAND EURO		
Rent and lease expenses ⁽¹⁾	11,095	12,481
Repairs and maintenance	53,170	45,723
Utilities	49,383	86,227
Communication expenses	2,972	2,656
Office supplies, subscriptions and documentation	2,909	2,787
Fees, consultancy and memberships	46,511	30,932
Safety and environmental expenses	5,274	4,422
Insurance premiums	5,618	4,860
Warehousing	31,250	26,311
Transport	120,289	111,609
Travel and representation expenses	9,748	8,218
Advertising and marketing expenses	20,677	17,069
Analyses	2,224	1,105
Agency fees	781	1,048
Service fees	249	204
Manufacturing fees	3,245	2,735
Other	896	924
Services	366,292	359,309

(1) Under IFRS 16 a part of the rent expenses is reclassified to the depreciations and interests. A summary of the remaining rent expenses can be found in Note 17

The cost of utilities has decreased by €36.8 million, or 42%, compared to 2023. The cost of utilities was exceptionally high in 2023 due to contracts that needed to be renegotiated at much higher levels at the end of 2022 and the beginning of 2023. The increase in fees, consultancy, and memberships (€15.6 million) is mainly related to consultancy fees for realised and potential acquisitions.

6. EMPLOYEE BENEFIT EXPENSE

For the year ended 31 December THOUSAND EURO	2024	2023
Salaries and wages	210,076	192,759
Termination benefits	3,517	2,182
Social security contributions	59,532	54,636
Extra statutory insurances	2,048	1,704
Pension expense for defined benefit plans	3,844	2,997
Contributions to pension plans (defined contribution)	3,698	3,039
Interim personnel	42,636	38,664
Training and education	2,985	2,558
Recruitment expenses	3,238	3,647
Directors' remunerations	1,330	874
Share-based compensation plans	11,495	1,566
Other personnel expenses	7,620	6,811
Employee benefit expenses	352,019	311,437

The increase in the employee benefit expense is mainly explained by the inclusion of the employee expense of 7 months of having Dolciaria Acquaviva as an acquisition. Furthermore, during some periods of 2024, there was an extra need for interim personnel in several departments. The expenses for share-based compensation plans were higher in 2024, arising from a significant increase in the Group's value.

For more information on the compensation of key management personnel, see Note 31.2.

The average number of full-time equivalents can be split as follows:

For the year ended 31 December NUMBER OF FTEs	2024	2023
Blue collar	2,261	2,170
White collar	1,140	1,034
Managers	783	729
Interims	791	689
Average number of full-time equivalents	4,975	4,622

7. DEPRECIATION, IMPAIRMENT, AMORTISATION AND WRITE-DOWN

For the year ended 31 December THOUSAND EURO	2024	2023
Amortisation	15,153	2,616
Depreciation	66,446	61,805
Impairment loss (scope IAS 36)	0	490
Write-down on inventories	(461)	1,220
Write-down on receivables	(1,061)	(367)
Amortisation, depreciation, impairment and write-down	80,077	65,764

The significant increase in amortisation is due to the amortisation (over 7 months in 2024) of intangible assets arising from the purchase price allocation of Dolciaria Acquaviva.

The depreciation expenses disclosed above include depreciation related to property, plant, and equipment amounting to €55.8 million (2023: €52.3 million), and depreciation expenses related to leased assets amounting to €10.6 million (2023: €9.5 million).

8. CHANGE IN PROVISIONS

For the year ended 31 December THOUSAND EURO	2024	2023
Restructuring	(2,893)	334
Litigations and tax	87	712
Other	1,040	555
Change in provisions	(1,766)	1,600

The classification of the used provisions (€4.6 million in 2024, €2.9 million in 2023) is as follows:

For the year ended 31 December THOUSAND EURO	2024	2023
Employee expenses	3,749	2,148
Services	582	753
Other	277	0
Used provisions	4,608	2,901

The provisions are further described in note 29.

9. OTHER OPERATING INCOME

For the year ended 31 December	2024	2023
THOUSAND EURO		
Gains on disposals of tangible and intangible fixed assets	857	762
Fair value gain on forward purchase contracts for commodities	57	(57)
Government grants received in current year	5,679	2,798
Allocation from government grants received in previous years	715	637
Capitalised expenses	3,903	3,356
Sales waste	3,283	4,208
Exemption payroll tax	3,233	3,599
In-kind benefits	6,316	5,245
Site revenues	1,451	1,629
Sales promotional materials	215	984
Rental fleet	172	67
Palettes	1,789	380
Recuperation damage/insurance	2,175	4,770
Compensation from third parties for investments in energy/formation/safety	150	271
Realised exchange gains relating to trade business	1,268	1,442
Other	753	728
Other operating income	32,014	30,818

10. OTHER OPERATING EXPENSE

For the year ended 31 December	2024	2023
THOUSAND EURO		
Loss on disposals of tangible and intangible fixed assets	62	214
Loss on realisation of trade receivables	1,031	1,201
Non-income tax levies and penalties	532	477
Other ⁽¹⁾	1,289	1,632
Realised exchange losses relating to trade business	4,315	2,867
Other operating taxes	8,831	7,237
Other operating expense	16,060	13,627

(1) Contains a number of amounts for damages and penalties

'Other operating taxes' in 2024 comprise €4.2 million property tax (2023: €3.9 million), €0.9 million packaging tax (2023: €0.5 million) and €1.1 million solidarity tax (2023: €1.0 million).

11. FINANCIAL INCOME

For the year ended 31 December THOUSAND EURO	2024	2023
Interest income	969	26
Exchange gains	12,036	5,951
Fair value gains on derivatives	888	0
Other financial income	1	7
Financial income	13,893	5,983

Financial income increases by €7.9 million due to:

- Higher realised exchange gains (+ €3.2 million)
- Higher unrealised exchange gains (+€2.8 million), mainly due to the revaluation of a US dollar loan at the closing rate
- Fair value gains on derivatives (+€0.9 million), resulting from a fair value gain on some interest rate swaps (+€1.1 million), a fair value gain on FX derivatives (+€2.7 million), mainly on USD contracts, and a loss on a synthetic forward (-€2.8 million)

12. FINANCIAL EXPENSE

For the year ended 31 December THOUSAND EURO	2024	2023
Interest expense	24,133	5,970
Exchange losses	2,419	5,035
Fair value losses on hedging instruments	0	1,566
Bank and legal fees	510	363
Other financial expense	1,848	490
Financial expense	28,910	13,424

Financial expenses increased by €15.5 million due to:

- Higher interest expenses resulting from the higher average Net Financial Debt over the year. Additional funding was needed to finance the acquisitions. The interest expense includes the reclassification adjustment related to the gain arising from changes in the fair value of the hedging instruments in the cash flow hedge reserve (+€1.0 million).
- Lower unrealised exchange losses (-€3.1 million)
- No fair value losses on derivatives
- Higher other financial expenses (+€1.4 million), including the amortisation of the cost of loans (€0.8 million) and breakage costs paid on the early repayment of external loans (€0.8 million)

13. INCOME TAX EXPENSE

13.1 INCOME TAX RECOGNISED IN PROFIT OR LOSS

Income taxes recognised in the income statement can be detailed as follows:

For the year ended 31 December THOUSAND EURO	2024	2023
Current taxes for the year	(30,429)	(26,473)
Adjustment to current taxes on prior years	(115)	(1,491)
Deferred taxes	486	3,258
Income tax (expense)	(30,058)	(24,706)

The income tax expense has increased by 21.7% compared to last year.

On the one hand, the current year taxes for 2024 are higher than those in 2023, mainly due to an increase in profit before tax which is 5.0% higher than in 2023.

On the other hand, fewer deferred tax assets on tax attributes from previous years were established in 2024 compared to 2023, as most tax attributes from previous years had already been recognized as deferred tax assets in the past. The deferred taxes are described further in note 20.

The table below summarises the relationship between income tax and profit before income tax:

For the year ended 31 December THOUSAND EURO	2024	2023
Accounting profit before taxes	141,326	134,036
Share of result of associates	(505)	0
Profit before tax and before share of result of associates	140,821	134,036
Tax at Belgian corporate tax rate (25%)	35,205	33,509
Adjustment to current taxes on prior years		
- over/underprovided prior years	115	1,491
Tax effect of		
- special tax regimes	(4,902)	(1,653)
- other domestic tax rates	(298)	(507)
- expenses not deductible for tax purposes	2,448	1,266
- losses/timings for which no deferred tax asset was recognised	711	653
- utilisation of unrecognised tax attributes	(116)	(132)
- reversal of previously recognised deferred taxes (asset +/-liability -)	(3,098)	(155)
- deferred tax assets previously not recognised	(299)	(10,520)
- no deferred tax assets/liability on result	(160)	0
Other domestic taxes	646	953
Other	(194)	(199)
Total income tax	30,058	24,706
Effective tax rate	21.3%	18.4%

13.2 INCOME TAX RECOGNISED IN OTHER COMPREHENSIVE INCOME

For the year ended 31 December THOUSAND EURO	2024	2023
Deferred tax		
- arising on income and expense recognised in other comprehensive income:		
* on fair value remeasurements of hedging instruments entered into for cash flow hedging	1,115	475
* on remeasurements of defined benefit obligation	(603)	776
Total income tax recognised in other comprehensive income	512	1,251

14 BUSINESS COMBINATIONS

Acquisition of Dolciaria Acquaviva

On 10 June 2024, Vandemoortele acquired 100% of the voting shares of Dolciaria Acquaviva S.p.A. ("Dolciaria Acquaviva"), a renowned manufacturer of frozen Pastry, Patisserie and Savoury specialities.

With this acquisition, Vandemoortele fortifies its position as a key player in the Italian frozen bakery market and further accelerates its path for growth, leveraging its established reputation and robust brand portfolio and offering its customers unparalleled quality and innovation across a broader set of categories: bread, savoury specialties, pastry and patisserie and donuts.

Consideration transferred

The acquisition date fair value of the consideration transferred consists out of:

THOUSAND EURO	10 June 2024
Cash	313,600
Contingent consideration	1,126
Total consideration transferred	314,726

Vandemoortele has agreed to pay the sellers a maximum amount of €2.3 million if Dolciaria Acquaviva receives a development-based grant due to fulfilling the conditions attached to the grant. This contingent consideration expires 5 years from the closing date. The fair value of the contingent consideration has been determined as €1.1 million taking into consideration the probability of success and time value of money.

As at 31 December 2024 the fair value of the contingent consideration was determined to be €1.1 million.

Identifiable assets acquired and liabilities assumed

The fair values of the identifiable assets acquired, and liabilities assumed at the acquisition date are:

THOUSAND EURO	Values 10.06.2024
Assets	
Intangible assets	194,793
Property, plant and equipment	37,593
Financial assets	520
Inventories	12,491
Trade and other receivables	28,563
Cash	25,126
Liabilities	
Provisions	(4,360)
Financial debt	(70,568)
Trade and other payables	(61,953)
Deferred tax liability	(55,743)
Total identifiable net assets at fair value	106,463
Goodwill arising on acquisition	208,263
Purchase considerations transferred	314,726
Analysis of cash flows on acquisition:	
Net cash acquired with the subsidiary	25,126
Cash paid	(313,600)
Acquisition of subsidiary, net of cash acquired (included in cash flows from investing activities)	(288,474)

The goodwill recognised is primarily attributed to the expected synergies from combining the assets and activities of Dolciaria Acquaviva with those of the Group as well the value of the assembled workforce. Goodwill is not deductible for tax purposes. Goodwill has been allocated to the Bakery Products (BP) CGU.

Fair value measurement of assets acquired

The valuation techniques applied to determine the fair values were as follows:

Asset	Valuation technique
Trademarks	Relief-from-royalty: This valuation technique estimates the value of an intangible asset by calculating the present value of future royalty payments avoided by owning the asset instead of licensing it from a third party. Essentially, it measures the cost savings from not having to pay royalties for using the asset.
Customer relationships	Multi-Period Excess Earnings Method (MEEM): This valuation technique calculates the value of an intangible asset by determining the present value of the excess earnings attributable to the intangible asset over its useful life. The excess earnings represent the forecasted cash flows generated by customers minus the forecasted cash flows generated by other contributory assets.

Related revenue, profit and transaction costs

From the date of acquisition, Acquaviva has contributed €74 million to revenue and €3 million to net profit of the Group. If the acquisition had taken place at the beginning of the year, revenue from continuing operations would have been €123 million and profit from continuing operations for the period would have been €31 million.

Transaction costs of €6 million have been expensed, are included in service costs in the statement of profit and loss and are a component of operating cash flows in the statement of cash flows.

Subsequent acquisition of Lizzi Srl.

On 14 February 2025, Vamix NV, a Belgian joint-stock corporation, a subsidiary of Vandemoortele NV, signed an agreement for the acquisition of 100% of the share capital and voting rights of Lizzi S.r.l., an Italian joint-stock corporation active in the frozen bakery sector and a wholly owned subsidiary of Forno d'Asolo S.p.A. The transaction closed on 28 February 2025.

Lizzi S.r.l. offers a well-established presence in Italy and a broad portfolio of recognizable brands across sweet and savoury pastry, patisserie, bread, pizza and focaccia. Lizzi S.r.l.'s activities represent a turnover above 70 million Euro employing over 240 people and operating four production plants in Northern Italy.

As at 28 February 2025, the fair values of the assets acquired, and liabilities assumed are preliminary since the purchase price allocation has not been finalised. Furthermore, the preliminary goodwill has not yet been allocated to any CGU.

The preliminary fair values of the identifiable assets acquired, and liabilities assumed at the acquisition date are:

THOUSAND EURO	Preliminary values 28.02.2025
Assets	
Intangible assets	11,361
Property, plant and equipment	23,736
Inventories	7,216
Trade and other receivables	15,439
Deferred tax asset	303
Cash	2,082
Liabilities	
Provisions	(605)
Financial debt	(6,620)
Trade and other payables	(29,192)
Total identifiable net assets at fair value	23,720
Goodwill arising on acquisition	14,217
Purchase considerations transferred	37,937

15. GOODWILL

For the year ended 31 December THOUSAND EURO	2024	2023
Goodwill as at 1 January	199,329	199,329
Recognised on acquisition of subsidiary	208,263	0
Goodwill as at 31 December	407,593	199,329

Refer to Note 14. Business Combinations for more information regarding the goodwill recognized as part of the Dolciaria Acquaviva acquisition.

Impairment testing

Goodwill is tested annually for impairment on a cash-generating unit (CGU) level by comparing each unit's carrying value, including goodwill, to its value in use.

The Group has two CGUs; Bakery Products (BP) and Plant-Based Food Solutions (PBFS). The Bakery Products CGU relates to the production of bread, pastries, sweet treats, Italian savoury, and patisseries. The Plant-Based Food Solutions CGU relates to the production of plant-based fats, sauces, margarines and oils.

