

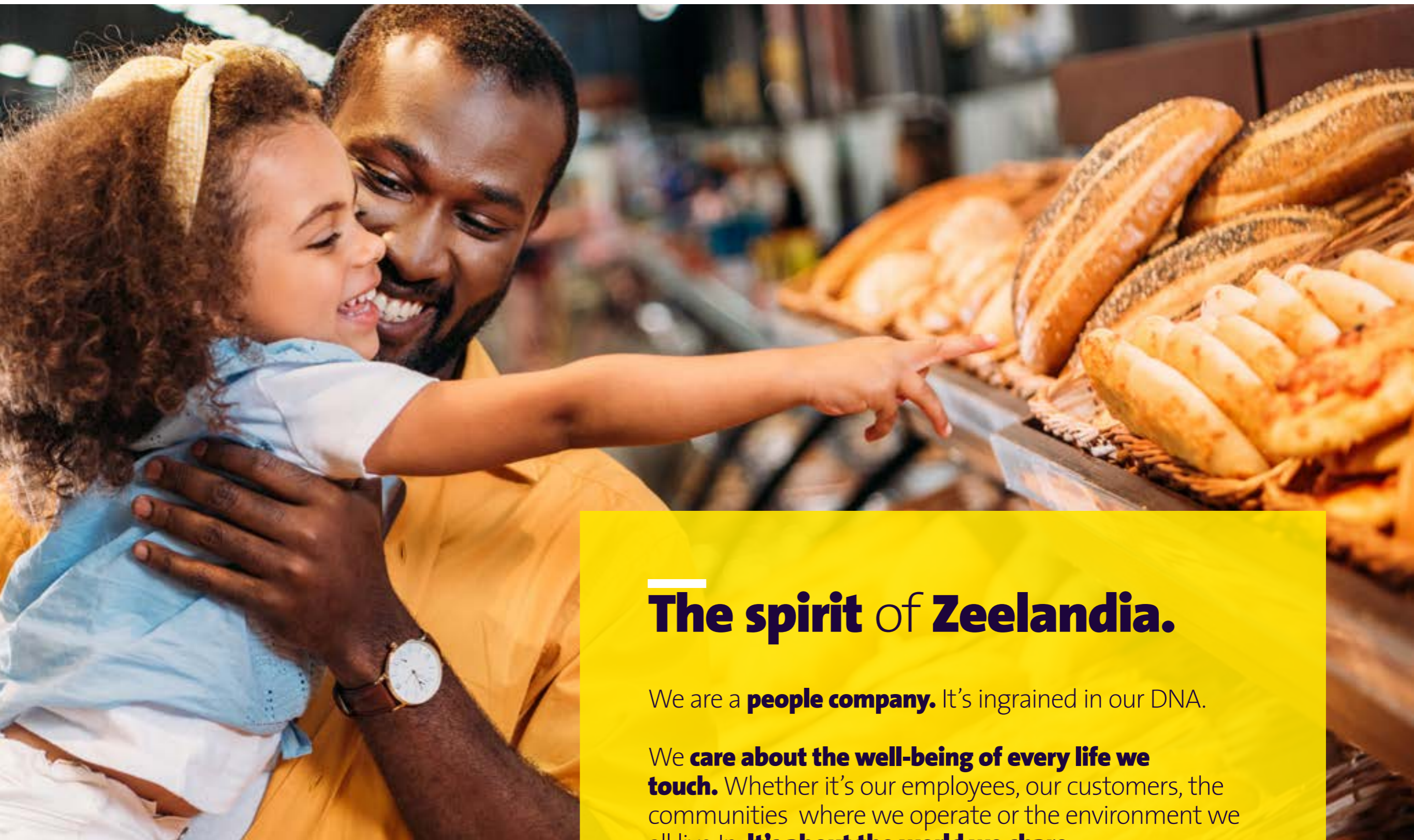


2022

Sustainability
Report

Highlights





The spirit of **Zeelandia.**

We are a **people company.** It's ingrained in our DNA.

We **care about the well-being of every life we touch.** Whether it's our employees, our customers, the communities where we operate or the environment we all live in. **It's about the world we share.**

What we accomplished in **2022.**

People



+300K euro
donated to social activities.

67% of our **CSR activities** were focused on **social impact.**

csr activities realized in 2022

Employees	149	(51%)
Consumers	85	(29%)
& Community	58	(20%)

50% of our **product launches** matched our **Better-for-Consumer portfolio criteria***

*Sugar reduction, clean(er) label, vegan, digestive health and/or nutritional improvement

What we accomplished in **2022.**

Planet



45% of the electricity we used globally came from **renewable sources.**
(in 2015 it was 0%)

<1% of production **volume** is lost as **food waste**
(against an industry average of 3%)

7,038 m² of our **facilities' roof surface** is covered with **solar panels.**

33% (143) of our **CSR activities** were focused on **reducing environmental impact.**

What we accomplished in **2022.**

Governance



Over **30 hours** of management meetings on **sustainability.**

Migration

to a new, more effective **CSR Reporting Tool** (Sphera).

Women represent 50% of the Global Management Team.

