ANNUAL REPORT 2024

A PERFECT SNACK FOR EVERY OCCASION







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Appendix, consisting of the Auditor's Reports on the Consolidated Financial Statements and Sustainability statements, shareholders information, condensed five-year Consolidated Financial Statements and the CSRD-reconciliation tables can be consulted as of page 309.
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01

EXECUTIVE SUMMARY

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LETTER FROM OUR CEO

For nearly 100 years, Lotus Bakeries has been offering **branded snacks** with unique taste experiences for an ever-growing range of occasions. Through these strong brands, we are steadily **conquering the hearts and minds of consumers** across age groups and across the world's borders. The result: remarkable growth.

To illustrate, our compound annual growth rate for the last 15 years exceeds 11.6%. In 2024, we even set **a new record for Lotus Bakeries**, with a revenue increase of 16% to reach EUR 1,232 million. Meanwhile, we've also significantly **improved our ESG performance**.

It's an accomplishment I don't take for granted. I'm well aware of the **hard work and dedication** it took to get where we are today. At the centre of it all: our more than 3,300 employees. They're the ones that put our **long-term vision** into practice, whether they're active in Belgium, the US, the UK, China, South Africa, or elsewhere.

BISCOFF® IS RAPIDLY BECOMING A LOVE BRAND

Love brands are, as the name implies, brands that build a strong emotional connection with consumers – one based on feelings like **trust, affection and loyalty**. It's what Biscoff® aspires to do on a global scale. And in 2024, we took big leaps in the right direction with our hero products: **Biscoff cookies and spread**.

"AFTER A TRACK RECORD THAT SPANS NEARLY A CENTURY, WE'RE PROUD OF THE BALANCED PORTFOLIO OF GREAT-TASTING SNACKS WE OFFER TODAY."

From Australia to the US, demand is soaring. To keep up with Biscoff's growth, we're investing in **capacity expansion on 3 continents**. We're developing a greenfield project in Thailand to serve the Asia-Pacific region. This will be our 3rd Biscoff production site, next to the ones in Belgium and the US, set to be fully operational in 2026. And there's still room for further expansion at all 3 sites.

Through our **strategic partnership with Mondelēz International**, we'll also expand our presence in India, the world's most populous country. We feel now is the right time to accelerate in this high-potential market. That's easier said than done. Particularly because India is home to millions of independent stores. Successfully acquiring a place on the shelves requires a vast local network, local market expertise, local production, etc.



Jan Boone, CEO

Partnering with Mondelēz International will allow us to check all these boxes and raises our chances of unlocking the full potential of the Indian cookie market.

Important, the deal with Mondelēz International also includes **co-branded chocolate** innovations in Europe (e.g. Cadbury tablet with our unique & crunchy Biscoff cookies), which will definitely make waves in the highly competitive chocolate market and boost brand awareness of Biscoff.

In short, we're positioning ourselves on various fronts to **make Biscoff the number 3 cookie in the world**.

THE INTERNATIONALISATION OF OUR LOTUS™ NATURAL FOODS BRANDS

Our brands BEAR®, TREK®, nākd®, Kiddylicious® and Peter's Yard® realised **strong growth** while also gaining international appeal. For perspective, activities outside of the UK – Natural Foods' historic home market – grew more than 20% in 2024 and now account for 35% of total Lotus™ Natural Foods sales.

We're ready to take the next step in becoming **an international reference for superior quality and taste in the better-for-you snacking segment**. To that end, we sharpened our strategy in 2024.

To support our growth, we're also rapidly **expanding capacity**: in Wolseley, South Africa. There, we launched the first in-house production of nākd at the beginning of 2024. And early 2025, we doubled the production capacity of BEAR fruit snacks. Because we're such an important employer in Wolseley and continue to invest in the production of high-quality products in the region, we welcomed South African president Ramaphosa at our site in May 2024. This **presidential visit** was an honour for me personally and for the Group as a whole.

LOTUS® LOCAL HEROES REINFORCE STRONG MARKET POSITIONS

In line with Biscoff® and Natural Foods, our Local Heroes had a remarkable year. We ended 2024 with **mid-single-digit volume growth**. Belgium and France were the main contributors, mainly thanks to the successful launch of our Lotus® Cake Donut and the sustained growth of our Suzy® waffles.

We'll keep on making **focused investments in our local strongholds**, also when the going gets tough. For instance, our Peijnenburg® gingerbread has struggled to realise growth. But we see great potential in the natural product without added sugars, so we'll step up our efforts to claim our place in the daily lives of consumers.

CLOSING IN ON 100 YEARS LOTUS BAKERIES (AND READY FOR MORE)

We're a proud family-owned snacking company that thinks in generations rather than quarters. Yet, we also master the agility that comes with being publicly listed. It's this best-of-both-worlds **DNA**, combined with **a culture of team spirit, open dialogue and passion**, that defines Lotus Bakeries.

After a track record that spans nearly a century, we're **proud of the balanced portfolio of great-tasting snacks** we offer today. These branded snacks are the result of sustainable production practices, the trust in carefully selected natural ingredients, and the love for unique tastes. Because we believe in the power of our brands, we have **invested heavily** in supporting them in recent years, from increased capacity and local production to talent development and digital marketing. Good to know: despite these investments, our **net financial debt remains well within sound margins**.

We look forward to the future and are better equipped than ever to achieve our **high ambitions**.

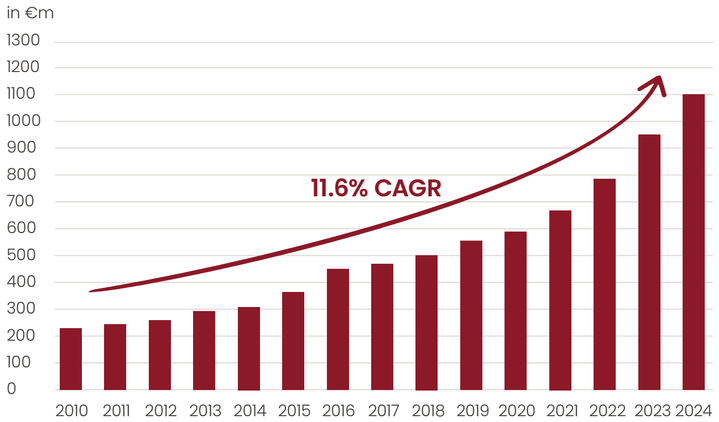


KEY PERFORMANCE FIGURES

FINANCIALS

Revenue: 1,232 €M (2023: 1,063 €M)	+16%
EBITDA(u): 243 €M (2023: 208 €M)	+17%
Net Result: 152 €M (2023: 129 €M)	+18%
Net Financial debt* (NFD): 109.9 €M (2023: 120.5 €M)	-8.8%
NFD ratio*: reduced to 0.5 times EBITDA(u)	0.5
Dividend per share: 76 € (2023: 58 €)	+18 €

15 years of strong growth



*Excluding IFRS 16

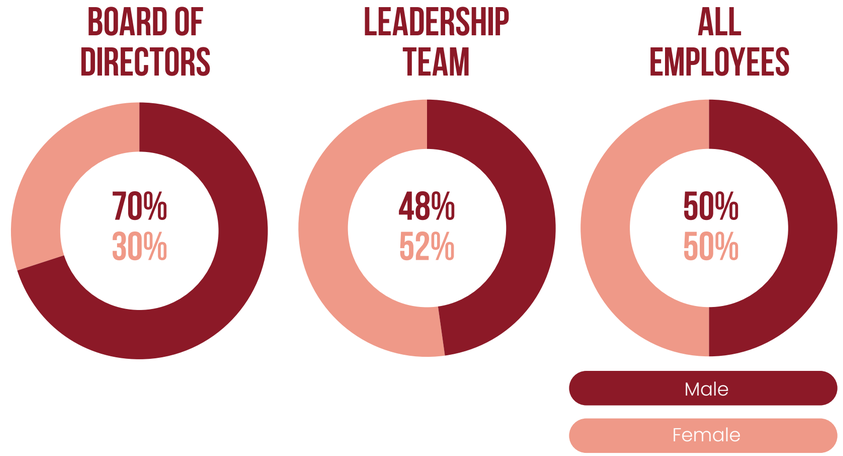
ESG

- Emission reduction targets validated by the Science Based Targets initiative
- All Lotus Bakeries' owned sites' carbon emissions are offset
- More than 98% of all Lotus Bakeries packaging is technically recyclable

3,364 employees (2023: 2,984)

Mental well-being on the agenda at all sites

Gender diversity



A YEAR IN REVIEW

LOTUS BAKERIES' REVENUE UP BY 15.9% OR EUR 169 MILLION TO EUR 1,232 MILLION

In 2024, Lotus Bakeries achieved significant double-digit growth of almost 16%. Group revenue increased by EUR 169 million to EUR 1,232 million. The high-quality organic growth in 2024 is driven almost exclusively by record volume growth. Price increases have, combined with foreign currency impact, a limited contribution of less than 2% in the total revenue growth of 15.9%.

The significant volume increase in 2024 demonstrates continued momentum and robust demand across the entire product range and across the different geographies. All three pillars of Lotus® Biscoff®, Lotus™ Natural Foods and Lotus® Local Heroes have contributed to this growth.

Lotus® Biscoff® has become a 'Love Brand'

Lotus® Biscoff®, representing 56% of the Group's branded revenue, grew in 2024 by more than 20% adding EUR 100 million of incremental sales to surpass the EUR 600 million revenue mark. This growth outpaces the performance of the sweet biscuits category and further solidifies the top 5 position in the global 'Cookie Ranking'. It underpins the company's longer term ambition to become the number three cookie in the world with Lotus Biscoff.

Biscoff® has become a 'love brand' and is more popular than ever among young people, as evidenced by viral posts on social media.

The Biscoff growth strategy puts a clear focus on building penetration first for the hero products, Biscoff cookies and Biscoff spread, concepts that clearly have global appeal and momentum. It also drives another year of geographically broad-based growth across many countries and all continents. This is the case in North America, where both in the US and Canada household penetration for Lotus Biscoff cookies continued to grow. In Europe, significant sales increases were realised in several larger consumer markets like Germany, Spain and Italy. A specific mention also for Australia realising strong growth and continued household penetration gains.

Throughout 2024, the Biscoff lines have run at maximum output levels. This allowed Lotus Biscoff to realise 20% volume growth and largely guaranteed the anticipated delivery reliability and service towards customers.

Lotus Bakeries is currently investing in Thailand (Chonburi) in a new greenfield production facility for Lotus Biscoff to further support its growth ambition in the Asia-Pacific region. The greenfield is anticipated to be completed in the second quarter of 2026 and the project capital expenditure is estimated in the range of EUR 160 million. Next to the retail pack for original cookies, the plant will have different, smaller pack size capabilities tailored towards the Asia-Pacific markets.



Lotus™ Natural Foods: strategic focus pays off

Also in 2024, Lotus™ Natural Foods with its brands BEAR®, TREK®, nākd®, Kiddylicious® and Peter's Yard® continued to outperform the market with solid double-digit growth across all brands. With sales around EUR 250 million, the pillar represents 24% of the Group's branded revenue.

Lotus Natural Foods has become a strong brand pillar since its launch in 2015, realising a compounded annual growth rate of 17% in the past 9 years and quadrupling like-for-like sales in that period. To grasp and maintain momentum, also Lotus Natural Foods recently sharpened its strategy to further internationalise its brands and strengthen its position. The purpose is clear: to become a leader in the better-for-you snacking segment.

In 2024, the company expanded its international presence, with significant growth outside the UK, especially in the US with the BEAR brand and in several European markets like France, Spain, the Netherlands and Belgium with the brands nākd, TREK and Kiddylicious. Lotus Natural Foods activities outside the UK – the international activities - grew by more than 20% in 2024 and already account for 35% of total Lotus Natural Foods sales.

Also in the UK, Lotus Natural Foods realises sustained growth across all core concepts further supported by recent years' innovations. The nākd Protein Bar and the BEAR Fruit Splits were launched successfully in recent two years and are in the meantime proven contributors to the Natural Foods business in the UK.

To support the future growth of its hero concepts BEAR and nākd, Lotus Bakeries continued to invest in capacity, capability and sustainability of its plant in South Africa (Wolseley). In the beginning of 2024, the first commercial production of nākd raw bars took place in a new and dedicated production facility. This investment is allocated to fulfil the international demand for nākd bars outside of the UK. In early 2025, a new extension of the BEAR fruit roll production was commissioned. In recent years, the plant also invested in sustainable production with the installation of a solar panel park, solar power batteries and an environmentally friendly oven heating system.

Cake Donut, Liège Waffles and Annas® lead the way for Lotus® Local Heroes

The third pillar of the Lotus Bakeries strategy is to focus on the 'local heroes' in the home markets of Belgium, the Netherlands, France and Sweden. The pillar is strategically important and

offers market leadership positions with a diversified assortment of products and generates strong cash flows.

In 2024, the local heroes' portfolio delivered mid-single digit growth also primarily volume driven. Belgium and France were the main contributors with increases for both pastry with the successful introduction of the Cake Donut and for waffles with sustained growth of the Liège Waffles. Also Annas® showed good growth in 2024 strengthening its market leading position in Sweden in the 'Sweet Biscuits' category. The gingerbread category in the Netherlands continues to be challenging while the increased focus on the non-added sugar variant with improved recipes and updated designs is generating traction with consumers.

EBIT(u) AND EBITDA(u) OUTPACE TOP-LINE GROWTH WITH INCREASES OF 19% AND 17% RESPECTIVELY

The EBIT(u) (EUR 207 million or 16.8% on revenue) and the EBITDA(u) (EUR 243 million or 19.7% on revenue) increased respectively by EUR 34 and EUR 36 million.

The increase of EBIT(u) and EBITDA(u) of 19% and 17% respectively confirms the robustness of the growth strategy. The strategic focus on Lotus® Biscoff® and Lotus™ Natural Foods allows to translate sustainable organic growth into corresponding solid profits and cash flow.

In 2024, the Biscoff® and BEAR® plants have been capable to deliver the additional output, needed to fulfil market demand, and have contributed to positive operational leverage. This allows to continue to invest in strengthening the organisation further and to upscale the media investments, both key to sustain continued growth.

The non-underlying items of EUR -5.2 million relate mainly to costs to support capacity expansion for Lotus Biscoff and the greenfield site in Thailand (Chonburi).

The financial result of EUR -2.2 million consists mainly of interest expenses, net of cash deposit income, and bank charges.

Tax expense amounts to EUR 46.8 million or 23.5% of profit before tax. The effective tax rate increased compared to prior year and historically. This is in part linked to the increase of the corporate income tax rate in the UK from 19% to 25%.

Net profit increases by EUR 23 million compared to 2023 and amounts to EUR 152 million or 12.4% on revenue. Earnings Per Share (EPS) increased by 18% to EUR 188 per share. Net Result (u) amounts to EUR 156 million or 12.7% on revenue. The Net Result (u) is the reported net result for the period excluding non-underlying items.

NET FINANCIAL DEBT FURTHER REDUCED TO 0.5 TIMES EBITDA(u)

Over the past 12 months, Lotus Bakeries has generated another record underlying operating cash flow (EBITDA(u)) of EUR 243 million. Investments over the last 12 months and 24 months were in excess of EUR 120 million and EUR 200 million respectively. Continued strong cash flow generation, combined with disciplined investments in maintenance capex and working capital control further reduced the net financial debt/EBITDA(u) ratio to 0.5 at the end of 2024. The reported net financial debt of Lotus Bakeries amounts to EUR 130.2 million and includes EUR 20 million of debt to be expressed by applying IFRS 16 Leases.

Capex for 2025 is in the range of EUR 155 million in line with the previously announced investment program of EUR 275 million for 2024 and 2025 combined.

LOTUS™ NATURAL FOODS HAS THE AMBITION TO BECOME A LEADER IN BETTER-FOR-YOU SNACKING SEGMENT

Lotus™ Natural Foods has become a strong brand pillar since its launch in 2015. The pillar today consists of a great portfolio of better-for-you snacking brands, BEAR®, nākd®, TREK®, Kiddylicious® and Peter's Yard®. The brands were acquired with a predominantly UK sales base and successfully expanded both in their UK home market and internationally. The brands have overperformed in fast growing categories of fruit snacks, energy bars and fruit and nut bars. The brands also have tailwinds from consumer trends: increasing importance of convenience & on-the-go, and health and wellness considerations. The trusted brands cover a wide range of consumers, from toddlers to seniors, providing healthy, convenient snacks for every occasion.

The future path and ambition is clear: build on the current foundation and brand portfolio to become a leader in the better-for-you snacking segment. To maintain momentum, a strategic review across the different brands was done to sharpen and deploy strategic insights and define for every individual brand where to play and how to win.

Insights and next steps are concentrated around a focused approach for different strategic levers of the brands:

#1 BRAND PURPOSE AND GUARDRAILS

For each Lotus™ Natural Foods brand, we went back to the essence: we confirmed their purpose and associated brand guardrails which are the drivers across all marketing levers, be it innovation, media strategy and brand assets & communication. These two principles are at the core of everything we do.

#2 WHERE TO PLAY

Lotus™ Natural Foods is rooted in the UK. It is where all our brands originate from, yet it still remains a market with a lot of untapped potential. At the same time, we are committed to globalising our brands. With success: activities outside the UK grew exponentially in the last 9 years and now account for more than 35% of total sales. For BEAR®, the US even became the largest market.

The goal is to keep on expanding internationally in a focused manner. Not just anywhere, but in well-defined markets for every brand. These markets are selected based on two criteria: (i) the market potential and (ii) the strength of Lotus Bakeries in that market.

#3 ROTATION-LED GROWTH

The markets targeted by Lotus™ Natural Foods have different maturity levels when it comes to natural snacks, so we tailor our growth strategy. Typically, it starts with building a community of loyal consumers who then become true ambassadors for the brands. Distribution wise we start by focusing on a limited number of key retailers, where these core consumers (e.g. health-conscious shoppers) shop and offer a limited set of hero products. When product rotation accelerates, we increase cumulative distribution and include more retailers.

Along the way, we also strengthen our brands' appeal with innovations: new flavours, new product shapes, new pack sizes, etc. Important, these innovations always stay in line with our brands' guardrails.

#4 ENABLERS

We rely on a set of enablers to successfully implement our Lotus™ Natural Foods strategy, such as media capabilities and data & revenue growth management that are shared with the Lotus® Biscoff® Global Brand team.



PARTNERSHIP OF MONDELĒZ INTERNATIONAL AND LOTUS BAKERIES: FIRST CO-BRANDED CHOCOLATE PRODUCTS WILL HIT THE SHELVES SOON

One of the most exciting milestones of 2024, is the strategic partnership with Mondelēz International, announced in June.

Mondelēz International and Lotus Bakeries announced a strategic partnership to expand and grow the Biscoff® cookie brand in India, and to develop exciting new chocolate products combining the unique, crunchy Biscoff taste and texture with Mondelēz's iconic Cadbury, Milka and other key chocolate brands in Europe, with potential options to expand into additional markets.

Since the announcement of the deal, several cross-company project teams have started working together.

For the Biscoff cookie License in India, teams are working hard to define perfect product portfolio, and product price architecture, while other teams are focused on ensuring that the exact same quality and taste & texture of the Biscoff cookies hitting the market in India. For the Global Chocolate License, teams are working hard to bring amazing co-branded chocolate products to market combining the iconic and leading Global Chocolate brands of Mondelēz such as Cadbury, Milka & Cote d'Or with our unique & crunchy Biscoff cookies. The first co-branded chocolate tablets will hit the stores for Cadbury in the UK end of March 2025. The first co-branded Milka tablets are expected to launch soon after in several European markets.

LOTUS BAKERIES SECURES REFINANCING OF LONG TERM DEBT

In the second half of 2024, Lotus Bakeries anticipated the refinancing of an important amount of bank debts due for repayment in 2025 and 2026. To that end, new bilateral financing agreements were concluded with the three house banks KBC, BNP Paribas Fortis and Belfius for a total amount of EUR 225 million, the majority of which are bullet loans with fixed interest rates. The maturities are long term and up to 7 years until 2033. The funds will be taken up in the next 12 months. Next to the refinancing of debt, the new financing also supports the ongoing capacity investment program.

READY FOR THE CORPORATE SUSTAINABILITY REPORTING DIRECTIVE

In 2023, the ESG related corporate governance structure was strengthened by extending the responsibilities of the Audit Committee to an Audit and Sustainability Committee. The Committee also advises the Board of Directors on sustainability policy and reporting.

In the last 18 months, Lotus Bakeries has put a lot of effort in the implementation of the European Corporate Sustainability Reporting Directive.

Starting point for the CSRD implementation is the Double Materiality Assessment that was finalised at the end of 2023. Subsequently, the material topics as per the Double Materiality Assessment were translated and defined into the relevant European Sustainability Reporting Standards. Lotus Bakeries concluded on five applicable ESRS standards and will report all relevant non-financial KPI's associated with the latter. In order to assure efficient and effective reporting, new tools and processes to collect, audit and report the relevant data points were developed.



HIGHLIGHTS



FEBRUARY

Inauguration of nākd® facility in South Africa

Our first in-house production facility for nākd® bars, located next to the existing BEAR® facility in Wolseley, is open for business.



MARCH

New Fruit & Fibre bars

nākd® expands its portfolio with Fruit & Fibre bars.



MAY

Presidential visit at plant in South Africa

South Africa's president Ramaphosa visits our site, symbolising a profound acknowledgment of our dedication to foster community prosperity, employment, and sustainability.



JUNE

100% of BEAR packaging now recyclable in the UK

With this breakthrough, we take another step in achieving our Group's target to limit packaging impact.

MARCH

Double materiality approved

The outcome of our double materiality analysis, a CSRD requirement, is approved by our Board of Directors.

MARCH

Lotus Bakeries enters BEL20 Index

Lotus Bakeries proudly joins the BEL20: the benchmark index of the Brussels Stock Exchange, made up of 20 blue-chip companies.



APRIL

Lotus® Biscoff® scales up in Mebane, US

With an additional production line in Mebane, US, we meet growing demand for Biscoff® in North, Central and South America.



MAY

Well-being in the spotlights at all sites

On our global Well-being Day, all sites organise activities on mental well-being: from mindfulness workshops and healthy lunches to exciting outdoor activities.



JUNE

Strategic partnership with Mondelēz International

Mondelēz International and Lotus Bakeries join forces to expand the Biscoff brand in India and create co-branded chocolate innovations.

JUNE

Global Brand Days: focused on growth, growing with focus

Global Brand teams zoom in on our growth models for Lotus® Biscoff® and Lotus™ Natural Foods, while giving local teams the necessary tools to translate our strategy in their respective areas.



SEPTEMBER

Brand redesign for TREK®

The new TREK® packaging highlights the brand's commitment to plant-based protein, natural ingredients and great taste.

SEPTEMBER

Strengthening the ties with commercial partners

In Switzerland, we invite Lotus® Biscoff® partners from 16 countries for our International Biscoff Growth Meeting.



NOVEMBER



End of first training course for Biscoff operators from Thailand

For two months, we trained our employees from Thailand in Belgium.

JUNE

Prime minister visits Lembeke

Belgium's prime minister visits our headquarters and the Biscoff® factory



AUGUST

Lotus Bakeries reports promising half-year results

In the first six months of 2024, sales growth amounts to almost 20%. The main driver: a robust and broad-based volume increase across geographical segments and brand pillars.

OCTOBER

EXCO welcomes John Van de Par as new CPO and Saskia De Paepe becomes new General Manager for Area Belgium

John Van de Par is appointed Chief Procurement Officer, responsible for Corporate Procurement, Corporate Quality and Corporate R&D. Saskia De Paepe succeeds John as General Manager Belgium.

DECEMBER

Board of Directors' visit to the production site in Wolseley, South Africa

The South African team warmly welcomes the board members with presentations and a tour of the BEAR® and nākd® production facilities. The board members recognise the strategic importance of the plant for the Group's natural foods activities.

02

LOTUS BAKERIES, NICE TO MEET YOU

- Why we’re in business
- What we aim for and how
- Who is leading the way
- Where we are



WHY WE'RE IN BUSINESS

Since 1932, we've been making branded snacks with superior taste experiences. For anyone, anywhere, anytime. And always with the goal of creating moments of joy and happiness in people's daily lives. It all started with a single caramelised cookie back in 1932.

Over the years, however, we **gradually expanded our range of products in the indulgent and better-for-you snacking segment.**

As a result, we now offer many more moments of joy and happiness. Creamy Biscoff® spread on a morning toast, BEAR® fruit snacks when school is out, Biscoff sandwich cookies to nibble on during movie night... Lotus Bakeries is there to **brighten up every moment in day-to-day life**.

In fact, we'd love to show you just how many people we're reaching today – wherever they are, whatever life stage they're in, and whichever personal preferences they have.

LOTUS BAKERIES IS HERE TO **BRIGHTEN UP PEOPLE'S DAILY LIVES** – WHEREVER THEY ARE, WHATEVER LIFE STAGE THEY'RE IN, AND WHICHEVER PERSONAL PREFERENCES THEY HAVE.

LOTUS MOMENT

COFFEE AND BISCOFF®, THERE'S NO BETTER COMBO OUT THERE



AUSTRALIA

The Biscoff® business doubled in Australia in 2024, driven by all hero concepts and a strong presence in the Away from Home channel.

2024 MILESTONE

In 2024, household penetration of Biscoff® has increased significantly by 2 million households or over 5 million Australians.

WHAT WE AIM FOR AND HOW

We want to brighten up people's daily lives with great-tasting branded snacks. This is something we can only realise if we **give every Lotus Bakeries brand the chance to live up to its full potential – today and tomorrow**.

On the one hand, that means combining a distinct long-term vision with quick short-term decision-making, intrinsic to a listed family company. On the other hand, it requires a strategy that plays into each brand's own identity, context and target audience. That's why we group our branded snacks in 3 strategic brand pillars, namely Lotus® Biscoff®, Lotus™ Natural Foods, and Lotus® Local Heroes. Together, they create unique products for every occasion.