On acquisition, goodwill acquired in a business combination is allocated to the CGUs that are expected to benefit from that business combination.

The carrying amount of goodwill (after impairment) has been allocated to the CGUs as follows:

For the year ended 31 December THOUSAND EURO	BP		PBFS		Total	
	2024	2023	2024	2023	2024	2023
Goodwill as at 1 January	136,606	136,606	62,723	62,723	199,329	199,329
Recognised on acquisition of subsidiary	208,263	0	0	0	208,263	0
Goodwill as at 31 December	344,869	136,606	62,723	62,723	407,593	199,329

The recoverable amount for each of the CGUs has been determined based on a value in use calculation starting from cash flow projections generated by divisional management covering a five-year period, in conjunction with a perpetuity of cash flows to determine the terminal value.

The goodwill impairment test was performed in a consistent way, and did not result in any impairment loss at the end of 2024.

Key assumptions used in value-in-use calculations

The calculation of value-in-use for the CGUs is most sensitive to following assumptions:

- Annualised sales growth over the 5-year projected cash flows
- Average EBITDA margin over the 5-year projected cash flows
- Growth rate used to extrapolate cash flows beyond the 5-year projected cash flows
- Discount rates

The key parameters used for the impairment test of both CGUs, BP and PBFS, and the resulting available headroom (value-in-use exceeds carrying value) are shown in the table below:

	BP		PBFS	
	2024	2023	2024	2023
Annualised sales growth	7.7%	5.7%	5.8%	5.1%
Average EBITDA margin	12.9%	10.6%	8.4%	7.7%
Perpetual growth rate	0.5%	0.5%	0.0%	0.0%
Discount rate	7.9%	8.1%	7.9%	8.1%
Headroom (in million Euro)	577.3	312.6	288.2	251.2

Discount rate is based on benchmark interest rates, the financing structure and the cost of equity of the Group. A specific risk premium is considered when the specific business context makes this necessary. This results in a pre-tax discount rate of 7.9 % for either BP or PBFS (8.1 % for both in 2023). The discount rate includes no specific risk premium for both BP and PBFS. The specific risk premium is no longer applied as the business is steered towards improved product, customer, channel and country mixes. Cost price increases can be transferred in a steadier way to the market. Projections of future cash flows become more certain and less volatile.

Sensitivity to changes in assumptions

The major sensitivities for the impairment tests are the sales evolution, the EBITDA margin and the discount rate.

A reasonable change in one of these sensitivities (keeping the other parameters constant) does not lead to a potential material impairment for either BP or PBFS.

A fall of the annualised sales growth to 5.4% (2023: 4%) combined with a fall of the average EBITDA margin to 11.6% (2023: 9.8%) and an increase of the discount rate by 1% (2023: 1%) would reduce the headroom for BP to zero.

A fall of the annualised sales growth to 1.2% (2023: 0.5%) combined with a fall of the average EBITDA margin to 6.7% (2023: 6.1%) and an increase of the discount rate by 1% (2023: 1%) would reduce the headroom for PBFS to zero.

16. INTANGIBLE ASSETS

For the year ended 31 December	2024					
	CUSTOMER RELATIONS	PATENTS AND TRADEMARKS	SOFTWARE AND DEVELOPMENT	NON-COMPETITION AGREEMENT	OTHER	TOTAL
THOUSAND EURO						
Gross amount as of 1 January	0	2,807	17,100	0	17,111	37,018
Obtained through a business combination	150,297	43,764	1,401	0	0	195,462
Additions	0	0	1,115	16,853	0	17,969
Disposals	0	0	(49)	0	0	(49)
Transfers from one heading to another	0	0	641	0	0	641
Currency translation adjustments	0	0	2	858	0	859
Gross amount as of December 31	150,297	46,571	20,210	17,711	17,111	251,900
Accumulated amortisation as of 1 January	0	2,807	13,695	0	15,254	31,756
Acquired via a business combination	16	0	653	0	0	669
Amortisation for the year	7,735	1,774	1,467	2,528	1,650	15,153
Disposals	0	0	(48)	0	0	(48)
Currency translation adjustments	0	0	1	129	0	129
Accumulated amortisation as of 31 December	7,750	4,581	15,767	2,657	16,904	47,659
Net balance as of 31 December	142,547	41,990	4,443	15,054	207	204,241
For the year ended 31 December	2023					
	CUSTOMER RELATIONS	PATENTS AND TRADEMARKS	SOFTWARE AND DEVELOPMENT	NON-COMPETITION AGREEMENT	OTHER	TOTAL
THOUSAND EURO						
Gross amount as of 1 January	0	2,807	15,860	0	17,111	35,778
Additions	0	0	942	0	0	942
Disposals	0	0	(744)	0	0	(744)
Transfers from one heading to another	0	0	1,037	0	0	1,037
Currency translation adjustments	0	0	4	0	0	4
Gross amount as of 31 December	0	2,807	17,100	0	17,111	37,018
Accumulated amortisation as of 1 January	0	2,807	13,442	0	13,604	29,854
Amortisation for the year	0	0	966	0	1,650	2,616
Disposals	0	0	(723)	0	0	(723)
Impairment losses	0	0	6	0	0	6
Currency translation adjustments	0	0	4	0	0	4
Accumulated amortisation as of 31 December	0	2,807	13,695	0	15,254	31,756
Net balance as of 31 December	0	0	3,405	0	1,857	5,262

Customer relationships and trade names were recognised as part of the acquisition of Dolciaria Acquaviva. Refer to *Note 14. Business combinations* for more information. A non-competition agreement was recognised as part of the investment in the Banneton joint venture. Refer to Note 18. Investment in joint venture.

There are no liabilities secured on intangible assets. The research and development expenses that do not meet the capitalisation criteria of IAS 38, and were therefore included in the income statement, amount to €9.3 million (2023: €8.8 million).

The carrying amount and remaining useful lives of individually material intangible assets as at 31 December 2024 are detailed in the table below (no individual assets were individually material as at 31 December 2023):

For the year ended 31 December 2024		
Intangible asset category	Carrying amount THOUSAND EURO	Remaining amortisation period
Tradename - Acquaviva	38,519	14.4 years
Tradename - Schiocco	3,471	9.4 years
Customer relationship - Modern trade	33,509	19.4 years
Customer relationship - Distribution, export & co-Packing	83,787	14.4 years
Customer relationship - Direct	25,267	4.4 years

These assets were acquired as part of the Acquaviva acquisition. Refer to *Note 14. Business combinations* for more information.

17. PROPERTY, PLANT AND EQUIPMENT

For the year ended 31 December	2024					
THOUSAND EURO	LAND AND BUILDINGS	PLANT AND MACHINERY	ASSETS UNDER CONSTRUCTION	OTHER ⁽¹⁾	LEASED PROPERTY	TOTAL
Gross amount as at 1 January	322,291	727,655	36,464	33,056	129,330	1,248,796
Obtained through a business combination	13,075	49,300	1,019	2,307	4,079	69,780
Additions	3,049	15,981	68,891	1,560	17,233	106,714
Remeasurement of leases	0	0	0	0	212	212
Disposals	(3,659)	(2,467)	(216)	(925)	(18,744)	(26,010)
Transfers of assets under construction to assets ready for use	1,697	14,012	(16,666)	316	0	(641)
Currency translation adjustments	514	1,807	331	31	58	2,741
Gross amount as at 31 December	336,967	806,288	89,824	36,345	132,167	1,401,591
Accumulated depreciation as at 1 January	189,023	546,041	0	24,970	90,506	850,539
Obtained through a business combination	2,446	25,563	0	1,811	2,366	32,187
Depreciation for the year	11,257	41,780	0	2,784	10,626	66,446
Disposals	(1,644)	(2,354)	0	(921)	(16,703)	(21,622)
Currency translation adjustments	263	1,198	0	27	25	1,512
Accumulated depreciation as at 31 December	201,345	612,227	0	28,671	86,819	929,062
Net balance as at 31 December	135,621	194,061	89,824	7,674	45,348	472,529

⁽¹⁾ Consists mainly of furniture, office equipment and motor vehicles

For the year ended 31 December	2023					
THOUSAND EURO	LAND AND BUILDINGS	PLANT AND MACHINERY	ASSETS UNDER CONSTRUCTION	OTHER ⁽¹⁾	LEASED PROPERTY	TOTAL
Gross amount as at 1 January	307,818	687,914	22,512	30,848	124,055	1,173,146
Additions	9,311	34,677	30,681	2,715	10,048	87,432
Remeasurement of leases	0	0	0	0	327	327
Disposals	(556)	(9,676)	(39)	(782)	(5,197)	(16,250)
Transfers of assets under construction to assets ready for use	4,397	11,061	(16,722)	227	0	(1,037)
Currency translation adjustments	1,320	3,679	34	48	98	5,179
Gross amount as at 31 December	322,291	727,655	36,464	33,056	129,330	1,248,796
Accumulated depreciation as at 1 January	178,023	514,095	0	22,699	86,073	800,891
Depreciation for the year	10,938	38,339	0	2,986	9,542	61,805
Disposals	(503)	(9,238)	0	(763)	(5,143)	(15,645)
Impairment losses	15	461	0	8	0	484
Currency translation adjustments	549	2,384	0	38	34	3,005
Accumulated depreciation as at 31 December	189,023	546,041	0	24,970	90,506	850,539
Net balance as at 31 December	133,268	181,614	36,464	8,086	38,824	398,257

⁽¹⁾ Consists mainly of furniture, office equipment and motor vehicles

To support our growth strategy and to meet the rising demand for our product, Vandemoortele invested €89 million in property, plant, and equipment, with €70 million allocated to BP and €19 million to PBFS. Additionally, €17 million was activated for new lease contracts.

No property, plant or equipment has been pledged as security for liabilities.

Leases

The following note provides information regarding leases where the Group acts as a lessee.

For the year ended 31 December		2024			
THOUSAND EURO	LAND AND BUILDINGS	PLANT AND MACHINERY	FURNITURE AND EQUIPMENT	VEHICLES	TOTAL
Gross amount as at 1 January	64,777	35,941	833	27,779	129,330
Obtained through a business combination	2,417	381	0	1,280	4,079
Other acquisitions	5,304	83	18	11,828	17,233
Remeasurement IFRS 16	853	1	(3)	(638)	212
Disposals	(9,886)	(670)	(378)	(7,809)	(18,744)
Currency translation adjustments	36	2	1	18	58
Gross amount as at 31 December	63,500	35,738	471	32,458	132,167
Accumulated depreciation as at 1 January	41,104	33,982	608	14,811	90,506
Obtained through a business combination	1,556	173	0	637	2,366
Depreciation for the year	3,084	622	46	6,874	10,626
Disposals	(7,998)	(670)	(379)	(7,656)	(16,703)
Currency translation adjustments	20	1	0	3	25
Accumulated depreciation as at 31 December	37,765	34,109	275	14,670	86,819
Net balance as at 31 December	25,735	1,629	196	17,788	45,348
For the year ended 31 December		2023			
THOUSAND EURO	LAND AND BUILDINGS	PLANT AND MACHINERY	FURNITURE AND EQUIPMENT	VEHICLES	TOTAL
Gross amount as at 1 January	63,506	36,563	802	23,184	124,055
Other acquisitions	202	109	30	9,707	10,048
Remeasurement IFRS 16	1,037	147	0	(857)	327
Disposals	0	(879)	0	(4,318)	(5,197)
Currency translation adjustments	32	1	2	63	98
Gross amount as at 31 December	64,777	35,941	833	27,779	129,330
Accumulated depreciation as at 1 January	38,207	34,201	465	13,200	86,073
Depreciation for the year	2,893	660	142	5,847	9,542
Disposals	0	(879)	0	(4,264)	(5,143)
Currency translation adjustments	4	0	1	28	34
Accumulated depreciation as at 31 December	41,104	33,982	608	14,811	90,506
Net balance as at 31 December	23,673	1,959	225	12,967	38,824

The Group mainly leases vehicles (company cars, forklifts) and buildings. The lease term varies from 4 to 5 years for vehicles, and from 2 to 24 years for buildings.

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as securities for borrowing purposes.

The Group also leases certain plant and equipment with lease terms of 12 months or less, as well as office equipment of low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The statement of profit or loss shows the following amounts relating to leases:

For the year ended 31 December		
THOUSAND EURO	2024	2023
Expense relating to short-term leases	1,910	2,082
Expense relating to leases of low-value assets	565	515
Expense relating to variable lease payments	4,842	6,872
Non-lease components	1,842	1,701
Interest expenses	1,936	1,312
Services (note 5)	11,095	12,481
Depreciation expense (note 7)	10,626	9,542

The total cash outflow for leases in 2024 was €24.0 million.

At closing 2024, the Group was committed to €1.0 million for short-term leases.

For the lease of land and buildings, the Group is exposed to potential future increases in variable lease payments based on an index, with these not being included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Some limited property leases contain variable payment terms that are linked to the space used in the buildings. Considering the limited impact of these lease contracts, the Company judges that a sensitivity analysis is not relevant.

Extension and termination options are included in several property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group, and not by the respective lessor.

Set out below are the carrying amounts of lease liabilities (included under Borrowings) and their movements during the reported period:

For the year ended 31 December THOUSAND EURO	2024	2023
Opening balance as of 1 January	34,008	33,150
Obtained through a business combination	1,714	0
New leases	17,067	10,053
Remeasurement IFRS 16	351	275
Reimbursements	(10,999)	(9,522)
Currency translation adjustments	30	53
Closing balance as of 31 December	42,171	34,008

The maturity analysis of lease liabilities is disclosed in Note 26. Financial risk management.

18. INVESTMENT IN JOINT VENTURE

Acquisition of Banneton Bakery

On 8 April 2024, the Group acquired 80% shareholding in Banneton Bakery, a high-quality manufacturer of premium freezer-to-oven croissants, danishes and pastries in North America.

The shares were acquired from Encore Consumer Capital, a private equity investment firm, and Banneton's founders, who are still invested in the capital and continue to lead the day-to-day management of the business. As part of the transaction the Group also obtained a separable non-compete agreement.

The investment in Banneton Bakery was classified as a joint venture, since Vandemoortele and Banneton's founders each has the contractual right to appoint 50% of the Board of Directors and voting rights are exercised by the directors. Vandemoortele and Banneton's founders therefore have joint control since unanimous consent is required to make a decision about the relevant activities.

The investment is accounted for under the equity method.

As part of the transaction, the parties issued a put and a call option to enable both parties the right to trigger that Vandemoortele buys the remaining 20% of the shares from the founders of Banneton. Refer to Note 25.2 Synthetic forward for more information.