Our CSR community includes over **70 colleagues** from **28 countries.**

What we
accomplished
in **2022.**

Financial

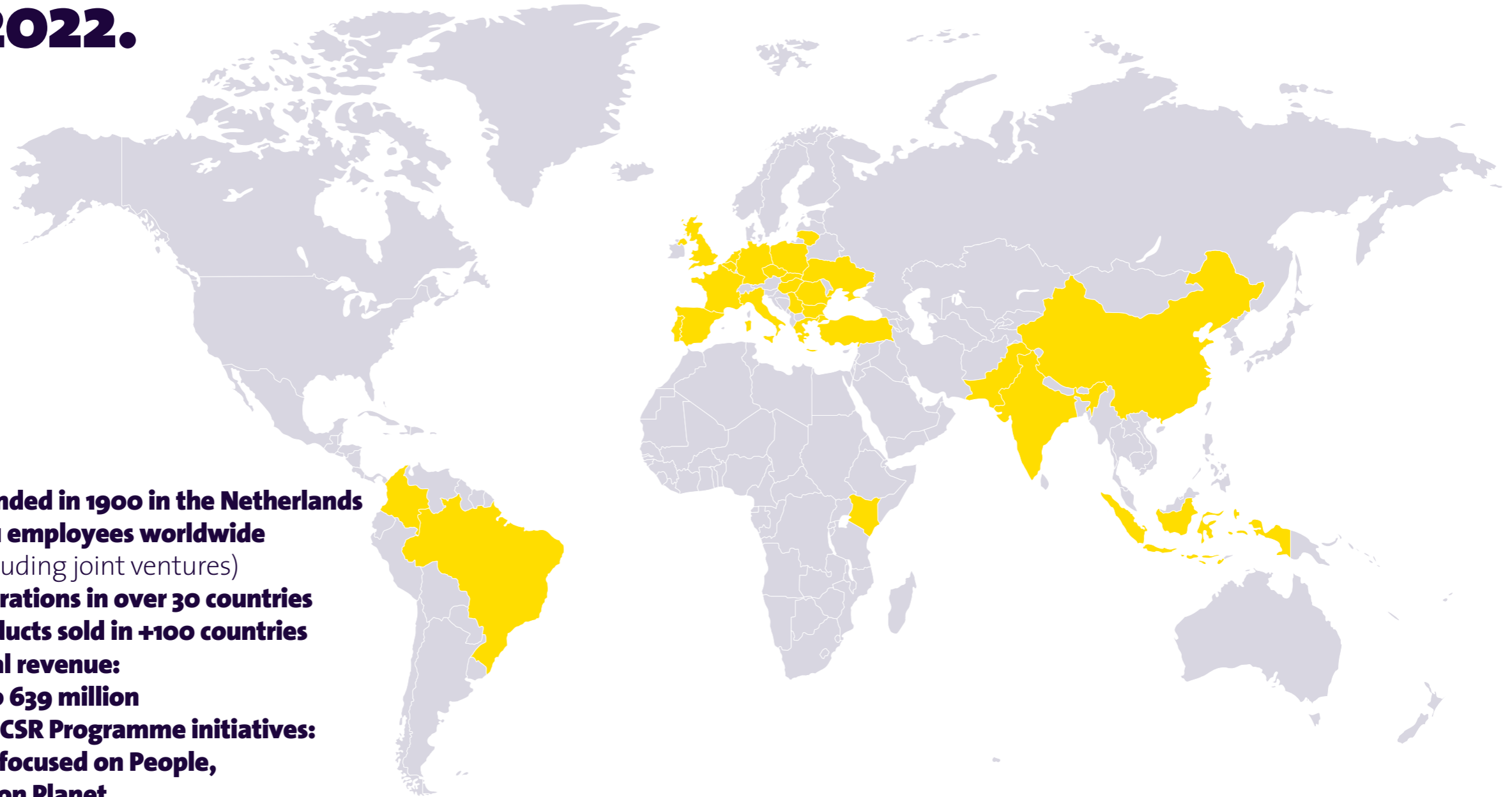


Revenue
eur **639M**

EBITDA
eur **29.36M**

Zeelandia in **2022.**

- **Founded in 1900 in the Netherlands**
- **3,131 employees worldwide**
(including joint ventures)
- **Operations in over 30 countries**
- **Products sold in +100 countries**
- **Total revenue:
Euro 639 million**
- **436 CSR Programme initiatives:
292 focused on People,
144 on Planet**



Explore some of our **CSR** **top stories** from 2022.



Vegan pastry range.



Bake4Ukraine Programme.



Moving forward on the green electricity transition.



Feeling responsible for the limited resources.



Relieving physical efforts in warehouses.



Empowering Women.

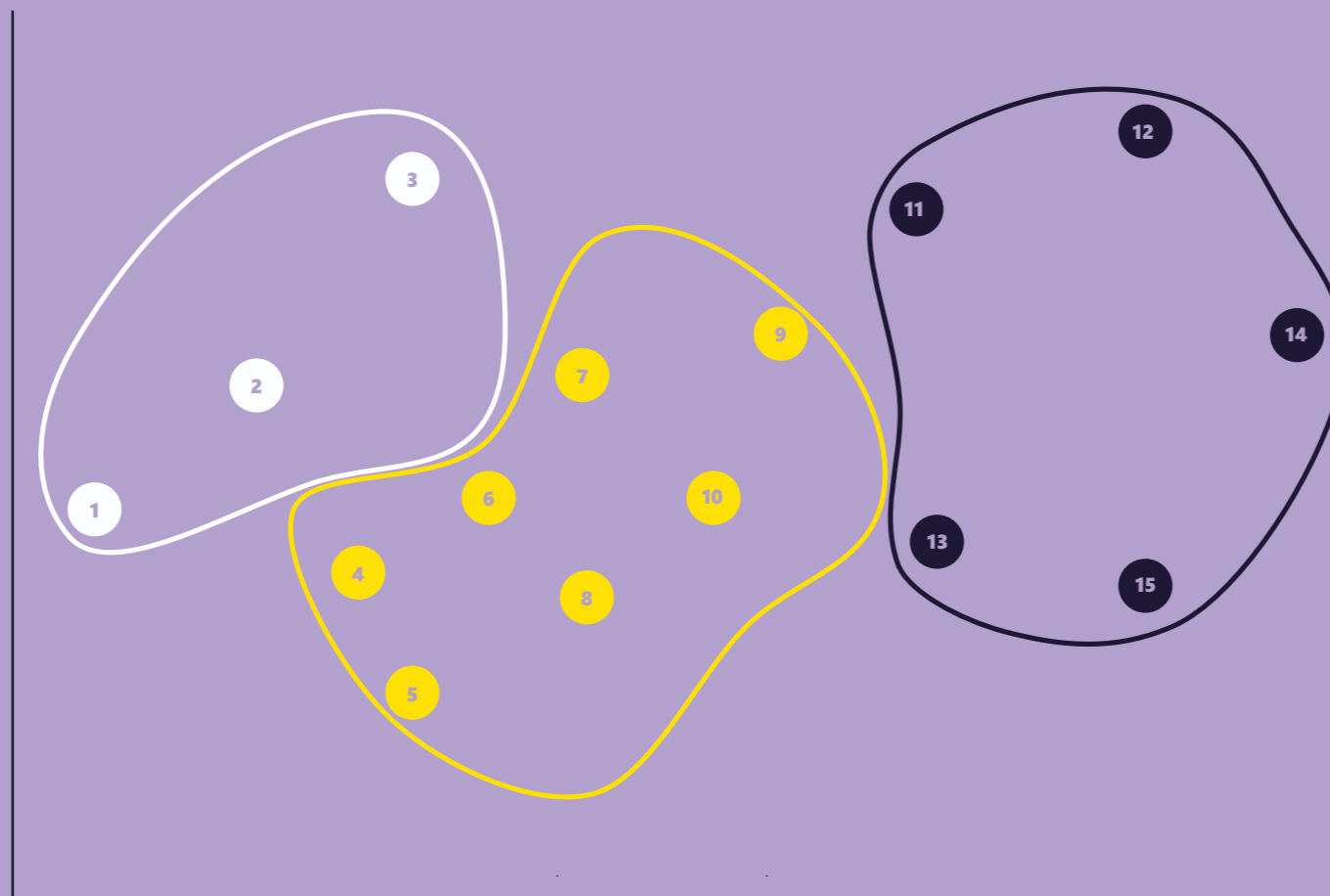
CSR Strategy.

Together with stakeholders we regularly identify and assess the various areas in which we can **make a difference**, using a ‘materiality matrix’ to assess our potential impact and visualize our stakeholders’ priorities:

Zeelandia materiality matrix.