OUR 3 STRATEGIC BRAND PILLARS

LOTUS® BISCOFF®

The globalisation of Lotus® Biscoff® is the first pillar of our strategy. Biscoff cookies and spread offer a universally loved taste & texture experience, which is quite unique in the food industry.

LOTUS™ NATURAL FOODS

Since 2015, we have been investing in better-for-you snacks, delivered by strong brands, such as nākd®, BEAR®, TREK®, Kiddylicious® and Peter's Yard®. The internationalisation of these brands forms the second pillar of our strategy.

LOTUS® LOCAL HEROES

Our third strategic pillar includes a wide range of local brands and products – waffles, pastry, gingerbread and cookies – that play an important role in their home market of Belgium, France, the Netherlands or Sweden.

	LOTUS® BISCOFF®	LOTUS™ NATURAL FOODS	LOTUS® LOCAL HEROES
SHARE OF REVENUE [1]	56%	24%	20%
2024 GROWTH	21%	16%	5%
HISTORIC CAGR	17% (2014-2024)	17%[2] (2015-2024)	3% (2014-2024)
STRATEGIC AMBITION	Build Lotus Biscoff to a top 3 global cookie brand	Become a leader in Better-For-You snacking segment	Secure market leadership and strong cash flow

[1] FY 2024 branded revenue
[2] Acquisition adjusted organic growth

We elaborate on the strategy behind our brand pillars and the main highlights of 2024 in chapter 3 of this report.

OUR 5 GUIDING PRINCIPLES FOR A SUSTAINABLE FUTURE

Lotus Bakeries not only aspires to create unique-tasting snacks for this generation, but also for the next. And the ones after that.

That's why all strategic pillars follow 5 Guiding Principles for a sustainable future – our own future and that of our planet. These aptly reflect the outcome of our double materiality assessment, which we conducted in 2023 with various stakeholders (more on page 104).



A BALANCED PORTFOLIO OF GREAT TASTE



Lotus Bakeries aims to delight all consumers with reliable and great-tasting brands that cater to people's evolving expectations.

Food safety and quality

Be a leader in food safety and high food quality standards

A balanced portfolio

Provide a wide array of snacking options to consumers that meet their evolving expectations

ROAD TO NET ZERO



Lotus Bakeries is committed to combat climate change and minimise its impact on the environment in all aspects of its operations, its packaging, as well as its value chain.

Carbon footprint

Achieve net zero greenhouse gas emissions across our value chain by 2050, in line with our SBTi commitment

Energy usage

Increase renewable electricity and energy efficiency

Sustainable packaging

Limit packaging impact

ONE LOTUS FAMILY



Lotus Bakeries is committed to ensure a healthy, safe, inspiring, and rewarding working environment, supported by our TOP values (Team Spirit, Open Dialogue, Passion)

Well-being, diversity, equity and inclusion

Offer long-term employment in an inclusive work environment where every employee feels engaged

Health and safety

Aim for zero accidents

ETHICAL BUSINESS CONDUCT



Lotus Bakeries is committed to act lawfully, ethically and with integrity towards all stakeholders, and promote human rights throughout its value chain.

Business ethics and corporate culture

Champion a culture of ethical behaviour

Partnership for the UN Sustainable Development Goals (SDGs)

Progress on the UN Global Compact

SUSTAINABLE SOURCING



Lotus Bakeries is committed to help build greater resilience in its supply chains by preserving the environment, while ensuring welfare for all along the value chain by setting high ethical business standards.

Partnering in the value chain

Conduct proper due diligence of suppliers

Sustainable sourcing programmes

Participate in sustainable sourcing programmes for key raw materials

Targets

LOTUS MOMENT

SHARING THE BISCOFF® LOVE AT DIWALI, THE HINDU FESTIVAL OF LIGHT



INDIA

The irresistible Biscoff® taste has captivated consumers beyond their homes! In India, Tim Hortons is now offering a delightful range of coffees, shakes, donuts, and cheesecake infused with the delicious Biscoff cookies and spread.

2024 MILESTONE

We signed a strategic partnership with snacking giant Mondelēz International to expand and grow the Lotus® Biscoff® cookie brand in India.

WHO IS LEADING THE WAY

Our ability to offer a perfect snack for every occasion largely depends on **effective and efficient day-to-day management**. Clarity in decision-making, strategic alignment, maintained focus, a culture of accountability...They're all essential to our Group's success and our organisational structure fits the bill.

In a nutshell: the Executive Committee (also referred to as EXCO) determines Lotus Bakeries Group's strategy and objectives and submits them to the Board of Directors for approval. This strategy is then implemented by the country and regional organisations (also referred to as areas), supported by the various corporate departments.



Jan Boone, CEO
Isabelle Maes, CMO Lotus Bakeries & CEO Lotus Natural Foods
Mike Cuvelier, CFO
Ignace Heyman, COO
John Van de Par, CPO (as of 1 October 2024)

Go to Chapter 5 (page 228) for the biographies of our EXCO members.

JOHN VAN DE PAR, OUR NEWLY APPOINTED CPO, ON THE 3 WORDS THAT DEFINED 2024 FOR HIM ...

PRIDE

"First, it's an honour to take over from William Du Pré, who retired after a remarkable 42-year career at Lotus Bakeries. Second, I feel proud of what my teams have achieved in the 9 years that I served as General Manager for Belgium. Together, we significantly strengthened Lotus Bakeries' position in a mature market thanks to a distinct focus on innovation and sustainable growth."

GROWTH

"The word is almost synonymous with Lotus Bakeries. Every year, we raise the bar for ourselves and deliver. But there's no time for complacency as we have high ambitions, like making Biscoff® the number three cookie in the world. I look forward to contributing to the company's future from EXCO – a purposely small team that is known for its long-term vision yet agile decision-making."

SUSTAINABILITY

"We defined our Guiding Principles for a sustainable future many years ago. But today, they're more relevant than ever. We again made good progress in 2024 and I'm well aware of my role to keep on accelerating. The departments procurement, quality and R&D can positively impact all 5 Guiding Principles."



John Van de Par, CPO

OUR GENERAL MANAGERS



Bart Bauwens
General Manager International Distributors Biscoff®



Leon Broer
General Manager International Distributors Natural Foods



Saskia De Paepe
General Manager Belgium



Els De Smet
General Manager SOF Europe



Ronald Drieduite
General Manager SOF Asia



Jeroen Harks
General Manager Netherlands



Margo Joris
General Manager US



Jean-Philippe Kloutz
General Manager France



Twan Thorn
General Manager SOF Lotus™ Natural Foods UK

OUR CORPORATE DIRECTORS



Elena Bayod
R&D Director



Kathleen Buyst
Global Brand Director Lotus® Biscoff®



Wouter Verstringe
FF2032 Investment Fund Director



Katja Maerschalck
Corporate Controlling & Auditing Director



Fouad Elouch
Corporate Reporting & Consolidation Director



Lisa-Marie Janssens
Corporate Director Finance & Supply Chain Lotus™ Natural Foods



Eugenie De Roover
Group Tax Director



Brechtje Haan
Corporate Legal, IP & Communication Director



Els Van Parys
Program Manager Strategic Projects



Hendrik Van Steendam
Global Brand Director Lotus™ Natural Foods



Annelies Santens
Director Treasury & Risk Management



Jean-Paul Van Hoydonck
Global Director Lotus® Biscoff® Engineering, Planning & Capacity



Wannes Schalembier
Corporate Director Finance Biscuits & Bakery



Stéphanie De Lange
Group HR Director



Sabien Dejonckheere
ESG Director



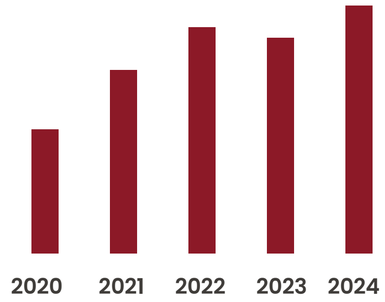
Els Rutsaert
Corporate QA Director



Sofie De Letter
ICT Director

THE TRUE TASTEMAKERS: OUR 3,364-STRONG LOTUS FAMILY

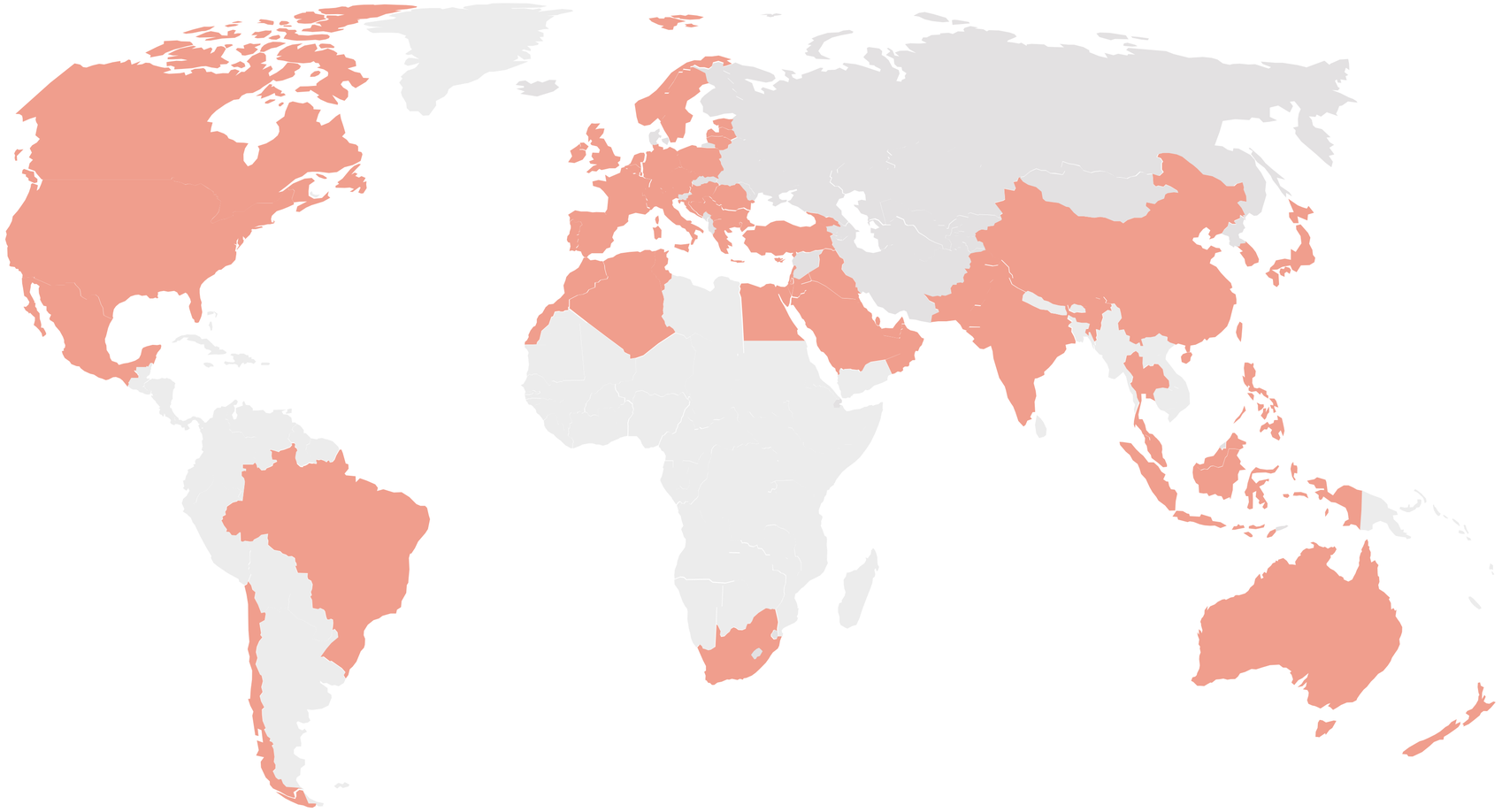
5-YEAR EVOLUTION OF # EMPLOYEES





WHERE WE ARE

Lotus Bakeries is **active in about 70 countries**.

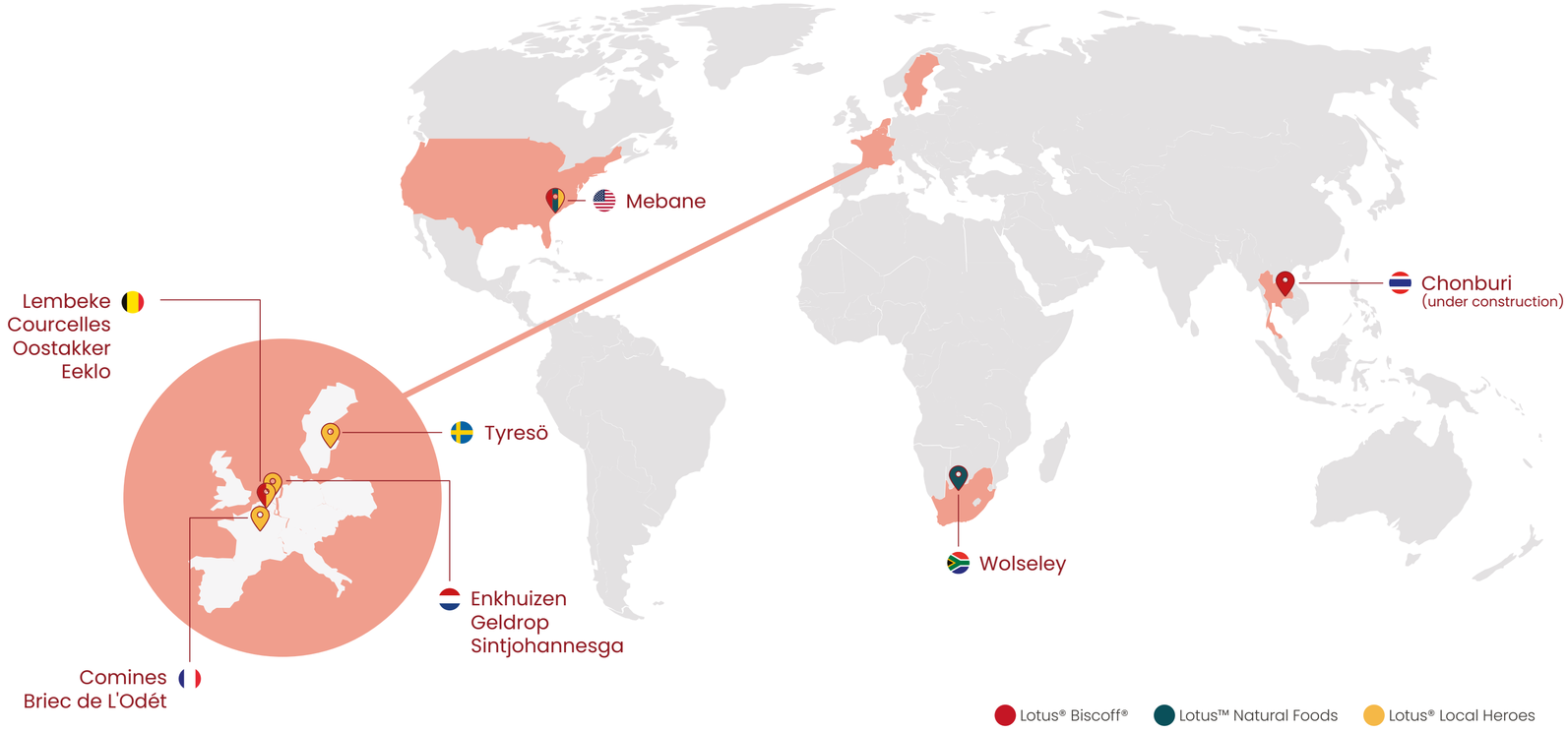


PRODUCTION

Lotus Bakeries has a total of **12 production sites**. They are spread across Belgium, France, the Netherlands, Sweden, the United States and South Africa.

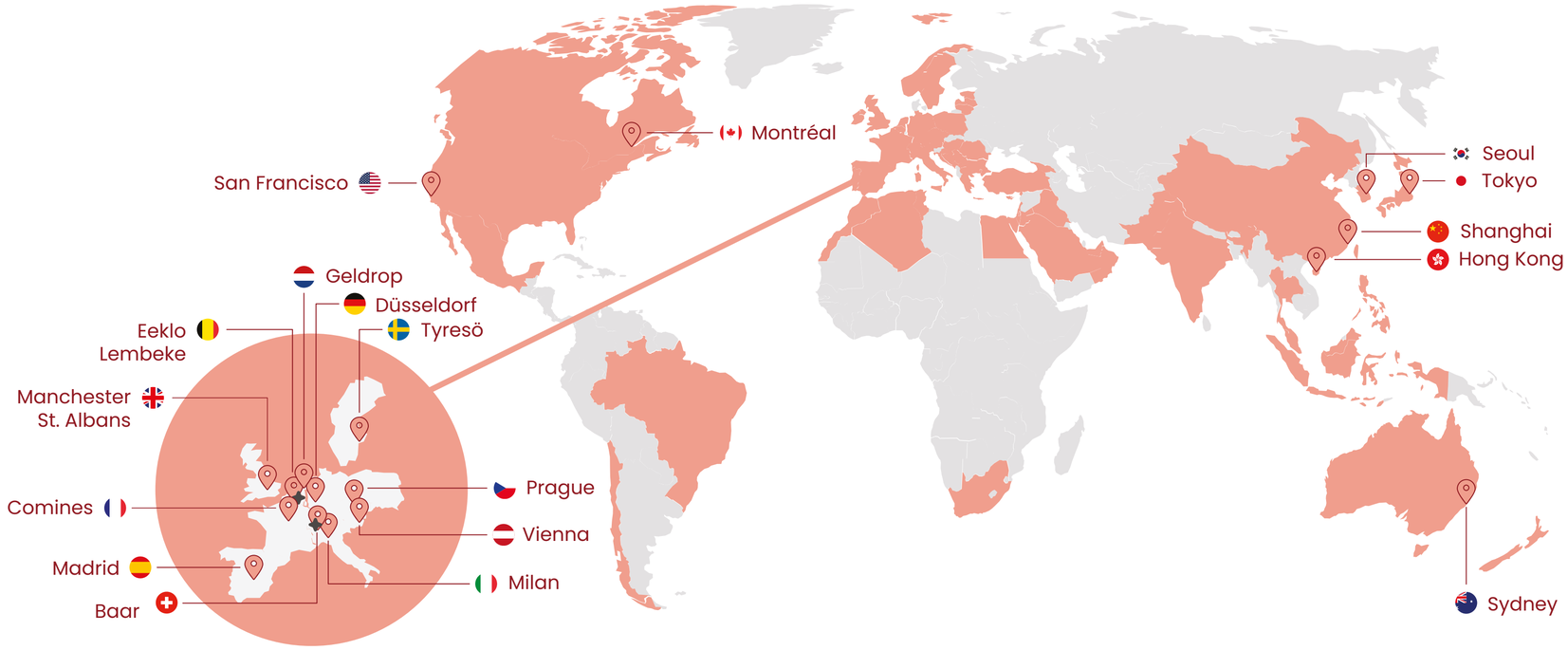
NEW IN 2024

- In Thailand, the construction works for the 13th Lotus Bakeries production site – which will be the third for Lotus® Biscoff® – advanced well. All planned lines will be operational by 2026 (more on page 48).
- In South Africa, we started our first in-house production of nākd® at the beginning of 2024 (more on page 64).
- We moreover expanded our production capacity of BEAR® (South Africa) and Biscoff® (US)



SALES & DISTRIBUTION

On the one hand, Lotus Bakeries has **own sales force in 18 countries**. On the other hand, we work closely with **commercial partners in about 50 countries**. These partnerships are combined into the areas of the International Distributors of Lotus® Biscoff® and the International Distributors of Lotus™ Natural Foods.



03

OUR BRAND STRATEGY

- Lotus® Biscoff®
- Lotus™ Natural Foods
- Lotus® Local Heroes



LOTUS® BISCOFF®

It is our mission to be present in consumer's favourite indulgent moments across the globe with the unique Biscoff® taste experience.

This **universal appeal** is also why we're aiming high, as we want to become the number **three cookie in the world**.



LOTUS® BISCOFF® AT A GLANCE

Launched: **1932**
Share of Lotus Bakeries' branded revenue: **56%**
Distributed in: **about 70 countries**

WHAT WE OFFER: 3 HERO PRODUCTS, 2 AMPLIFIERS



Lotus® Biscoff® cookie
A cookie with a unique taste & texture loved all over the world.



Lotus® Biscoff® sandwich cookie
A Biscoff® sandwich cookie with a smooth Biscoff cream, vanilla or chocolate filling.



Lotus® Biscoff® spread
A spread made from original Biscoff® cookies.



Lotus® Biscoff® chocolate

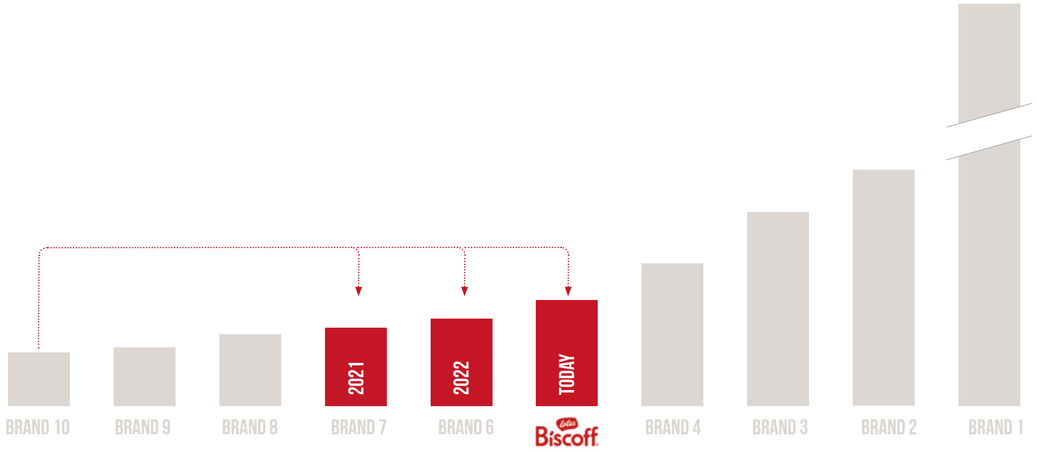


Lotus® Biscoff® ice cream

LOTUS® BISCOFF® STRATEGY

BISCOFF® NUMBER 5 IN THE GLOBAL COOKIE RANKING

In 2024, we took yet another step in achieving our ambition of making Biscoff® the number 3 cookie in the world.



Thanks to a consistent rollout of our Biscoff Growth strategy in all Biscoff® countries, we finished the year with another stellar performance.

Source: External data (sweet biscuits category: mono cookie concepts). Biscoff retail sales value based on internal calculations.



#1

MAXIMISE HOUSEHOLD PENETRATION OF OUR HERO PRODUCTS

The original cookie, the sandwich cookie and the spread are Lotus® Biscoff®'s heroes. Our number one priority is to increase the household penetration of these heroes, meaning we want to convince as many households as possible to buy a Lotus Biscoff product at least once a year. We will keep activating these three products in every possible way, with a wide range of formats matching the local market needs.

"OUR HEROES HAVE PERFORMED STRONGLY IN 2024. MOREOVER, WE STILL SEE A LOT OF POTENTIAL FOR THEM IN THEIR RESPECTIVE GROWTH MARKETS. WE CAPITALISE UPON THIS BY BRINGING NEW FORMATS TAILORED TO THE MARKET NEEDS, LIKE BIGGER PACK SIZES FOR THE US AND SMALLER ONES FOR ASIA AND THE MIDDLE EAST."

KATHLEEN BUYST, GLOBAL BRAND DIRECTOR LOTUS® BISCOFF®

#2

REINFORCE OUR BRAND HALO AROUND OUR UNIQUE TASTE AND TEXTURE

Our Biscoff® heroes - the original cookie, the sandwich cookie and the spread – reinforce each other through a halo effect. That's why we increasingly activate, for example, our cookies and spread together in stores as well as in marketing campaigns like *You Gotta Love Biscoff* (more on page 55).

Thanks to cross-communication – with one creative idea, one website, one identity – we ensure that our unique taste experience gives us even more global recognition and acclaim.



4.5 TIMES MORE LIKELY

People who buy the Biscoff® cookie are 4.5 times more likely to buy the Biscoff spread than those who don't buy our cookie. And vice versa.

#3

ACTIVATE MORE DEMAND SPACES

While Biscoff® remains the perfect coffee companion, we also activate other demand spaces for people to enjoy our branded snacks with unique taste experiences:

- Combining a cookie with coffee
- Eating cookies as a snack
- Using the spread as a topping
- Biscoff® as an ingredient
- Having Biscoff® on festive occasions



#4

AMPLIFY OUR BRAND WITH STRONG PARTNERSHIPS

Partnerships that put our unique Biscoff® taste & texture at centre stage help us to gain visibility and become top of mind. A first focus is on true partnerships with global Fast-Moving Consumer Goods brands, such as Mondelēz International (more on page 42).

However, also other types of partners can boost Biscoff awareness. A telling example is how we successfully work together with renowned Quick Service Restaurants, such as McDonald's, Burger King, Five Guys, Hungry Jack's and Krispy Kreme. For these big and bold partners, the Biscoff product partnerships were often among the best performing in 2024, which regularly resulted in a ripple effect, putting us on our partners' menus from the UK to Australia.

LOTS OF COMPANIES WITHIN FAST-MOVING CONSUMER GOODS, QUICK SERVICE RESTAURANTS, AND OTHER FOOD SEGMENTS WANT A PIECE OF BISCOFF®, ALLOWING US TO BE MORE SELECTIVE. WE ONLY PARTNER UP WITH BRANDS THAT HAVE A BROAD APPEAL, A CONTEMPORARY IMAGE, AND CAN STRENGTHEN OUR GLOBAL BRAND AWARENESS. OBVIOUSLY, THE UNIQUE BISCOFF TASTE & TEXTURE SHOULD STAND OUT IN ALL PRODUCTS WE LAUNCH TOGETHER."

LIESBET VANDEPOEL, GLOBAL CUSTOMER DEVELOPMENT MANAGER AFH & BISCOFF INSIDE



LOTUS MOMENT

SPREADING THE JOY IN THE MORNING



TÜRKIYE

In countries like Türkiye, we activate both the cookie and the spread because we know both have strong consumer appeal.