The purchase price (that includes directly attributable acquisition costs) and Vandemoortele's share of the profit from the joint venture, is presented in the line item "investment in joint venture" on the consolidated balance sheet.

The share of Vandemoortele in the preliminary results of Banneton over the period April 2024 – December 2024 is taken up in the Group results and presented in the line item "Share of profit from joint venture" in the consolidated income statement.

The summarised financial information in relation to Banneton Bakery is presented below (excluding comparative information since the joint venture was only obtained during the current year):

As at:	2024
THOUSAND EURO	
Non-current assets	191,624
Current assets	20,616
Non-current liabilities	(75,232)
Current liabilities	(22,581)
Net assets (100%)	114,428
Group's share of net assets (80%)	91,542
Foreign exchange difference	(176)
Goodwill	115,338
Carrying amount of interest in joint venture as presented in the balance sheet	206,704
The following balances are included in net assets (100%):	
- Cash	6,792
- Current borrowings	14,435
For the period April to December 2024:	
THOUSAND EURO	
Revenue	96,676
Other comprehensive income	
Total comprehensive income (100%)	631
Foreign exchange remeasurement	32
Group's share of total comprehensive income (80%)	505
The following totals are included in total comprehensive income (100%):	
- depreciation and amortisation	10,162
- interest income	126
- interest expense	1,509
- income tax expense or income	(977)
Reconciliation carrying amount of interest in joint venture as presented in the balance sheet:	
Purchase consideration paid (including transaction costs)	198,700
Foreign exchange remeasurement	7,473
Group's share of total comprehensive income (80%)	505
Foreign exchange remeasurement total comprehensive income	26
Carrying amount of interest in associate as presented in the balance sheet	206,704

19. TRADE AND OTHER RECEIVABLES

The balance of trade and other receivables can be detailed as follows:

For the year ended 31 December	2024	2023
THOUSAND EURO		
Trade receivables - gross	226,023	220,046
Allowances for expected credit losses	(5,047)	(4,420)
Trade receivables - net	220,975	215,625
Financing to joint ventures ⁽¹⁾	14,435	0
VAT receivable	45,622	42,772
Income tax receivable	8,044	6,097
Other taxes receivable	2,163	645
Prepayments	2,200	2,200
Other	7,297	3,271
Other receivables	79,762	54,984
Current trade and other receivables	300,737	270,610
Trade and other receivables	300,737	270,610

General credit risk management:

Credit risk represents the risk that the Group may incur from financial losses if debtors and financial instrument holders fail to meet their obligations.

The Group's credit risk is primarily attributable to its cash and trade receivables.

Credit risk from balances with banks and financial institutions is managed by the Group's Treasury Department in accordance with the Group's policy. The Group deems the credit risk relating to banks and financial institutions to be limited as the Group only interacts with banks and financial institutions with a high credit rating (above A-).

The Group mitigates credit risk on trade receivables through various measures, including conducting credit rating checks on customers, establishing credit limits based on assessed credit risk, continuously monitoring credit risk, and employing non-recourse factoring and credit insurance.

Factoring of credit insured trade receivables:

To manage credit risk, certain subsidiaries of the Group utilise factoring agreements and associated credit insurance to reduce the credit risk on trade receivables. Under these agreements, only invoices that have been insured can be transferred to the factor. Receivables must have adequate credit ratings to qualify for this insurance, and the credit insurers possess investment-grade ratings. Additionally, the factors are contractually co-insured along with the Group entities for the eligible transferred receivables.

The Group has the following factoring agreements in force:

For the year ended 31 December 2024				Thousand EURO			
Factoring agreement	Countries in scope	Risk and rewards transferred to factor	Continuing involvement	Maximum coverage	Carrying amount prior to transfer	Carrying amount derecognised due to transfer	Carrying amount not derecognised due to continues involvement
Program 1	Belgium and the Netherlands	Credit and late payment risk	None	50,000	47,525	46,669	856
Program 2	France	Credit and late payment risk	Late payment risk for 90 days	65,000	63,856	59,052	4,804
Program 3	Italy	Credit and late payment risk	None	9,050	6,642	5,978	664

For the year ended 31 December 2023				Thousand EURO			
Factoring agreement	Countries in scope	Risk and rewards transferred to factor	Continuing involvement	Maximum coverage	Carrying amount prior to transfer	Carrying amount derecognised due to transfer	Carrying amount not derecognised due to continues involvement
Program 1	Belgium and the Netherlands	Credit and late payment risk	None	50,000	38,356	32,948	5,408
Program 2	France	Credit and late payment risk	Late payment risk for 90 days	65,000	63,558	57,623	5,935

Under these agreements, the Group transfers the relevant receivables to the factor in exchange for an initial cash amount of 90% to 95% of the transferred trade receivables' carrying amount. The remaining 5% to 10% is retained by the factor until the receivables are settled by the customers, reimbursed by the credit insurer, or deemed insolvent. The credit insurer covers 90% to 95% of the losses incurred by the Group entities on the transferred eligible receivables.

The receivables transferred under the factoring programs are subject to a maximum dilution ratio that was never exceeded in the past and is not expected to be exceeded in the future.

For Programs 1 and 3, the Group substantially transfers the risks of credit and late payments to the factor, leading to the derecognition of 90% to 95% of the transferred receivables. The remaining 5% to 10% of receivables are only derecognised once settled by customers, reimbursed by the credit insurer, or deemed insolvent.

Under Program 2, the Group similarly accounts for the factoring arrangement. However, derecognition is capped to the extent that the Group has no continuing involvement in the transferred receivables. For the first 90 days of overdue receivables, the Group pays a floating interest rate, and the late payment risk is only fully transferred to the factor after this period representing the continuing involvement. The Group's continuing involvement is measured as the product of the floating interest rate for 90 days and the initially transferred receivable amount.

Allowance for expected credit losses:

An allowance for expected credit losses (ECL) was recognised for all trade receivables still recognised on the balance sheet as at 31 December. No loss allowance was determined for VAT and income tax receivables since these receivables are not financial instruments.

The allowance for expected credit losses was calculated as follows:

As at 31 December 2024						
THOUSAND EURO	TOTAL	OF WHICH NOT PAST DUE	OF WHICH PAST DUE			
			LESS THAN 31 DAYS	31 TO 60 DAYS	61 TO 120 DAYS	MORE THAN 120 DAYS
Expected loss rate	2.2%	0.1%	0.5%	2.0%	7.0%	74.0%
Gross carrying amount	226,023	189,232	24,466	4,621	1,577	6,126
Loss allowance	(5,047)	(189)	(122)	(92)	(110)	(4,533)

As at 31 December 2023						
THOUSAND EURO	TOTAL	OF WHICH NOT PAST DUE	OF WHICH PAST DUE			
			LESS THAN 31 DAYS	31 TO 60 DAYS	61 TO 120 DAYS	MORE THAN 120 DAYS
Expected loss rate	2.0%	0.0%	0.1%	0.5%	6.0%	54.2%
Gross carrying amount	220,046	181,533	24,445	4,504	1,687	7,877
Loss allowance	(4,420)	0	(27)	(23)	(102)	(4,268)

The change in the provision for expected credit losses on trade receivables is as follows:

For the year ended 31 December	2024	2023
THOUSAND EURO		
Balance as at 1 January	4,420	4,774
Obtained through business combinations	1,691	0
Provision for expected credit losses	1,381	2,075
Amounts written off during the year as uncollectible	(852)	(465)
Amounts recovered during the year	(1,590)	(1,977)
Foreign exchange translation gains and losses	(2)	13
Balance as at 31 December	5,047	4,420

20. DEFERRED TAXES

Deferred tax assets and liabilities are attributable as follows:

For the year ended 31 December THOUSAND EURO	ASSETS		LIABILITIES		NET	
	2024	2023	2024	2023	2024	2023
Intangibles	1,702	1,644	(52,638)	(1,078)	(50,936)	566
Property, plant and equipment	2,833	2,537	(15,587)	(14,075)	(12,754)	(11,538)
Financial assets	0	0	0	(1)	0	(1)
Inventories	151	140	0	0	151	140
Derivative financial instruments	0	0	(165)	(148)	(165)	(148)
Other assets	697	207	(110)	(106)	587	101
Employee benefits	5,316	3,667	(437)	(70)	4,879	3,597
Provisions	755	890	(3)	(14)	752	875
Other liabilities	2,207	1,585	(524)	(132)	1,683	1,453
Tax free reserves	0	0	(4,753)	(4,723)	(4,753)	(4,723)
Tax losses and tax liabilities	25,570	32,807	(203)	(3,738)	25,367	29,069
Gross deferred tax assets/liabilities	39,231	43,477	(74,420)	(24,085)	(35,189)	19,392
Compensation of assets and liabilities within same jurisdiction	(4,710)	(5,694)	4,710	5,694		
Net deferred tax assets/liabilities	34,522	37,783	(69,711)	(18,391)	(35,189)	19,392

The recoverability of deferred tax assets is assessed based on the availability of sufficient tax profitability in the future to absorb the future tax deduction of the related temporary differences or the related tax losses carried forward. Based on this judgement, the time horizon over which the tax benefits will be realised varies between three and eight years. The majority of the tax attributes for which a deferred tax asset is recognised can be transferred without any time limitation. For the tax attributes that can only be transferred for a limited time, a deferred tax is only recognised to the extent that the tax attributes are expected to be used within the time limitation.

For the tax deductions/tax losses/temporary differences of the current year 2024 deferred tax assets have been recognised, considering the yearly updated forecasts show these tax deduction/losses/temporary differences will be used in the foreseen time horizon.

The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting published the Pillar Two model rules designed to address the tax challenges arising from the digitalisation of the global economy.

It is unclear whether the Pillar Two model rules create additional temporary differences, whether deferred taxes should be remeasured for the Pillar Two model rules, and which tax rate should be used to measure deferred taxes.

In response to this uncertainty, on 23 May 2023, the IASB issued amendments to IAS 12 'Income Taxes', introducing a mandatory temporary exception to the requirements of IAS 12. Under this exception, a company

does not recognise or disclose information about deferred tax assets and liabilities related to the proposed OECD/G20 BEPS Pillar Two model rules.

The Group applied the temporary exception as of 31 December 2024.

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions where the Group operates. The legislation became effective for the Group's financial year beginning on 1 January 2024. The Group falls within the scope of the enacted or substantively enacted legislation and has conducted an assessment of its potential exposure to Pillar Two income taxes. This assessment is based on the most recent tax filings, country-by-country reporting, and financial statements for the constituent entities in the Group as of 31 December 2022, 2023, and draft 2024.

Based on the assessment, no material tax impact is expected, as most countries will fall within the scope of the transitional safe harbour rules. Additionally, the countries that do not fall within the scope of the safe harbour rules are not expected to trigger a tax impact for the Group.

The unrecognised deferred income tax assets amounting to €10.6 million, are detailed below.

For the year ended 31 December 2024		
Country	Amount	Nature
Belgium	1,500	Tax losses
UK	3,099	Tax losses
Poland	4,289	Temporary differences
Poland	1,560	Tax deductions/credits
Spain	121	Tax deductions/credits
Total unrecognised deferred tax assets	10,569	

The Polish unrecognised deferred tax asset can only be carried forward and utilised till the end of 2026.

The change in the net position of deferred taxes can be explained as follows:

For the year ended 31 December THOUSAND EURO	ASSETS		LIABILITIES	
	2024	2023	2024	2023
Deferred tax as of 1 January	37,783	32,661	(18,391)	(18,091)
Increase/decrease through the income statement	(4,985)	5,539	5,471	(2,281)
Increase/decrease through equity	836	366	(324)	885
Currency translation adjustment	161	342	(83)	(29)
Additions through business combinations	0	0	(55,657)	0
Compensation of assets and liabilities within same jurisdiction	0	(1,125)	0	1,125
Deferred tax as of 31 December	34,522	37,783	(69,711)	(18,391)

21. INVENTORIES

For the year ended 31 December THOUSAND EURO	2024	2023
Raw materials and consumables	59,086	60,452
Work in progress	173	132
Finished goods	127,074	109,980
Goods purchased for resale	10,707	8,614
Inventories as of 31 December	197,039	179,177

The write-downs on inventories amounted to €8.8 million in 2024 (2023: €9.2 million).

The inventory value increased to €197.0 million compared to €179.2 million in 2023. A portion of this increase (€13.3 million) is attributed to the acquisition of Dolciaria Acquaviva. The rise in stock levels is primarily due to higher raw material prices and increased activity, particularly in the BP business line.

22. CASH

For the year ended 31 December THOUSAND EURO	2024	2023
Cash	150	72
Bank current accounts	133,033	43,615
Cash	133,183	43,687
Cash less bank overdrafts	133,183	43,687

Cash relates to balances on bank accounts, remunerated at market conditions. The market value of cash is therefore equal to the book value.

23. EQUITY

23.1 SHARE CAPITAL

The issued capital of the Company amounts to €79.4 million as of 31 December 2024 (€79.4 million as of 31 December 2023), represented by 547,208 shares (547,208 shares as of 31 December 2023). 827 of these are owned by the Company itself. These shares are not entitled to a dividend. The Company's shares are without par value. The shareholders are entitled to receive dividends as declared, and to one vote per share at the Company's shareholder meetings. There is no authorised, un-issued capital.

23.2 TREASURY SHARES & SAFINCO CERTIFICATES

The Company's own shares and the Safinco certificates (depository receipts) held by Vandemoortele NV or one of its subsidiaries are recognised as treasury shares.

Classification of Safinco Certificates:

The depository receipts were issued by the STAK Vandemoortele foundation, a shareholder of Safinco NV, which in turn is a shareholder of Vandemoortele NV. Safinco NV's only activity is that of holding shares in Vandemoortele NV. The trust deed stipulates that depository receipts can be offered to certificate holders annually. The number of depository receipts transferable in a calendar year cannot exceed 1% of the outstanding depository receipts not held by Vandemoortele NV or a Group entity. If no certificate holders express interest in purchasing the offered depository receipts, they can be offered for sale to Vandemoortele NV or a Group entity. Any purchase of these certificates by Vandemoortele NV or a group entity will be assessed in light of the Company's interests during a meeting of the Board of Directors. There is no legal or constructive obligation to purchase these certificates. Purchased certificates cannot be sold to parties other than Safinco NV certificate holders.

The acquisition of Safinco certificates by Vandemoortele NV is a transaction initiated by and for the benefit of its ultimate equity owners, akin to a distribution decision made by equity owners. Since Safinco NV is the parent company of Vandemoortele NV and its sole activity is holding shares in Vandemoortele NV, the Safinco NV shares are substantively identical to Vandemoortele NV's shares, despite being legally different. Furthermore, since Vandemoortele NV has no legal or constructive obligation to purchase the certificates, Safinco certificates are classified as equity (treasury shares) in substance.