- Impact
- Improvement
- Compliance

Relevance to stakeholders



Group environmental, economic and social impact

Compliance

- 1 Human Rights
- 2 Ethics & compliance
- 3 Product (food) quality & Safety

Improvement

- 4 Diversity & Inclusion
- 5 Water Consumption
- 6 Sustainable Packaging
- 7 CO2 eq emissions
- 8 Waste
- 9 Responsible Procurement
- 10 Biodiversity

Impact

- 11 Product Transparency & Labelling
- 12 Consumer Health & Nutrition
- 13 Employee Health & Nutrition
- 14 Food Waste
- 15 Local Community Support

Our CSR priorities cover a wide range of environmental and social dimensions, which we have clustered in the two key pillars of our CSR efforts:

Better for the Planet.

We focus on Clean energy, Responsible Procurement, and Zero Waste.

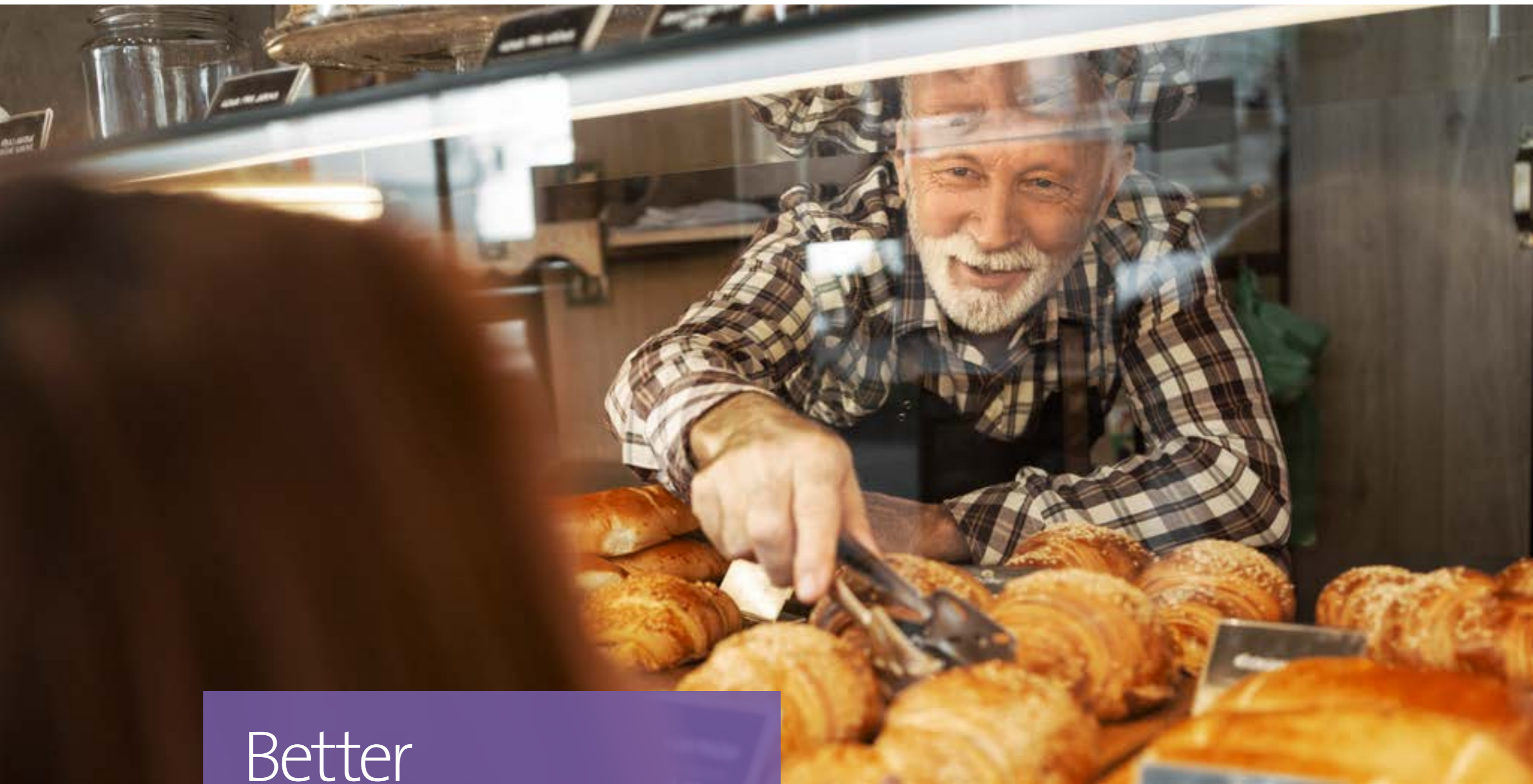
Better for People.

We care for our employees, consumers and communities where we live and work.



Zeelandia is proud of its **over 20 international CSR Ambassadors**, who through their enthusiasm and constructive attitude play a pivotal role in embedding CSR in our everyday work.





Better
for **people.**

We care about people. The well-being of every individual or group of people we are connected to, matters to us. Be it our staff, consumers or the local communities we are part of.

Consumers: **our top stories.**

Zeelandia Group launches V-GO!

In 2022 our corporate R&D department developed vegan alternatives for a range of existing products, including cake, pastry, and croissants. These vegan products will be launched in various markets in 2023.

The department also worked on recipes and processes that will enable us to launch 'less-sugar' versions of existing products without compromising on taste and appearance.

Clean-label & enriched bread

Digestive health is one of the key pillars in our bread strategy. Bread is a highly localized product, so we tailor our mixes to local consumers' tastes and expectations. However, many of them incorporate the same Zeelandia technologies to promote digestive health, for example through high fiber content, fermentation processes, gluten-free options, and the use of wholegrain flour.



Employees: our top stories.



Female Empowerment Network launched

The new Zeelandia Female Empowerment Network (FEN) was founded in response to an internal survey among our female employees. Its mission is to create a safe and friendly environment in which women at Zeelandia can learn, network, be inspired and support others. An environment in which everyone feels comfortable and able to speak up, is heard and supported in work and everyday life.

The overall ambition, which has the wholehearted support of the CSR department, is to empower colleagues, boost the visibility of our female colleagues' contribution and ensure female perspectives are heard and appreciated. In 2022 the FEN group organized its first webinar on 'Diversity and Inclusion', with two guest speakers and 130 attendees from 19 different countries.



Masters of Pastry

Zeelandia's Masters of Pastry is a competition for our own pastry chefs as well as for customers or pastry enthusiasts around the world. The goal is to engage our pastry chefs, encourage them to inspire each other and support their professional development.

The 2022 edition challenged participants to create a tasty and healthier pastry, cake, or confectionery recipe, using our Nativa and V-GO solutions. It gave them the opportunity to apply the latest trends and techniques to create recipes that are better for our consumers, and our planet.