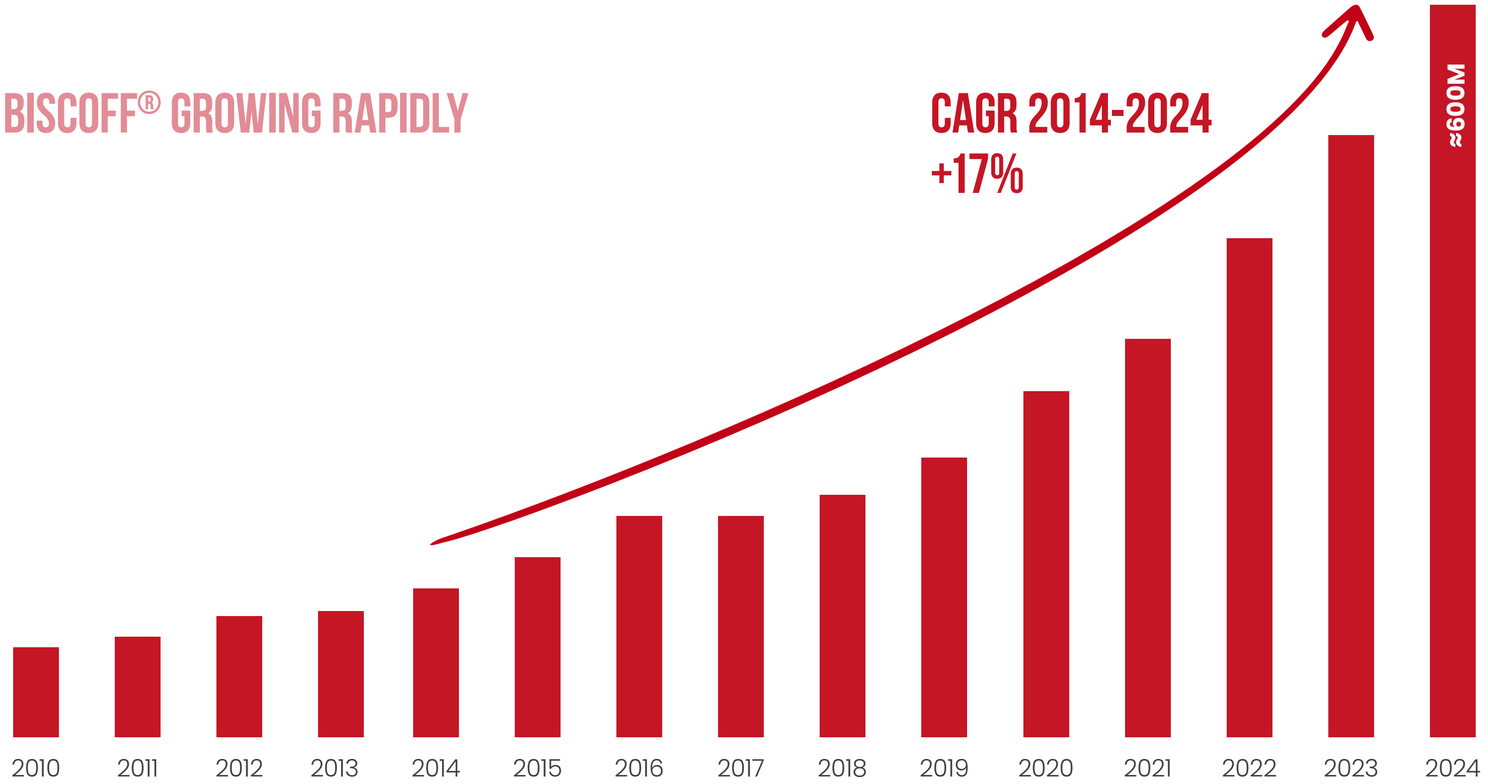
2024 MILESTONE

Of all 3 Biscoff® hero products, our spread experienced the strongest growth.

LOTUS® BISCOFF® PERFORMANCE

SHARE OF BRANDED REVENUE (2024): 56%

BISCOFF® GROWING RAPIDLY



LOTUS® BISCOFF® 2024 MILESTONES

STRATEGIC PARTNERSHIP LOTUS BAKERIES AND MONDELĒZ INTERNATIONAL

In June 2024, Lotus Bakeries and Mondelēz International announced a strategic partnership. Jan Boone, CEO at Lotus Bakeries, sheds his light on the win-win deal.

“WE’RE THRILLED TO JOIN FORCES WITH THE WORLD’S NUMBER ONE COOKIE COMPANY. THE STRONG COLLABORATION IN THE FIRST FEW MONTHS LOOKS PROMISING FOR THE FUTURE.”

JAN BOONE, CEO LOTUS BAKERIES



Jan Boone, CEO Lotus Bakeries
Dirk Van de Put, Chair and CEO Mondelēz International

CAN YOU EXPLAIN HOW LOTUS BAKERIES BENEFITS FROM THE NEW PARTNERSHIP?

"Thanks to the partnership, we'll be able to launch Biscoff® with impact in India, while we can also partner with Mondelēz's strong chocolate brands. In short, joining forces provides new opportunities to accelerate our growth ambitions in the attractive cookie and chocolate categories."

WHY IS INDIA AN ATTRACTIVE MARKET FOR LOTUS® BISCOFF®?

"With Biscoff®, we're on a mission to become cookie number 3 in the global cookie ranking. And if you have that ambition, there's simply no way around India, a growing market with a population of nearly 1.5 billion people. To illustrate, it's estimated that 50% of the growth in the global biscuit and chocolate market will come from 3 countries in the next 10 years: the US, China and India."

"Of course, the attractiveness of the Indian market is nothing new. We've been active for several years. In that time, however, we've learnt that a true recipe for success in India requires various indispensable ingredients."

MONDELĒZ INTERNATIONAL IS EQUALLY EXCITED

"WE LOOK FORWARD TO PARTNERING WITH LOTUS BAKERIES TO EXPAND THE BISCOFF® BRAND IN INDIA, WHERE IT ALREADY HAS A LOYAL FOLLOWING AMONG KEY CONSUMER SEGMENTS."

DIRK VAN DE PUT, CHAIR AND CEO MONDELĒZ INTERNATIONAL

WHAT MAKES MONDELĒZ INTERNATIONAL THE PERFECT MATCH FOR LOTUS® BISCOFF®?

“Mondelēz International operates several facilities and employs about 3,800 people in India. The partnership allows us to build on their local presence, commercial expertise and strong market knowledge. Moreover, Mondelēz International is well-represented in the millions of independent mini stores that make up the Indian retail market. It’s a tough challenge to earn your place on the shelves in such a scattered landscape, but Mondelēz International managed.”

THE PARTNERSHIP ALSO INCLUDES CO-BRANDED CHOCOLATE INNOVATIONS. WHAT CAN CONSUMERS EXPECT?

“The main idea is simple: bringing new innovations to the chocolate category that will surprise and delight consumers. Mondelēz International will bring unique Biscoff® products to market with leading chocolate brands such as Milka, Cadbury and Côte d'Or.”

CADBURY DAIRY MILK AND BISCOFF®

In 2024, Cadbury celebrated it's 200th anniversary and it is the number 1 chocolate brand globally. The new co-branded Cadbury Dairy Milk and Biscoff tablet will be available in the UK and Ireland as of March 2025.



INTERNATIONAL BISCOFF® GROWTH MEETING: SYNCHRONISING THE CLOCKS

2024 was the first full year in which we rolled out the new Lotus® Biscoff® growth model. Internally, we all aligned during the Global Brand Days in Belgium. For our external partners, we hosted the International Biscoff Growth Meeting in Switzerland. In about 50 countries, we work with dedicated commercial partners and distributors to reach our consumers all over the world. It's a vital part of our global success to include these partners in our strategy and to hand them the tools to actively work with our growth model in their countries.

16 COUNTRIES

We've been organising the International Biscoff® Growth Meeting since 2004. For this year's edition, we welcomed 25 commercial partners representing 16 countries from all continents, including Australia, Canada, Indonesia, Saudi Arabia and others. These are all high-potential countries. We strongly believe that these gatherings inspire their teams in building the Biscoff brand and portfolio.

+1 BILLION COOKIES (AND COUNTING)

Together, the commercial partners present at our Biscoff® Growth Meeting serve 176 million households with over 1 billion of our delicious Biscoff cookies a year. The importance of immersing these and other partners in our strategy can hardly be underestimated. That's why the Biscoff Global Brand team and the International Distributors sales and marketing team worked together to make the event a success.



3 DAYS OF INSPIRATION (AND FUN)

On the agenda:

- Elaborate on our strategy, followed by breakout sessions.
- Provide tools to translate and implement the Biscoff® strategy locally
- Share best practices and exchange learnings
- Get to know each other at the foot of the Alps during several activities

1 GOAL

"Meeting our global commercial partners on a regular basis is vital to the success of building the Biscoff® brand globally. By sharing our Biscoff Growth Strategy in an open and transparent way with them during the International Biscoff Growth Meeting, we want to inspire them and make them part of our strategy. Moreover, by linking strong content and commercial messages with an atmosphere of friendship and fun, we create a unique bond between these commercial partners, our brand, our management and the International Distributors team."



LOTUS MOMENT

A TASTY BREAK FROM WORK



SAUDI ARABIA

In 2024, we launched our sandwich cookie, snack pack proposition in Saudi Arabia. This bespoke format will be launched in additional markets in 2025 and beyond.

2024 MILESTONE

Launched in April 2020, our sandwich cookie is now available in 45 countries.

CAPACITY EXPANSION TO SUPPORT GLOBAL LOTUS® BISCOFF® SUCCESS:

Unquestionably, one of the main trends we've witnessed in 2024 is the **strong volume growth** for Lotus® Biscoff®. To maintain momentum and keep up with the growth, we're investing in **capacity expansion on 3 continents**.

#1 GREENFIELD PROJECT IN CHONBURI, THAILAND

To meet rising demand in the Asia-Pacific, we're developing a third production site for Lotus® Biscoff®, next to Lembeke in Belgium and Mebane in the US. We're glad to announce that everything is on schedule to have all our planned production lines up and running in 2026.

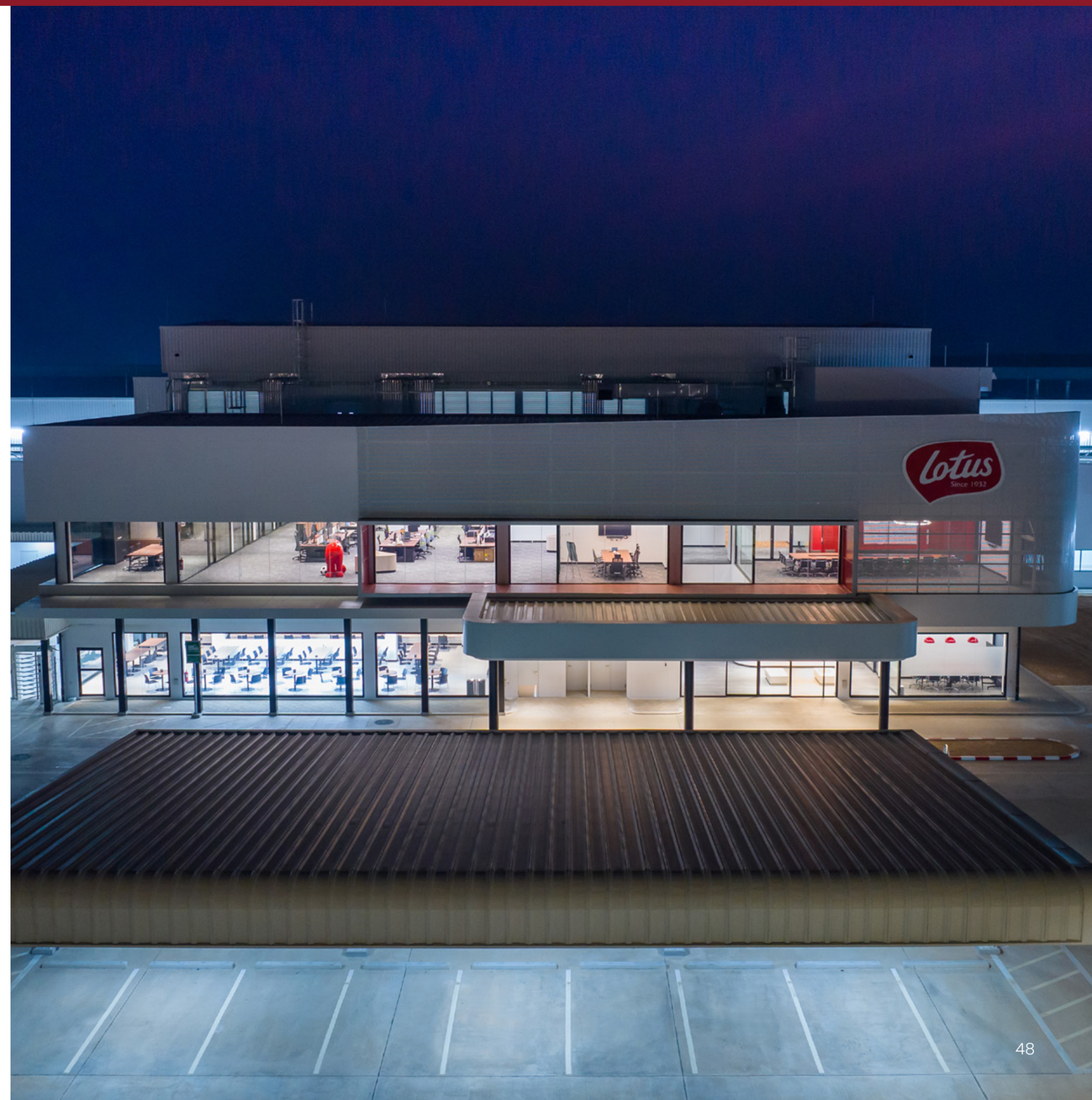
Main progress in 2024

By the end of the year, the facility was **fully built**. At peak moments, we had up to 1,200 workers from different contractors on site, but everything ran smoothly.

Meanwhile, the **first equipment arrived** and we started forming **dedicated teams** – from logistics to production.

"AS A FAMILY-OWNED COMPANY, WE ALWAYS INVEST IN WHAT MAKES SENSE IN THE LONG RUN."

IGNACE HEYMAN, COO



What is needed to reproduce our unique Biscoff® taste? Next to having the right equipment and the right raw materials, **proper training** is the third must-have. So, we leave nothing to chance.

We trained **15 Thai operators** in our Biscoff facility in Belgium, allowing them to learn in an ideal setting. While the training programme began with an onboarding process in Thailand in October 2024, the experience in Lembeke took it to the next level by blending theory, shadowing and practical sessions in **a comprehensive learning journey**.

The eight-week programme immersed Thai operators in the operations of our dough room, bakery and packaging zones – all guided by 14 dedicated Belgian trainers. A key focus concerned **problem-solving and autonomy**. The goal: to equip the trainees to take full ownership of production processes once they return to Thailand.



"I HAD THE HONOUR OF TRAINING OUR THAI COLLEAGUES DURING 4 WEEKS AT OUR PACKAGING DEPARTMENT. WHAT STRUCK ME THE MOST? **THEIR ENTHUSIASM, EAGERNESS AND ABILITY TO QUICKLY PICK UP VARIOUS TASKS. NOTHING SHORT OF IMPRESSIVE!**"

SVEN DE MANGELAERE - LINE OPERATOR



"WE THINK IT'S CRUCIAL THAT OUR PEOPLE GET TRAINED PROPERLY. **THE MORE PROFICIENT YOU ARE AT YOUR JOB, THE MORE REWARDING IT IS**. MOREOVER, AS THIS WAS THE FIRST TIME ABROAD FOR MANY PARTICIPANTS, WE WANTED TO OFFER THEM A PLEASANT EXPERIENCE AND IMMERSE THEM IN OUR LOTUS FAMILY AND TOP VALUES. THE WARM WELCOME AND WILLINGNESS TO HELP FROM THE ENTIRE LEMBEKE TEAM IS MUCH APPRECIATED! A SECOND GROUP WILL BE TRAINED IN 2025."

MAARTEN HOPPENBROUWERS, PLANT DIRECTOR THAILAND

We're expecting to save 15,000 km per container in transport by producing locally for the Asia-Pacific region instead of shipping it from Belgium. This will significantly lower our carbon footprint and bring us closer to achieving our Science Based Targets (more on page 121).

In 2024, we successfully finished the search for ingredients and packaging materials that guarantee our typical Biscoff® taste and are in line with our high food safety and quality standards, as well as our environmental criteria. For example, we'll strictly use RSPO-certified palm oil and FSC-certified packaging material.

Safety is a non-negotiable at Lotus Bakeries. We also apply this mindset beyond our own operations. To illustrate, we paid special attention to policies on health and safety precautions when selecting contractors for the project. This meticulous preparation combined with our own safety management on site paid off in 2024: we reached over 3 million working hours without a single lost-time accident during the plant's construction phase. For many of our Thai contractors, this was an all-time record.

By spreading production across 3 sites on 3 continents, we shorten supply chains, increase flexibility and improve contingency planning.



#2 MORE OUTPUT IN MEBANE, US

Lotus Bakeries has been active for 30 years in the US, the world's most attractive consumer market thanks to its purchasing power and huge population. With success: today, about a quarter of Biscoff® sales take place in the US, more than in any other country. A key element in that success is our local facility in Mebane, North Carolina, which has been operational since 2019.

Main progress in 2024

To sustain growth in our number one Biscoff® market, we **expanded the production capacity** and scaled up to **extra shifts** in Mebane.



"SHORTLY AFTER JOINING THE TEAM, WE CELEBRATED A PRODUCTION RECORD IN SEPTEMBER 2021. **BY OCTOBER 2024, WE SET A RECORD THAT WAS 4 TIMES HIGHER THAN THE ONE 3 YEARS EARLIER.** THAT REALLY SUMS UP OUR GROWTH AND COLLECTIVE SUCCESS."

DRIES MERMUYS, OPERATIONS DIRECTOR US

#3 INCREASED EFFICIENCY IN LEMBEKE, BELGIUM

Our site in Lembeke is where it all started for Lotus Bakeries. Today, it's still our largest Biscoff® production site and therefore a cornerstone of our global success. Here, however, we didn't commission extra lines to bring rising demand and production capacity in balance. Instead, we found a way to produce even more with our existing infrastructure thanks to the in-depth knowledge and strong commitment of our Lotus Family.

Main progress in 2024

We managed to produce 20% more volume than in 2023 thanks to:

- **More production hours**
  About half the volume growth was realised thanks to more production hours. This includes extra shifts in the weekend and using most lines non-stop at full capacity.

- **Efficiency gains**
  We made progress on several fronts. Not only did we optimise process and dough efficiency, but we also increased the percentage of manufacturing time that is truly productive by optimising our planning as well as shortening maintenance breaks.

- **Work ethics and expertise**
  By dividing our large production facility into smaller units, each with their own manager and team dynamics, we managed to sharpen the focus and lift the ownership of our colleagues. This reorganisation was carefully prepared and rolled out, and it was met with a positive response. Our seasoned teams have gone above and beyond to keep up with rising demand and shown that they fully embrace our TOP values – much appreciated!

We celebrated our new production records with treats for the whole team. This type of workplace recognition motivates, provides a sense of accomplishment and makes everyone feel valued for their work.

Because of our increased production, we lowered the energy usage per kg produced. This, in turn, reduces the greenhouse gas intensity. Other actions in Lembeke to achieve our targets within Road to Net Zero (see more on page 120) include an energy monitoring system to maximise energy efficiency.


you gotta love
Lotus
Biscoff
vanilla
flavour
Lotus
Biscoff
Lotus
Biscoff
Smooth

BRAND AWARENESS: YOU GOTTA LOVE BISCOFF

Last year, we announced our intention to fully focus on digital media. In 2024, we walked the talk with *You Gotta Love Biscoff*.

IN A NUTSHELL

What?
A digital-first marketing umbrella for our hero products

For whom?
Particularly aimed at people between 18 and 44 years old

Why?
To raise brand awareness and reinforce the Biscoff halo effect

Where?
The US, Australia, the UK, Spain, France, the Netherlands and Belgium

How?
Via digital channels ranging from connected TV to TikTok and YouTube, while we also aligned our in-store marketing activities

"THE CAMPAIGN CONCEPT IS GREAT BECAUSE IT'S EASILY SCALABLE AND VERSATILE ENOUGH TO BE USED FOR DIFFERENT CONTENT AND CHANNELS. MOREOVER, **IT CONNECTS EMOTIONALLY BY EMPHASISING THE CRAVING FOR BISCOFF®**. THE FIRST RESULTS EMPOWER US TO TAKE **YOU GOTTA LOVE BISCOFF** TO THE NEXT LEVEL."

VICTORINE CLÉMENT, GLOBAL DIGITAL MEDIA MANAGER

LOTUS MOMENT

PACKING BEAR® FOR A HEALTHY SCHOOL DAY



US & UK

Research in the UK and the US demonstrates that the top reason for parents to buy BEAR® is that their kids love it.

2024 MILESTONE

To keep up with global demand, we expanded our footprint in South Africa.

LOTUS™ NATURAL FOODS

In creating a balanced portfolio of snacks tailored to every occasion, the natural snacking segment plays a key role.
It's no secret that in **today's world**, consumers increasingly put better-for-you snacks on their shopping list.

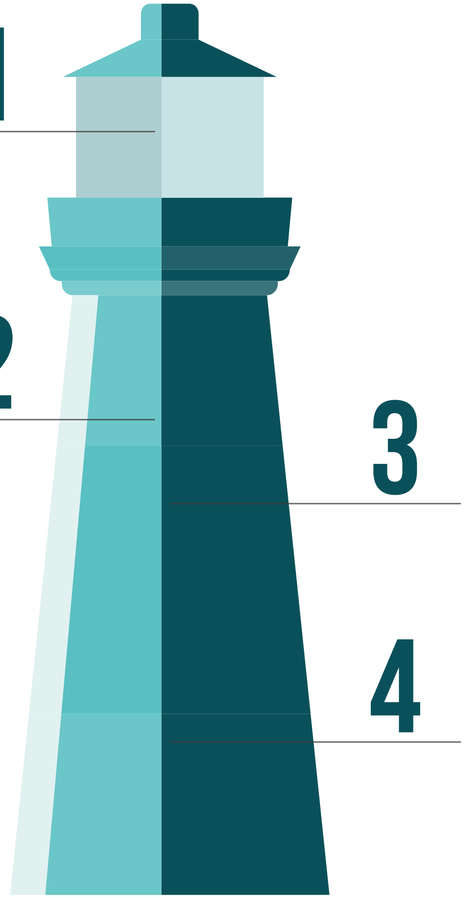
All natural, no added sugars, high in fibre, less processed, plant-based proteins… These attributes are rapidly gaining appeal. Something that's true across all age groups, from toddlers to seniors. Our response: Lotus™ Natural Foods. It's how we help consumers make **better-for-you snacking choices, without compromising on great taste.**

Launched:
2015
Share of Lotus Bakeries' branded revenue:
24%



LOTUS™ NATURAL FOODS STRATEGY

Thanks to a focused strategy, we took further steps in the internationalisation of our brands within Lotus™ Natural Foods.



#1 BRAND PURPOSE AND GUARDRAILS

For each Lotus™ Natural Foods brand, we defined their brand purpose and guardrails, which are at the core of everything we do.

#2 WHERE TO PLAY: INTERNATIONAL EXPANSION

The goal is to keep on expanding internationally in a responsible and focused manner. Not just anywhere, but in well-defined markets for every brand. These markets are selected based on two criteria: whether there's enough potential for natural snacking category and Lotus Bakeries' potential in that market.

#3 ROTATION-LED GROWTH

The markets targeted by Lotus™ Natural Foods have different maturity levels so we tailor our growth strategy. Typically, it starts with focusing on a limited number of key retailers skewed to health conscious consumers and offering only one or two hero products.

Only when product rotation accelerates, we increase distribution and range. Along the way, we also strengthen our brands' appeal with innovations. Important, these innovations always stay in line with our brand guardrails.

#4 ENABLERS

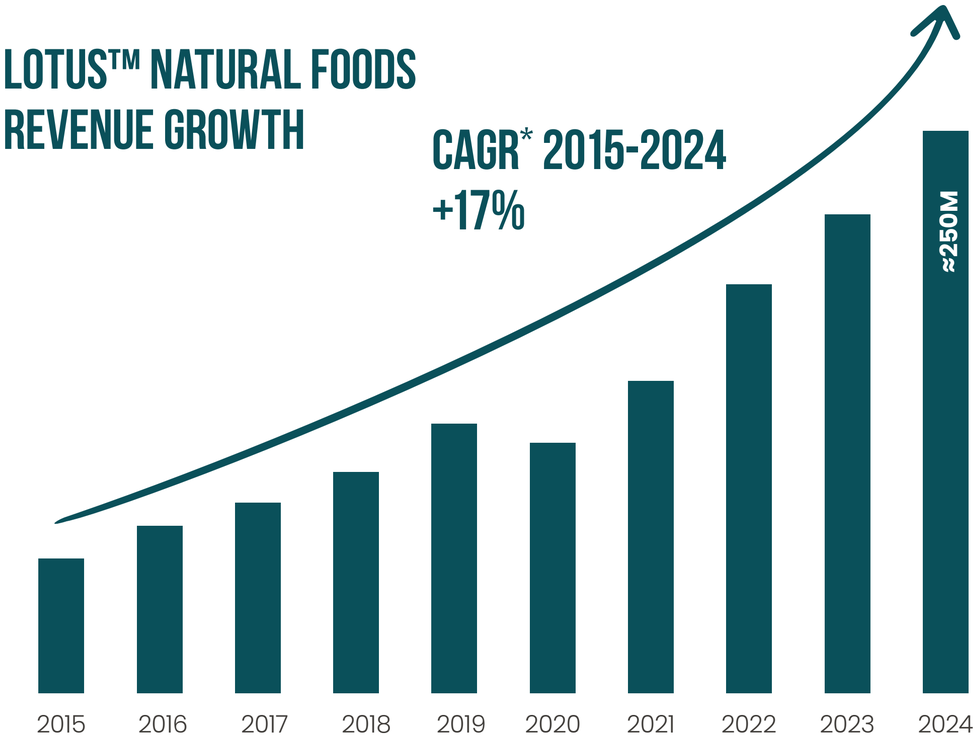
We rely on a set of enablers to successfully implement our Lotus™ Natural Foods strategy, such as media capabilities, data management and revenue growth management.