If Vandemoortele were to treat the Safinco certificates as financial assets, such equity investments would have to be measured at fair value (through P/L or OCI) in accordance with IFRS 9. Management deemed this treatment inadequate because it would inflate the balance sheet, expose the Group to fluctuations in the fair value of instruments that are substantively equivalent to its own shares, and fail to accurately reflect the true substance of the shares.

Movement in Safinco certificates and treasury shares:

During 2024, the Group bought 2,622 Safinco certificates. As of 31 December 2024, Vandemoortele NV or one of its subsidiaries held 55,198 Safinco certificates recognised as treasury shares. Additionally, there are 827 shares owned by the Company itself (own shares).

23.3 CUMULATIVE TRANSLATION ADJUSTMENTS

The cumulative translation adjustments reserve represents the cumulative currency translation differences arising from the translation of the financial statements of subsidiaries that operate in functional currencies other than the euro. As of 31 December 2024, no deferred tax has been booked in cumulative translation adjustments, meaning that the balance of deferred taxes recognised in the cumulative translation adjustments remains at - €49,000.

23.4 RETAINED EARNINGS & RESERVES

The retained earnings consist of the reserves of the parent company (including the legal reserve of €3.3 million) and the undistributed profits of the subsidiaries. The change in retained earnings and reserves during 2024 is explained by the net gain for the year and the payment of the dividend.

During 2024, Vandemoortele Group received a €4.3 million dividend on the Safinco shares/certificates. This dividend was recognised in equity.

A summary of the change in the equity position of the Group can be found in the consolidated statement of changes in equity.

23.5 DIVIDENDS

On 27 March 2025 the Board of Directors proposed a dividend of €47.65 per share to be paid on the result of 2024. The dividend proposal is subject to approval by the shareholders at their annual meeting, to be held on 13 May 2025.

23.6 CASH FLOW HEDGES

During 2022, cash flow hedge accounting was used to account for the inverse fluctuations in the variable cash settlements of the subordinated bonds issued linked to EURIBOR and the cash settlements based on the fair value of the IRS contracts. The Group entered into two IRS contracts at the time. These two IRS contracts were initially anticipated to hedge the variable interest payments linked to a highly likely forecast debt issuance in 2022. The two IRS contracts were however unwound during 2022. The mark-to-market movement originally included in the hedge reserve related to these IRS contracts is being recycled to profit or loss over the remaining life of the original hedge relationship.

A third IRS contract was anticipated during 2022 to hedge the variable payments linked to a highly likely forecast debt issuance in 2023. In 2023, however, it became clear that the debt issuance would not occur. The hedging relationship was discontinued, and any cash flow hedge reserve relating to the IRS was recycled to profit or loss during 2023.

During 2023, cash flow hedge accounting was not applied to account for any new hedging relationships. However, due to an increase in fluctuation in the purchase price of commodities as well as the significant increase in interest rate risk exposure in 2024, the Group elected to apply cash flow hedge accounting to account for the following economic relationships:

- The inverse fluctuations in the market price of wheat and crude palm oil and the corresponding changes in the value of future swap contracts.
- Inverse fluctuations in the variable cash settlements of financing agreements linked to EURIBOR and the cash settlements based on the fair value of interest rate swap (IRS) contracts.

The following table presents the movement in the cash flow hedge reserve between 1 January 2023 and 31 December 2023, and 1 January 2024 and 31 January 2024, respectively:

For the year ended 31 December THOUSAND EURO	2024	2023
Balance as at 1 January	4,083	5,508
Movements during the year:		
- Mark-to-market movements allocated to the cash flow hedge	(3,471)	0
- Hedge reserve recycled to profit or loss - effective	(990)	(987)
- Historical hedge reserve recycled to profit or loss over remaining life of the original hedge relationship	0	(913)
- Tax impact	1,115	475
Balance as at 31 December	737	4,083

24. BORROWINGS

This note provides information about the Group's borrowings and net financial debt. Additional information about the exposure to interest rate and foreign currency risk on the borrowings can be found in Note 26.

For the year ended 31 December THOUSAND EURO	2024	2023
Subordinated bonds	51,289	51,267
Term loan A	72,707	0
Term loan B	167,792	0
Term loan C	112,632	0
Term loan D	260,926	0
Other unsecured borrowings	10,397	10,569
Lease liabilities	42,171	34,008
Continuing involvement factoring	556	670
Borrowings	718,471	96,515
Of which:		
Current (portion becoming due within one year)	17,987	11,965
Non-current	700,484	84,549

All borrowings of the Group are denominated in euro. The fair value of the current borrowings approximates their carrying amount, as the impact of discounting is deemed not significant.

All bank borrowings are subject to bank covenants. A senior leverage ratio (senior net financial debt)/adjusted EBITDA of 1.9:1 is well within the agreed boundaries (max. 3.5:1). No default breaches on debt payments occurred. A detailed calculation of the senior net financial debt (€519,6 million) and the adjusted EBITDA (€256,1 million) is presented in the "Alternative Performance Measures" preceding these financial statements.

Please note that for covenant reporting to the banks, the frozen GAAP approach should be utilised. Under frozen GAAP, the general IFRS accounting principles are adhered to, with the exception of IFRS16, where it has been agreed with the banks that the former leasing standard IAS17 will be used for the calculation of the covenants. This results in a senior net financial debt of €484.9 million (2023: -€23.1 million) and an adjusted EBITDA of €247.6 million (2023: 207.8 million) and a senior leverage ratio (senior net financial debt)/adjusted EBITDA excluding impact IFRS16 of 1.9:1 (2023: debt ratio of 0.0:1).

The Group has an available credit line amounting to €170. million (2023: €200.0 million), which remained undrawn on 31 December 2024 (undrawn in 2023).

Alongside to the senior leverage covenant, the revolving facility (€170.0 million) is also subject to a "guarantor cover test". This test includes the stipulations that:

- The contribution of the entities referred to as guarantor should reach 70% of the consolidated assets of the Group (excl. IFRS16 assets). At 31 December 2024, a percentage of 80.9% was reached (2023: 87.9%)

- The contribution of the entities referred to as guarantor should reach 70% of the consolidated EBITDA of the Group (excl. IFRS16). In 2024, a percentage of 89.7% was reached (2023: 90.9%)

The results of the guarantor cover tests are well within the agreed boundaries.

24.1 SUBORDINATED BONDS

On 4 July 2022, the Group issued subordinated retail bonds amounting to €50.0 million. These bonds mature on 4 July 2029 and have a coupon rate of 5.6%. The interest rate is hedged under cash flow hedge (see note 23.6 and 25.4).

24.2 UNSECURED BANK BORROWINGS

To enable the purchase of Dolciaria Acquaviva and the share in Banneton Bakery during the first half of 2024, the Group signed a new senior facility agreement, which replaces the existing agreement.

In the agreement, the Group secured 4 new term loans (A to D) amounting to €615.0 million, set to mature on 28 March 2029. Additionally, a revolving facility of €170.0 million was obtained, also maturing on 28 March 2029, with an option to extend twice for an extra year. The revolving facility was undrawn as at 31 December 2024.

The Group pays a margin over the relevant EURIBOR on the loans taken. This margin depends on the senior leverage ratio of the Group, as described above.

24.3 LEASE LIABILITIES

Lease liabilities are effectively secured, as the rights to the leased asset revert to the lessor in the event of a default. There are no significant renewals or extensions to contracts that are not included in the measured liability.

For the year ended 31 December	2024	2023
THOUSAND EURO		
Gross lease liabilities - minimum lease payments	50,234	40,178
No later than 1 year	11,941	10,023
Later than 1 year and no later than 5 years	25,526	19,587
Later than 5 years	12,767	10,568
Future interest expenses on leases	(8,063)	(6,170)
Lease liabilities	42,171	34,008

24.4 RECONCILIATION OF MOVEMENTS OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

For the year ended 31 December 2024	OPENING CARRYING AMOUNT	CASH FLOWS		NON-CASH MOVEMENTS				CLOSING CARRYING AMOUNT
THOUSAND EURO		FINANCING	OPERATING	NEW LEASE	BUSINESS COMBI- NATION	RECLASS	EFFECTIVE INTEREST	
Non-current liabilities								
Borrowings - Subordinated loan	49,879	0	0	0	0	0	22	49,901
Borrowings - Unsecured borrowings	9,534	609,623	0	0	0	(953)	730	618,934
Borrowings - Lease liabilities	25,136	(1,996)	0	14,224	886	(6,624)	22	31,649
Current liabilities								
Borrowings - Subordinated loan	1,388	0	(1,388)	0	0	0	1,388	1,388
Borrowings - Unsecured borrowings	1,035	(69,172)	(80)	0	68,855	953	3,929	5,520
Borrowings - Lease liabilities	8,872	(9,003)	0	3,110	828	6,624	92	10,522
Total liabilities from financing activities	95,845	529,452	(1,468)	17,334	70,568	0	6,184	717,915
In the statement of cash flows the payments of accrued interests are shown in the operating cash flow:								
Proceeds from borrowings		609,623						
Repayment from borrowings		(69,172)						
Repayment of lease liabilities		(10,999)						
For the year ended 31 December 2023	OPENING CARRYING AMOUNT	CASH FLOWS		NON-CASH MOVEMENTS				CLOSING CARRYING AMOUNT
THOUSAND EURO		FINANCING	OPERATING	NEW LEASE	BUSINESS COMBI- NATION	RECLASS	EFFECTIVE INTEREST	
Non-current liabilities								
Borrowings - Subordinated loan	49,767	(13)	0	0	0	0	124	49,879
Borrowings - Unsecured borrowings	35,419	(25,000)	0	0	0	(950)	65	9,534
Borrowings - Lease liabilities	25,457	(1,742)	0	7,532	0	(5,988)	(122)	25,136
Current liabilities								
Borrowings - Subordinated loan	76,388	(75,000)	(1,388)	0	0	0	1,388	1,388
Borrowings - Unsecured borrowings	1,710	(1,241)	(464)	0	0	950	80	1,035
Borrowings - Lease liabilities	7,693	(7,780)	0	2,521	0	5,988	449	8,872
Total liabilities from financing activities	196,435	(110,776)	(1,852)	10,053	0	0	1,985	95,845
In the statement of cash flows the payments of accrued interests are shown in the operating cash flow:								
Proceeds from borrowings		(13)						
Repayment from borrowings		(101,241)						
Repayment of lease liabilities		(9,522)						

25. DERIVATIVES AND RELATED RISK MANAGEMENT

25.1 OVERVIEW

The summary of the fair values of derivative assets and liabilities as at 31 December is as follows:

THOUSAND EURO	2024		2023	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES
Interest rate swaps 25.4				
- Designated as cash flow hedges	1,225	6,193	0	0
- At fair value through profit or loss	0	0	1,271	0
Synthetic forward 25.2		2,984		
Non-current derivatives	1,225	9,177	1,271	0
Commodity future swaps 25.5				
- Designated as cash flow hedges	1,077	0	0	0
- At fair value through profit or loss	0	0	0	57
Foreign currency contracts 25.3				
- At fair value through profit or loss	5,770	3,302	1,489	1,691
Current derivatives	6,847	3,302	1,489	1,748

During the year no hedge ineffectiveness was recognised in profit or loss.

Derivatives accounted for at fair value through profit or loss (not applying hedge accounting) had the following impact on profit or loss:

For the year ended 31 December			
THOUSAND EURO	Line item	2024	2023
Interest rate swaps	Financial income	1,019	0
	Financial expenses	0	3,354
Commodity future swaps	Other operating income	57	0
	Other operating expenses	0	57
Foreign currency contracts	Financial income	2,670	1,788
	Financial expenses	0	0
Synthetic forward	Financial income	0	0
	Financial expenses	2,839	0

Derivatives for which hedge accounting is applied, had the following impact on profit or loss:

For the year ended 31 December			
THOUSAND EURO	Line item	2024	2023
Interest rate swaps	Financial income	990	987
	Financial expenses	0	0

Measurement:

Refer to Note 27 Fair value of Financial Instruments for more information regarding the measurement of the fair values of the derivatives.

Risk management:

All derivatives, with the exception of the synthetic forward, are used to hedge specific risks. The Group employs derivatives to mitigate interest rates, foreign exchanges, and commodity risks, strictly prohibiting their use for speculative purposes.

In 2024, the Group applied cash flow hedge accounting for interest rate swaps, wheat future swaps, and CPO future swaps. Other derivatives are measured at fair value through profit or loss as they do not meet hedge accounting criteria.

The Group's Treasury Department manages interest rate, currency, and liquidity exposure. Consequently, entities other than the holding company are not permitted to borrow from external sources. The Group's raw material departments jointly manage commodity price exposure and credit risk.

Refer to Note 26.1 Liquidity Risk for more information on how the liquidity risk of derivatives impacts the Group and the measures taken to manage this.

25.2 SYNTHETIC FORWARD

During 2024, the Group acquired an 80% shareholding in Banneton Bakery Inc. As part of the transaction, put- and call options were issued for the remaining 20% shareholding, exercisable from 24 months after the transaction date without an expiry date. The call option permits the Group to purchase the remaining 20% shareholding, while the put option allows Banneton's founders to compel the Group to buy the remaining 20% shareholding.

The put- and call options mirror each other since they have the same exercise price and date. The rights and obligations relating to the options cannot be transferred separately without affecting the overall economic position of the Group and Banneton's founders.

The put- and call option are therefore in substance classified as a single financial instrument; a synthetic forward. The synthetic forward meets the definition of a derivative and is therefore accounted for as a financial asset or liability measured at fair value through profit or loss.

25.3 FOREIGN CURRENCY RISK

The Group's companies incur foreign exchange risk on transactions denominated in a currency other than their functional currency.

Around 13% (2023: 13%) of the Group's revenue is generated by subsidiaries within which the activities are operated in a currency other than the euro. A currency translation risk arises when the financial statements of these foreign operations are translated into the presentation currency of the Group's consolidated financial statements.

Natural hedges and foreign currency management:

Assets denominated in foreign currencies are financed by cash flows or borrowings in the same currency as the assets (natural hedge) to as great an extent as possible.

Group subsidiaries must transfer identified foreign exchange risk on their current and future business commitments in foreign currencies, as well as on forecasted foreign currency flows (ranging from 2 to 12 months), to the Group's central financing company. This systematic hedging relieves operating entities of foreign exchange risk and centralises the Group's foreign exchange exposure. The Group Treasury then manages the remaining net exchange exposure according to the Group Treasury policy and procedures.

The Group manages the cash balances for each currency held by anticipating future cash inflows and outflows. When there is a surplus in one currency and a deficit in another, two-day spot contracts are utilised to exchange the currencies.