Lifting loads more comfortably

In our warehouses, we do everything we can to limit the physical strain on colleagues. While much work can be automated, some tasks require the human touch. Yet here technological innovation can also help. For example, in Poland we introduced the use of 'exoskeletons'. These support structures can be worn by warehouse workers and relieve pressure on their spine, without restricting freedom of movement. The exoskeletons are light to wear and help employees (male and female) to handle products in bags more easily and comfortably.



Communities: **our top stories.**

Bake4Ukraine

As the tragic events in Ukraine unfolded, Zeelandia quickly moved to offer support. Our managing director at Zeelandia Ukraine, Andriy Vasylenko, was one of the initiators of Bake4Ukraine. The primary goal of this initiative was to help ensure that people in need have access to free food, through the people best placed to deliver that help: a network of local bakeries.

Zeelandia supported the initiative by offering the use of our facilities and providing raw materials for the volunteers at bakery 21.3, pledging our support for as long as it is needed and possible. Several partnerships were set up to offer ingredients and/or technical support to bakeries near border crossing points, enabling them to offer free bread to refugees.

With the help of Zeelandia colleagues throughout our global network, funds and relief goods were also collected and distributed. Zeelandians around the world donated over 45,000 EUR, a sum matched by the Zeelandia Group. The funds were used to support the Bake4Ukraine initiative and to donate to the UNHCR's refugee cash assistance programme.

Practical help was also given in kind. For example, Zeelandia Group sponsored the purchasing of over 500 wood stoves as winter approached. Our customers were also inspired by the Bake4Ukraine initiative. One customer in the UK, Montana Bakeries, even donated 5 industrial rack ovens, which were transported to Kyiv through Zeelandia's UK site in Colchester.





Better for
the **planet.**

Minimizing our environmental footprint requires urgent action. Whatever the challenge we face or the solution we come up with, our goal is to serve the interests of bakers, consumers and the planet.



Clean Energy.

7 AFFORDABLE AND
CLEAN ENERGY



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



Overall **progress.**

Compared to 2021, our overall CO₂ emissions dropped by ca. 1%. Since production volumes were lower, the CO₂ emissions per kg produced were slightly higher than in 2021.

CO₂ emissions per kg produced

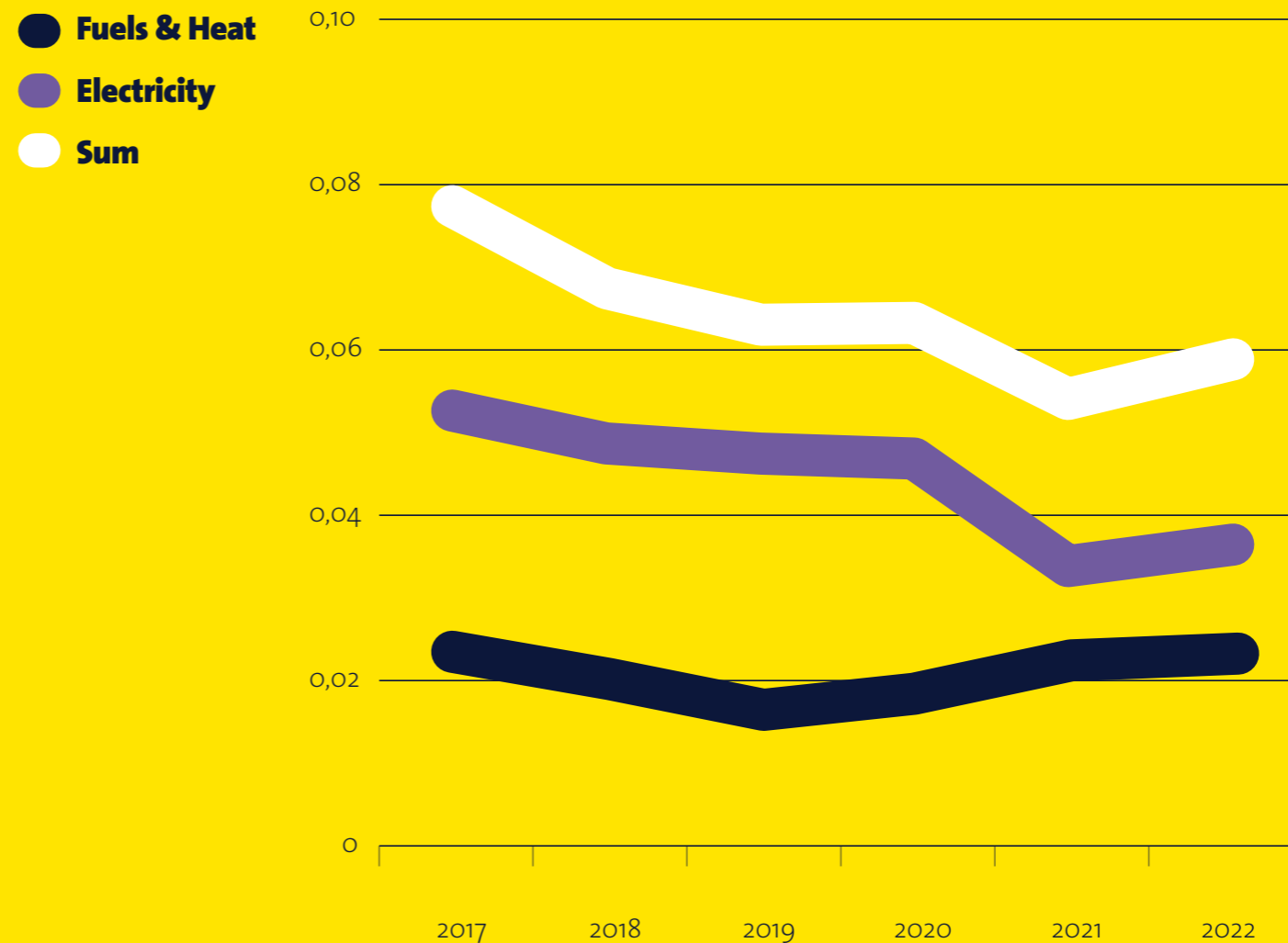
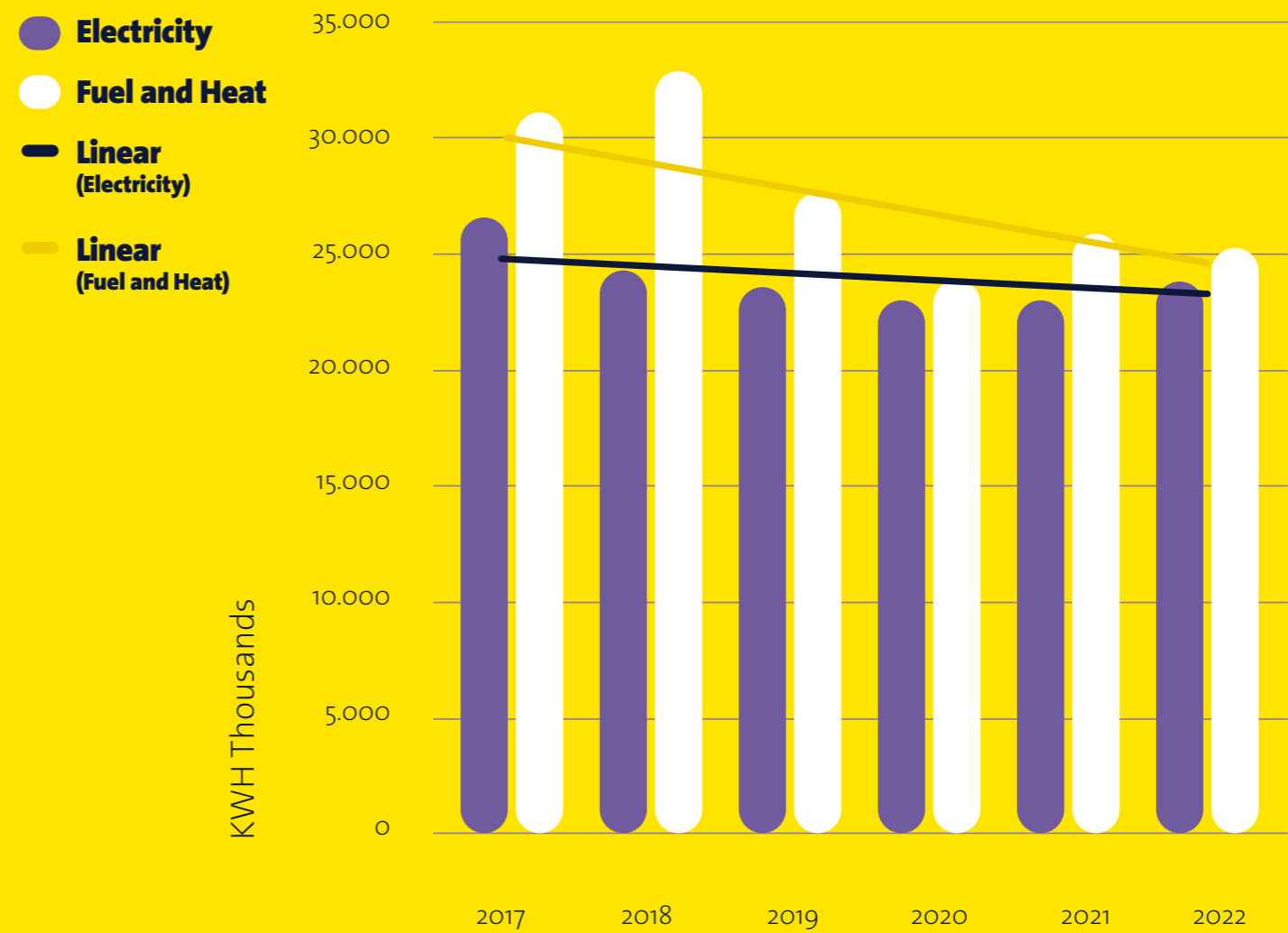