LOTUS™ NATURAL FOODS PERFORMANCE

SHARE OF BRANDED REVENUE (2024): 24%

LOTUS™ NATURAL FOODS REVENUE GROWTH

CAGR* 2015-2024
+17%



* Based on acquisition adjuisted organic growth

LOTUS™ NATURAL FOODS 2024 MILESTONES



Isabelle Maes
CMO Lotus Bakeries &
CEO Lotus™ Natural Foods

OUR SHARPENED STRATEGY SETS THE SCENE FOR THE NEXT YEARS

Strategy is choice. And every few years, we evaluate our strategic choices in the light of recent and upcoming developments. 2024 was such a pivotal year. Isabelle Maes, CMO Lotus Bakeries & CEO Lotus™ Natural Foods, reveals exactly what we mean with more focus.

WHY WAS THIS THE RIGHT MOMENT TO SHARPEN THE LOTUS™ NATURAL FOODS STRATEGY?

"We do this exercise every few years. This time, we started from a couple of crucial insights. First, our brands are doing remarkably well in their already fast-growing categories. Second, after 9 years of activity in the natural snacking segment, we understand consumer behaviour in our key markets much better."

WHAT IS THE MAIN CONCLUSION AFTER NEARLY 10 YEARS OF STRONG GROWTH?

"That we have a nice portfolio of strong brands. It's energising to see that we're rapidly gaining ground in the hearts and minds of consumers, with products ranging from energy bars to fruit snacks.

"THE CORE OF OUR SHARPENED STRATEGY FOR 2028: STARVE YOUR DISTRACTIONS, FEED YOUR FOCUS."

"Making healthy snacking easy for parents & fun for kids."

"Making truly healthy & natural snacking tasty & easy for everyone."

"Natural everyday energy for everyone with a tasty protein bar."

"Yummy finger food developed to support you and your little one's development, without judgement."

BY PUTTING THE BRANDS' PURPOSE AND GUARDRAILS FRONT AND CENTRE ...

"Precisely. We re-established the purpose and guardrails of BEAR®, nākd®, TREK® and Kiddylicious®, which will be the basis of everything we do. For instance, it might make perfect business sense for BEAR® to launch a bar in certain markets. But as one of the brand's guardrails is 100% fruit, we won't. Focus is the art of knowing what to do, but also what not to do."

HAS LOTUS™ NATURAL FOODS ALSO FINETUNED ITS FOCUS IN OTHER AREAS?

"For each brand, we decided which countries to prioritise. That geographical breakdown will be the basis for resource allocation, including media investments and the time our Global Brand team dedicates to each market and brand."

"To promote our hero propositions, we'll adopt a digital-media strategy targeted at our core consumers.

Think about parents with babies for Kiddylicious® and health-conscious consumers for nākd® and TREK®. I'm confident that this focused approach will give every single Lotus™ Natural Foods brand the chance to live up to its full potential."

WHAT ARE THE NEXT STEPS?

"At the beginning of 2024, we presented our strategy and objectives. To start implementing this within our areas, we hosted the Global Brand Days for our sales and marketing teams in June. During that event, we further elaborated on the strategy and offered our teams practical tools to get started. It was all about getting everyone on the same page, as well as empowering them to translate and implement our strategy locally. After that, we embarked on the most challenging part of the journey: bringing the strategy to life."

GOOD LUCK!

"Thanks. In the end, I think it all comes down to the power of the Lotus Family. People are proud to work for the company and feel great passion for our brands. They go the extra mile because of that. Despite our strong growth, that culture of genuine commitment is still very much the company's lifeblood. Something we're very grateful for."



“THE GLOBAL BRAND DAYS GAVE US AN IDEAL OPPORTUNITY TO **DIVE DEEPER INTO THE WHAT AND WHY OF OUR GROWTH MODEL, BUT ALSO INTO THE HOW**. WE MADE IT VERY TANGIBLE. FOR EXAMPLE, WHICH KEY VISUALS WILL BE USED IN STORES, WHICH DIGITAL MEDIA TACTICS WILL WE PURSUE, AND MUCH MORE. SHARING OUR INSIGHTS ON THE TOOLS THAT WILL MAKE THE STRATEGY WORK GAVE THE EVENT A VERY EMPOWERING VIBE.”

ISABELLE MAES, CMO LOTUS BAKERIES & CEO LOTUS™ NATURAL FOODS

LOTUS MOMENT

COMPLETING A LATE-AFTERNOON ROUTINE WITH TREK



UK AND BEYOND

TREK® Protein Oat Bars are growing beyond the UK.

2024 MILESTONE

Launched a brand-new design for TREK® packaging, highlighting tasty bars and strong claims to boost brand recognition and growth.

OUR SOUTH AFRICAN PLANT FUELS LOTUS™ NATURAL FOODS' GROWTH

With strong growth in volumes come new capacity needs. In 2024, we started our first in-house production of nākd® bars. Meanwhile, we extended our footprint and prepared everything to increase capacity of BEAR® fruit snacks from 2025 on. This is where the magic happens.

FIRST IN-HOUSE NĀKD® PRODUCTION

In 2024, we started in-house production of nākd® bars for international markets. It has been a steep and interesting learning curve, from finding the perfect regime for maintenance to mastering all the technicalities of a raw bar.



1. OPENING BEAR® PLANT
May 2019

2. BEAR® CAPACITY EXPANSION
January 2021

3. NĀKD® PLANT
January 2024

4. BEAR® CAPACITY EXPANSION
January 2025

NEW TRAINING CENTRE
In our training centre for up to 40 people, we deliver our own training and help employees to obtain recognised qualifications.

NATURAL SNACKS POWERED BY SOLAR ENERGY
Solar panels allow us to fully operate on green energy during several months of the year. Moreover, the panels are connected to new batteries, which make it possible to run off-grid for up to 8 hours.

CERES VALLEY OFFERS WORLD-CLASS APPLES AND PEARS
Just about all the fruit we use for our BEAR® fruit snacks comes from the nearby Ceres Valley.



LOTUS MOMENT

AN ENERGISING RAW BAR ON A HOT SUMMER DAY



SPAIN

Among a variety of irresistible flavours, Blueberry Muffin stands out as Spain's all-time favourite nākd® bar, convincing everyone with its natural sweetness and fruity goodness!

2024 MILESTONE

In the UK, we expanded our range with two new fruit and fibre bars, offering consumers a delicious, and fibre-rich start to their day and beyond.

CREATING ONE BIG LOTUS FAMILY

If you know that every person in our 800-strong team supports a large family, we directly and proudly benefit the lives of a lot of people in the local community of Wolseley.

"IN 5 YEARS, WE WENT FROM 8 TO 100 CONTAINERS A MONTH, AND FROM 250 EMPLOYEES TO A TEAM OF 800 PASSIONATE COLLEAGUES IN 2024. IT'S THEIR POSITIVE SPIRIT, WORK ETHIC AND SENSE OF OWNERSHIP THAT HAVE TURNED THIS SITE INTO A VERY IMPORTANT PRODUCTION SITE FOR LOTUS BAKERIES. IN TURN, WE PROVIDE THEM WITH THE BEST POSSIBLE WORKING ENVIRONMENT. TOGETHER, WE SHOWCASE THE VAST POTENTIAL OF SOUTH AFRICA."

DONALD MATHESON, MANAGING DIRECTOR LOTUS MANUFACTURING SOUTH AFRICA



SOUTH AFRICA'S PRESIDENT RAMAPHOSA CONFIRMS THAT WE PRACTISE WHAT WE PREACH

On May 2, 2024 Lotus Bakeries proudly welcomed president Ramaphosa to the production site in Wolseley. The visit marked a significant recognition of Lotus Bakeries' firm commitment to invest in South Africa and actively foster local job creation, while always maintaining the highest production quality standards.

Both the first in-house production of nākd® early 2024 and the major expansion for BEAR® early 2025 show that we have confidence in South Africa's potential to support the international growth of Lotus™ Natural Foods.



LOTUS MOMENT

GOING BANANAS WHEN EATING BANANA WAFERS



FRANCE

Kiddylicious® had a great year in France in 2024, reflecting its core belief that great taste is key to fostering a positive attitude to food from an early age.

2024 MILESTONE

We prepared an entire rebranding and redesign for Kiddylicious® – which went live early 2025.

NĀKD® INNOVATES WITH NEW PRODUCT CATEGORIES

Next to our nākd® fruit & nut bars, we recently launched two new product lines: nākd protein bars and nākd fruit & fibre bars.





TREK® REVAMP TO FIT GLOBAL AMBITIONS

TREK® provides natural everyday energy for everyone with a tasty protein bar. This highly distinctive DNA is promoted globally as of 2024. And to match our global perspective, we made some changes...

We developed a new brand design, featuring a more contemporary look, a larger logo and brand name, and more emphasis on TREK's commitment to plant-based protein, natural ingredients and superior taste.

This winning combination between better-for-you attributes and great taste runs as common thread through all Lotus™ Natural Foods brands.



LOTUS MOMENT

TODAY'S WEATHER: CLOUDY WITH A CHANCE OF SPRINKLES



BELGIUM

Camille Dhont, a Belgian pop singer and actress, featured in our digital media spots to promote our mouthwatering new Lotus® Cake Donuts. We also handed out free samples to thousands of fans at Camille's concert in Antwerp.

2024 MILESTONE

Shortly after launching our Lotus® Cake Donuts in Belgium and France, we already reached a significant household penetration and a high product awareness.

LOTUS® LOCAL HEROES

It's often said that food is a universal language, but in most cases the opposite is true: food **preferences, trends and patterns differ from country to country**.

In our brand pillar **Lotus® Local Heroes, we group a range of local hero brands and products** that play a prominent role in their home market. After all, offering a balanced portfolio of brands with unique tastes for everyone is only possible when we also cater to the taste buds of consumers who particularly love their national snacking habits.



LOTUS® LOCAL HEROES AT A GLANCE

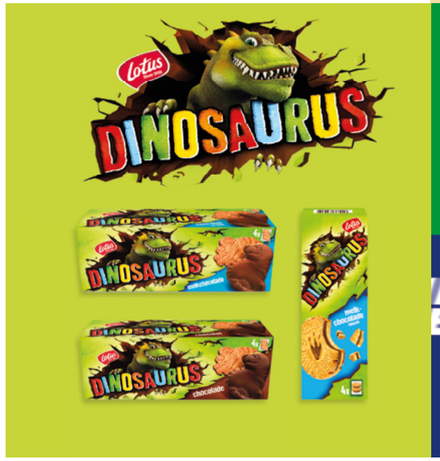
Share of Lotus Bakeries' branded revenue: **20%**

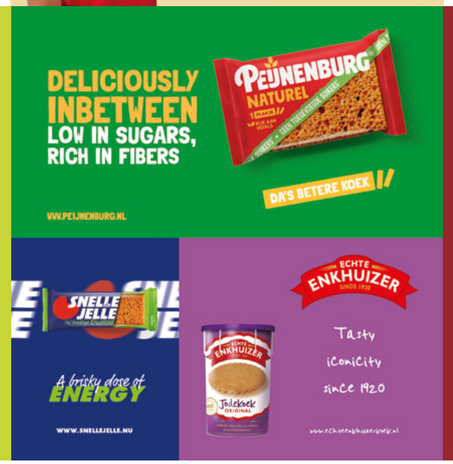
Home markets: **Belgium, France, the Netherlands, Sweden**

WHAT WE OFFER: WAFFLES, PASTRY, COOKIES AND MORE











LOTUS® LOCAL HEROES STRATEGY

REINFORCING THE SUCCESS OF LOCAL STRONGHOLDS THROUGH FOCUS

Lotus® Local Heroes accounts for 20% of Lotus Bakeries' branded revenue in 2024. That means the share of revenue in the respective Local Heroes countries is even higher.

To maintain our strong market positions in our home countries, we make **focused investments** in various areas, such as:

- Innovation (e.g. Lotus® Cake Donut)
- Superior product quality and safety
- Up-to-date positioning
- Sustainable packaging
- Improved recipes

We explicitly **focus on strengthening our local hero products in their home market**, contrary to the global hero propositions of Lotus® Biscoff® and the international hero propositions of Lotus™ Natural Foods. This links to various reasons. First, as already mentioned, some tastes are only successful in one particular country. Second, sometimes limited shelf life complicates internationalisation.

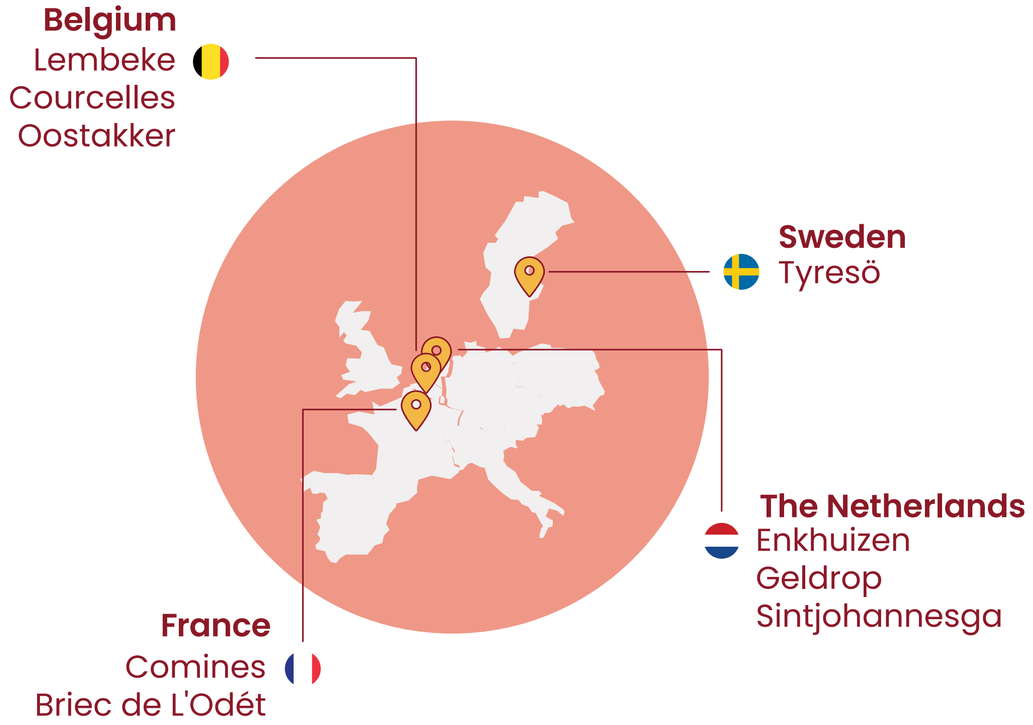


"Great taste is at the heart of everything we do. Some of our Local Heroes have been successful for decades, but even so, we carry out frequent quality checks to ensure that our consumers are always getting the best quality and taste experience. And when we see room for improvement, we don't hold back. That absolute commitment to great taste keeps our Local Heroes fans coming back for more."

Els Rutsaert, Corporate QA Director

LOTUS® LOCAL HEROES PRODUCTION

SHARE OF BRANDED REVENUE (2024): 20%



LOTUS® LOCAL HEROES 2024 MILESTONES

LOTUS® CAKE DONUT IS TAKING OVER BELGIUM AND FRANCE

One year after rejuvenating the local waffles and pastry market with our fun-inspired fluffy Cake Donuts, we assessed the concept. The conclusion: Lotus® Cake Donut passes with flying colours. It has a very wide distribution in Belgian and French retailers. Moreover, it performs great, drives incremental penetration, shows excellent repurchase results, and is particularly loved by youngsters.



AWARDS FOR PEIJNENBURG®

The relaunch of Peijnenburg® in 2023 turned out to be the right call. In 2024, Peijnenburg received recognition from both consumers (Product of the Year) and retailers (Captain of the Category).

"WE WANTED TO CREATE A NEW STANDARD OF IN-BETWEENS WITH OUR NEW GENERATION OF GINGERBREAD, BLENDING OUR MUCH-LOVED TASTE WITH OUR BREAKTHROUGH NO-ADDED-SUGARS RECIPE. THE PEIJNENBURG RANGE WITHOUT ADDED SUGARS IS THE RESULT AND IT'S HITTING ALL THE RIGHT NOTES IN THE MARKET."

DAVID JISCOOT, MARKETING DIRECTOR THE NETHERLANDS



LOTUS MOMENT

PLAYING ‘KOEKHAPPEN’ ON KING’S DAY





THE NETHERLANDS

Peijnenburg® is a true Dutch heritage. The history of Peijnenburg’s delicious gingerbread goes back 140 years...

2024 MILESTONE

Peijnenburg® received recognition from both consumers (Product of the Year) and retailers (Captain of the Category) in the Netherlands.



ANNAS® = BEST-SOLD BRAND OF SWEET BISCUITS IN SWEDEN

Isn't Annas® an end-of-year snack? Yes, 85% of sales happens in the last months of the year as it's usually consumed in the run up to Christmas. Annas showed good growth in 2024 strengthening its market leading position in Sweden in the 'Sweet Biscuits' category. For Christmas 2024, Annas launched big crunchy, heart-shaped ginger thins – a huge hit.

"WHEN A SEASONAL SNACK BECOMES THE BEST-SOLD BRAND IN ITS CATEGORY, YOU HAVE EVERY RIGHT TO BE AS PROUD AS WE ARE RIGHT NOW."

EVA FORSBERG, CATEGORY & MARKETING MANAGER



LOTUS MOMENT

THERE'S NOTHING LIKE ANNAS TO GET ALL CHRISTMASSY



SWEDEN

It has been nearly 100 years since the two sisters Anna and Emma Karlsson opened their home bakery in Stockholm, and today Annas® are Sweden's most-loved ginger thins.

2024 MILESTONE

Annas® confirms its number one position as most consumed sweet biscuit brand in Sweden.

04

CARE FOR TODAY, RESPECT FOR TOMORROW



› Introduction

› Sustainability statements

› Other sustainability information

INTRODUCTION

Lotus Bakeries aims to achieve sustainable, profitable growth by providing consumers around the world with a diverse range of branded snacks for every occasion. As part of this ambition, we aspire to create value in a sustainable way, not only today, but also for the generations to come.
The range of sustainability matters that are material to our company have been captured in our sustainability programme ‘Care for Today, Respect for Tomorrow’.

The programme ‘Care for Today, Respect for Tomorrow’ entails the sustainability topics that have been reconfirmed to be material, based on the double materiality assessment. These topics have been aggregated into five Guiding Principles, each with underlying objectives. Together, the five Guiding Principles respond to our material sustainability impacts, risks and opportunities. And they support our mission to create small moments of joy and happiness by offering a versatile range of branded snacks with superior taste experience, to every consumer, for every occasion, in every country.



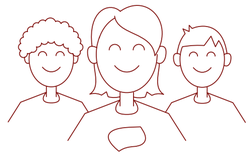
LOTUS BAKERIES SUSTAINABILITY PROGRAMME

CARE FOR TODAY

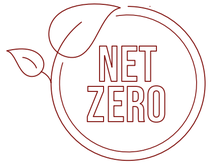
RESPECT FOR TOMORROW

European Sustainability Reporting Standards	ESRS S4 End consumers	ESRS S1 Own workforce	ESRS G1 Business Conduct	ESRS E1 Climate change ESRS E5 Resource use & circularity	ESRS E1 Climate Change ESRS G1 Business Conduct
	↓	↓	↓	↓	↓
	Delight consumers	Employee health, safety and well-being	Good governance	Minimise impact on the environment	Resillient supply chains while ensuring welfare for all
ESG GUIDING PRINCIPLES	**A BALANCED PORTFOLIO OF GREAT TASTE**	**ONE LOTUS FAMILY**	**ETHICAL BUSINESS CONDUCT**	**ROAD TO NET ZERO**	**SUSTAINABLE SOURCING**













A BALANCED PORTFOLIO OF GREAT TASTE

COMMITMENT

Delight all consumers with reliable and great-tasting brands that cater to people's evolving expectations.

WHAT TYPIFIES LOTUS BAKERIES?

Building a balanced portfolio of top-quality branded snacks with unique tastes is our core business. It's what we've been doing for decades and pride ourselves on. Together, we ensure taste and quality are King and Queen at Lotus Bakeries.

"Our EXCO members test, discuss and evaluate every new product or improvement to an existing product. And they're outright critical when it comes to great and consistent taste. That personal commitment at top level defines Lotus Bakeries. Of course, there are also dozens of enthusiastic colleagues involved through various testing panels. A big shout-out to them as well!"
Elena Bayod, R&D Director

FOCUS AREAS

Food safety and quality

More than anything else, people expect high-quality snacks in which they can trust blindly. That makes quality and food safety throughout the supply chain our top priority. And because it's that essential to our success, it's embedded at all levels of the company. Directly or indirectly, everyone at Lotus Bakeries contributes to superior food safety and quality.

Target: Be a leader in food safety and high food quality standards

A balanced portfolio

By promoting a wide variety of mostly plant-based snacks, we help consumers in putting together a balanced diet and enjoying all the benefits that come with it – without having to compromise on taste. Moreover, a shift towards plant-based proteins helps in establishing a food system with a lower carbon footprint.

Target: Provide a wide array of snacking options to consumers that meet their evolving expectations

Read all about our Balanced Portfolio of Great Taste: pp. 174-182 (ESRS S4).



ONE LOTUS FAMILY

COMMITMENT

Ensure a healthy, safe, inspiring, and rewarding working environment, supported by our TOP culture.

WHAT TYPIFIES LOTUS BAKERIES?

We all have the same goal: making branded snacks with unique tastes accessible to everyone. Something we do with a smile. And to stimulate our homemade happiness, at Lotus Bakeries, it's all about enabling colleagues to become the best version of themselves.

"Our people's drive and shared TOP values propel Lotus Bakeries forward. Many colleagues truly believe in the company's ambition and are willing to go the extra mile for it. The resulting growth energises our teams even more, so it's an upward spiral."
Stéphanie De Lange, Group HR Director

FOCUS AREAS

Well-being, diversity, equity and inclusion

We want to ensure that every individual in our international and diverse workforce is treated equally, feels enabled to make meaningful contributions and gets the necessary support for their physical and mental well-being. Moreover, we want everyone in our growing Group to be connected by our TOP values – the true glue of Lotus Bakeries.

Target: Offer long-term employment in an inclusive work environment where every employee feels engaged

Health and safety

A 100% safe and healthy workplace is non-negotiable. Everyone should always go home safe and sound. That's why we proactively take measures to improve occupational health and personal safety, creating a safe environment for all. Within those measures, we pay special attention to training, awareness and collaboration.

Target: Aim for zero accidents

Read all about One Lotus Family:
pp. 157-173 (ESRS S1).

GOVERNANCE

ETHICAL BUSINESS CONDUCT



COMMITMENT

Act lawfully, ethically, and with integrity towards all stakeholders and promote human rights throughout the value chain.

WHAT TYPIFIES LOTUS BAKERIES?

We have an impact-driven focus. That means we only work on topics when we can have a genuine impact. Second, we value consistency. Although legislation differs from country to country, our ethical principles don't. Everyone deserves the same respect and standards.

"At Lotus Bakeries, there's no paper pushing or window dressing. We boil every ethical issue down to its essence, then come up with an approach that's fit for purpose. This saves time, keeps our focus on what matters most, and – more importantly – gets everyone on board."
Brechtje Haan, Corporate Legal, IP & Communication Director

FOCUS AREAS

Business ethics and corporate culture

Long-term success and ethical business conduct are two sides of the same coin. Consumers demand accurate product labels, suppliers want their data protected at all times, customers expect principled relationships, etc. For us, it's all about building a culture of trust, integrity and accountability, rather than ticking compliance boxes.

Target: Champion a culture of ethical behaviour

Partnership for the UN Sustainable Development Goals (SDGs)

We not only want to build unique-tasting brands for this generation, but also for the next. And the ones after that. That's why we are signatory to the UN Global Compact since 2021 and commit to upholding the 10 Principles of the United Nations. With this approach, we directly impact 8 SDGs and contribute significantly to 6 other SDGs.

Target: Progress on the UN Global Compact

Read all about our Ethical Business Conduct: pp. 184-194 (ESRS G1).

ROAD TO NET ZERO



COMMITMENT

Combat climate change and minimise impact on the environment in all aspects of the operations, packaging as well as our value chain.

WHAT TYPIFIES LOTUS BAKERIES?

We don't conform to 'doing our best'. No, we want to do what's scientifically necessary to limit global warming to 1.5 degrees Celsius above pre-industrial levels. Hence the reason why we joined the Science Based Targets initiative (SBTi).

"Our SBTi decarbonisation plan, including targets and future actions across our most important action levers, is the foundation for the next decades. Backed by climate science, we'll combat global warming with the resources available to us."
Sabien Dejonckheere, ESG Director

FOCUS AREAS

Carbon footprint

What we eat, and how that food is produced, affects our health but also the environment. For perspective, about a third of all human-caused GHG emissions is linked to food. Therefore, we set both short-term and long-term reduction targets in line with our SBTi commitment. This applies to our own operations as well as our value chain.

Target: Achieve net zero greenhouse gas emissions across our value chain by 2050 in line with our SBTi commitment

Energy usage

Generating electricity and heat from fossil fuels is by far the largest contributor to global climate change. That means energy is at the heart of the climate challenge. And, consequently, it is also key to the solution, which is why we aim to reduce our energy consumption and use renewable sources for the energy we do need, thus lowering our environmental impact.

Target: Increase renewable electricity and energy efficiency

Sustainable packaging

Adequate packaging keeps our snacks fresh and safe. In that sense, it's one of the best ways to prevent food waste. But there's also a flipside, as food packaging has a significant material and carbon footprint. We adopt a more sustainable approach by reducing our packaging needs and making our packaging technically recyclable.