The net equity risk (i.e. risks arising from the consolidation of equity investments in foreign currency subsidiaries) is not hedged, as none of the subsidiaries in foreign currency (i) have a value exceeding 30% of the Group's consolidated equity, or (ii) are considered strategic, or (iii) are in a country with high inflation in comparison to the eurozone.

Hedging with derivative instruments:

The Group Treasury is required to hedge the foreign exchange risks using forward exchange contracts and currency swaps. The maturity of these financial instruments may not exceed one year. The use of other instruments must be approved by the Executive Committee.

During 2024 and 2023, the Group almost exclusively used forward exchange contracts. Hedge accounting was not applied.

The notional amount of the foreign exchange contracts as of 31 December 2024 is detailed in the table below:

For the year ended 31 December THOUSAND EURO	PURCHASES		SALES	
	2024	2023	2024	2023
USD	99,022	102,547	84,240	63,901
GBP	0	457	37,475	42,038
PLN	9,319	8,244	0	4,944
CZK	0	0	8,177	11,062
HUF	0	0	2,557	2,932
Notional amount foreign exchange instruments	108,341	111,248	132,449	124,876

Currency sensitivity analysis

The pound sterling (GBP) and the US dollar (USD) are the only foreign currencies for which a change in exchange rates could have a material impact on the Group's consolidated accounts.

If the euro were to have weakened/strengthened by 10% versus the USD, with all other variables holding the same, the impact on the 2024 operational profit would be immaterial, while the translation reserves in equity would have been €13.1 million higher/lower (less than 1% of total equity). The net profit would have been €5.0 million higher/€1.4 million higher as a result of the change in fair value of the foreign currency instruments.

If the euro were to have weakened/strengthened by 10% versus the GBP, with all other variables holding the same, the impact on the 2024 operational profit would be immaterial, while the translation reserves in equity would have been €1.6 million higher/lower (less than 1% of total equity). The net profit would have been €4.9 million lower/€2.8 million higher.

25.4 INTEREST RATE RISK

General Group policy:

The Group manages interest rate risk by considering the average lifetime, interest coverage ratios, and the balance with the asset portfolio. Interest rate exposure is monitored and controlled through two measures:

- Average interest rate coverage: This involves calculating the weighted average of the remaining lifetime of fixed and hedged loans compared to the net financial debt, with a target range of 3 to 6 years.

- **Fixed-floating ratio:** This is the percentage of financial debt that has a fixed interest rate, or a variable rate hedged with a derivative, compared to the total financial debt. The target is to limit the variable interest rate exposure to a maximum of 33%.

In line with the Group Treasury policy and procedures, the Group Treasury is authorised to enter into agreements to hedge against potential changes in interest rates using basic instruments such as interest rate swaps, cross-currency interest rate swaps, and forward rate agreements. This hedging strategy enables the Group to manage its interest rate exposure and align it with the target fixed-to-variable interest rate ratio.

The use of other instruments (such as interest rate options, caps, floors, collars, and futures) requires the prior approval of the Executive Committee.

Interest rate risk exposure:

The exposure of the Group to interest rate changes at the end of the reporting period is as follows:

For the year ended 31 December THOUSAND EURO	Note	2024	2023
Floating rate - loans	24	621,808	7,811
Floating rate - factoring advances	19	105,722	90,699
Floating rate - supply chain financing	30	19,209	18,965
Total amount of interest-bearing financial exposure		746,739	117,475

The increase in exposure to interest rate risk is due to the loans obtained to fund the acquisition of Dolciaria Acquaviva (*Note 14 Business combinations*) and for gaining joint control over Banneton Bakery (*Note 18 Investment in joint venture*).

Refer to *Note 24 Borrowings* for more information regarding the borrowings.

The Group's floating financing agreements primarily bear interest tied to the EURIBOR index.

Interest rate swaps (IRS):

During 2023 and 2024, the Group exclusively used IRS contracts to manage its exposure to variable interest rates, maintaining a target fixed-to-variable interest rate ratio of 67% to 33%. The IRS contracts enable the Group to pay a fixed rate while receiving a variable rate based on the EURIBOR index. Through these transactions, the Group secures the fixed rate for the notional amount portion of its variable rate financing agreements linked to the EURIBOR index.

The following IRS contracts were outstanding at year-end:

As at 31 December 2024						
	THOUSAND EURO					
	Fair value	Nominal amount	Average variable interest rate received	Average fixed interest rate paid	Contracts end date	Designated for hedge accounting
IRS 2019-2029	20,967	20,000	3.3790%	1.2900%	2029	Yes
IRS 2023-2028	58,112	59,000	3.8020%	2.7541%	2028	Yes
IRS 2024-2029	399,022	404,000	2.9011%	2.6238%	2029	Yes
IRS 2025-2030	59,931	60,000	not active yet	2.1985%	2030	Yes

As at 31 December 2023						
	THOUSAND EURO					
	Fair value	Nominal amount	Average variable interest rate received	Average fixed interest rate paid	Contracts end date	Designated for hedge accounting
IRS 2019-2024	16,390	16,000	3.9550%	0.5700%	2024	No
IRS 2019-2029	21,161	20,000	3.9550%	1.2900%	2029	No
IRS 2023-2028	64,547	65,000	4.0620%	2.7629%	2028	No

In 2023, the Group did not designate any hedges as cash flow hedges, applying derivative accounting instead. However, due to a significant increase in interest rate risk exposure in 2024, the Group opted to implement cash flow hedge accounting. This was chosen to capture the economic relationship between the inverse fluctuations in the variable cash settlements of financing agreements linked to Euribor and the cash settlements based on the fair value of the IRS contracts. The IRS contracts were identified as the hedging instruments and the highly probable forecast interest payments stemming from the Group's variable rate loans agreements as the hedged items.

Potential sources of hedge ineffectiveness include:

- As the hedge relationship relates to the hedge of the interest rate risk of highly probable forecast transactions, the effectiveness of the hedge relationship will to a large extent be determined by the probability of occurrence of these transactions.
- The potential mismatch between the Euribor tenor of the hedged item and the hedging instruments and the exact dates on which the Euribor is fixed for the hedged item and the hedging instruments. However the Group expects this source of ineffectiveness to be limited as the various Euribor tenors are highly correlated and their volatility in the limited timeframe between the fixing of the hedged item and hedging instruments is not significant.
- The credit risk of the parties is not considered material.

The currently outstanding IRSs cover approximately 73% (2023: 86%) of the outstanding floating rate borrowings. At 31 December 2024, after taking into account the effect of interest rate swaps, approximately 76% of the Group's interest-bearing financial liabilities are at a fixed interest rate (2023: 92%).

Interest rate sensitivity analysis:

Due to the use of the IRS contracts, most of the Group's interest-bearing financial liabilities bear a fixed interest rate.

The total interest expense recognised in the 2024 income statement on the Company's variable rate debt portion (excluding IFRS 16 lease debt), net of the effect of interest rate derivatives, is €20.7 million (before tax). The interest expense is included in the *Financial expenses* line item.

Applying a 0.50% increase/decrease in market interest rates on the Group's floating rate debt as of 31 December 2024 – with a reasonable possible increase/decrease in value of the euro and all other variables held constant – the 2024 profit would have been around €3.2 million lower/higher. The other comprehensive income would be €9.6 million higher/lower.

In addition, this interest rate increase/decrease would cause a change in the fair value of the interest derivatives, which is estimated to have a positive/negative impact on the profit before tax of €1.2 million.

25.5 MATERIAL PRICE RISK

The Group is exposed to the risk that the future cash flows will fluctuate due to changes in the market prices of agricultural commodities.

To minimise the risk of unfavourable purchase price changes, the Group utilises the following risk management methods:

For the year ended 31 December 2024			
Commodity	Risk management method	Own use exemption applies	Portion of purchases subject to hedge accounting
Wheat	Future swaps	No	20%
Butter	Outright contracts	Yes	Not applicable
Rape seed oil (RSO) & sunflower oil (SFO)	Outright contracts & crude oil paper	Yes	Not applicable
Crude palm oil (CPO)	Outright contracts & crude oil paper	Yes	Not applicable
	Future swaps	No	20%
For the year ended 31 December 2023			
Commodity	Risk management method	Own use exemption applies	Portion of purchases subject to hedge accounting
Wheat	Future swaps	No	Not applicable
Butter	Outright contracts	Yes	Not applicable
Rape seed oil (RSO) & sunflower oil (SFO)	Outright contracts & crude oil paper	Yes	Not applicable
Crude palm oil (CPO)	Outright contracts & crude oil paper	Yes	Not applicable

Outright contracts are used to mitigate the risk of fluctuating commodity prices. The Group negotiates a future price for the commodity directly with the supplier. The commodity is then physically received and settled at the predetermined price, applying the own use exemption. These own use contracts are treated as normal purchase contracts (executory contracts).

Derivatives that do not meet the own use exemption were not accounted for applying hedge accounting during 2023. However, due to an increase in fluctuation in the purchase price of commodities, the Group elected to apply hedge accounting during 2024. This decision aims to align the profit or loss impact of inverse fluctuations in market prices of commodities with the corresponding changes in the cash flows of related derivatives.

The following commodity derivatives were still outstanding at year-end:

For the year ended 31 December 2024				
Derivative	THOUSAND EURO		EURO	Contracts end date
	Fair value	Nominal amount	Average purchase price per ton	
Wheat future swaps	5,188	5,037	229	May-Sept 2025
Palm oil future swaps	10,742	9,816	835	Mar-Nov 2025

For the year ended 31 December 2023				
Derivative	THOUSAND EURO		EURO	Contracts end date
	Fair value	Nominal amount	Average purchase price per ton	
Wheat future swaps	3,501	3,558	232	May 2024

Wheat:

The Group enters into future swap contracts on MATIF to manage the risk of fluctuating wheat (flour) prices that it needs for its Bakery department. These contracts are settled net in cash. No wheat is physically received from MATIF. The own-use exemption therefore does not apply to these forward contracts.

During 2024, the group elected to apply hedge accounting to account for the economic relationship between the inverse fluctuations in the market price of wheat and the corresponding changes in the value of the future swap contracts. The future swap contracts were identified as the hedging instruments and the highly probable forecast purchases of wheat as the hedged items. 20% of wheat purchases were hedged via future swaps during 2024.

The effectiveness of the hedge relationship will mostly be determined by the probability of occurrence of the highly probable forecast purchases. If the likelihood of occurrence of the forecast transaction is no longer highly probable, the hedge relationship will cease to exist and will no longer be effective.

Vegetable oil:

To manage the risk of fluctuating vegetable oil (RSO, SFO and CPO) prices, the Raw Material Department enters into outright contracts and purchases crude oil papers.

Crude oil papers entitles the holder to obtain an agreed tonnage of vegetable oil at an agreed price and serves as a forward contract. These papers are purchased from a market and not directly from the supplier (in contrast to the outright contract). The vegetable oil is physically received and settled at the agreed price. The own-use

exemption therefore applies. The vegetable oil is then sold at the transaction date's market price to a supplier that refines the oil and sells the refined oil back to the Group.

During 2024, the Group started to use crude palm oil future swap contracts in place of crude oil paper contracts due to the reduced availability of the latter within the EU. The Group started using future swap contracts to offset the fluctuation in crude palm oil prices. These future swap contracts are purchased through a broker and linked to the crude palm oil prices at the Malaysian futures exchange (BMD), which is the main global reference for palm oil pricing. The swaps are settled in cash and no palm oil is physically delivered from the BMD. The own-use exemption therefore does not apply to these forward contracts.

Furthermore, the Group elected to apply cash flow hedge accounting to reflect the economic relationship between the inverse fluctuations in the market price of crude palm oil and the corresponding changes in the value of the future swap contracts. The future swap contracts were identified as the hedging instruments and the highly probable forecast purchases of refined palm oil as the hedged items. 20% of palm oil purchases were hedged via future swaps during 2024.

The effectiveness of the hedge relationship will mostly be determined by the probability of occurrence of the highly probable forecast purchases. If the likelihood of occurrence of the forecast transaction is no longer highly probable, the hedge relationship will cease to exist and will no longer be effective.

Commodity price sensitivity analysis:

If wheat prices were on average 10% higher/lower during 2024, with all other variables remaining the same, the Group's profit before tax would be €5.8 million lower/higher.

If crude palm oil prices were on average 10% higher/lower during 2024, with all other variables remaining the same, the Group's profit before tax would be €11.5 million lower/higher.

26. FINANCIAL RISK MANAGEMENT

Refer to *Note 19 Trade and other receivables* for more information regarding the credit risk management.

Refer to *Note 25 Derivatives and related risk management* for more information regarding the management of the foreign currency, interest rate, and material price risk.

26.1 LIQUIDITY RISK

Liquidity risk refers to the potential difficulty faced by the Group in meeting all of its financial obligations through any economic or business cycle. When managing liquidity risk, the Group aims to ensure that it has sufficient funding facilities available, both now and in the future, to meet its liabilities, as well as sufficient borrowing capacity for strategic initiatives and tactical acquisitions.

The liquidity risk is managed at the Group level based on the consolidated budgeted and projected balance sheets and cash flows, and implies:

- a monitoring of the mix of short- and long-term funding versus total debt,
- the overall composition of total debt,
- the availability of used long-term and unused-but-committed credit facilities in relation to the fixed assets and working capital needs of the Group,
- the compliance with borrowing facilities' covenants and undertakings,
- the capital structure of the Group.

The Group monitors the level of expected cash inflows on trade and other receivables by utilising factoring programs (see Note 19), as well as expected cash outflows on trade and other payables by participating in a supplier finance arrangement (see Note 30). The principal purpose of this supplier financing is to streamline the processing of supplier invoices for efficient payment handling. From the Group's perspective, this arrangement does not significantly extend payment terms beyond the normal terms agreed with other suppliers in the industry.