Fig. 1 – CO₂ emissions (in kg) per kg production, at constant conversion factor for electricity. Fossil fuel-based electricity is converted to CO₂ with a constant factor of 0.556 kg CO₂/kWh.

Overall **progress.**

KZG total energy consumption

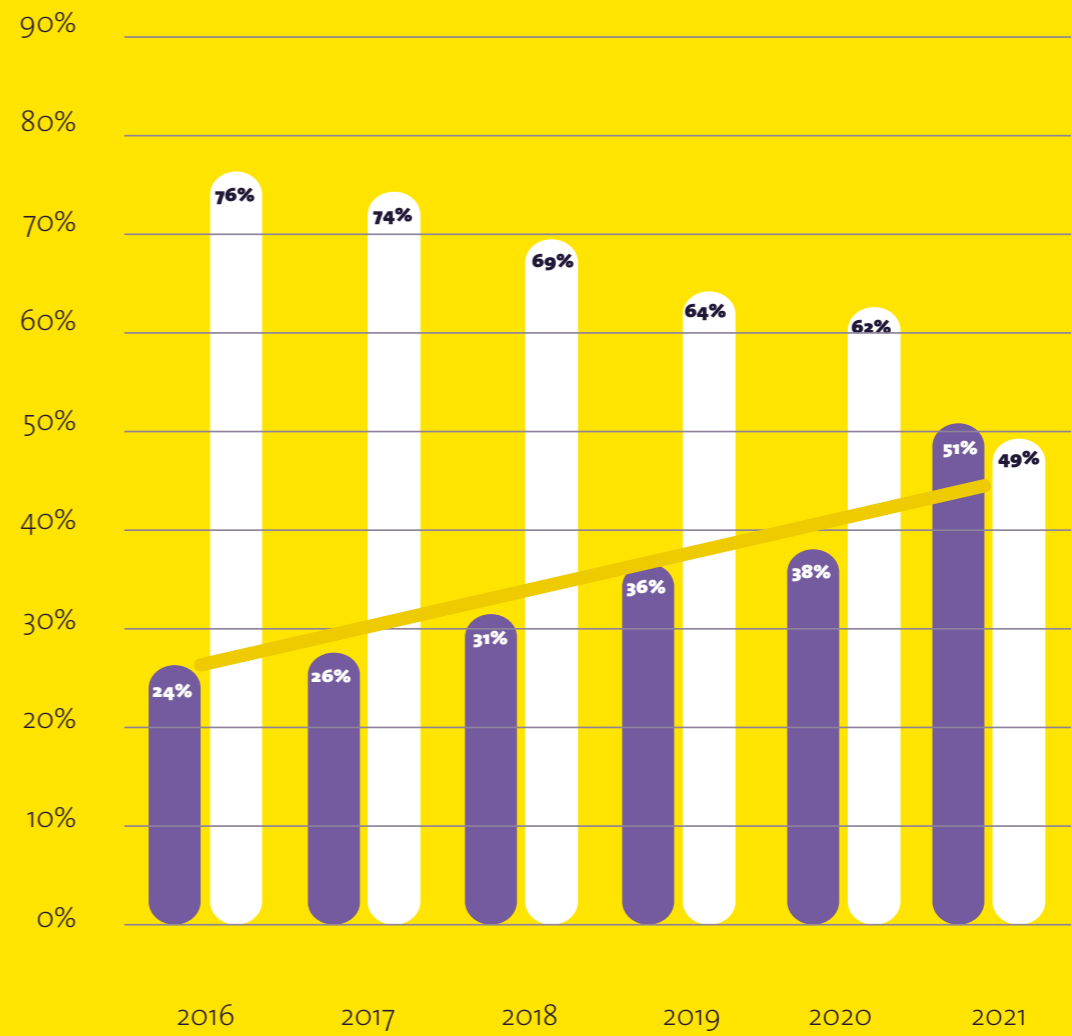
In 2022, our total electricity consumption increased by 2-3%, while there was a sharp reduction in natural gas consumption (-8%), resulting from energy-saving measures and the gradual transition from gas to electricity as our main source of energy.