Target: Limit packaging impact

Read all about our Road to Net Zero: pp. 120-155 (ESRS E1).



SUSTAINABLE SOURCING

COMMITMENT

Build greater resilience in supply chains by preserving the environment while ensuring welfare for all the value chain by setting high ethical business standards.

WHAT TYPIFIES LOTUS BAKERIES?

Although new legislation comes into play soon, we didn't wait to take action for our key raw materials and packaging materials. Through various sustainable sourcing programmes, we've long prioritised partnerships with suppliers that share our vision.

"Switching certain raw materials for more sustainable ones isn't a case of plug and play. For example, if farmers fertilise their crops more sustainably or work on different soil, it might slightly alter the taste of ingredients used in our snacks. That means R&D has to find ways to go back to the original taste. Quality then needs to ensure the adjusted product meets all internal and external standards. In short, several departments have to collaborate better than ever to make strategic sourcing a success – a challenge I'm looking forward to."
John Van de Par, Chief Procurement Officer

FOCUS AREAS

Partnering in the value chain

Making our value chains more sustainable is not something we can do alone. Thankfully, it's an ambition many of our front-line suppliers share. By joining forces and aligning our ambitions, we'll make a difference for the better – from safeguarding human rights for all to turning the tide on deforestation.

Target: Conduct proper due diligence of suppliers

Sustainable sourcing programmes

Our programmes help us to source all the ingredients for our snacks in an environmentally conscious, socially responsible and economically viable manner. This results in resilient and responsible supply chains, needed to improve animal welfare, avoid land degradation, tackle social challenges, preserve water sources, and more.

Target: Participate in sustainable sourcing programmes for key raw materials

Read all about Sustainable Sourcing: pp. 195-203 (ESRS E1/G1).

As a large publicly listed company, Lotus Bakeries belongs to the first group of companies required to report on their sustainability performance in accordance with CSRD. In that sense, this 2024 Annual Report is yet another step in our long-standing tradition of sustainability reporting. If 2023 was the year of our Double Materiality Assessment (DMA), then 2024 was the year we concentrated all our efforts on high-quality data collection. This means that for all our material ESG topics and subtopics, we set up streamlined processes to collect accurate, complete and consistent data throughout 2024. An evolution we successfully carried out with the help of many colleagues throughout the organisation.

"THE TASK IN 2024 WAS STRAIGHTFORWARD: **BRING THE QUALITY OF OUR SUSTAINABILITY DATA UP TO THE LEVEL OF OUR FINANCIAL DATA**. AFTER A YEAR OF HARD WORK AND DEDICATION, WE MET THE CHALLENGING TIMELINE SET BY THE CSRD AND CAN PRESENT COMPLIANT SUSTAINABILITY STATEMENTS."

FOUAD ELOUCH, REPORTING & CONSOLIDATION DIRECTOR

In these sustainability statements, we describe our ESG strategy and targets, present our disclosure in accordance with the Corporate Sustainability Reporting Directive (CSRD), and disclose progress made on our ESG targets over 2024. We also identify where we see room for further improvement.

Since 2021, Lotus Bakeries has been a member of the United Nations (UN) Global Compact. The UN Global Compact is a global sustainability initiative for businesses set up by the United Nations. As a result, Lotus Bakeries is committed to upholding the Ten Principles of the United Nations covering human rights, working conditions, environment and anti-corruption, ensuring they form part of its strategy, culture and daily activities, and supporting the UNGC's work to promote the UN Sustainable Development Goals (SDGs). Our participation in the UN Global Compact also means that we renew our commitment annually and report on the progress of our efforts to implement the Ten Principles.

Lotus Bakeries' ESG strategy aims to actively contribute to the Sustainable Development Goals (SDGs) of the United Nations.

We are very proud that our commitment and efforts are recognised by our internal and external stakeholders. As such, Lotus Bakeries is rated by several independent organisations, acknowledging our ambitions regarding our sustainability programme, and is participating in sustainability partnerships (see VI. ESG recognition and other certifications below).



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I. GENERAL DISCLOSURES

I.1. BASIS OF PREPARATION

I.1.1. BASIS OF PRESENTATION

The Consolidated Sustainability Statements of Lotus Bakeries Group (the 'Group') have been prepared in accordance with the Corporate Sustainability Reporting Directive (CSRD) and related European Sustainability Reporting Standards (ESRS), as adopted by the European Union (EU).

These Consolidated Sustainability Statements present the situation as at December 31, 2024, except if stated otherwise. Due to rounding, numbers presented throughout these Consolidated Sustainability Statements may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

The sustainability statements of the Group are prepared on a consolidated basis. The scope of the consolidation is similar to the scope of consolidation for the Consolidated Financial Statements (as disclosed in note 32 of the Consolidated Financial Statements) unless mentioned otherwise.

The sustainability statements cover the Group's entire value chain as detailed in I.3.2 below and, where material, provide information on upstream and downstream activities. The scope of the policies mentioned throughout the sustainability statements cover our own operations and, where applicable, the value chain. The time horizon for the risk assessment (short-term, mid-term and long-term) is in accordance with CSRD. The reporting principles have been consistently applied to all periods presented. We have not exercised the option to omit a specific piece of information corresponding to intellectual property, know-how or the results of innovation.

The material impacts, risks and opportunities connected to our value chain have been assessed as part of our double materiality assessment. A description of the double materiality process is included in I.4. Impact, risk and opportunity management. For more information regarding the potential impact of sustainability initiatives and requirements on the financial statements, please refer to note 1.2 of the Consolidated Financial Statements.

The sustainability statements for the year ended December 31, 2024 are subject to a limited assurance of the external auditor, PwC. The assurance covers exclusively the statements relating to the annual period 2024. Comparative information are provided voluntarily and are not in scope of the limited assurance. The limited assurance report of the independent auditor is available on p. 317. Datapoints within the sustainability statements are not validated by other external bodies, unless otherwise specified.

I.1.2. CRITICAL JUDGEMENTS AND ESTIMATES

In order to prepare the sustainability statements in accordance with CSRD, management has to make judgements, estimates and assumptions which have an impact on the sustainability statements and notes.

Estimates and judgements made on the reporting date reflect existing conditions known on that date (for example, emission factors). Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Though these estimates are made by management based on maximum knowledge of ongoing business and of the actions that the Group may undertake, the actual results may differ.

When reviewing the estimates and judgements that could have an impact on the sustainability statements, key assumptions and estimates are mainly used in the Scope 3 carbon footprint computation and the emission factors used for our scope emissions (see II.1.1.) as we are dependent on the availability of databases for emission factors.

Nevertheless, the company does not expect that the above-mentioned judgements and estimates will have a significant impact on the operations of the Group.

I.1.3. VALUE CHAIN ESTIMATION

The quantitative datapoints disclosed in our sustainability statements are predominantly based on primary data (84%), contributing to robust data quality. For the calculations of our Scope 1, 2 and 3 emissions, we make use of estimates in accordance with the GHG protocol. Specifically, to calculate Scope 1 and 2 we multiply primary input data with emission factors sourced from trusted databases containing industry averages. For Scope 3 emissions, we utilise primary as well as spend-based input data combined with emission factors from trusted databases. The databases used to retrieve industry averages can be found in II.1.1.3. Replacing industry average data to calculate the Scope 1, 2 and 3 emissions attributed to our suppliers with supplier-specific carbon footprint data is a key driver to further increase our data quality. We plan to find alternatives for spend-based calculations but as touched upon before, this is highly dependent on the information available to us.

I.1.4. CHANGES IN PREPARATION OR PRESENTATION VERSUS PRIOR PERIODS

Considering that these sustainability statements, for the year ending on December 31, 2024, have been prepared for the first time in accordance with CSRD, significant changes have been applied to the presentation principles of the sustainability data and the scope. If definitions have been adjusted or measurement methods have been changed compared to the items reported in the Annual Report 2023, this will be mentioned specifically in the related disclosure.

I.1.5. COMPARATIVE INFORMATION AND REPORTING ADJUSTMENTS RELATED TO PRIOR PERIODS

Where metrics have been reported previously, comparative information is presented. The comparative information in the sustainability statements and the related disclosures are presented on a voluntary basis and have not been subject to limited assurance procedures, unless stated otherwise in the relevant sections of the sustainability statements. For newly introduced metrics, the company makes use of the transitional provisions for the first year in accordance with CSRD.

No adjustments related to prior errors have been effected in these sustainability statements.

I.1.6. INCORPORATION BY REFERENCE

The following information can be found in another part of this Annual Report, and is incorporated into the Sustainability Statements by reference:

DISCLOSURE REQUIREMENTS		SECTION OF THE ANNUAL REPORT
ESRS2 - GOV-1	Role of the administrative, management and supervisory bodies	Corporate Governance
ESRS2 - GOV-2	Information provided to and sustainability matters addressed by administrative, management and supervisory bodies	Corporate Governance
ESRS2 - GOV-3	Integration of sustainability-related performance in incentive schemes	Corporate Governance
ESRS2 - GOV-5	Risk management and internal controls over sustainability reporting	Risk Management
ESRS2 - SBM-1	Strategy, business model and value chain	Lotus Bakeries, nice to meet you Our brand stategy

For the exact location of each disclosure, please see the ESRS Disclosure Requirement Index.

I.2. GOVERNANCE

I.2.1. ROLE OF MANAGEMENT AND SUPERVISORY BODIES

The Executive Committee (EXCO) is responsible for the sustainability strategy and objectives for Lotus Bakeries. The EXCO has appointed an ESG Director, corporate director and member of the Leadership Team, reporting to the CFO. The ESG Director has to progressively develop the sustainability strategy and ensures compliance with new sustainability regulations. The integration of the sustainability strategy into the organisation is steered by the ESG Director and implemented by the ESG workstreams, which are managed by the business or relevant corporate departments. The workstream leaders are responsible for the delivery of the sustainability targets. The Group Sustainability Steerco, consisting of the CFO, the ESG Director and the Reporting & Consolidation Director, gives an update of ESG projects and monitors progress, at least on a monthly basis.

The EXCO presents Lotus Bakeries' sustainability strategy to the Audit & Sustainability Committee. The Board of Directors has broadened the mandate of the Audit Committee to include ESG matters and renamed it the Audit & Sustainability Committee in 2023. Targets related to ESG aspects are currently not included in the incentive performance targets for the Board or Management.



For further details, reference is made to "Corporate Governance & Risk Management" in this Annual Report.

I.2.2. STATEMENT ON DUE DILIGENCE

The OECD Guidelines for Multinational Enterprises give guidance to multinationals on due diligence, i.e. processes to identify, prevent and mitigate actual and potential negative impacts on people and the environment.

This includes actual or potential negative impacts due to a company's operation or in the upstream or downstream value chain.

The outcome of our due diligence processes with regard to sustainability matters inform us of our material impacts, risks and opportunities. The identification, prevention, mitigation and reporting of these actual and potential impacts are embedded in the way we conduct our business.

Core elements of due diligence	Section in the Sustainability Statement	Paragraph in the Sustainability Statement (and page)
a) Embedding due diligence in governance, strategy and business model	I. General Disclosures III. Social Information IV. Governance Information	I.2. Governance 96 I.3. Strategy 99 I.4. Impact, risk and opportunity management 102 III.1.2. Approach and policies 157 IV.1.1. Governance bodies 185 IV.1.8. Whistleblowing 193
b) Engaging with affected stakeholders in all key steps of due diligence	I. General Disclosures III. Social Information IV. Governance Information	I.3.2. Value chain 99 I.3.3. Interests and view of stakeholders 101 III.1.3. Engaging with the Lotus family 161 III.2.2.2 Engaging with consumer and end-users 180 III.2.3.2 Engaging with consumer and end-users 180 IV.1.8. Whistleblowing 193 IV.2. Sustainable sourcing 195
c) Identifying and assessing adverse impacts	I. General Disclosures II. Environmental Information III. Social Information IV. Governance Information	I.4. Impact, risk and opportunity management 102 II.1.1.5. Decarbonisation roadmap 128 III.1.3. Engaging with the Lotus family 116 III.2.2.2 Engaging with consumer and end-users 180 III.2.3.2 Engaging with consumer and end-users 180 IV.1. Ethical business conduct 184 IV.2 Sustainable sourcing 195 IV.3. Other focus areas 204

Core elements of due diligence	Section in the Sustainability Statement	Paragraph in the Sustainability Statement (and page)	
d) Taking actions to address those adverse impacts	II. Environmental Information	II.1.1.6. Carbon footprint - Performance, actions and resources	132
		II.1.2.3. Energy usage - Performance, actions and resources	137
		II.1.3.4. Sustainable Packaging Performance, actions and resources	140
	III. Social Information	III.1.5. Social - Performance, actions and resources	163
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e) Tracking the effectiveness of these efforts and communicating	II. Environmental Information	II.1.1.6. Carbon footprint - Performance, actions and resources	132
		II.1.2.3. Energy usage - Performance, actions and resources	137
		II.1.3.4. Sustainable Packaging - Performance, actions and resources	143
	III. Social Information	III.1.5. Social - Performance, actions and resources	163
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I.2.3. RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

For a general description of our risk and internal control processes, refer to 'Corporate Governance & Risk Management' in this Annual Report.

In 2024, we prepared a roadmap for the pathway towards reasonable assurance readiness for our sustainability datapoints, which includes the development of a CSRD-compliant control framework.

Internal controls related to sustainability reporting are dependent on the area of reporting, as multiple internal functions contribute to our sustainability reporting, depending on the topic. The majority of reported datapoints are prepared by our Operations, Procurement, Quality, R&D and HR functions. At consolidated level, control measures are in place to ensure accurate and complete reporting on ESG-related metrics as part of our Annual Report.

The risk and control framework relating to the sustainability statements is structured around detailed data points and their underlying processes. Definitions and calculation methodologies are aligned with ESRS, and a “comply or explain” approach has been applied to each data point, similar to financial reporting.

For a description of the material sustainability-related risks, refer to I.4.5. below on impacts, risks and opportunities.

I.3. STRATEGY

I.3.1. STRATEGY, BUSINESS MODEL AND VALUE CHAIN

The Group is active worldwide in the indulgent and natural snacking segment with the Lotus®, Biscoff®, nākd®, TREK®, BEAR®, Kiddylicious®, Peter’s Yard®, Dinosaurus®, Peijnenburg® and Annas® brands, among others. The Group’s activities are classified under NACE Code C10720 – Manufacture of rusks and biscuits; manufacture of preserved pastry goods and cakes. This is a subset of C10 – Manufacture of food products.

The Group’s operations are gathered under three strategic pillars: Lotus® Biscoff, Lotus™ Natural Foods and Lotus® Local Heroes. For a description of our business model, strategy and key markets served, see “Our brand strategy” of this Annual Report. The three strategic pillars in our portfolio do not trigger different types of impacts, risks and opportunities (IROs) and are therefore treated similarly under the ESG strategy.

For a breakdown of headcount by geographical area, please see III.1.4 below. Revenue by destination is disclosed in notes 3 and 4 of the Consolidated Financial Statements.

I.3.2. VALUE CHAIN

We develop, create and offer a versatile range of snacks that meets the needs of consumers for the global market. In order to do so, we strive to cooperate with our partners along the value chain to create our branded snacks in the most sustainable way possible. Cooperation along the value chain includes both downstream and upstream partners. Our value chain starts with the sourcing of our raw materials and packaging and ends with the end-of-life stage.

VALUE CHAIN

SOURCING

We source high-quality raw materials such as wheat flour, sugar, palm oil, chocolate, packaging materials and others from process industry suppliers, which they source from traders or farmers. We use the supplied goods to create our products and package our products to protect them. We also source related goods and services such as distribution, logistics, production equipment. Our upstream value chain includes both direct and indirect suppliers.

TRANSPORT

Raw and packaging materials are transported to our production sites. The greater part of our raw materials is sourced on the same continent where we operate as we strive to keep the distance as short as possible.

PRODUCTION

We transform raw materials into unique and great tasting snacks. We do so at our 12 own production sites globally, as well as, for some of our brands, jointly with our co-manufacturers. We take care to use the precious natural resources efficiently in a safe working environment with our more than 3,300 employees.

TRANSPORT

Finished goods are shipped from our plants to warehouses, then distributed to our customers using various transport modes, optimised for the distance involved.

RETAIL AND AWAY-FROM-HOME

We aim to make our range of branded snacks accessible for everyone. Our products are sold by our partners through retail channels (brick&mortar and online), away-from-home channels and wholesalers and distributors.

CONSUMPTION

We provide snacks for different consumption moments and needs. We serve multiple target groups ranging from adults to children and toddlers, as well as babies. Everything we launch has to uphold the highest quality and food safety standards. We pack our most popular snacks in different formats fitting different household sizes in order to combat food waste. Plus, everything has to taste delicious, because we know that this will keep consumers coming back to our product range.

END OF LIFE

We aim to contribute to a circular economy via our technically recyclable packaging and we encourage consumers to sort correctly by providing clear sorting advice.

UPSTREAM | LOTUS BAKERIES' OPERATIONS | DOWNSTREAM

I.3.3. INTERESTS AND VIEWS OF STAKEHOLDERS

In accordance with our internal policies, we engage on a regular basis with our key stakeholders. These key stakeholders consist of our customers, consumers of our products, our employees, our suppliers, our management and our investors, governments and policy makers, industry associations and other partners, and wider society.

Engagement is triggered through dialogues, interviews, desk research or online surveys to obtain an understanding of the key priorities of our stakeholders. Their views are considered in our overall strategic ambition. As part of our double materiality assessment, we also consulted with representatives from these key stakeholder groups on sustainability-related impacts, risks and opportunities to determine the key topics from both a financial and impact materiality perspective.

Key stakeholders	How Engaged	Purpose	How outcome taken into account
Employees	› Double Materiality Assessement via Interviews and Survey › Social Dialogue and collective organisation › Whistleblowing line	› Gain insights in material sustainability and HR topics	› Informs the ESG strategy › Informs the HR Strategy › Engaged and informed employees
Suppliers	› Double Materiality Assessement via Interviews and Survey › SBTi Scope 3 screening › Supplier scorecard › Whistleblowing line	› Gain insights in material sustainability topics › Keep track of new packaging technologies › Define GHG footprint and decarbonisation roadmap	› Informs the ESG strategy › Development of joint projects › Progress on sustainable packaging targets › Intensification of decarbonisation roadmap › Informs procurement decisions
Customers	› Double Materiality Assessement via Interviews and Survey › Self-Assessement Questionnaires › Whistleblowing line	› Gain insights in material sustainability topics › Keep track of evolving customer expectations	› Informs the ESG strategy › Respond to customer expectations › Compliance
Consumers	› Market research › Social media listening › Consumer hotline › Whistleblowing line	› Gain insights in material sustainability topics › Keep track of evolving customer expectations	› Informs the ESG strategy › Develop relevant consumer propositions
NGO	› Webinars › Topical meetings	› Gain insights in material sustainability topics › Understand view of tier 2+ value chain	› Informs the ESG strategy › Informs due diligence framework › Informs procurement decisions
Financial institutions	› Double Materiality Assessement via Interviews and Survey › Investor relation contacts › Topical meetings	› Gain insights in material sustainability topics › Keep track of evolving expectations › Enhance transparancy	› Informs the ESG strategy
Research institutions	› Double Materiality Assessment via Interviews and Survey › Topical meetings	› Gain insights in material sustainability topics	› Informs the ESG strategy › Best practices on ESG challenges
Industry associations	› Industry Events › Webinars › Topical meetings	› Gain insights in material sustainability topics	› Informs the ESG strategy › Best practices on ESG challenges

Through regular contacts with our stakeholders (customer contacts, supplier engagements, recruitments, networking events…), we get insights on how they perceive the company, its strategy and sustainability efforts. This is then discussed within the Group Sustainability Steerco, after which it is brought to management and, if deemed necessary, to the Audit & Sustainability Committee.

Following the engagement with key stakeholders, the sustainability strategy has progressively evolved. We refer to I.4.3. below regarding the outcome of the double materiality assessment.

I.4. IMPACT, RISK AND OPPORTUNITY MANAGEMENT

I.4.1. INTRODUCTION

Lotus Bakeries has been running its sustainability programme 'Care for Today, Respect for Tomorrow' for a long time. In the past, to determine our sustainability priorities, we regularly conducted a 'single' materiality assessment.

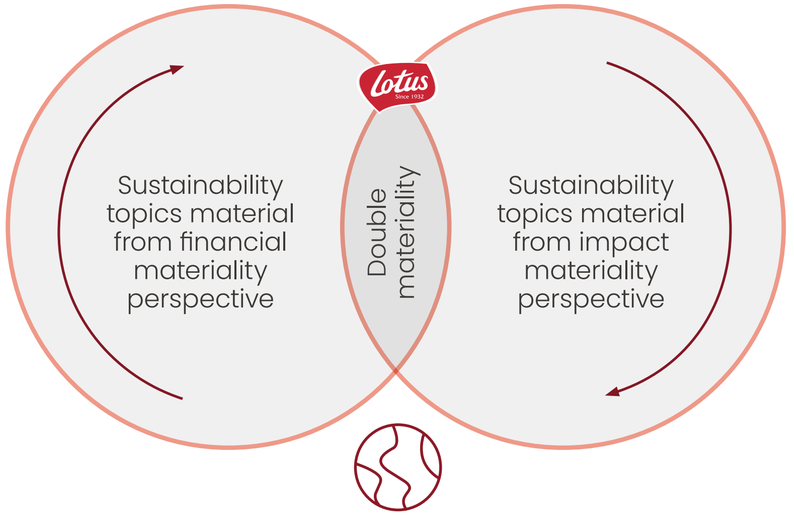
As today's world is changing rapidly, we are faced with a range of new challenges in the business and along the value chain. We interact with many parties, so it is essential to get a full understanding of the impact of our operations and snacks on the world and the impact of the world on our operations. In order to confirm or reconsider the priorities of our sustainability programme, Lotus Bakeries performed a broad and in-depth assessment in 2023 using the double materiality lens, reviewing a list of topics from both a financial and an impact materiality perspective.

This assessment reconfirmed our ESG strategy and determined the sustainability topics which are deemed to be material. These topics have been aggregated into the 5 Guiding Principles for a sustainable future (see below).

WHAT IS DOUBLE MATERIALITY?

FINANCIAL MATERIALITY / OUTSIDE-IN

Impact of the environment or society on our organisation



IMPACT MATERIALITY / INSIDE-OUT

Impact of our organisation on the environment or society

I.4.2. DESCRIPTION OF THE PROCESS TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

The double materiality assessment represents a critical element to understand how the Group impacts its environment and community, including its value chain, and also how the world surrounding the Group impacts our operations.

To determine the material impacts, risks and opportunities (IROs), we have set-up a staged approach resulting in a double materiality matrix.

Starting point was the sustainability priorities from Lotus Bakeries' existing materiality assessment, enriched with the requirements of the upcoming CSRD, including the ESRS topics and sub-topics. As such, a long list of potential IROs have been identified. Based on desk research and workshops with stakeholders and experts, 22 relevant topics (aggregating IROs) were identified as most relevant for Lotus Bakeries to engage on with other actors in the value chain. Engagement through dialogues and interviews to ensure completeness of the selected themes, followed by an online survey resulted in a prioritisation on the 22 key topics from both a financial and impact materiality perspective.

The ranking of the topics was analysed based on the complete set of responses as well as per cluster of stakeholders to identify potential topics that would matter more to a certain stakeholder group. The threshold at which a topic is considered material is locked at 7 or higher on a 9-point scale.

The IROs identified and listed below in I.4.5.1 have been assessed throughout our value chain and we considered both indirect and direct impacts. The locations of the facilities are reviewed for impacts. We identified Lotus Bakeries' important dependencies, including the core ingredients, key suppliers and customers as well as our dependencies on our employees. The IROs with material impact were assessed on their actual or potential impact, the severity (scale, scope and irremediable character) and the likelihood of occurring. The IROs with financial materiality were assessed in terms of risk and opportunity and cross-checked with Lotus Bakeries' enterprise risk management process aimed at identifying, assessing and prioritising risks to ensure one comprehensive and integrated approach.

The outcome of the double materiality assessment, i.e. the double materiality matrix, serves as the basis to select our strategic ESG platforms within the 'Care for Today, Respect for Tomorrow' programme, as well as guiding us on which ESRS standards to report in accordance with CSRD. This assessment provides strategic guidance on sustainability matters, and how to integrate this with our ambition: offering a versatile range of branded snacks for every consumption occasion to consumers worldwide.