In addition, the Group maintains the following line of credit that can be drawn to meet short-term financing needs:

- €170.0 million unsecured revolving credit facility (RCF) (undrawn at closing date)

The table below analyses the Group's financial liabilities in relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows (capital and interest). Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

For the year ended 31 December THOUSAND EURO	2024			
	< 1 YEAR	1 - 5 YEARS	> 5 YEARS	TOTAL
Subordinated loan	2,800	59,812	0	62,612
Term loan A	1,260	76,077	0	77,337
Term loan B	2,940	177,513	0	180,453
Term loan C	1,969	118,870	0	120,839
Term loan D	4,594	277,364	0	281,957
Other unsecured borrowings	1,816	3,944	4,788	10,548
Lease liabilities	11,952	25,481	12,812	50,245
Continuing involvement factoring	556	0	0	556
Trade payables ⁽¹⁾	426,849	0	0	426,849
Non-derivative liabilities ⁽²⁾	454,736	739,060	17,600	1,211,396
Interest rate swaps	1,384	7,793	0	9,177
Foreign currency contracts	3,302	0	0	3,302
Derivative liabilities	4,686	7,793	0	12,479

For the year ended 31 December THOUSAND EURO	2023			
	< 1 YEAR	1 - 5 YEARS	> 5 YEARS	TOTAL
Subordinated loan	2,800	11,200	51,412	65,412
Bank borrowings	992	3,944	5,774	10,709
Lease liabilities	10,023	19,587	10,568	40,178
Continuing involvement factoring	670	0	0	670
Trade payables	370,821	0	0	370,821
Non-derivative liabilities	385,306	34,731	67,754	487,790
Commodity contracts	57	0	0	57
Foreign currency contracts	1,691	0	0	1,691
Derivative liabilities	1,748	0	0	1,748

(1) Carrying trade payables days is 64; refer to Note 30 for more details

(2) Issuance costs are not included (see note 24)

At the end of December, the Group has the following liquid funds available:

- €148 million (2023: €44 million) of cash
- €170 million (2023: €200 million) of fully undrawn credit facilities

Trade payables include financial liabilities that are part of a supplier finance arrangement. The details of these arrangements and the carrying amounts of the relevant liabilities are included in Note 30.

27. FAIR VALUE OF FINANCIAL INSTRUMENTS

27.1 FAIR VALUE OF THE FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

This note presents the classification of the Group's financial assets and liabilities measured and recognised at fair value based on the following hierarchy:

- Level 1: instrument quoted in active markets;
- Level 2: valuation techniques for which all significant inputs are based on observable market data;
- Level 3: valuation techniques for which any significant input is not based on observable market data.

THOUSAND EURO	31.12.2024			
	Level 1	Level 2	Level 3	Total
Financial assets				
Interest rate swaps		1,225		1,225
Commodity contracts		1,077		1,077
Foreign currency contracts		5,770		5,770
Financial liabilities				
Foreign currency contracts		6,193		6,193
Synthetic forward			2,984	2,984

THOUSAND EURO	31.12.2023			
	Level 1	Level 2	Level 3	Total
Financial assets				
Interest rate swaps		1,271		1,271
Foreign currency contracts		1,489		1,489
Financial liabilities				
Foreign currency contracts		1,691		1,691
Commodity contracts		57		57

Valuation of derivatives:

Commodity derivatives that are hedging instruments are quoted on the stock exchange (Matif and Malaysian stock exchange)

The foreign currency derivatives are measured by reference to the difference between the forward price and the market value of the currency at reporting date.

The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at the reporting date and the credit risk inherent in the contract, and is disclosed below.

Valuation of synthetic forward:

Refer to *Note 25. 2 Synthetic Forward* for more information regarding the accounting treatment of the forward.

The following valuation techniques and inputs were used to value the synthetic forward as at 31 December 2024:

Element	Valuation technique, model, or input
Fair value of synthetic forward	Present value of the difference between the simulated exercise price and enterprise value at exercise date. A risk-free discount rate was used to discount the future value.
Exercise price	The exercise price of the forward is based on a contractually stipulated multiple of the joint venture's last twelve months' EBITDA (LTM EBITDA) before exercise. At year-end, this multiple was adjusted by the change in the median peer group multiples.
Evolution of EBITDA multiple	The evolution was determined following the Geometric Brownian motion (GBM). GBM is a mathematical model used to predict the future prices of financial instruments. This model incorporates the unpredictability of the financial instrument price, the expected rate of return of the underlying (drift) and the volatility of the financial instrument price. BGM can only provide a positive value.
Probabilistic modelling of EBITDA	The expected forecasted EBITDA was determined following the Brownian motion (BM). BM is similar to the GBM however it can result in a negative simulated EBITDA.
Simulation of evolutions	The evolution of the EV/EBITDA and forecasting of EBITDA were simulated thousands of times applying the Monte Carlo simulation.

The evolution of the EBITDA multiple is a significant unobservable input. The fair value of the instrument is driven by the evolution of the EBITDA multiple depending on whether it is more or less than the contractually defined EBITDA multiple.

At inception date the synthetic forward had a fair value of nil since the underlying call and the put option had a symmetric value that offset one another. This is due to both option having the same intrinsic value since their exercise prices are the same.

Valuation of contingent consideration:

The contingent consideration relates to the acquisition of Acquaviva (Note 14). The fair value of the contingent consideration has been determined as the present value of the potential amount payable per the contract if the contingent condition is met based on the probability of payment.

Related notes:

Refer to 3.3.17. *Derivative financial instruments and hedge accounting* for more information regarding the derivatives and to *Note 3.3.8. Investment in joint venture* for more information regarding the put- and call option.

The fair value movements relating to commodity contracts are included in line items *other operating income* (Note 9) or *other operating expenses* (Note 10). All other fair value movements of derivative instruments are included in line items *financial income* (Note 11) or *financial expenses* (Note 12).

27.2 FAIR VALUE OF THE FINANCIAL INSTRUMENTS MEASURED AT AMORTISED COST

The carrying amount of trade receivables and payables (including the continues involvement in factoring) are considered to be a reasonable approximation of their fair value due to their short-term nature. The carrying amount of cash is equal to it's fair value.

The related fair values relating to other material financial assets and liabilities measured at amortised cost as at year-end are:

THOUSAND EURO	Carrying amount	31.12.2024			
		Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Financial liabilities					
Subordinated loans	51,289	52,715			52,715
Term loan A	72,707		72,707		72,707
Term loan B	167,792		167,792		167,792
Term loan C	112,632		112,632		112,632
Term loan D	260,926		260,926		260,926
Other unsecured borrowings	10,397		10,397		10,397

THOUSAND EURO	Carrying amount	31.12.2023			
		Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Financial liabilities					
Subordinated loans	51,289	53,500			53,500
Other unsecured borrowings	10,569		10,569		10,569

The subordinated bonds are trading on Euronext Brussels. The fair value was determined by reference to the quoted price.

The unsecured bank borrowings (including the term loans) are linked to an interest rate of EURIBOR plus a margin. This margin is dependent on Vandemoortele's senior leverage and is thus linked to the Group's credit risk. If the Group's senior leverage increases, the margin will also rise. Consequently, the interest rate is market related as it is based on EURIBOR adjusted for the borrower's credit risk. Therefore, the nominal loan amount of €624 million closely approximates its fair value.

28. EMPLOYEE BENEFITS

28.1 SHORT-TERM EMPLOYEE BENEFITS

The amount recognised in the consolidated balance sheet arising from the Group's obligations in respect of its short-term employee benefits is detailed below:

For the year ended 31 December THOUSAND EURO	2024	2023
Social security	15,865	16,232
Remunerations	18,699	16,349
Holiday pay	18,002	15,891
Other payroll liabilities	2,632	2,860
Short-term employee benefits	55,198	51,331

28.2 OVERVIEW LONG-TERM EMPLOYEE BENEFITS

The amount recognised in the consolidated balance sheet arising from the Group's obligations in respect to its long-term employee benefits is detailed below:

As of 31 December THOUSAND EURO	2024	2023
Defined benefit plans	10,261	8,763
Other post-employment benefits	986	912
Post-employment benefits	11,247	9,675
Share-based payments	13,736	6,759
Other long-term employee benefits	1,421	1,313
Long-term employee benefits	15,157	8,072
Total employee benefits	26,404	17,747

28.2.1 LONG-TERM EMPLOYEE BENEFITS

The long-term employee benefits mainly consist of liabilities for the stock option plan of Vandemoortele NV, amounting to €12.7 million (2023: €6.1 million), a leave of absence arrangement in Vandemoortele Nederland BV, amounting to €0.6 million (2023: €0.5 million), and jubilee benefits in Germany and the Netherlands, amounting to €0.6 million (2023: €0.5 million).

Share-based payments

Since 2004, the Group has offered stock options to the members of the Executive Committee. Since 2018, the Group has also offered certain stock options to a number of other executives, with this being classified as a cash-settled plan. Every stock option gives the holder the right to buy a share of the Company at a pre-defined price during the exercise period. The Company commits to buying the shares back at the last available share value at the moment of exercise. The options are offered free of charge. They carry neither rights to dividends nor voting rights.

The moment of vesting of the accepted stock options is as follows:

- A first tranche of 50% of the accepted stock options: from the third calendar year after the offer date
- A second tranche of 50% of the accepted stock options: from the fourth calendar year after the offer date.

After vesting the stock options can be exercised within the annually established exercise window. There are no other vesting conditions applicable.

The share value is determined once per year by an external financial institution and reviewed by the Group's auditors.

In 2024, 2,326 new options were accepted and 4,006 options accepted in previous years were exercised.

The following table gives an overview of all stock option movements during 2024:

YEAR OF ACCEPTANCE	LAST EXERCISE DATE	NUMBER OF OUTSTANDING OPTIONS AT 01/01/2024	OPTIONS EXERCISED DURING 2024 (a)	OPTIONS ACCEPTED DURING 2024	OPTIONS EXPIRED DURING 2024	NUMBER OF OUTSTANDING OPTIONS AS OF 31/12/2024	EXERCISE PRICE (b)	VALUE PER SHARE (c)	PAID IN 2024 TO OPTION HOLDER ⁽¹⁾ (c-b)*a
2018	9/15/2026	1,681	(1,681)			0	1,284	2,639	2,277,755
2019	9/15/2027	1,864	(397)			1,467	1,480	2,639	460,123
2020	9/15/2028	2,310	(1,928)			382	1,716	2,639	1,779,544
2021	9/15/2029	3,120			(352)	2,768	1,325		
2022	9/15/2030	3,091			(406)	2,685	1,658		
2023	9/15/2031	3,742			(488)	3,254	1,783		
2024	9/15/2032	0		2,326		2,326	2,639		
Total		15,808	(4,006)	2,326	(1,246)	12,882			4,517,422

⁽¹⁾ Payments linked to the exercise of stock options in the respective year

The fair value of this stock option plan of €12.7 million (2023: €6.1 million) has been calculated using a Black Scholes formula based on a calculated share value and on assumptions on risk-free interest rate (2.63%), volatility (24.0%), time remaining until maturity (between 4 and 8 years) and dividend yield (1.78%). The volatility is determined as the average of median and average of the volatility of a number of listed pears.

28.2.2 POST-EMPLOYMENT BENEFITS

The Group operates various post-employment plans that provide benefits linked to salary and seniority. These post-employment benefit plans are classified as either defined contribution plans or defined benefit plans. The contributions for defined contribution plans amount to €3.5 million (2023: €2.3 million).

Other post-employment benefits include liabilities in relation to supplemental early retirement benefits.

Defined benefit plans

The Group operates several defined benefit plans in Belgium, the Netherlands, France, Germany, Italy and Spain. These plans are either funded or unfunded through external pension funds or insurance companies. Where a plan is unfunded, a liability for the obligation is recorded in the Group's balance sheet. For funded plans, the Group is liable for the deficits between the fair value of the plan assets and the present value of the defined obligation. Accordingly, a liability (or an asset, if the plan is overfunded) is recorded in the Group's consolidated balance sheet. Independent actuaries assess all main plans on an annual basis.

The Group's largest defined benefit obligations exist in Belgium. They account for 73.4% (2023: 76.0%) of the Group's defined benefit obligations, and for 93.2% (2023: 92.4%) of the Group's plan assets.

The larger pension plan is a defined benefit pension plan in Belgium, which was closed for new entrants as of 31 December 2012. Employees hired as of 1 January 2013 are covered by a cash balance plan, defining in the plan rules an interest rate granted on the contributions paid. In addition, due to Belgian legislation, the employer is obliged to guarantee a legal minimum rate of return on the contributions paid. Therefore, this pension plan is classified and accounted for as a defined benefit plan.

The amounts recognised in the balance sheet are determined as follows:

As of 31 December THOUSAND EURO	2024	2023
Present value of defined benefit obligation	59,274	51,412
Fair value of plan assets	(49,013)	(42,649)
Net asset/liability	10,261	8,763

The principal weighted average actuarial assumptions used for the purposes of the actuarial valuations are as follows:

As of 31 December THOUSAND EURO	2024	2023
Discount rate ⁽¹⁾	3.20%	3.49%
Inflation	2.0% - 2.3%	1.9% - 2.3%
Future salary increase	0.6% - 2.9%	0.6% - 4.3%
Pension increase	2.25%	2.25%

⁽¹⁾Based on the Mercer yield curve

Assumptions regarding future mortality are based on recently published statistics for each country. The assumptions regarding the turnover of employees are based on recent experience and expectations for the future.

The weighted average duration of the defined benefit obligation is 10.2 years.

The changes in the present value of the defined benefit obligation in the current year are as follows:

As of 31 December THOUSAND EURO	2024	2023
Defined benefit obligation as of 1 January	51,412	46,310
Obtained through a business combination	2,946	0
Current service cost	3,507	2,776
Interest expense	1,765	1,792
Employee contributions	42	41
Benefits paid	(1,943)	(1,579)
Administrative expenses paid	(434)	(123)
Remeasurements		
- effect of changes in financial assumptions	1,795	2,288
- effect of experience adjustments	184	(93)
Defined benefit obligation as of 31 December	59,274	51,412

The changes in the fair value of plan assets in the current year are as follows:

As of 31 December THOUSAND EURO	2024	2023
Fair value of plan assets as of 1 January	42,649	39,205
Interest income	1,428	1,572
Employer contributions	2,367	3,591
Employee contributions	42	41
Benefits paid	(1,093)	(714)
Administrative expenses paid	(434)	(123)
Remeasurements		
- Return on plan assets (excl. interest income)	4,055	(924)
Fair value of plan assets as of 31 December	49,013	42,649

The fair value of the assets is divided into the following major asset classes:

As of 31 December THOUSAND EURO	2024	2023
Equities	16,183	13,236
Bonds	27,860	23,652
Gold and other raw materials	995	741
Cash, cash equivalents and other	40	1,483
Qualifying insurance policies	3,934	3,538
Total	49,013	42,649

The assets comprise assets held by a separate pension fund in Belgium and by qualifying insurance policies in other countries. A large portion of assets in 2024 consisted of equities and bonds, although the Group also invests in property, cash, gold, other raw materials and investment funds. The plans are not exposed to significant foreign currency risk.

The assets are built up by the contributions paid to the pension fund/insurance company by the entities of the Group. These contributions are based on a financing plan and (calculations) delivered by an actuary.