Overall **progress.**

Electricity usage

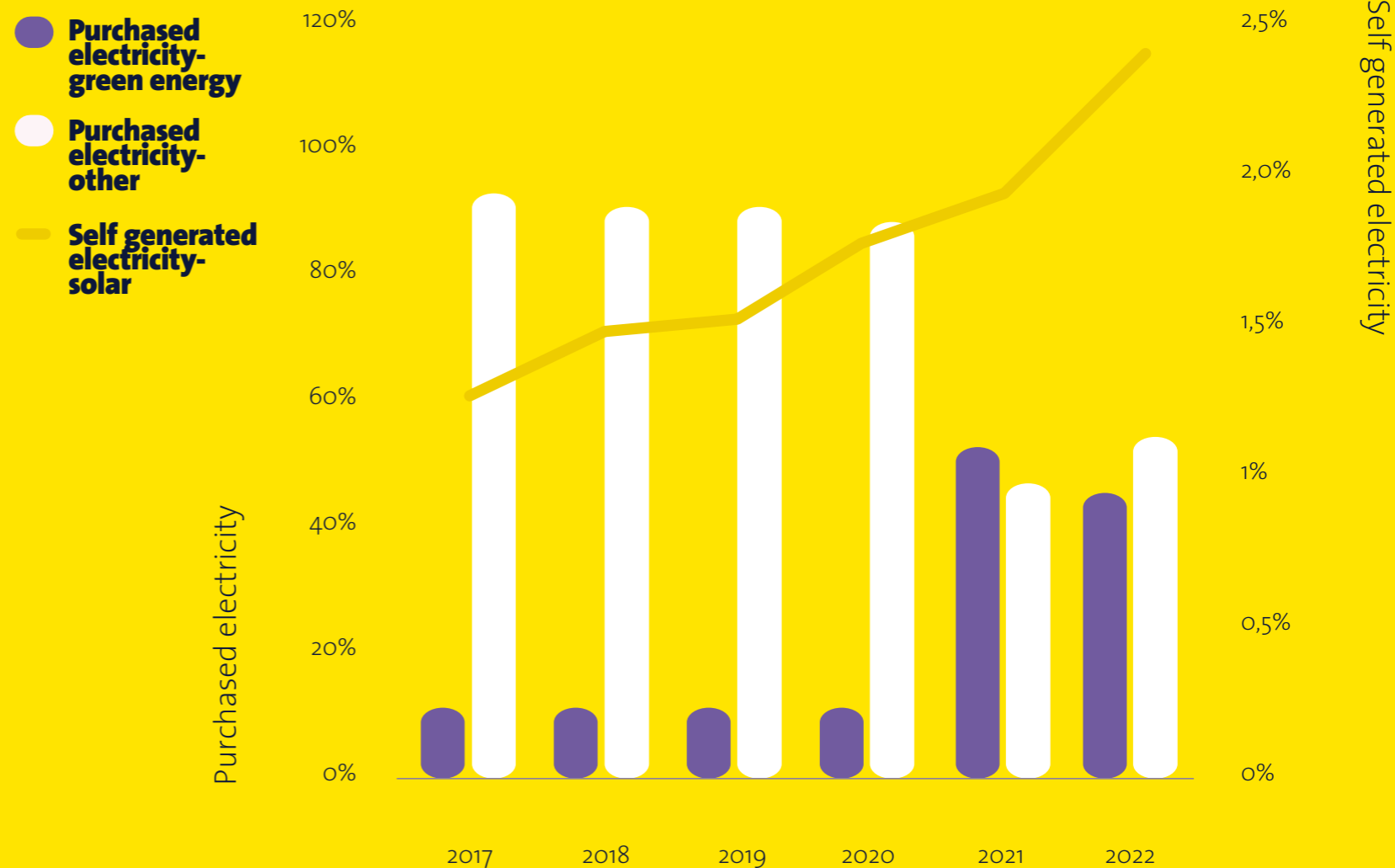
- Production purposes
- Other
- Linear



Source of electricity

The percentage of self-generated electricity increased thanks to new solar panel installations (and will substantially increase in 2023 thanks to preparations for new installations in 2022). However, the switch from purchasing fossil-fueled to renewable energy made little progress in 2022, mainly due to cost concerns. Here, too, we expect a substantial increase in 2023.

The plan focuses on scope 1 and 2 emissions (our own emissions and those from electrical power respectively). However, we also identified possible reductions of our scope 3 emissions, which we are exploring and evaluating. For example, we're looking at ways to help fight deforestation through responsible procurement and by using more plant-based ingredients.



Our top achievements

Solar panels on every roof

Solar panels One of our key policies for transitioning from fossil to renewable fuels is installing solar panels on every bit of suitable roof. Spain was one of fifteen countries which joined the Group-wide initiative in 2022. Thanks in part to the Spanish efforts, we have already reached over 7,000 m² of installed solar panels.

Preparations were undertaken for extending the scheme in 2023, when more operating companies including Zeelandia Portugal and Zeelandia China will join. We anticipate that by the end of 2023 we will have covered 16,500m² of roof surface with solar panels, supplying 12% of our total electricity consumption.





Zero waste.



22% savings on water consumption

In our production facilities in the Netherlands, we achieved substantial savings in water consumption. These savings resulted from targeted investments in water efficiency.

We refurbished our almond washing machine and replaced cooling installations with more efficient technology (circulation instead of flow cooling). The efforts resulted in water savings of 22%.

Saving paper in Portugal

In supporting our customers, we use a wide range of communication materials. In Portugal we made a concerted effort to replace printed materials with digital versions, using QR codes to help customers access this documentation. This project allowed us to reduce the amount of printed material by no less than 40%.

Recycling boxes into eco packaging filler

Not all cardboard boxes are fit for reuse. Yet that doesn't mean they cannot be recycled. Zeelandia Poland purchased a shredding machine to recycle old cardboard boxes (also from our offices) into packaging filler – reducing cardboard waste by 100%.

Overall **progress.**

Over the years, we have consistently worked to recycle as much waste as possible, encouraging subsidiaries to sort waste even if local recycling options are limited. By doing this, we want to set an example and boost the development of a (local) supply chain for recycled materials. In 2022, 83% of our waste was sorted to enable recycling.

Depending on local recycling possibilities, waste may be sorted into more specific categories than those listed in the graph. For example, in the Netherlands our confidential waste paper and our coffee cups are used for the production of recycled toilet paper and paper towels.