THE DOUBLE MATERIALITY ASSESSMENT SERVED AS INPUT FOR THE SUSTAINABILITY STRATEGY

LONGLIST

- Previous single materiality assessment
- Nearly 100 topics based on reporting standards (ESRS, GRI)

SHORTLIST

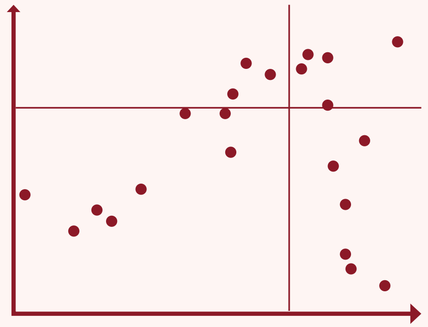
- 22 topics identified
- Based on impact, risk and opportunity

STAKEHOLDER ENGAGEMENT

- Engagement through dialogues and interviews to ensure completeness of the selected themes, followed by an online survey to obtain a prioritisation on the 22 key topics from both a financial and impact materiality perspective

SCORING

- Rating the 22 key topics on a 9-point scale from an impact and financial perspective



Double materiality matrix



A BALANCED PORTFOLIO OF GREAT TASTE



ONE LOTUS FAMILY



ETHICAL BUSINESS CONDUCT



ROAD TO NET ZERO

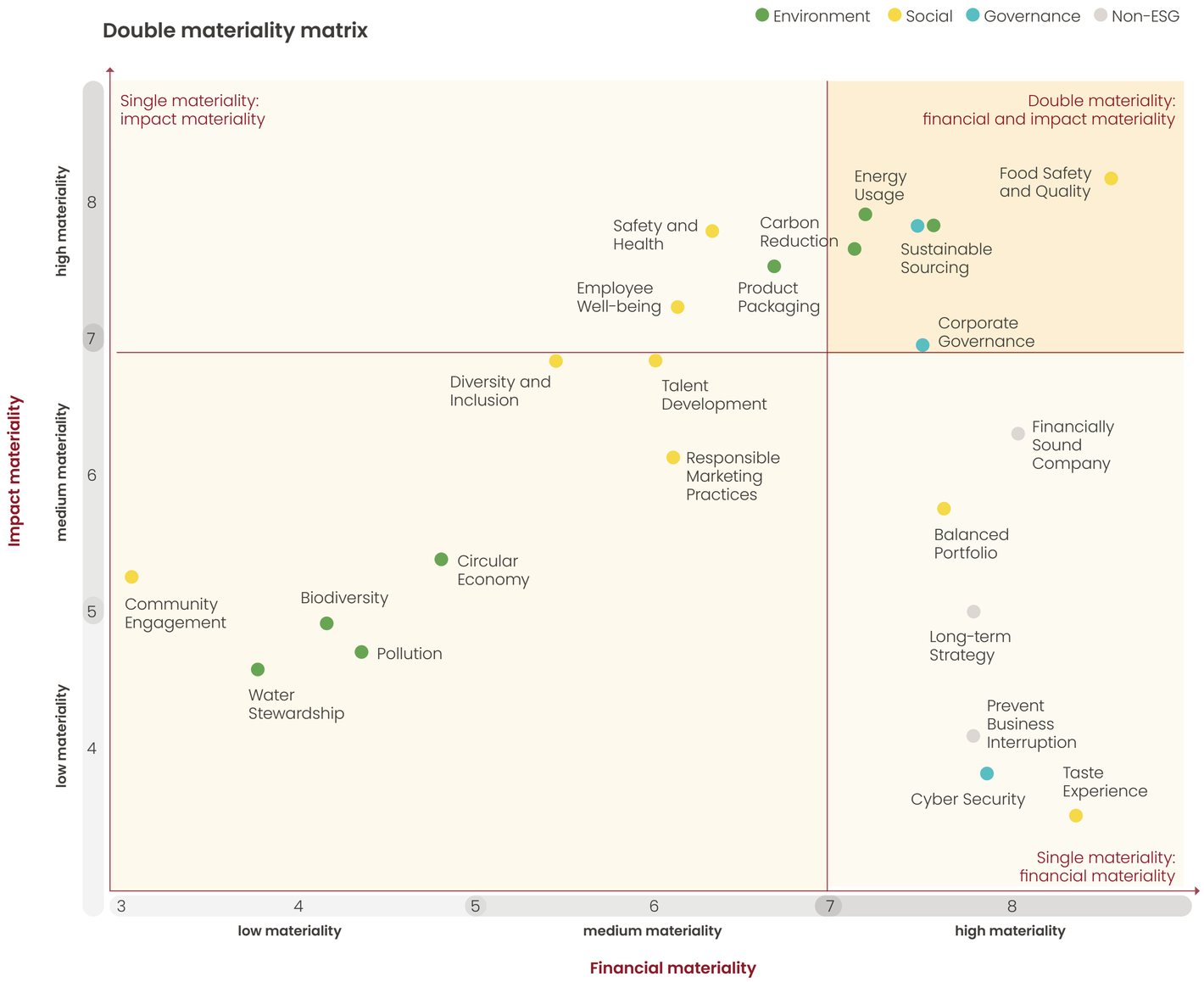


SUSTAINABLE SOURCING

I.4.3. OUTCOME OF THE DOUBLE MATERIALITY ASSESSMENT

As mentioned above, the 22 topics identified as a result of desk research and discussions with stakeholders have been scored on a 9-point scale.

The scoring of the topics was analysed based on the complete set of responses, as well as per cluster of stakeholders to identify potential topics that would matter more to a certain stakeholder group. The threshold at which a topic is considered material is locked at 7 or higher on a 9-point scale. The topics with material impact were assessed on their actual or potential impact, the severity (scale, scope and irremediable character) and the likelihood of them occurring. The topics with financial materiality were assessed in terms of risk and opportunity and cross-checked with Lotus Bakeries' enterprise risk management process aimed at identifying, assessing and prioritising risks to ensure one comprehensive and integrated approach.



The following topics have been assessed to have double materiality or single materiality (impact or financial materiality):

Topics with Double Materiality

Food Safety and Quality	Ensuring the safety and quality of products, including compliance with food safety standards and certifications and traceability.
Sustainable Sourcing	Ensuring the appropriate governance initiatives are implemented for the management of suppliers and other stakeholders in the supply chain to minimise environmental impact, including the sustainable sourcing of key ingredients, such as palm oil, chocolate, sugar, wheat, and other sensitive ingredients. Governance initiatives include among other ethical practices throughout the supply chain to minimise social impact, including labour conditions, fair trade and human rights.
Energy Usage	Reducing the energy consumption or replacing fossil fuel related energy with renewable energy in our manufacturing sites and across our full supply chain to reduce indirect greenhouse gas emissions coming from energy generation.
Carbon Reduction	Reducing direct greenhouse gas emissions in our manufacturing, fleet, transport and our full supply chain to contribute to the race towards net zero and helping to limit global warming to 1.5 degrees Celsius above pre- industrial levels.
Corporate Governance	Conducting business operations in accordance with internationally accepted principles and practices, ensuring a robust risk management system and incorporating sustainability practices.

Topics with Impact Materiality

Product Packaging	Addressing packaging sustainability by reducing what we use, increasing recyclability, and using as much as recycled packaging for packaging not in contact with the food.
Safety and Health	Promoting a strong safety culture and providing the right working conditions at the workplace to safeguard every employee against health issues related to the workplace.
Employee Well-being	Promoting a TOP-culture (Team spirit, Open Dialogue, Passion) to ensure employees feel good about their job on a mental, physical and emotional level. This includes both, moments of connection and engagement at work as well as finding moments to disconnect.
Talent Development	Training and upgrading the capabilities, skills and competencies of employees based on the strategic needs of the organisation, employee performance and career development review. Learning and development comes in many shapes and sizes, including on-the-job, online courses or in-person training.
Diversity and Inclusion	A diverse and inclusive workplace to make everyone feel equally involved, regardless of who they are or what they do for the business. Diversity can entail amongst other diversity in race, gender, sexual orientation, age, religion, national origin and disability.

Environment Social Governance Non-ESG

Topics with Financial Materiality

Financially Sound Company	Long-term financial stability and the capacity to withstand market-related or financial headwinds.
Balanced Portfolio	Providing a balanced portfolio of snacks ranging from delicious Biscoff® cookies over bars fitting the better-for-you platform, on to snacks for babies and toddlers. Accessible for all at every moment.
Long-term Strategy	The company's ability to deliver sustainable growth, increase the value of the company's portfolio, in combination with profitability.
Prevent Business Interruption	Developing plans to prevent and mitigate major and long operational interruptions in our factories caused by unusual events.
Cyber Security	Protecting the data and information assets and implementing security measures to prevent cyber-attacks.
Taste Experience	The ability to create snacks that deliver a memorable experience, for all around the globe.

Although Talent Development and Diversity & Inclusion have been scored just under the defined materiality threshold, we have concluded after consulting internally that the IROs are material to Lotus Bakeries and are disclosed as such in these sustainability statements.

The following topics have been assessed not to be material based on the latest double materiality assessment:

Non-Material topics

Community Engagement	Prosperity for all by contributing positively to the areas in which Lotus Bakeries operates. This entails initiatives such as The Foundation for Education, as well as local involvement in the communities where we have operations.
Responsible Marketing Practices	Providing clear information on product ingredients and nutritional value. Efforts to educate consumers and promote healthy dietary habits. Ensuring responsible and ethical marketing and advertising practices.
Pollution	Pollution is the introduction of harmful materials into the environment, often generated by human activities such as the disposal of waste. including plastic waste, or the runoff produced by factories and economic activities, such as the use of pesticides in agriculture. These pollutants can damage the quality of air, water and land.
Water Stewardship	Addressing water-stress by developing means to reduce, reuse and reserve water at our own operations and in engagement with our suppliers.
Biodiversity	Developing measures to protect and preserve biodiversity, including efforts to protect ecosystems at our own sites and ways to promote sustainable agriculture at our suppliers. A reduced pollination could lead to reduced availability of crops.
Circular Economy	Contributing to a circular economy by continuously improving our manufacturing efficiency with continued efforts on reducing waste and developing further initiatives on water usage, on top of the initiatives to reduce our environmental impact (GHG).

The double materiality assessment was presented to the Audit & Sustainability Committee and the outcome thereof, the double materiality matrix and strategy, was approved by the Board of Directors. The Board confirmed their confidence in the resilience of Lotus Bakeries' current business model against the identified impacts, risks, and opportunities, and reaffirmed the 'Care for Today, Respect for Tomorrow' sustainability programme and its five ESG Guiding Principles.

The double materiality matrix is reviewed internally on an annual basis and subject to a detailed update every three years.

I.4.4. TRANSLATION INTO THE LOTUS BAKERIES ESG STRATEGY

As mentioned above, the double materiality assessment confirmed the strategy entailed by our programme 'Care for Today, Respect for Tomorrow', and clarified the topics which are material to the company and its stakeholders. These material topics are aggregated into the five Guiding Principles for a sustainable future which support our company's ambition: creating small moments of joy and happiness by offering a versatile range of branded snacks with superior taste experience, to every consumer, for every occasion, in every country.



CARE FOR TODAY

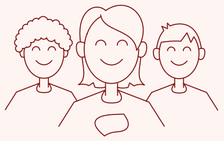
RESPECT FOR TOMORROW

ESG GUIDING PRINCIPLES



BALANCED PORTFOLIO OF GREAT TASTE

We aim to delight all consumers with reliable and great-tasting brands that cater to people's evolving expectations. We offer both indulgent and better-for-you snacking options, thus allowing consumers to establish a balanced dietary lifestyle.
A portfolio of different pack formats may lead to greater accessibility for customers and end-consumers.



ONE LOTUS FAMILY

We believe in the power of our people to drive performance. We aim to be an inclusive workplace where employees feel engaged, and we are committed to offering long-term employment within the company. Our policies related to but not limited to Human Rights, Health & Safety, and Well-being are already implemented and will be continued in the future. In addition, we will also follow up on matters such as training, diversity and onboarding new employees.



ETHICAL BUSINESS CONDUCT

We are committed to acting lawfully, ethically and with integrity towards all our stakeholders. We aim to promote human rights across our value chain as a fundament of our operations, next to other core ethical business policies. We remain committed to supporting the UN Global Compact by upholding the Ten Principles of the United Nations and ensure they form part of our strategy, culture and daily activities.



ROAD TO NET ZERO

We join the battle to combat climate change and minimise our impact on the environment in all aspects of our operations, packaging as well as our value chain. We implement our decarbonisation roadmap in line with our SBTi targets. Secondly, it includes our packaging strategy including reduction, designing for recyclability and aiming for circularity which contribute to limit our impact on the environment.



SUSTAINABLE SOURCING

We are committed to building greater resilience in our supply chains by preserving the environment while ensuring welfare throughout our supply chain and by setting high ethical business standards through governance initiatives. We focus on environmentally friendly choices within our value chain to aid in our decarbonisation journey. We are determined to continue building good practices and improving transparency in our supply chains.

LINK WITH MATERIAL TOPICS

- **Food Safety and Quality**
  ESRS S4
- **Balanced Portfolio**
  ESRS S4
- **Taste Experience**
  ESRS S4
- **Financially Sound Company**
  Non-ESG
- **Long-term Strategy**
  Non-ESG
- **Prevent Business Interruption**
  Non-ESG

- **Diversity and Inclusion**
  ESRS S1
- **Employee Well-being**
  ESRS S1
- **Talent Development**
  ESRS S1
- **Safety and Health**
  ESRS S1

- **Corporate Governance**
  ESRS G1
- **Cyber Security**
  ESRS G1

- **Carbon Reduction**
  ESRS E1
- **Energy Usage**
  ESRS E1
- **Product Packaging**
  ESRS E5

- **Supplier Management and Sustainable Sourcing**
  ESRS E1
  ESRS G1

For each of the five ESG Guiding Principles, Lotus Bakeries has put forward a commitment that will be delivered through bespoke focus areas. Consequently, policies and actions have been formulated within those areas.

I.4.5. MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

We assessed the impacts, risks and opportunities on environmental, social and governance matters and how these interact with our strategy and business model. This assessment results in an overview of our material impacts, risks and opportunities throughout our value chain.

I.4.5.1. Impacts, risks and opportunities

The table below includes the material impacts, risks and opportunities, as well as a reference to where the related disclosures are included in the Sustainability Statements. Furthermore, the table clearly identifies whether these impacts, risks and opportunities are related to our own operations or occur within the value chain, whether upstream (e.g. suppliers) or downstream (e.g. customers).



●○○ Short-term ●●○ Mid-term ●●● Long-term

CLIMATE CHANGE MITIGATION

ESG Guiding Principles	Road-to-Net-Zero Sustainable Sourcing	ESRS E1 ESRS E1 / ESRS G1	
Impact Materiality	**Positive impact in Own Operations & Value Chain**		
	Contribute to limit global warming to 1.5°C vs pre-industrial levels in line with the Paris Agreement.	Decarbonisation policies and fast implementation of actions may contribute to limit the GHG emitted, consequently limiting global warming. These actions can relate to the use of gas or electricity, or emissions from the sourcing of raw materials.	●○○ ●●○ ●●●
	Negative impact in Upstream Value Chain		
	Unstable raw material availability	Failure to decarbonise and contribute to limit global warming to 1.5°C may result in altering weather patterns and intensify extreme weather events. In the mid or long term, this could affect raw material availability and quality. We respond to this impact through our strategic decarbonisation targets and our actions to decarbonise the value chain.	●○○ ●●○ ●●●
Financial Materiality	**Market opportunity in Downstream Value Chain**		
	Facilitate the access to new customers/markets	Decarbonisation is a growing expectation from customers and consumers. Having an SBTi commitment and deploying a decarbonisation roadmap will reduce the GHG emitted by Lotus Bakeries, which will help Lotus Bakeries' customers in their decarbonisation journey.	●○○ ●●○ ●●●
	Technology opportunity in Own Operations		
	Technology	Investment in new technologies will contribute in Lotus Bakeries reaching its decarbonisation targets within anticipated time-frame. Futureproofing the assets may ensure longer use of these assets instead. This may aid in avoiding expected carbon tax.	●○○ ●●○ ●●●
	Regulatory risk in Own Operations		
	Compliance to new legislation and regulation	Lotus Bakeries is a global company subject to various European, United States, domestic and foreign environmental laws and regulations, which are constantly evolving. Any failure to comply with such laws and regulations could expose Lotus Bakeries to lawsuits, administrative penalties and civil remedies, all of which may have a material adverse impact.	●●●

ENERGY USAGE

ESG Guiding Principles	Road-to-Net-Zero	ESRS E1	
Impact Materiality	**Positive impact in Own Operations**		
	Energy consumption, alternative energy sources.	Reducing energy consumption and switching to alternative energy sources are key levers in the decarbonisation roadmap and may contribute to limit the GHG emitted, consequently limiting global warming.	●○○ ●●○ ●●●
	Negative impact in Upstream Value Chain		
	Energy consumption	Failure to reduce energy may lead to more energy demand, putting more stress on the energy sector to scale up alternatives.	●○○ ●●○ ●●●
Financial Materiality	**Market opportunity in Own Operations**		
	Energy independence	Energy supply may be impacted by climate change or regulatory changes. Securing Lotus Bakeries energy supply in its own operations (e.g. solar panels, batteries) and having more autonomy through the investment in cleaner technologies and on-site energy production may contribute to an even stronger business continuity.	●○○ ●●○ ●●●
	Risk in Own Operations		
	Energy prices	Significant price increases in energy prices could affect the group. Reducing energy usage via energy saving measures could lead to cost reduction.	●●●

●○○ Short-term ●●○ Mid-term ●●● Long-term

RESOURCE INFLOW, INCLUDING RESOURCE USE (PRODUCT PACKAGING)

ESG Guiding Principles	Road-to-Net-Zero	ESRS E1 ESRS E5	
Impact Materiality	**Positive impact in Own Operations & Value Chain**		
	Packaging reduction, recycled packaging	Lotus Bakeries packaging policy may contribute via reducing the amount of packaging put on the market, making it technically recyclable and lowering the usage of virgin materials.	●○○ ●●○ ●●●
	Negative impact in Downstream Value Chain		
	Packaging waste	Failure to reduce packaging may cause negative environmental impact.	●○○ ●●○ ●●●
Financial Materiality	**Opportunity in Own Operations**		
	Cost reduction	Reducing the amount of packaging put on the market may contribute to cost reduction.	●○○ ●●○ ●●●

RESOURCE OUTFLOW RELATED TO PRODUCTS AND SERVICES (PRODUCT PACKAGING)

ESG Guiding Principles	Road-to-Net-Zero	ESRS E1 ESRS E5	
Impact Materiality	**Positive impact in Downstream Value Chain**		
	Combatting foodwaste	The right pre-packed formats and portion sizes may contribute to a long shelf life which may help combatting foodwaste.	●○○ ●●○ ●●●
	Positive impact in Own Operations & Value Chain		
	Circularity	Lotus Bakeries packaging policy may have a positive impact via offering technically recycled materials which may contribute increasing the circularity.	●○○ ●●○ ●●●
	Negative impact in Downstream Value Chain		
	Packaging waste	Consumers throwing away packaging may generate packaging litter. Our response to this is using our packaging to educate consumers on when and how to recycle.	●○○ ●●○ ●●●
Financial Materiality	**Risk in Own Operations & Downstream Value Chain**		
	Consumer perception Packaging taxes	Consumer expectations towards companies to reduce negative packaging impact is increasing. Selling pre-packaged goods may influence extended producer responsibility (EPR) negatively, if the role of packaging to guarantee food safety and preserve shelf life to combat food waste is not well understood. Tax systems such as extended producer responsibility (EPR), plastic tax and litter tax are being introduced in more countries which may lead to higher taxes paid.	●○○ ●●○ ●●●

●○○ Short-term ●●○ Mid-term ●●● Long-term

SUPPLIER MANAGEMENT AND PARTNERING IN THE VALUE CHAIN

ESG Guiding Principles	Sustainable Sourcing	ESRS E1 ESRS G1	
Impact Materiality	**Positive impact in Downstream Value Chain**		
	Joint commitment with suppliers on social or environmental impacts	Lotus Bakeries sources wheat flour, sugar, palm oil, eggs, chocolate. Management of relationships with suppliers, applying ethical business standards such as respecting human rights, good governance practices to assess our suppliers and setting up due diligence systems and participation in sustainable cross-industry or bespoke programmes can impact communities and livelihoods of workers in the supply chain positively as well as generate positive environmental impacts.	●○○ ●●○ ●●●
Financial Materiality	**Opportunity in Downstream Value Chain**		
	Market opportunity	Sustainable sourcing is a growing expectation from customers and consumers. Product endorsement via sustainable programmes including social welfare and good agricultural practices may make Lotus Bakeries offer more appealing to customers and consumers.	●○○ ●●○ ●●●
	Opportunity in Upstream Value Chain		
	Technology	Partnering and collaborating with raw material suppliers in finding low-carbon versions or alternatives to high-emitting raw materials could help to achieve progress on decarbonisation leading to more sustainable sourcing. The same is valid for finding more nature-friendly versions leading to less pollution or no biodiversity loss. This will then positively contribute to the global food system.	●○○ ●●○ ●●●
	Risk in Upstream Value Chain		
	Market-related risks	Climate change or other environmental challenges could on the mid or long term affect raw material availability and quality, impacting fluctuations of the raw material prices. Peers are developing programs beyond supplier code of conducts, standing still could lead to less good or fewer partnerships with our suppliers. This could impact the robustness of supply chains. Shortage in raw material commodities could lead to price volatility.	●●●
	Risk in Value Chain		
	Regulatory risk	Lotus Bakeries is a global company subject to various European, United States, and domestic, and foreign environmental laws and regulations, which are continuing to develop. Any failure to comply with environmental laws and regulations or insufficient insights in the potential violations against working conditions, equal treatment, or other work related rights of workers in the value chain could expose Lotus Bakeries to lawsuits, administrative penalties, and civil remedies, all of which may have a material adverse impact.	●○○ ●●○ ●●●

●○○ Short-term ●●○ Mid-term ●●● Long-term

WORKING CONDITIONS

ESG Guiding Principles	One Lotus Family	ESRS S1	
Impact Materiality	**Negative impact in Own Operations**		
	Health safety and well-being and flexible workplace	A strong safety culture and safety management system will reduce the likelihood of injuries or absences. A strong policy on working conditions, working time and work-life balance may contribute to reduce stress and improve well-being of employees. These measures may help ensuring workforce to remain safe, feel connected and in control, maintain their job eventually leading to more well-being. We expect our suppliers, customers or other business partners to meet the same standards.	●○○ ●●○ ●●●
	Negative impact in Own Operations		
	Respect for Human Rights	Human rights impacts may occur through our own operations. Assessing respect of and promoting human rights, including labour practices may contribute to remediate any immediate suffering of the own workforce and contribute to sustainable and ethical business culture.	●○○ ●●○ ●●●
Financial Materiality	**Opportunity in Own Operations**		
	Employee Safety & Health	A strong safety culture and safety management system will reduce the likelihood of injuries or absences. A strong policy on working conditions, working time and work-life balance will help to compete for the best talent. These measures may help ensuring business continuity and creating value through our operations.	●○○ ●●○ ●●●
	Risk in Own Operations		
	War for talent	Lotus Bakeries is dependent on its people and may be unable to attract or retain talent. If employees perceive the working conditions, working time or flexible working policies offered not in line with their expectations they may choose to terminate their employment with Lotus Bakeries. This may negatively impact Lotus Bakeries operations to create value.	●○○ ●●○ ●●●

EQUAL TREATMENT AND OPPORTUNITIES FOR ALL

ESG Guiding Principles	One Lotus Family	ESRS S1	
Impact Materiality	**Positive impact in Own Operations**		
	Diversity, Equity and Inclusion	Diversity, equity and inclusion helps to put people in their strength and helps to get the best out of them. Bringing more diverse talent in scope may make the working environment more creative and rich. It may help creating a strong sense of belonging and make people feel connected to their jobs. This may contribute to healthier communities overall.	●○○ ●●○ ●●●
	Positive impact in Own Operations		
	Training	Training is investment in employability of people inside and outside the organisation and makes people more resilient in general. It ensures employees to have job security.	●○○ ●●○ ●●●
Financial Materiality	**Risk in Own Operations**		
	War for talent	Lotus Bakeries is dependent on its people and may be unable to attract or retain talent. If employees perceive inequality or unfair practices not in line with their expectations they may choose to terminate their employment with Lotus Bakeries. This may negatively impact Lotus Bakeries operations to create value.	●○○ ●●○ ●●●

Short-term Mid-term Long-term

PERSONAL SAFETY OF CONSUMERS AND/OR END-USERS (FOOD SAFETY AND QUALITY)

ESG Guiding Principles	Balanced portfolio of great taste	ESRS S4	
Impact Materiality	**Positive impact in Downstream Value Chain**		
	Food safety and quality	Strong food safety & quality policies help guarantee consumer safety and help ensure we improve consumer experience when eating a snack. Eventually even delighting consumers for a small moment.	●○○ ●●○ ●●●
Financial Materiality	**Risk in Own Operations & Downstream Value Chain**		
	Market related	Failure to meet quality and food safety standards exposes Lotus Bakeries to business interruptions, litigations, product liability and recall claims. Securing Food Safety & Quality may contribute in building reliable brands and guaranteeing sustained business relations.	●○○ ●●○ ●●●

TASTE EXPERIENCE

ESG Guiding Principles	Balanced portfolio of great taste	ESRS S4	
Impact Materiality	**Positive impact in Downstream Value Chain**		
	Contribute to the protein shift	Continue providing plant-based solutions such as Biscoff or the Natural Foods brands may contribute to the global proteinshift by introducing more plant-based foods into consumers' diet.	●○○ ●●○ ●●●
Financial Materiality	**Opportunity in Downstream Value Chain**		
	A balanced portfolio	A balanced portfolio of great tasting indulgent snacks, as well as nutritional propositions fitting the better-for-you platform, as well as local heroes may provide a response to more shopperneeds. A portfolio of different packformats, distributed at granular level may lead to higher accessibility for customer. These may contribute to value creation by Lotus Bakeries.	●○○ ●●○ ●●●

CORPORATE CULTURE

ESG Guiding Principles	Ethical Business Conduct	ESRS G1	
Financial Materiality	**Opportunity in Own Operations & Value Chain**		
	TOP-culture driving the company to shared goals	Continued good corporate culture that contributes to a sustainable future both in the own operations and towards our suppliers (sustainable sourcing) and our customers and consumers, may help to achieve the shared company goals and may contribute to a better environment and society at large.	●○○ ●●○ ●●●

Short-term Mid-term Long-term

PROTECTION OF WHISTLEBLOWERS

ESG Guiding Principles	Ethical Business Conduct	ESRS G1	
Impact Materiality	**Positive impact in Own Operations & Value Chain**		
	Transparency in the value chain	Allowing all parties in the value chain to speak up or raise concerns may help to achieve the shared company goals and contribute to a better environment and society at large. It may contribute to a proper risk management of Lotus Bakeries' suppliers.	

CORRUPTION AND BRIBERY

ESG Guiding Principles	Ethical Business Conduct	ESRS G1	
Impact Materiality	**Positive impact in Own Operations & Value Chain**		
	Joint commitment with suppliers on anti-corruption and anti-bribery	Continued good corporate governance by actively preventing bribery and corruption through implementing preventative measures, such as due diligence procedures for third-party relationships may contribute to achieve the company goals. And contribute to a better environment and society at large.	