Defined benefit obligation (DBO) and plan assets per country are as follows:

As of 31 December THOUSAND EURO	2024		2023	
	DBO	PLAN ASSETS	DBO	PLAN ASSETS
Belgium	43,527	45,693	39,078	39,416
Germany	7,718	2,109	7,677	2,039
France	2,879	641	2,544	623
Italy	4,427	0	1,380	0
The Netherlands	614	570	614	570
Spain	109	0	120	0
Total	59,274	49,013	51,412	42,649

The amounts recognised in the consolidated income statement and in the consolidated statement of comprehensive income in respect to those defined benefit plans are as follows:

As of 31 December THOUSAND EURO	2024	2023
Current service cost	3,507	2,776
Net interest cost	337	220
Components of defined benefit costs recorded in income statement	3,844	2,996
Remeasurements		
- effect of changes in financial assumptions	1,795	2,288
- effect of experience adjustments	184	(93)
- return on plan assets (excluding interest income)	(4,055)	924
Components of defined benefit costs recorded in OCI	(2,075)	3,119
Total components of defined benefit cost	1,769	6,115

Estimated employer contributions for defined benefit plans in 2025 amount to €2.8 million.

The sensitivity of the defined benefit obligation to changes in assumptions is set out below. The effects of a change in assumption for each plan are weighted proportionately to the total plan obligations, in order to determine the total impact of each assumption presented:

As of 31 December 2024 %	CHANGE IN ASSUMPTION	EFFECT OF AN INCREASE IN ASSUMPTION	EFFECT OF A DECREASE IN ASSUMPTION
Discount rate	0.50%	-4.13%	4.50%
Inflation rate	0.50%	1.22%	-1.16%
Salary growth rate	0.50%	1.79%	-1.66%
Life expectancy	1 year	0.22%	-0.19%
Pension increase (only in Germany and the Netherlands)	0.50%	1.89%	-1.79%

Each sensitivity analysis disclosed above is based on changing one assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to variations in significant actuarial assumptions, the same method has been applied as for calculating the liability recognised in the consolidated balance sheet.

Through its defined benefit plans, the Group is exposed to a number of risks, of which the most significant are detailed below.

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to high-quality corporate yields; if plan assets underperform this yield, the company's net defined benefit obligation may increase. Most of the Company's funded plans hold a significant portion of equities that are expected to outperform high-quality corporate bonds in the long term although subject to volatility and risk in the short term. As the plans mature,

the Company usually reduces the level of investment risk by adopting an approach similar to a LDI (liability driven investment) approach.

However, the Company believes that due to the long-term nature of the plan liabilities, a level of continuing equity investment is an appropriate element of the Company's long-term strategy for efficient management of the plans.

Changes in bond yields

A decrease in corporate bond yields will increase the plan liabilities, although this will be partially offset by any increase in the value of the plans' bond holdings.

Inflation risk

The majority of the plans' benefit obligations are linked to inflation, and higher inflation will lead to increased liabilities. The majority of the plans' assets are either unaffected by or loosely correlated with inflation, meaning that an increase in inflation could potentially increase the Company's net defined benefit liability.

Life expectancy

Some of the plans' (Germany and the Netherlands) obligations are intended to provide benefits paid over the lifetime of the member, therefore an increase in life expectancy will result in an increase in the plans' liabilities.

In the case of funded plans, the Group ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the pension schemes. Within this framework, the Company's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency. The Group actively monitors how the duration and expected yield of the investments match up with the expected cash outflows arising from the pension obligations. The Group has not changed the processes used to manage its risks from previous periods. Investments are well diversified. As a result, the failure of any single investment does not have a material impact on the overall level of assets.

29. PROVISIONS

For the year ended 31 December THOUSAND EURO	2024			
	RESTRUCTURING	LITIGATIONS AND TAX RISKS	OTHER	TOTAL
Provisions as at 1 January	5,094	2,066	1,587	8,747
Additional provisions during the year	1,528	690	1,368	3,586
Obtained through a business combination	395	0	1,019	1,414
Provisions used during the year	(3,749)	(582)	(277)	(4,608)
Provisions reversed during the year	(693)	0	(52)	(745)
Transfers from one heading to another	(361)	176	185	0
Provisions as at 31 December	2,215	2,350	3,830	8,395

For the year ended 31 December THOUSAND EURO	2023			
	RESTRUCTURING	LITIGATIONS AND TAX RISKS	OTHER	TOTAL
Provisions as at 1 January	4,760	1,355	1,032	7,147
Additional provisions during the year	3,626	1,227	678	5,532
Provisions used during the year	(2,148)	(647)	(105)	(2,901)
Provisions reversed during the year	(532)	(490)	(8)	(1,030)
Transfers from one heading to another	(612)	622	(10)	0
Provisions as at 31 December	5,094	2,066	1,587	8,747

Restructuring provisions

The new provisions for restructuring set up in 2024 mainly relate to the optimisation of operations in France.

Restructuring provisions are expected to be settled in the main within one year, and consequently no discounted value of the expenditure has been calculated.

Litigations and tax risks

New provisions have been set up for claims from agents in Italy and for claims relating to late payment to suppliers in France.

No discounted value has been calculated for litigations and tax risks, as the impact is immaterial and the settlement (if any) will occur in the near future.

Other provisions

An additional provision has been established for warehousing and trucking price negotiations.

30. TRADE PAYABLES AND OTHER LIABILITIES

For the year ended 31 December THOUSAND EURO	2024	2023
Government grants - deferred income	4,613	5,103
Accrued expenses	1,126	0
Other	3	6
Non-current trade and other liabilities	5,741	5,108
Trade payables	390,185	346,831
VAT payable	15,557	12,549
Other taxes	2,241	946
Payroll tax	5,373	4,964
Accrued expenses	921	485
Deferred income	9,023	2,398
Other	3,550	2,647
Current trade and other liabilities	426,849	370,821

The primary reason for the increase in trade payables is the additional trade payables from the acquired company, Acquaviva.

Information about the Group's exposure to currency is included in Note 25 and liquidity risks in Note 26.

Vandemoortele NV, an external bank, and a major supplier of Vandemoortele NV entered into an agreement pursuant to which the supplier has the right to submit its invoices to the bank, which obliges itself to pay the supplier (without recourse) pursuant to an irrevocable and revolving letter of credit issued by the bank. The Irrevocable and Revolving Letter of Credit had an initial term from 30 April 2015 to 31 March 2016, subject to tacit renewal for one-year periods. The supplier invoices represent a liability to pay for purchased raw materials, agreed upon with the supplier, and therefore form part of the working capital used in the entity's normal operating cycle. Moreover, the payment terms, which the arrangement extends beyond the period available from the supplier, remain in-line with the industry's common (the Group must pay the invoices within 42 days). As a result, these liabilities are presented as trade payables.

The trade payables that are part of the supplier financing arrangement amount to €40.0 million as at 31 December 2024 (2023: €38.5 million). This amount does not include any non-cash changes. The carrying amount of the trade payables for which suppliers have already received payment from the finance providers amount to €39.8 million as at 31 December 2024 (2023: 37.9 million).

31. RELATED PARTIES

Refer to Note 35 for the list of subsidiaries. 99.97% of the shares of the Safinco Group are owned by STAK. The remaining 0.03% is owned by the Group itself (own shares; see Note 23).

31.1 TRANSACTIONS WITH JOINT VENTURE

In April 2024, the Group acquired an 80% stake in Banneton Bakery. Throughout 2024, no significant trading transactions occurred. As of 31 December 2024, the Group had an open current account receivable from Banneton amounting to €14.4 million, on which it earned €0.7 million in interest income.

31.2 COMPENSATION OF DIRECTORS, MEMBERS OF SPECIALISED COMMITTEES AND KEY MANAGEMENT PERSONNEL

The remuneration of directors, members of specialised committees and other key management personnel during the year is as follows.

For the year ended 31 December THOUSAND EURO	2024	2023
Short-term benefits	12,675	12,865
Post-employment benefits	1,291	1,442
Share-based payments ⁽¹⁾	4,306	796
Total compensation key management	18,272	15,103

(1) Payments linked to the exercising of stock options in the respective year (see Note 28)

Key management includes:

- Board of Directors and members of specialised committees
- CEO, ExCo executives
- Members of the Management Committees of the Business Lines

32. COMMITMENTS AND CONTINGENCIES

32.1 CONTINGENT LIABILITIES

The contingent liability for which a provision of €0.7 million has been taken relates to a legal dispute regarding the calculation methodology of a fee for one of our products. We are convinced that we have used the correct methodology, but can not rule out the possibility of additional losses that won't be covered by the provision.

32.2 ENTITIES FOR WHICH VANDEMOORTELE NV ASSUMES FULL LIABILITY

The subsidiaries Safinco Nederland B.V., Vandemoortele Zeewolde B.V. and Vandemoortele Brunssum B.V. are exempt from the requirements for the auditing of accounts under Article 403 of the Civil Law. The liabilities of Safinco Nederland B.V., Vandemoortele Zeewolde B.V. and Vandemoortele Brunssum B.V. are guaranteed by Vandemoortele NV to a total amount of €20.7 million as of 31 December 2024 (€14.5 million as of 31 December 2023).

33. AUDITORS' ASSIGNMENTS AND RELATED FEES

Deloitte Bedrijfsrevisoren BV, represented by Tom Windelen, was appointed as the statutory auditor of the Vandemoortele Group at the shareholders meeting of 12 May 2020.

Audit fees for 2024 in relation to services provided by Deloitte amounted to €684 thousand. These fees are detailed in the table below:

For the year ended 31 December THOUSAND EURO	2024	2023
Audit services Vandemoortele NV	131	113
Audit services subsidiaries	553	536
Total	684	649

The audit services for the subsidiaries are services performed in the role of statutory auditor in view of legal requirements.

Additional services for 2024 rendered by the auditor to the Group are detailed in the table below:

For the year ended 31 December THOUSAND EURO	2024	2023
Other audit related services	397	32
Non-audit services	0	85
Total	397	117

Additional services for 2024 rendered by parties related to the auditor of the Group are detailed in the table below:

For the year ended 31 December THOUSAND EURO	2024	2023
Non-audit services	2,210	292
Total	2,210	292

34. EVENTS AFTER BALANCE SHEET DATE

The Board of Directors proposes the payment of a dividend of €47.65 per share on the result of 2024. This proposal is subject to approval by the shareholders at their annual meeting on 13 May 2025.

Three events occurred after the balance sheet date, which does not entail any adjustments to the present financial statements.

- On 14 February 2025, Vamix NV, a Belgian joint-stock corporation, a subsidiary of Vandemoortele NV, signed an agreement for the acquisition of 100% of the share capital and voting rights of Lizzi S.r.l., an Italian joint-stock corporation active in the frozen bakery sector and a wholly owned subsidiary of Forno d'Asolo S.p.A. The transaction closed on 28 February 2025.

Lizzi S.r.l. offers a well-established presence in Italy and a broad portfolio of recognizable brands across sweet and savoury pastry, patisserie, bread, pizza and focaccia. Lizzi S.r.l.'s activities represent a turnover above €70 million employing over 240 people and operating four production plants in Northern Italy. The newly acquired business will become part of Vandemoortele's Bakery Products business. Refer to note 14 Business combinations for more details about the transaction.

- On 21 March 2025, Vandemoortele Lipids NV, a Belgian joint-stock corporation, a subsidiary of Vandemoortele NV, signed an agreement for the acquisition, through a share and asset purchase, of the European Margarines & Spreads business of Koninklijke Bunge B.V., a Dutch private company with limited liability.

Bunge's Margarines & Spreads activities represent a turnover above €450 million, employing over 800 people and operating from 4 production plants in Germany (Hilter am Teutoburger Wald), Poland (Kruszwica and Karczew) and Finland (Turku).

The newly acquired business will become part of Vandemoortele's Plant-Based Food Solutions business. The transaction, which is subject to customary closing conditions, is expected to close in the course of 2026.

- On 27 March 2025, Vamix NV, a Belgian joint-stock corporation, a subsidiary of Vandemoortele NV, signed a put-option agreement (promesse unilatérale d'achat/éénzijdige aankoopbelofte) with Financière d'Ivry S.A.S, a French simplified joint-stock company and a wholly owned subsidiary of VIVESCIA, a French grain cooperative group, to acquire 100% of the share capital and voting rights of Délifrance SA, a French joint-stock corporation, active in the frozen bakery sector.

Délifrance's frozen bakery products activity represents a turnover of approximately €930 million, employing over 3 200 employees and operating a network of 14 production sites across Europe and Asia.

The newly acquired business will become part of Vandemoortele's Bakery Products business. The transaction, which is subject to customary closing conditions, is expected to close in the second half of 2025.

35. LIST OF SUBSIDIARIES

The scope of the consolidation of Vandemoortele Group includes Vandemoortele NV, 30 subsidiaries that are fully consolidated and 1 joint venture. The consolidation includes Vandemoortele Europe NV and its branches. Participations in 8 companies are not consolidated, as these do not meet the criteria of significance.

There are no restrictions on realising assets and settling liabilities, with the exception of financial leases.