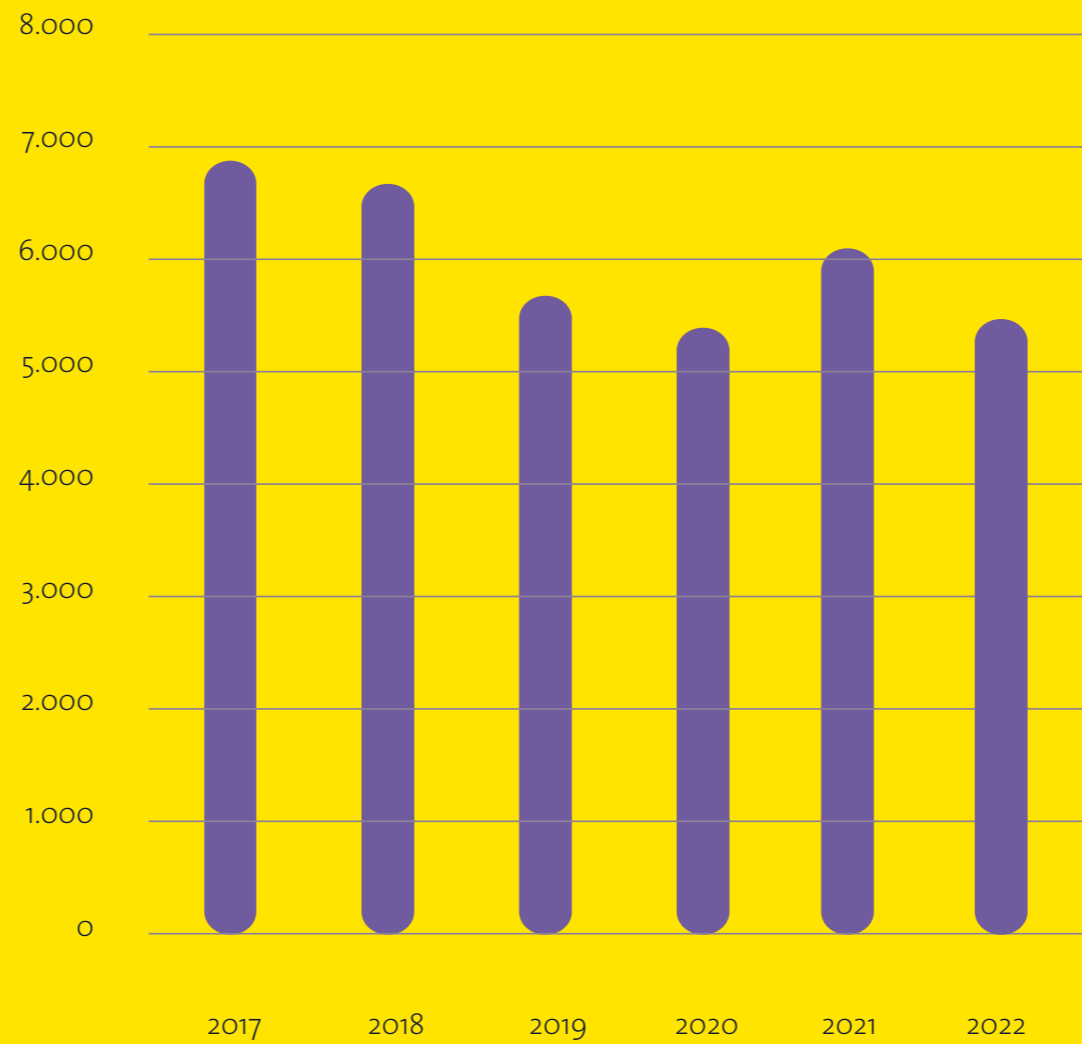
Total waste



Overall **progress.**

Commercial waste in *MTS/year*

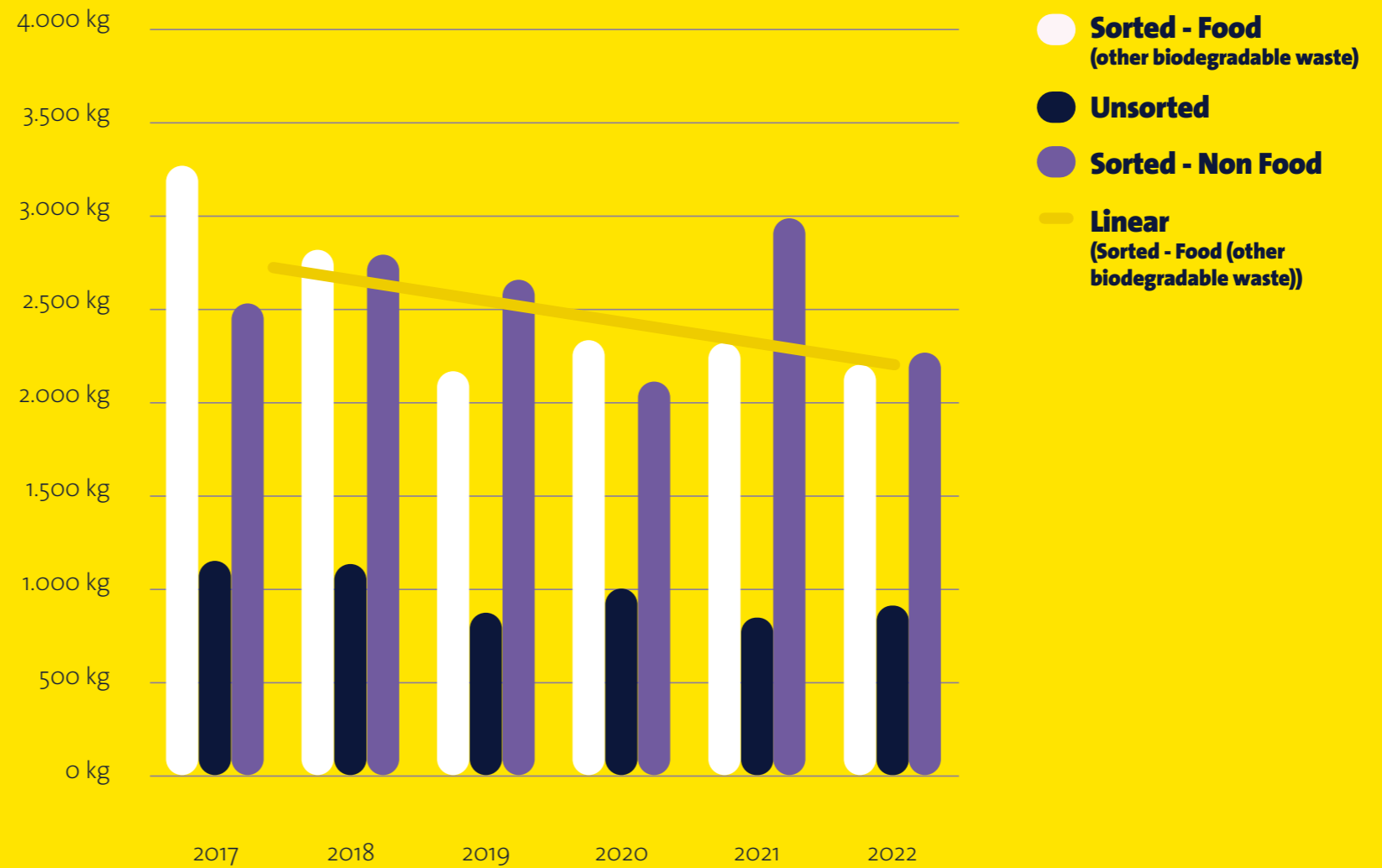
After an increase in 2021, our total waste volume in 2022 dropped to 2020 levels.