BUSINESS INTERRUPTIONS, CYBERSECURITY

ESG Guiding Principles	Ethical Business Conduct	ESRS G1	
Financial Materiality	**Risk in Own Operations**		
	Business interruptions and cyber security	Considering the ever-increasing digitalisation, the risk of unauthorised access to confidential data of Lotus Bakeries and personal data processed by Lotus Bakeries remain real. Fraud in the form of cybercrime is also high on the agenda. Business interruptions caused by unexpected events could affect operations and business. Potential consequences of these risks include damage to our brand reputation and could generate a competitive disadvantage.	

The above IROs and related disclosures are further discussed in the next chapters.

I.4.5.2. Other non-ESG material topics

Long-term strategy

As a result of the double materiality assessment, it became clear that for our stakeholders it is important that Lotus Bakeries has the ability to deliver sustainable growth and increase the value of the company's portfolio, in combination with profitability.

Lotus Bakeries' story starts with a caramelised cookie, made with nothing but natural ingredients, named after the flower symbolising purity, Lotus. With "offering the perfect snack for every occasion" as the foundation of our mission, we focus on unique, universally loved snacks tailored to everyone. From that well-earned afternoon treat to that extra energy snack on the go. By combining sharp long-term thinking with quick short-term decision-making, intrinsic to a listed family company, Lotus Bakeries is building brands for future generations.

We have a clear strategy in mind to climb to the top of global brands and achieve sustainable growth. Building brands is at the heart of this. Lotus Bakeries operates globally in the snack segment, with brands such as: Lotus®, Lotus® Biscoff®, nākd®, TREK®, BEAR®, Kiddylicious®, Peter's Yard®, Dinosaurus®, Peijnenburg® and Annas®. Each of these brands has its own DNA and target audience, which require the right focus and attention. That's why we have designed our strategy using three pillars: Lotus® Biscoff®, Lotus™ Natural Foods and Lotus® Local Heroes.

For more details about our strategy and mission, please see "Our brand strategy" in this Annual Report.

Financially sound company

As a commercial company with more than 3,300 employees, Lotus Bakeries needs to provide long-term financial stability and have the capacity to withstand market-related or financial headwinds. As such, the company demonstrates on a periodic basis robust financial performance, and resilience and adaptability in the face of evolving economic, environmental and societal challenges.

Through its Consolidated Financial Statements, Lotus Bakeries transparently reports on its financial situation and performance.

Business interruption

For a food company, it is crucial to develop plans to prevent and mitigate major and long operational interruptions in the factories caused by unusual events. Furthermore, failure to meet quality and food safety standards exposes the Group to business interruption.
In order to prevent business interruptions, Lotus Bakeries continuously enhances its business continuity processes and plans, supported by taking integrated business measures to a next level and increasing cross-functional and business collaboration.

I.4.5.3. Other topics

Next to the above identified deemed material topics, other topics were raised, but were not considered to be material as a result of the double materiality assessment. Therefore, the related disclosures have been omitted from these sustainability statements. However, these topics are covered through several existing policies of the Group.

- **Pollution (ESRS E2):** During the materiality assessment related to pollution, we consulted the quality managers of different Lotus Bakeries' sites. They follow a clear process for identifying pollution-related risks which includes, but is not limited to, consideration of requirements of local regulations, environmental permits and licenses; processes for baking snacks and cold-pressing bars, raw and packaging

materials and processing aids, cleaning chemicals and lubricants. We have had consultations with the local communities of our biggest facility in Belgium to assess the impact. The following key points were identified: Lotus Bakeries minimises or even avoids negative impacts, because Lotus Bakeries is committed to following all necessary rules and regulations set by the governments worldwide. There were no violations in the past. Furthermore, in the process to assess pollution risks associated to our value chain, we consulted risk information from CSR-specialised companies. These indicated that pollution of land or water may be found upstream in agriculture at farmer level. It was not assessed as material for Lotus Bakeries. Current policies (such as our Supplier Code of conduct) are treating and covering the potential risk of pollution, but this risk is not managed individually.

- **Water (ESRS E3):** The double materiality assessment is based on the following process. Lotus Bakeries measures its water consumption as part of its internal operational reporting. We screened the location of each site. High-risk areas were identified by using the WWF's Water Risk Filter tool and the Aqueduct Water Risk Atlas. The qualitative conversations with external stakeholders have indicated that water stewardship is considered important in the wider food and agriculture sector, but there is a recognition that water intensity in our operations is well below industry benchmark. This explains why water stewardship did not come forward as material for Lotus Bakeries. However, we feel it is important to report on our water consumption and our water management (refer to page 215).

- **Biodiversity (ESRS E4):** During our double materiality assessment, we considered 36 recognised biodiversity hotspots worldwide. These hotspots are defined by having at least 1,500 unique species (found nowhere else) and have lost at least 70% of their original vegetation. Our investigation confirms that Lotus Bakeries has no sites located near or in biodiversity-sensitive areas, and our activities do not negatively impact them. Every major project such as building greenfield facilities, modification of existing process equipment or infrastructure has a clear process to identify or assess potential impact on biodiversity. Lotus Bakeries is considering the requirement of local regulations, environmental permits and licenses to limit or even avoid negative impact on biodiversity. Upstream, in the sector of agriculture, biodiversity loss has many drivers* such as, but not limited to, invasive species, climate change, deforestation or other land-use change, pollution, fresh water change, ocean acidification or, waste. In the double materiality assessment, biodiversity including the whole set of its drivers were not considered material for Lotus Bakeries. Climate change, driven by deforestation – which drives an increase in greenhouse gas emissions through associated forest fires, permanently removing carbon sink capacities – is by its own assessed as material and is considered under ESRS E1 Climate Change (see II.1.1.). Deforestation is considered under Sustainable Sourcing (see IV.2.). Finally, the biodiversity impact associated with plastic waste from packaging we put on the market is considered under ESRS E5 Resource use and circular economy (see II.1.3.).

*Source: The UN Environment Program – Five drivers of nature crisis.

- **Workers in the value chain (ESRS S2):** Palm oil is an important commodity for Lotus Bakeries and has in the past been associated with risks related to environment and social aspects. Sustainable Programmes like RSPO and good governance practices, such as setting up due diligence systems that may initiate a chain of actions upstream, are ways to prevent risks. The EUDR applicable on palm oil and other commodities, will lower the likelihood of issues occurring to no or negligible risks. After careful consideration, we determined that the risks associated with workers in the value chain are covered through 'supplier management'.
- **Affected communities (ESRS S3):** Lotus Bakeries will continue with actions in the Foundation for Education as part of its Community Engagement.

In addition to the abovementioned topics that result from the double materiality assessment, we have identified a further set of topics that we will be reporting on, based on other factors. These factors mainly include (local) legal requirements or requirements related to other regulations, as well as topics that we deem necessary to elaborate on the organisational context that Lotus Bakeries is operating in. The following topics are therefore added to the Other sustainability information, which are not subject to the detailed disclosure requirements under CSRD and are not covered by the limited assurance conducted by the external auditor:

- **Circular economy – Waste** – See Other sustainability information;
- **Water stewardship** – See Other sustainability information;
- **Responsible marketing** – See Other sustainability information;
- **Foundation for education** – See V. below.



II. ENVIRONMENTAL INFORMATION

II.0. INTRODUCTION

Environmental accountability represents a key component of our 'Care for Today, Respect for Tomorrow' sustainability programme, which is aimed at doing sustainable business by meeting the needs of the present generations without compromising the ability of future generations to meet their own needs. Our ambition regarding Environment is summarised into two ESG Guiding Principles: Road to Net Zero and Sustainable Sourcing.

LOTUS BAKERIES ESG GUIDING PRINCIPLES



ROAD TO NET ZERO



SUSTAINABLE SOURCING

Road to Net Zero entails the ambition to reduce greenhouse gas emissions and to limit the impact of plastic waste through packaging. Regarding our carbon footprint, we actively aim to reduce emissions, improve energy usage and make our packaging sustainable. Our primary focus is our facilities which fall under our control and for which we have the direct authority to influence the resource usage. We also prioritise reducing our impact across our value chain both upstream with our suppliers and downstream with customers and consumers.

The ambition regarding Sustainable Sourcing is to improve the welfare for all along the value chain through the selection of the right programmes with suppliers sharing the same high ethical business standards and a common ambition on sustainability. For more information, please see IV.2.

II.1. ROAD TO NET ZERO

Lotus Bakeries is committed to combatting climate change and minimising its impact on the environment in all aspects of its operations, its packaging as well as its value chain.

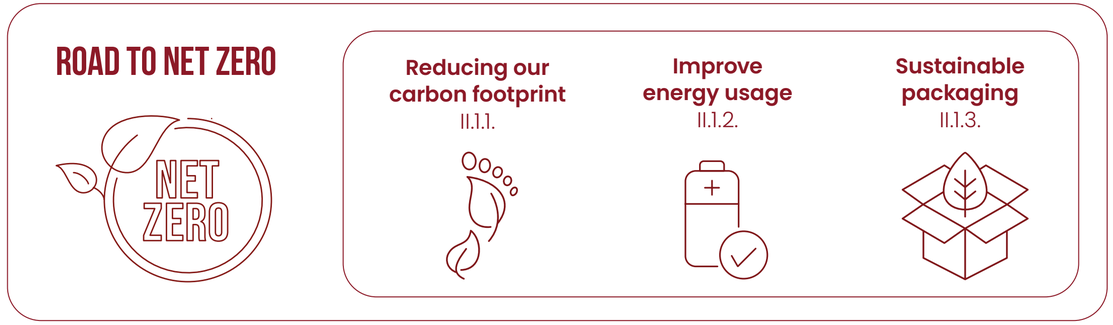
The double materiality assessment (see I.4.3 above) identified impacts, risks and opportunities (IROs) related to climate change. These IROs are detailed in I.4.5.1 above.

The fight against climate change and environmental degradation is one of the major challenges of the 21st century for our business, our customers, our suppliers, our communities and our planet. The sector of food and agriculture plays an essential role in this battle, as the sector itself accounts for more than a third of the global greenhouse gas (GHG) emissions[1].

Decarbonisation policies and fast implementation of actions linked to own operations, energy usage and the whole value chain may contribute to limiting the GHG emitted. Failing this may put more pressure on the demand for raw materials or energy, resulting in altering weather patterns and intensifying extreme weather events. This could then affect raw material availability and quality in the mid or long term.

Decarbonisation is a growing expectation from customers and consumers. Having an SBTi commitment in line with the Paris Agreement and a decarbonisation roadmap will not only make us compliant with ever stricter environmental regulations and potentially avoid carbon tax, it also contributes to limiting Lotus Bakeries' GHG emissions and responds to the growing expectations of customers and consumers.

Our Group is determined to join the battle against global warming and minimise our impact on the environment in all aspects of our operations and value chain. The main focus areas where we aim to achieve zero ecological impact are:



[1] Source: Climate change - Synthesis Report 2023, Intergovernmental Panel on Climate Change (IPCC)

II.1.1. REDUCING OUR CARBON FOOTPRINT

LOTUS BAKERIES' VISION ON REDUCING CARBON FOOTPRINT

1. We only want to offer our customers products of the highest quality and with a superior taste experience.
2. That's why we carefully select high-quality ingredients and produce and distribute our snacks with the utmost care.
3. We aim to make our sourcing, production and distribution methods as sustainable as possible and are committed to reducing our carbon footprint.

In this context, Lotus Bakeries has formulated a strategy that focuses on the reduction of its carbon footprint, by defining a detailed decarbonisation roadmap, validated by SBTi, to become net zero by 2050.

II.1.1.1. Why do we care?

In recognition of the pressing challenges presented by climate change to both our environment and human well-being, Lotus Bakeries is committed to taking action.

As decarbonisation is a growing expectation from customers and consumers, our ambitions are aligned with the Paris Agreement, which aims to limit climate change and pursues efforts to limit the temperature increase to 1.5°C above pre-industrial levels. Having a Science Based Targets initiative (SBTi) commitment in line with the Paris Agreement and a decarbonisation roadmap, our ambitions will not only allow us to comply with increasing environmental regulations and potentially avoid carbon tax, but also help to drive our innovation and collaboration with our value chain partners, including customers, consumers and suppliers.

Our decarbonisation ambition has been approved by our Executive Committee (EXCO), reviewed by our Audit & Sustainability Committee and endorsed by our Board of Directors.

To assess the impact and magnitude of the decarbonisation roadmap, the Group has conducted a high-level resilience analysis in the context of the determination of the material IROs. In scope were the different locations of the owned plants and offices based on geo-coordinates as well as the locations of our main commodities sourced. The climate-related hazards assessed were both chronic and acute temperature-related, wind-related, water-related and solid-mass related risks as defined by the Commission delegated regulation (EU) 2021/2139. The assessment screened for short, medium and long term. Scenario analysis was not used. The identification of hazards was informed by the IPCC Synthesis Report on Climate Change 2023, climate adaptation plans of the countries where we operate, as well as other sources. Currently, we did not perform an analysis on climate-related transition risks. Based on this qualitative analysis, we concluded that Lotus Bakeries' business model is resilient to physical climate-related risks. The resilience analysis will be elaborated extensively in the context of the quantification of the anticipated financial effects from physical and transition risks and potential climate-related opportunities in accordance with ESRS E1-9.

II.1.1.2. Approach and policies

Lotus Bakeries has chosen to join the battle against global warming and is committed to combatting climate change and minimising its impact on the environment in all aspects of its operations, its packaging as well as its value chain. Through our Environmental Policy (combined with our Refrigerants Policy and the Supplier Code of Conduct) we set out our aspirations and principles to address environmental challenges. Lotus Bakeries aims for:

- **Compliance:** Ensure full compliance with all local, national and international regulations regarding (but not limited to) decarbonisation, packaging and sustainable sourcing.
- **Reduction and mitigation:** Continuously reduce any negative impact our business can have on the environment.
- **SBTi Alignment:** Align our business practices with our Science Based Targets initiative (SBTi) commitments to contribute to the global effort to become net zero by 2050 and limit temperature increase below 1.5°C above pre-industrial levels, in line with the Paris Agreement.
- **Combatting Deforestation:** Seek to source our primary commodities sustainably in accordance with the EU Deforestation Regulation and SBTi guidance.

The ambition to move to Net Zero carbon emissions, formalised in the above policy, is enabled by our roadmap of greenhouse gas emission reductions, as validated by SBTi.

II.1.1.3. Methodology for target setting

The carbon footprint of Lotus Bakeries is computed as the total of Greenhouse Gas (GHG) emissions generated by Lotus Bakeries, measured in metric tonnes of carbon dioxide equivalent (tCO_2e). In line with the GHG protocol, all seven greenhouse gases are taken into account in the assessment, being carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6) and nitrogen trifluoride (NF_3). The inputs for the computation are the activity data and the relevant emission factor.

To monitor the progress towards emission reduction targets, greenhouse gas emissions (expressed as CO_2 equivalents, CO_2e) are reported annually. GHG emissions are categorised and computed into three scopes according to the methodology of the Greenhouse Gas Protocol Corporate Standard (GHG Protocol).

Lotus Bakeries follows the operational control approach. Considering that Lotus Bakeries is owner of 100% of its manufacturing facilities, all manufacturing sites and sales offices owned by Lotus Bakeries are included in the scope of the carbon footprint. The new production plant in Thailand will come into scope once the manufacturing activities in the plant begin. Investments in capital goods to develop new sites are a part of the Scope 3 emissions.

The emission factors are provided to us by an external partner. As part of their process, an analytical review is performed on the reported figures and the impact it has on the overall emissions for the Lotus Bakeries Group.

Scope 1 – Direct GHG emissions

Direct GHG emissions occur from sources that are owned or controlled by Lotus Bakeries. This is everything that happens on-site and over which Lotus Bakeries has direct control.

Scope 1 emissions include:

- Stationary combustion of fossil-fuel related sources in our own operations
- Mobile combustion of fossil-fuel related sources in our own operations
- Fugitive emissions from our own operations
- Process emissions (e.g. baking powder) in our own operations

Carbon dioxide and other greenhouse gas emissions are primarily calculated as energy consumption multiplied by emission factors.

All data reported in this scope is based on actual direct data received from suppliers or the actual consumption reported by the plants. The emission factors used are from industry acknowledged databases and the emission factor is linked to the specific fuel source emitted. No significant assumptions or judgements are used relating to the activity data nor the emission factors regarding the Scope 1 emissions.

Scope 2 – Electricity indirect GHG emissions

Scope 2 accounts for GHG emissions from the generation of purchased electricity consumed by Lotus Bakeries. Purchased electricity is defined as electricity that is purchased or otherwise brought into the organisational boundary of Lotus Bakeries. Scope 2 emissions physically occur at the location where electricity is generated.

Scope 2 emissions include indirect emissions associated with purchased electricity, heat and steam[2] in our own Lotus Bakeries operations, including the electricity consumed by our electric fleet.

Scope 2 emissions are calculated as the power volumes purchased multiplied by country-specific emission factors. This activity data is directly received from the energy supplier; which entails that no assumptions are made regarding the input data. Location-based emissions are calculated based on average country-specific emission factors. Market-based emissions take into account the specific energy mix purchased by Lotus Bakeries from the energy supplier, as aligned with the principles and requirement of the GHG protocol. In case this mix is unknown, it is assumed that the electricity received is the residual country-specific mix. As the above is the result of actual consumption multiplied by a science-based emission factor, there are no significant assumptions or judgements used in the Scope 2 category calculation.

Scope 3 – Other indirect GHG emissions

Scope 3 is a supplement to the GHG corporate standard that allows for the treatment of all other indirect emissions. Scope 3 emissions are a result of the value chain activities of Lotus Bakeries, but occur from sources not owned or controlled by Lotus Bakeries.

We have reviewed our value chain both upstream (e.g. purchase of raw materials) and downstream (e.g. the end-of-life products). This Scope includes production occurring at our co-manufacturers.

[2] Heat and steam are currently not applicable for Lotus Bakeries.

Scope 3 emissions include:

- Purchased goods and services (including effects of Direct Land Use Change and Land Management; consisting of raw materials, packaging…)
- Capital goods
- Fuel- and energy-related activities
- Upstream transportation and distribution
- Waste generated in operations
- Business travel
- Employee commuting
- Upstream leased assets
- Downstream transportation and distribution
- Processing of sold products
- End-of-life treatment of sold products

Scope 3 emissions are mainly computed based on supplier activity data multiplied by relevant emission factors.

The largest Scope 3 category is the Purchased goods and services. For raw materials and packaging, we have used the consumed weight of each subgroup and multiplied it with the relevant emission factor. Where applicable, a split is made according to the sourcing region. For the activities relating to co-manufacturing, the activity data is based on the volumes produced by the co-manufacturer. A split between the product categories is made to have a correct allocation of emission factors and improve granularity. The emission factor used is two-fold. For the FLAG component, it is based on the main ingredient in the final product, while for the non-FLAG component we looked at the industrial process the product was exposed to, to obtain the most relevant emission factor. Any remaining category which cannot be specifically allocated is calculated on a spend basis.

For upstream and downstream transportation and distribution, the emissions are computed based on actual volumes transported, estimated distances and relevant emission factors for the different transport modes. For waste and fuel- and energy-related activities, the actual consumption is used for activity data. For business travel, we have taken in scope all flights and train journeys that occurred in light of business travel. We have not included taxi rides in our scope for the current year, due to the diffused source and limited impact on the overall emissions. For employee commuting, we have multiplied the days worked at the office per employee times their commute distance (and transportation mode). In the case the commute is unknow (e.g. for terminated employees), we have made a conservative assumption and applied the same assumption group-wide. For categories where no activity data is available, financial spend data is multiplied by relevant spend-category-specific emission factors.

We have excluded the investments from our Scope 3 boundary as it has a very limited scale and impact, combined with a high degree of uncertainty.

While use of sold goods and franchises are in boundary for Scope 3 calculations, these categories are not relevant for our product types and therefore result in zero emissions.

Databases used to retrieve emission factors are:

- EcoInvent
- Agribalyse
- World Food LCA Database (WFLDB)
- Bilan Carbone (Ademe)
- U.S. Energy Information Administration (EIA)
- Association of issuing bodies (AIB)
- Exiobase

GHG Intensity (Scope 1&2)

This is calculated as total Scope 1 and Scope 2 (market-based) emissions divided by the consolidated revenue as reported in the consolidated statement of profit or loss.

GHG Intensity (Scope 1, 2 & 3)

This is calculated as total Scope 1, Scope 2 (market-based) and Scope 3 emissions divided by the consolidated revenue as reported in the consolidated statement of profit or loss.

Target-setting methodology

Lotus Bakeries has set targets employing the Greenhouse Gas Protocol as its guiding methodology. Lotus Bakeries assessed Scope 1, Scope 2 and the fifteen categories of Scope 3 as defined by the Greenhouse Gas Protocol. In accordance with SBTi, Lotus Bakeries has defined target boundaries for the carbon reduction plan. The target boundary includes all activities and their associated emissions that are included in a target in the target base year and subsequent years within the timeframe of the target. For Scope 1 and 2, all emissions are taken in the boundary. For Scope 3, the boundary is defined as 67% for 2030 and increases towards 91.9% by 2050. This boundary ensures we place our attention where we can make significant impact while being aligned with the Paris Agreement and SBTi guidance.

The target boundaries defined by Lotus Bakeries are detailed in the following table:

	2030 Boundary	2050 Boundary
Scope 1&2	All	All
Scope 3 - FLAG	Purchased goods & services: primary raw materials (palm, cocoa, wheat flour, rapeseed oil)	Purchased goods and services: extended list of raw materials
Scope 3 - Non-FLAG	• Purchased goods & services • Upstream transportation and distribution	• Purchased goods and services • Capital goods • Fuel- and energy-related activities • Upstream transportation and distribution • Waste generated in operations • Downstream transportation and distribution

II.1.1.4. Targets

In 2023, Lotus Bakeries committed to the Science Based Targets initiative (SBTi) and its reduction target standards to reach net-zero by 2050. As a consequence, we submitted in 2024 our science-based climate targets for 2030 and 2050 to the Science Based Targets initiative (SBTi) and received full validation for our near-term, FLAG and net-zero targets.

Lotus Bakeries has set targets for the direct and indirect emissions from its own operations (Scope 1 and 2 – market-based), as well as for emissions from its up- and downstream value chain (Scope 3), including elements of the value chain relating to Forest, Land and Agriculture (FLAG)[3], using 2023 as our base year.

🎯 **Target:** Achieve net zero greenhouse gas emissions across our value chain by 2050.

The KPI's related to this target are valid for the complete Lotus Bakeries Group:

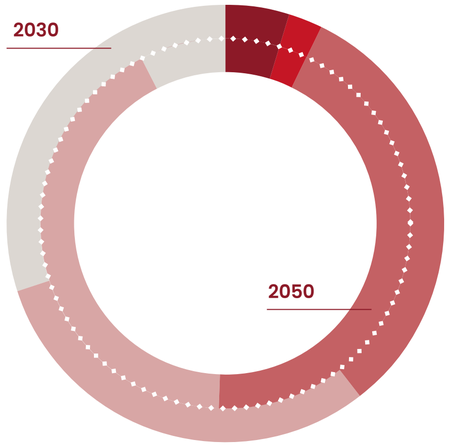
- Scope 1 & 2[4]: Lotus Bakeries commits to reducing absolute Scope 1 and 2 GHG emissions 42% by 2030 and 90% by 2050 from a 2023 base year.
- Scope 3 – FLAG: Lotus Bakeries commits to reducing absolute Scope 3 FLAG GHG emissions by 30.3% by 2030 and 72% by 2050 from a 2023 base year.
- Scope 3 - Non-FLAG: Lotus Bakeries commits that 89% of its suppliers of emissions covering purchased goods and services, upstream transportation and distribution, will have science-based targets by 2029.
- Scope 3 - Non-FLAG: Lotus Bakeries commits to reducing absolute Scope 3 GHG emissions from purchased goods and services, capital goods, fuel- and energy-related activities, upstream transportation and distribution, waste generated in operations, downstream transportation and distribution by 90% by 2050 compared to the 2023 base year.
- Net-zero: Lotus Bakeries commits to reaching Net-Zero Greenhouse Gas Emissions across the value chain by 2050.
- Lotus Bakeries commits to no deforestation across its primary deforestation-linked commodities, with a target date of December 31, 2025[7].

"OUR SBTI DECARBONISATION PLAN, INCLUDING TARGETS AND FUTURE ACTIONS ACROSS OUR MOST IMPORTANT ACTION LEVERS, IS THE FOUNDATION FOR THE NEXT DECADES. BACKED BY CLIMATE SCIENCE, WE'LL COMBAT GLOBAL WARMING WITH THE RESOURCES AVAILABLE TO US."

SABIEN DEJONCKHEERE, ESG DIRECTOR

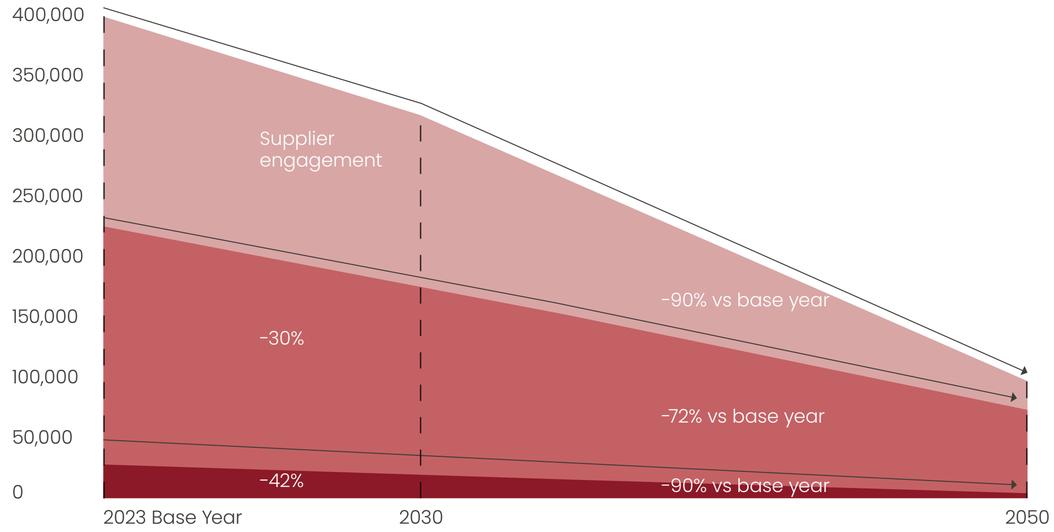
[3] The forest, land and agriculture sector is one of the most affected by the impacts of climate change, but it is also a significant source of emissions. Following latest SBTi standards, we are reporting FLAG emissions separately and set a FLAG-specific target for these.
[4] Lotus Bakeries has set a target for scope 1 and 2 combined, as both scopes are closely linked and will both be influenced by reduction actions related to this target.
[5] Primary deforestation-linked commodities sourced by Lotus Bakeries in non-trivial quantities consist of palm oil and cocoa.