NAME AND OFFICE	2024	2023
SUBSIDIARIES	%	%
Belgium		
Vandemoortele nv, Ottergemsesteenweg-Zuid 816, 9000 Gent	Parent	Parent
Vandemoortele Transport Solutions nv, Prins Albertlaan 12, 8870 Izegem	100	100
Vamix nv, Ottergemsesteenweg-Zuid 816, 9000 Gent	100	100
Vandemoortele Ghislenghien sa, 47 Avenue des Artisans, 7822 Ghislenghien	100	100
Vandemoortele Izegem nv, Prins Albertlaan 12, 8870 Izegem	100	100
Vandemoortele Seneffe sa, Rue Jules Bordet, Parc Industriel de Seneffe Zone C (zonec), 7180 Seneffe	100	100
Vandemoortele Eeklo nv, Nieuwendorpe 16, 9900 Eeklo	100	100
Vandemoortele Lipids nv, Ottergemsesteenweg-Zuid 816, 9000 Gent	100	100
Vandemoortele Europe nv, Ottergemsesteenweg-Zuid 816, 9000 Gent	100	100
Germany		
Vandemoortele Dommitzsch GmbH, Rudolf-Breitscheid-Strasse 10, 04880 Dommitzsch	100	100
Vandemoortele Lipids Werke GmbH, Pirnaer Landstrasse 194, 01257 Dresden	100	100
France		
Cottes Action SA, Le Haut montigné, 35370 Torcé	100	100
Vandemoortele Bakery Products France SAS, Le Haut Montigné, 35370 Torcé	100	100
Vandemoortele Transport Solutions France SAS, ZA La Chapellerie, F-35210 Chatillon en Vendelais	100	100
Paindor SAS, Zone industrielle, 1ère Avenue, 14ème Rue, 06513 Carros	100	100
Paindor Toulon SAS, 230 Avenue Jean Monnet, 83190 Ollioules	100	100
Paindor Côte d'Azur SAS, Zone industrielle, 1ère Avenue, 14ème Rue, 06510 Carros	100	100
Paindor Provence Frais SAS, Zone Industrielle les Estroublans, Avenue de Bruxelles 14, 13127 Vitrolles	100	100
Paindor Montpellier SAS, Zone Industrielle Sud, Rue Prade 5, 34880 Laverune	100	100
The Netherlands		
Safinco Nederland bv, Molenvaart 12, 6442 PL Brunssum	100	100
Vandemoortele Brunssum bv, Molenvaart 12, 6442 PL Brunssum	100	100
Vandemoortele Zeewolde BV, Handelsweg 1, 3899AA Zeewolde	100	100

NAME AND OFFICE	2024	2023
SUBSIDIARIES	%	%
Italy		
Vandemoortele Bakery Products Italia S.p.A., Via Fiorenzo Semini 12, 16163 Genova	100	100
Dolciaria Acquaviva S.p.A., Via Cardinale Guglielmo Sanfelice 33, 80134 Napoli	100	0
Austria		
Vandemoortele GmbH, Leo-Neumayer-Strasse 10, 5600 Sankt-Johann-im-Pongau	100	100
Spain		
Vandemoortele Barcelona sa, Calle Sant Martí de l'Erm n°1, planta 5a, 08960 San Just Desvern - Barcelona	100	100
Distribuidora de Confiteria Heladeria y Panaderia s.l., Calle Monterey Veracruz 45-47, 29006 Malaga	100	100
Panavi Ohayo SL, Ronda de les Conques 8, 08180 Moia	100	100
Switzerland		
Vandemoortele Rückversicherung AG, Baarerstrasse 14 CH - 6300 Zug	0	100
Poland		
Vandemoortele Bakery Products Polska sp.z.o.o., Ul. Tokarzewskiego 7-12, 91-842 Łódź	100	100
United States of America		
Vandemoortele USA Inc., Corporation Trust Center , 1209 Orange Street, Wilmington, De19801	100	100
China		
Vandemoortele Food Trading (Shanghai) Co. Ltd., Room 21J, West Building 666, Beijing East Road, Huangpu District, 200001 Shanghai	100	100
JOINT VENTURES		
United States of America		
Banneton Bakery, Little Falls Drive 251, Wilmington, Delaware 19808 ⁽¹⁾	80	0

(1) Note 18 Investment in joint venture explains why the Group has joint control

36. STATUTORY ACCOUNTS OF VDM NV

36.1 CONDENSED BALANCE SHEET OF VDM NV

The statutory annual accounts of the parent company Vandemoortele NV are shown below in condensed form. In June 2025, the annual report and annual accounts of Vandemoortele NV and the auditor's report will be filed with the National Bank of Belgium in accordance with Articles 3:10 – 3:14 of the new Code of Companies and Associations (CCA).

The statutory auditor has issued an unqualified opinion.

For the year ended 31 December	2024	2023
THOUSAND EURO		
Assets		
Fixed assets	282,651	276,319
Formation expenses	4,760	138
Intangible fixed assets	900	316
Tangible fixed assets	6,246	5,121
Financial fixed assets	270,745	270,745
Current assets	1,260,426	647,356
Amounts receivable after more than one year	870,256	321,760
Inventories	6,995	12,731
Amounts receivable within one year	256,589	270,041
Current investments	1,250	1,250
Cash at bank and in hand	118,883	36,912
Deferred charges and accrued income	6,453	4,661
Total assets	1,543,078	923,675
Equity and liabilities		
Equity	241,073	270,761
Capital	14,862	14,862
Issuance premiums	64,503	64,503
Reserves	80,681	80,681
Accumulated profits/losses	81,026	110,715
Provisions and deferred taxes	12,689	6,109
Provisions for liabilities and charges	12,689	6,109
Amounts payable	1,289,316	646,804
Amounts payable after more than one year	641,938	50,000
Amounts payable within one year	637,343	594,845
Accruals and deferred income	10,036	1,960
Total liabilities	1,543,078	923,675

36.2 CONDENSED INCOME STATEMENT OF VDM NV

For the year ended 31 December	2024	2023
THOUSAND EURO		
Operating income	703,634	709,260
Turnover	697,345	705,438
Own work capitalised	2,281	2,042
Other operating income	4,008	1,758
Non-recurring operating income	0	22
Operating charges	(708,520)	(709,010)
Raw materials and consumables used and goods for resale	(633,498)	(652,160)
Services and other goods	(42,051)	(28,783)
Remuneration, social security costs and pensions	(23,902)	(21,623)
Depreciation and amounts written off	(2,479)	(1,967)
Provisions for liabilities and charges	(6,580)	(630)
Other operating charges	(9)	(383)
Non-recurring operating charges	0	(3,464)
Operating profit/loss	(4,886)	249
Financial income	64,530	122,375
Financial charges	(56,159)	(36,373)
Gain/loss for the period before taxes	3,485	86,251
Income taxes	(2,134)	(936)
Gain/loss for the period	1,351	85,315
Gain/loss for the period available for appropriation	1,351	85,315

36.3 RESULT APPROPRIATION

The Board of Directors proposes the following appropriation:

For the year ended 31 December	2024	2023
THOUSAND EURO		
Profit/loss for the year to be appropriated	1,351	85,315
Retained profit/loss of previous year	110,715	64,477
Profit/loss to be appropriated	112,066	149,792
Interim dividend	(5,005)	(13,419)
Dividend proposed	(26,035)	(25,658)
Profit/loss to be carried forward	81,026	110,715

Statement by responsible person



27 March 2025

STATEMENT BY RESPONSIBLE PERSON

Mr. Yvon Guérin, Chief Executive Officer, confirms that to the best of his knowledge:

- a) The consolidated financial statements and the annual accounts as of 31 December 2024 of VANDEMOORTELE NV, prepared in conformity with applicable accounting standards, reflect a true and fair view of the net worth, the financial situation, and the results of VANDEMOORTELE NV and its subsidiaries consolidated in these financial statements.
- b) The combined report of the Board of Directors on the financial statements and the annual accounts as of 31 December 2024 of VANDEMOORTELE NV contains a faithful presentation of the performance of the business, the results of the VANDEMOORTELE Group and of VANDEMOORTELE NV and its consolidated subsidiaries, together with a description of the main risks and uncertainties that they face.

Yvon Guérin
Chief Executive
Officer,
Vandemoortele
NV

A handwritten signature in blue ink, appearing to be "Y. Guérin", written over a horizontal line.

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Vandemoortele NV

Statutory auditor's report to the shareholders' meeting for the year ended
31 December 2024 - Consolidated financial statements

The original text of this report is in Dutch.

Statutory auditor's report to the shareholders' meeting of Vandemoortele NV for the year ended 31 December 2024 - Consolidated financial statements

In the context of the statutory audit of the consolidated financial statements of Vandemoortele NV ("the company") and its subsidiaries (jointly "the group"), we hereby submit our statutory audit report. This report includes our report on the consolidated financial statements and the other legal and regulatory requirements. These parts should be considered as integral to the report.

We were appointed in our capacity as statutory auditor by the shareholders' meeting of 9 May 2023, in accordance with the proposal of the board of directors ("bestuursorgaan" / "organe d'administration") issued upon recommendation of the audit committee and presentation of the works council. Our mandate will expire on the date of the shareholders' meeting deliberating on the financial statements for the year ending 31 December 2025. We have performed the statutory audit of the consolidated financial statements of Vandemoortele NV for 11 consecutive periods.

Report on the consolidated financial statements

Unqualified opinion

We have audited the consolidated financial statements of the group, which comprise the consolidated balance sheet as at 31 December 2024, the consolidated income statement, other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated balance sheet shows total assets of 1 974 571 (000) EUR and the consolidated income statement shows a profit for the year then ended of 111 268 (000) EUR.

In our opinion, the consolidated financial statements give a true and fair view of the group's net equity and financial position as of 31 December 2024 and of its consolidated results and its consolidated cash flow for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA), as applicable in Belgium. In addition, we have applied the International Standards on Auditing approved by the IAASB applicable to the current financial year, but not yet approved at national level. Our responsibilities under those standards are further described in the "Responsibilities of the statutory auditor for the audit of the consolidated financial statements" section of our report. We have complied with all ethical requirements relevant to the statutory audit of consolidated financial statements in Belgium, including those regarding independence.

We have obtained from the board of directors and the company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
Impairment risk on goodwill, intangible assets and property, plant and equipment related to the Bakery Products business Due to the nature of the Bakery Products business and the growth ambitions in this segment, significant capital expenditure is involved. Moreover, the business is subject to volatile raw material prices, which are often not directly translated into the end consumer market. Due to the unpredictability and the volatility of the raw material prices, there is a risk for impairment if the business would not generate sufficient cash flows. The Group reviews the carrying amount of these long-lived assets, including a goodwill of 344 869 (000) EUR, annually or more frequently when impairment indicators are present. Estimating the recoverable amount of the assets requires significant management judgement including estimates of future sales, future EBITDA, discount rate and the assumptions inherent in those estimates. The Group disclosed the nature and the value of the assumptions used in the impairment analyses in note 15 to the Consolidated Financial Statements.	We designed our audit procedures to response to this key audit matter. We obtained an understanding of the impairment assessment process and evaluated the design and implementation of the relevant key controls in place. In addition, we obtained impairment tests prepared by management. We evaluated and challenged the reasonableness of estimates and judgments made by management. Special focus was given to the key drivers of projected future cash flows, being amongst others estimated EBITDA and the applied discount rate. We critically assessed the budget and related assumptions, taking into account the historical forecasting accuracy and the current economic environment. Our internal valuation specialist was involved to review the reasonableness of the discount rate. Moreover, we examined sensitivity analyses performed over changes in discount rates and EBIT(DA). We also considered the adequacy of the Group's disclosures (note 15) relating to goodwill.

Business combinations - fair value remeasurements

In 2024, Vandemoortele acquired Dolcioria Acquaviva, for a total purchase consideration of 314 726 (000) EUR.

This acquisition classifies as a business combination in accordance with IFRS 3. The accounting for business combinations is considered a key audit matter as it is material to the Consolidated Financial Statements and requires significant judgement in relation to the determination of the fair value of the acquired net assets.

The fair value of the acquired net assets typically differs from the net book value of those net assets resulting in either remeasurements or eventually goodwill.

To determine the fair value of the acquired net assets, management used, besides own calculations, also external valuation specialists. These external experts based their valuation, amongst others, on future cash flow estimates and estimated sales.

Reference is made to note 14 to the Consolidated Financial Statements.

In our audit of the accounting for business combinations, we assessed the fair value remeasurements and tested the payment of the purchase price to the sellers.

An important element of our audit relates to the identification of the acquired assets (e.g. valuation of customer relationships and trademarks) and liabilities (tax and other liabilities). We tested this identification based on our understanding of the business of the acquired company and the explanations and plans of management that supported this acquisition. Subsequently, we tested the fair values of the acquired assets and liabilities, and the resulting goodwill and critically assessed the assumptions used by management in the fair value determination.

We involved our internal valuation specialists to evaluate the valuation methodologies used by management and tested the main assumptions against historical trends and external data.

We also considered the adequacy of the Group's disclosures (note 14) relating to business combinations.

Responsibilities of the board of directors for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters to be considered for going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the group or to cease operations, or has no other realistic alternative but to do so.

Responsibilities of the statutory auditor for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

During the performance of our audit, we comply with the legal, regulatory and normative framework as applicable to the audit of consolidated financial statements in Belgium. The scope of the audit does not comprise any assurance regarding the future viability of the company nor regarding the efficiency or effectiveness demonstrated by the board of directors in the way that the company's business has been conducted or will be conducted.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- conclude on the appropriateness of the use of the going concern basis of accounting by the board of directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and we communicate with them about all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes any public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements, including the sustainability statement and other matters disclosed in the annual integrated report.

Responsibilities of the statutory auditor

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing (ISA) as applicable in Belgium, our responsibility is to verify, in all material respects, the director's report on the consolidated financial statements and other matters disclosed in the annual integrated report, as well as to report on these matters.

Aspects regarding the directors' report on the consolidated financial statements and other information disclosed in the annual integrated report

The annual integrated report contains the sustainability statement which is the subject of our separate limited assurance report on the sustainability statement. This section does not pertain to the assurance on the consolidated sustainability statement included in the annual integrated report. For this part of the annual integrated report, we refer to our report on the matter.

In our opinion, after performing the specific procedures on the directors' report on the consolidated financial statements, this report is consistent with the consolidated financial statements for that same year and has been established in accordance with the requirements of article 3:32 of the Code of companies and associations.

In the context of our statutory audit of the consolidated financial statements we are responsible to consider, in particular based on information that we became aware of during the audit, if the directors' report on the consolidated financial statements and other information disclosed in the annual integrated report are free of material misstatements, either by information that is incorrectly stated or otherwise misleading. In the context of the procedures performed, we are not aware of such a material misstatement.

Statements regarding independence

- Our audit firm and our network have not performed any prohibited services and our audit firm has remained independent from the group during the performance of our mandate.
- The fees for the additional non-audit services compatible with the statutory audit, as defined in article 3:65 of the Code of companies and associations, have been properly disclosed and disaggregated in the notes to the consolidated financial statements.

Single European Electronic Format (ESEF)

In accordance with the draft standard on the audit of the compliance of the financial statements with the Single European Electronic Format ("ESEF"), we have also performed the audit of the compliance of the ESEF format and of the tagging with the technical regulatory standards as defined by the European Delegated Regulation No. 2019/815 of 17 December 2018 ("Delegated Regulation").

The board of directors is responsible for the preparation, in accordance with the ESEF requirements, of the consolidated financial statements in the form of an electronic file in ESEF format ("digital consolidated financial statements") included in the annual integrated report.

Our responsibility is to obtain sufficient and appropriate evidence to conclude that the format and the tagging of the digital consolidated financial statements comply, in all material respects, with the ESEF requirements as stipulated by the Delegated Regulation.

Based on our work, in our opinion, the format and the tagging of information in the digital consolidated financial statements included in the annual integrated report of Vandemoortele NV as of 31 December 2024 are, in all material respects, prepared in accordance with the ESEF requirements as stipulated by the Delegated Regulation.

Due to the technical limitations inherent in the block-tagging of consolidated accounts in the ESEF format, it is possible that the contents of some tags in the notes may not be returned in the same manner as the consolidated accounts attached to this report.

Other statements

- This report is consistent with our additional report to the audit committee referred to in article 11 of Regulation (EU) No 537/2014.

Signed at Ghent.

The statutory auditor

Digitally signed by
Tom Windelen
Ondertekend door: Tom Windelen (Signature)
Ondertekentijd: 28-Mar-2025 | 12:56 CET
 C: BE
Uitgever: Citizen CA
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Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL
Represented by Tom Windelen

Deloitte.

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