Overall progress.

The amount of sorted food waste is steadily decreasing and is now close to the target of <1% of production volume. A great achievement, seeing that the industry average is 3% of produced volume.

Composition of commercial waste



Overall **progress.**

Hazardous waste production was still high in 2022, due to construction work in our Brazil facilities. In 2023 we expect hazardous waste production to return to the levels seen in previous years.

Hazardous waste in **MTS/year** **MTS = 1000 kg**



Overall **progress.**

Water waste

Water consumption is closely related to a plant's product portfolio; the main water users are our plants in Belgium, the UK, Czech Republic and the Netherlands. In 2022 our Dutch plant managed to reduce water consumption by 22%. We expect another sharp reduction in Belgium next year, when our local factory will relocate to a new site.



Our top achievements.

We have recently launched one of our new sustainable packaging: recycle-ready bags.

Some of our key customers have already started using it and it represents a great collaboration and commitment from both us and our customers with more sustainable alternative solutions.

We have been taking the steps towards a more sustainable planet by reducing our use of plastic and replacing it with 100% paper-based packaging. This switch made by our customers, has helped saving up to 1200 Kg of plastic in 2022.

But not only that:

- The bag helps **reduce the ink used by 55%**.
- It's made by **non-bleached FSC paper** from sustainably managed forests.
- Contains **20% less chemicals** used during production process.

In order to achieve our commitments towards a more sustainable planet, we must work together with our stakeholders and supply chain partners.





Responsible procurement.

3 GOOD HEALTH AND WELL-BEING



8 DECENT WORK AND ECONOMIC GROWTH



10 REDUCED INEQUALITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



15 LIFE ON LAND





Our **overall progress.**

Despite challenging circumstances on the global market for various ingredients, we continued to expect high standards from our suppliers:

- We obtained Rainforest Alliance certification for specific products, which confirms that a product was made using ingredients from farmers whose practices are evaluated by third-party auditors in terms of their social, economic, and environmental impact.
- We obtained full membership of Sedex, a platform which provides detailed supplier information, helping us to verify that we work with parties who comply with our CSR standards.



We obtained Rainforest alliance certification.

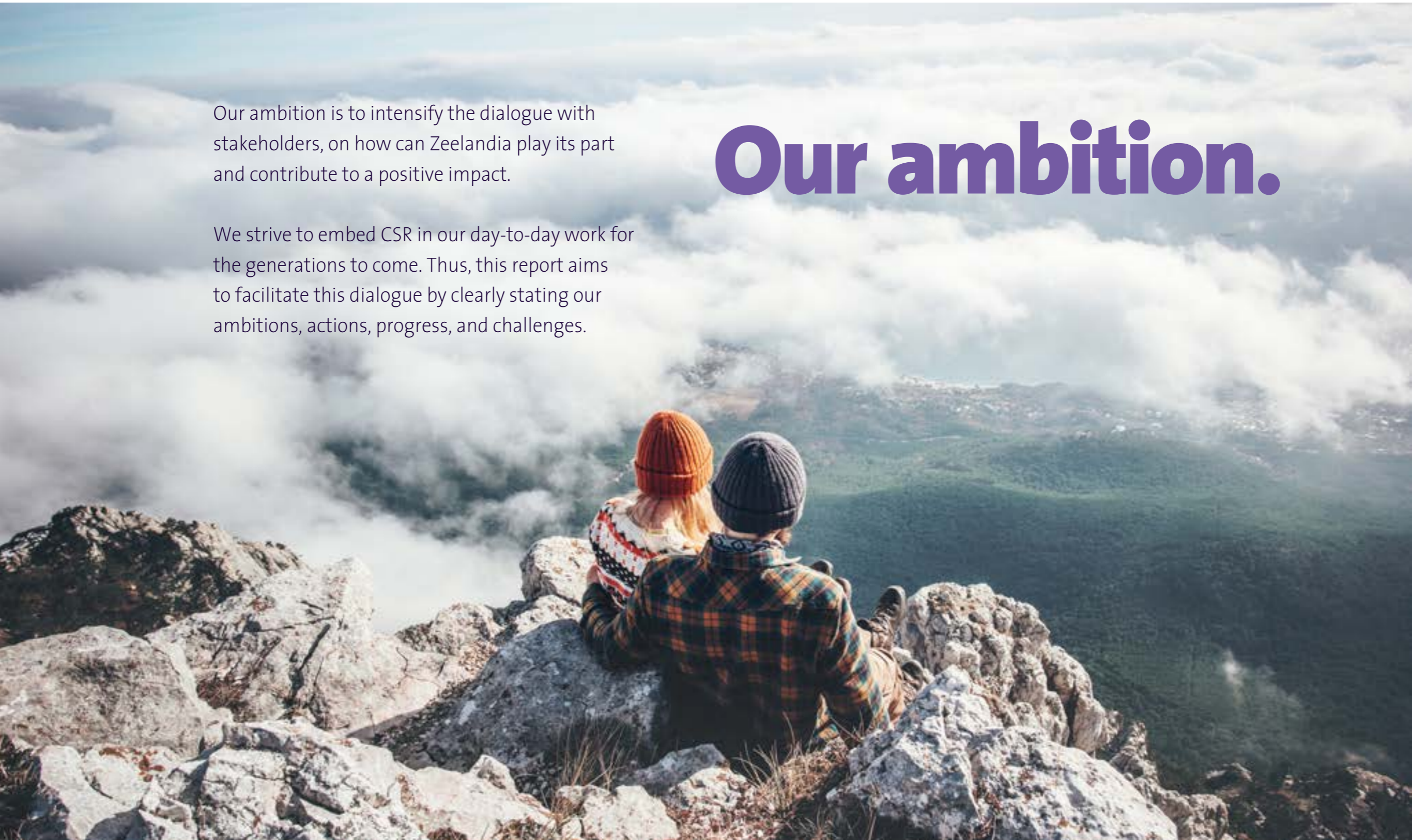


We obtained full membership of Sedex.

Our ambition is to intensify the dialogue with stakeholders, on how can Zeelandia play its part and contribute to a positive impact.

We strive to embed CSR in our day-to-day work for the generations to come. Thus, this report aims to facilitate this dialogue by clearly stating our ambitions, actions, progress, and challenges.

Our ambition.



keep **exploring.**

Find out more at

www.zeelandia.com/sustainable-commitments