The targets above are defined for the emissions within the target boundaries determined in accordance with SBTi. As a reminder, the emissions for the base year 2023 were as follows, presenting the boundaries for the near-term (2030) and the long-term (2050):



Tonnes CO_2e	2030 in Boundary	2050 in Boundary
Scope 1	27,825	27,825
Scope 2	12,648	12,648
Scope 3 - FLAG	180,079	241,610
Scope 3 - Non-FLAG	194,071	233,544
Scope 3 Out-of-boundary	142,652	41,468
Total emissions	**557,275**	**557,275**

The above targets are integrated into the following global roadmap:



Tonnes CO_2e	2023 Base Year	2030	2050 Boundary
Scope 1&2	40,473	23,474	4,005
Scope 3 - FLAG	180,079	125,515	67,651
Scope 3 - Non-FLAG	194,071	194,071	23,354

The targets for Scope 1, 2 and 3 represent gross targets and do not include GHG removals, carbon credits or other avoided emissions.

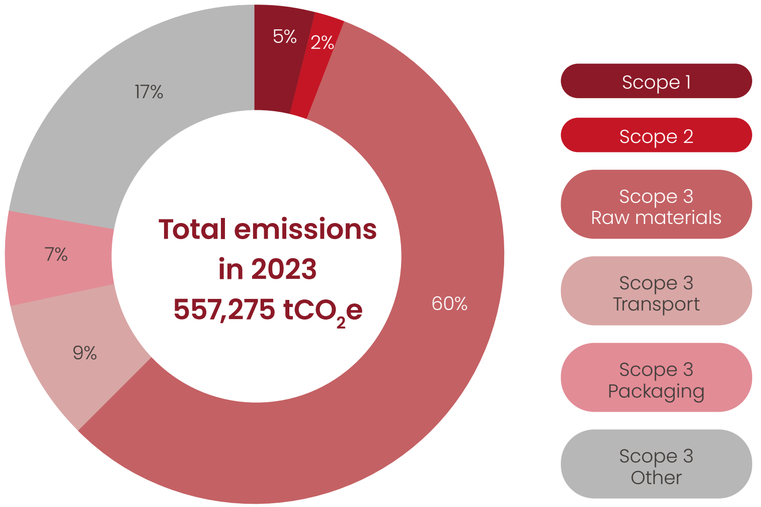
These targets will guide our business practices. By leveraging opportunities and innovations to reduce our carbon footprint across our product portfolio, operations and value chain, we aim to achieve ambitious emission-reduction goals to limit global warming to 1.5°C above pre-industrial levels, aligned with the Paris Agreement.

II.1.1.5. Decarbonisation roadmap

As part of our SBTi approval process, a detailed roadmap was developed to model the reductions for Scope 1, 2 & 3. The roadmap was built from the bottom up at site level and includes intermediary modelling of estimated emissions on the road to target year 2030. The roadmap takes into account the foreseen growth of the Group.

In 2023, Lotus Bakeries calculated the baseline of its carbon footprint. This provided insights into where to focus our decarbonisation efforts and helps determine the focus areas of emission-reduction activities across the Group.

CO_2e Emissions per scope	
Scope 1	27,825 tonnes CO_2e
Scope 2	12,648 tonnes CO_2e
Scope 3	516,802 tonnes CO_2e



The main action levers of the roadmap have been identified based on an understanding of our carbon footprint. This analysis, together with input from internal and external experts, indicates that our emission-reduction opportunities with the most potential lie in raw materials in the value chain. Furthermore, transport, packaging and our own operations are identified as focus areas for our mitigation actions. Emissions that cannot be mitigated, will need to be removed from the atmosphere through carbon capture by 2050. The analysis for the reduction roadmap shows that we have focus areas in all scopes, which are crucial for reaching our decarbonisation targets.



	Scope 1&2	Scope 3		
	OWN OPERATIONS	**RAW MATERIALS**	**TRANSPORT**	**PACKAGING**
Context	Focus on the electrification of our production process, transition from fossil fuels to renewable energy and shifting to refrigerants with low global warming potential.	Focus on raw materials via investigating low-carbon versions or alternatives to high-emitting raw materials.	Focus on efficient transport, optimising location plan and modes of transport.	Focus on the design of our packaging, including reviewing the end-of-life (EOL) impact and recyclability.
Examples	Electrification of gas ovens in the production of our biscuits and bakery snacks, prioritising the preservation of our unique great taste.	Sourcing deforestation-free raw materials, because when deforestation occurs, much of the carbon stored by trees is released back into the atmosphere as carbon dioxide, which contributes to climate change.	Optimising transport routes and minimising distance travelled reduces fuel consumption, and ultimately lowers carbon emissions.	Developing sturdier outer cases for our products enables higher stacking on pallets, reducing the number of required transports.

To ensure that our climate action ambitions to reach net-zero GHG emissions across our value chain by 2050 become a reality, we have anchored our transition plan into our overall business strategy and financial planning processes. Doing so allows us to take into account our organic growth trajectory. The main action levers of the decarbonisation roadmap include initiatives for own operations, raw materials, transport and packaging as explained in detail in II.1.1.5. The actions related to these action levers will entail CAPEX investments and expenditure, which are considered in the development of the decarbonisation roadmap.

Meeting our targets will require investment in physical infrastructure and equipment in the own operations. While we believe the majority of our equipment can undergo a renewable transition, we do expect to face some potential locked-in GHG emissions related to our current infrastructure, such as ovens operating on fossil fuels. These will be covered through carbon removals.

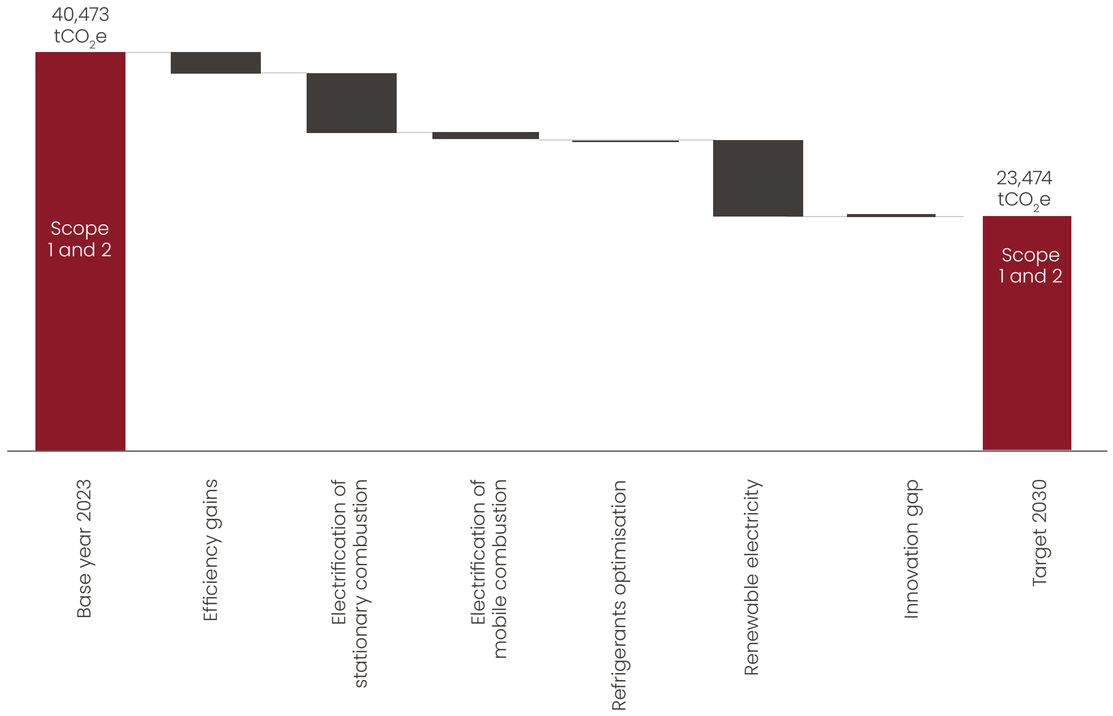
The OPEX expenditure is related to exploring the impact of low-carbon versions or alternative ingredients to high-emitting ones. Given rising inflation, maintaining cost-effective solutions is crucial. Consumer affordability will remain a primary consideration in our decision-making. In transport and packaging, we aim to further reduce both the distance travelled and the amount of packaging material used. However, we anticipate increased carbon and packaging taxes.

For the EU taxonomy disclosure detailing the eligible CAPEX and OPEX for the year 2024, please refer to II.2 below.

The detailed roadmap below presents the efforts required to reach our targets. All of these action levers are important in our decarbonisation roadmap, as we need to reach all decarbonisation targets individually. Some actions are already in progress, while others will take longer to prepare and implement. In all scopes, an innovation gap is present in our roadmap plans. Lotus Bakeries believes that innovation will be key to reaching our targets towards net-zero. Aside from the mitigation actions above, there will be residual emissions that will be impossible to mitigate. In order to compensate for these emissions, we are preparing carbon-capture projects (see also II.1.1.7 below).

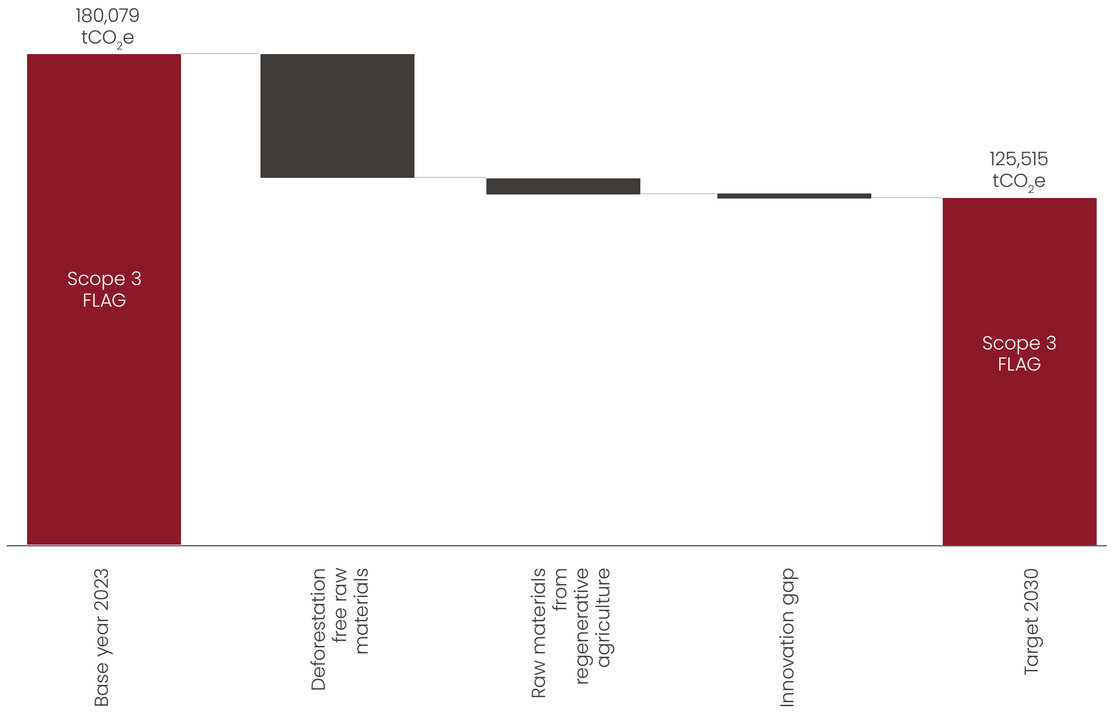
Scope 1 and 2

Scope 1 and 2 is linked to our own operations. Fossil-fuel related energy makes up the bulk of our GHG emissions in our own operations. We are assessing the electrification of gas ovens in the production of our biscuits and bakery snacks, prioritising the preservation of our unique great taste. Next to that we look into reducing energy consumption by improved efficiency in our factories and waste reduction, electrifying our fleet, shifting to refrigerants with lower Global Warming Potential (GWP) and increasing the usage of renewable energy. This is shown in the following reduction plan towards our 2030 target.



Scope 3 FLAG

Actions related to our raw materials have a significant reduction potential for Scope 3 FLAG related emissions. Among these are a focus on deforestation-free commodities and regenerative agriculture. Collaboration with raw material suppliers to consider low-carbon versions or alternatives to high-emitting raw materials are likely to contribute to GHG reduction. This is shown in the following reduction plan towards our 2030 target for Scope 3 FLAG.



Scope 3 non-FLAG

Scope 3 non-FLAG emissions, excluding those related to forrest, land and agriculture, represent approximately 50% of our total Scope 3 emission. Lotus Bakeries aims to ensure that by the end of 2029, 67% of our suppliers, based on emission, will have set science-based targets. Achieving this goal requires a focused approach. Consequently, Lotus Bakeries has prioritised two categories within Scope 3 for targeted efforts to convince suppliers to set science-based targets, being purchased goods and services and upstream transportation and distribution. To achieve 67% coverage of total Scope 3 non-FLAG emissions, it is necessary to engage 89% of suppliers within these two selected categories. This percentage is also reflected in our SBTi-targets.

Although supplier engagement is the primary target by 2030, absolute reductions are also envisioned in preparation for the 2050 target on Scope 3 non-FLAG. A significant part of these emissions is related to transport. Since 2019, Lotus Bakeries has chosen to spread its Biscoff production sites across different continents: Lembeke (Belgium), Mebane (US) and a third plant in Chonburi (Thailand), which is currently under construction. Furthermore, we plan to work with logistics suppliers to optimise the distance travelled or amount loaded per transport, and to find lower-carbon transport options.

Aside of transportation, relevant actions lie within our sustainable packaging initiatives, such as designing packaging for recyclability and finding packaging alternatives.

For more details regarding the actions, we refer to II.1.1.6. below.

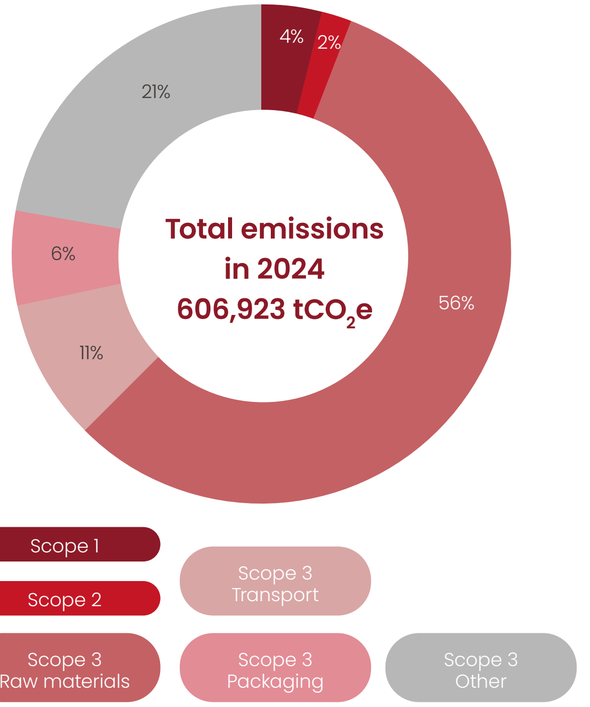
II.1.1.6. Performance, actions and resources

Our total Greenhouse Gas (GHG) emissions (Scope 1, 2 & 3) amounted to 606,923 tonnes CO_2 equivalents in 2024, an increase by 8.9% compared to the 2023 base year. While there is an increase in GHG emissions, mainly originating from Scope 3, the increase is limited compared to the consolidated revenue growth of 16%. This is also visible in the GHG intensity, which has decreased with 6% compared to the base year 2023.



GHG INDICATORS	UNIT OF MEASURE	2024	BASE YEAR 2023	VARIANCE 2024-2023
Stationary combustion	tCO_2e	24,114	25,626	-5.9%
Mobile combustion	tCO_2e	1,265	1,150	10.0%
Process emissions	tCO_2e	384	332	15.6%
Fugitive emissions	tCO_2e	271	717	-62.3%
SCOPE 1	**tCO_2e**	**26,033**	**27,825**	**-6.4%**
of which covered by regulated emission trading schemes	%	-	-	-
Location-based	tCO_2e	12,944	12,235	5.8%
Market-based	tCO_2e	11,869	12,648	-6.2%
SCOPE 2	**tCO_2e**	**11,869**	**12,648**	**-6.2%**
Purchased goods and services	tCO_2e	429,148	411,469	4.3%
Upstream transportation and distribution	tCO_2e	56,875	45,387	25.3%
Capital goods	tCO_2e	37,897	25,099	51.0%
End-of-life treatment of sold products	tCO_2e	18,672	14,542	28.4%
Downstream transportation and distribution	tCO_2e	12,186	5,320	129.1%
Fuel- and energy-related activities	tCO_2e	7,635	7,994	-4.5%
Employee commuting	tCO_2e	2,836	2,343	21.1%
Business travel	tCO_2e	2,415	2,294	5.3%
Waste generated in operations	tCO_2e	1,048	986	6.2%
Upstream leased assets	tCO_2e	291	574	-49.3%
Processing of sold products	tCO_2e	18	-	100.0%
Investments	tCO_2e	-	794	-100.0%
SCOPE 3	**tCO_2e**	**569,021**	**516,802**	**10.1%**
Total GHG emissions (location-based)	**tCO_2e**	**607,999**	**556,861**	**9.2%**
Total GHG emissions (market-based)	**tCO_2e**	**606,923**	**557,275**	**8.9%**
Consolidated revenue	in thousands of EUR	1,231,914	1,062,962	15.9%
GHG intensity (location-based)	**tCO_2e/mio EUR**	**494**	**524**	**-5.8%**
GHG intensity (market-based)	**tCO_2e/mio EUR**	**493**	**524**	**-6.0%**

As described above, our journey to become net-zero will require significant efforts from all layers within the organisation. This challenging journey includes investments and efforts from all stakeholders, both within and outside our own operations.



Scope 1 & 2

Our Scope 1 GHG emissions decreased by 6% from 2023 to 2024. A similar decrease can be seen for our market-based Scope 2 emissions. This decrease shows that Scope 1&2 emissions are in our own control, which facilitates actionability and speeds up decarbonisation. The decrease in emissions can be linked to several actions that were performed in the last year, linked to the crucial action levers as identified in II.1.1.5.

Electrification of stationary combustion

- In 2024, a first electric oven was installed in Belgium as a pilot line to gather data on product quality and financial implications, enabling us to determine the viability of expanding electric oven technology.
- The plant in South Africa now uses LPG for oven heating for the BEAR production, resulting in a significant reduction of GHG emissions.
- The installation of additional solar and battery capacity (see below) has significantly reduced our South African plant's reliance on fuel-based grid back up.

Electrification of mobile combustion

The electrification of our fleet has continued in 2024. 48% of our fleet are electric vehicles. Specifically, in Belgium (representing the bulk of the fleet), 63% of the fleet are electric vehicles (compared to 50% in 2023).

Refrigerants optimisation

- Our production sites in Geldrop and Oostakker have switched to cooling systems using refrigerants with lower global warming potential (GWP).
- A refrigerant policy has been developed, promoting the implementation of low GWP installations for new investments.

Efficiency gains

- Continuous efficiency improvements in production remain a focus for all plants, as this does not only drive decarbonisation, but also reduces cost and increases site output.
- In order to monitor the energy usage and energy mix in our plants, we have installed e-monitoring systems on our production lines in several plants. As such, up-to-date data will flow to the plant managers and engineers, allowing relevant actions to be taken.
- For actions relating to energy efficiency, we refer to II.1.2. below.

Renewable electricity

- To enhance energy sustainability and grid resilience, we've expanded solar capacity at our South African plant and integrated battery storage for optimal daytime solar utilisation and reliable power supply in case this stability cannot be offered by the electrical grid.
- The production site in Enkhuizen has installed solar capacity. As this measure became operational in November 2024, its contribution to emissions reduction in the 2024 reporting period is limited, with a more substantial impact anticipated in 2025.
- Further investigation on increasing solar capacity on other sites is ongoing, taking into account the Flemish obligation for solar panels.

Scope 3

As apparent from our decarbonisation roadmap, our biggest challenge will be the reduction of our Scope 3 emissions. The main drivers of our Scope 3 emissions are raw materials, transport and packaging.

Raw materials

Dietary shifts towards more plant-based consumption is an important thing that we, as a global community, can do to keep our food system within environmental limits. Lotus Bakeries' portfolio, consisting of Lotus Biscoff, Lotus Natural Foods and Lotus Local Heroes is more than 75% plant-based. We will strive to make our plant-based portfolio as accessible as possible to consumers to help them in favouring these sustainable options.

We will continue to look for further ways to decarbonise our snacks, always keeping our great taste, cost effectiveness, affordability and the highest quality standards at the forefront. Our decarbonisation roadmap includes a commitment to source our primary deforestation-free ingredients and applies in a first phase to deforestation-free palm oil and cocoa by the end of 2025. For other key raw materials we will, in collaboration with raw-material suppliers, investigate what are low-carbon versions (regenerative agriculture) or what are alternatives to high-emitting raw materials.

Transport

Next to raw materials, optimisation of transport and logistics processes will be a key contributor in the reduction of Scope 3 emissions.

In 2024, work has continued on our third production plant for Biscoff in Thailand. This will offer local production, saving 15,000 kilometres per container.

We will further improve efficiency through network redesign related to warehouse locations, and maximise payloads in trucks. Additionally, switching to electric vehicles and biofuel-powered transport, along with expanding multimodal transport, are important elements.

Packaging

The third key lever for the reduction of Scope 3 emissions is related to packaging. The ideal packaging contains as little packaging material as possible, whilst simultaneously optimising the use of recycled materials. This must be achieved without compromising the quality, taste and freshness of our products. For more details, we refer to II.1.3. below.

Aside from taking the actions as described above, our key focus for non-FLAG related emissions will be to engage with our key stakeholders and to obtain their commitment to set science-based targets.

As of 2024, suppliers covering covering more than 23% of our Scope 3 non-FLAG emissions have already set science-based targets. To further advance this target, we will initiate a project aimed at enhancing our supplier engagement on this topic.

II.1.1.7. GHG removals and mitigation projects financed through carbon credits

Our decarbonisation roadmap is expected to result in a significant reduction in GHG emissions. However, there are residual emissions that will be impossible to mitigate. In the net-zero strategy, these emissions will need to be removed from the atmosphere through carbon capture by 2050.

To prepare for this carbon capture, Lotus Bakeries has joined Colruyt Group's collaborative tree project in the Democratic Republic of Congo: the planting of 10,000 hectares of forest, which equates to over 12 million trees. It is foreseen that this project will obtain the Gold Standard verification. Lotus Bakeries is convinced that it is only through collaboration with like-minded partners that we can effectively reduce emissions across the entire value chain.

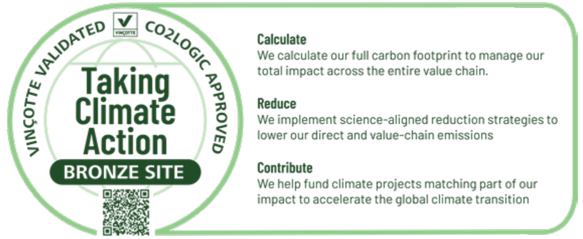
However, newly planted forests do not yet withdraw significant amounts of carbon emissions from the atmosphere. There are currently no removals performed within our value chain or own operations yet. Therefore, in our ambition to meet the goals set in the Paris Agreement, extra measures beyond our own value chain are needed until sufficient carbon capture happens through the afforestation project.

Already since 2015, Lotus Bakeries has offset the emissions from Scope 1 and 2 by supporting external projects through carbon credits leading to the avoidance of extra GHG emissions. Until last year, this has been reported as "Carbon Neutral". However, in line with the guidance from SBTi, Lotus Bakeries has decided to move away from the terminology "Carbon Neutral" and will now use the terminology of Beyond Value Chain Mitigation (BVCM) instead.

Beyond Value Chain Mitigation involves efforts such as installation of renewable energy generation or other sustainability projects that go beyond the direct operations and supply chain of Lotus Bakeries. In this way, Lotus Bakeries can further contribute towards achieving global climate goals while complementing our internal climate mitigation targets.

In 2024, Lotus Bakeries has offset its Scope 1 and 2 emissions by supporting two projects, both of which generate renewable electricity. The first project produces electricity through the installation of wind turbines, while the second project involves the transformation from wastewater gases into renewable electricity. Both projects are validated by Verified Carbon Standard (VCS), an external certification body. As these projects prevent the generation of GHG emissions and create jobs locally, Lotus Bakeries makes a positive contribution to the local community and the fight against global warming.

In 2024, 37,902 tonnes of GHG emissions, related to Scope 1 and 2 emissions, have been offset through carbon credits of which 100% was related to avoidance projects and 100% was verified against international quality standards of VCS. The cancellation of these carbon credits has been externally validated by Vinçotte.



II.1.1.8. Internal carbon pricing

Internal carbon pricing serves as a mechanism for integrating environmental considerations into business decisions, promoting emissions reductions and advancing sustainability goals within organisations.

At this stage, Lotus Bakeries does not use internal carbon pricing schemes.

II.1.2. IMPROVE ENERGY USAGE

II.1.2.1. Approach and policies

LOTUS BAKERIES' VISION ON ENERGY USAGE

1. We only want to offer our customers products of the highest quality and with a superior taste experience.
2. That's why we need energy.
3. We aim to make our energy consumption as sustainable as possible and are committed to reducing our energy carbon footprint.

In this context, Lotus Bakeries has formulated a strategy that focuses on the reduction of its carbon footprint, by defining a detailed decarbonisation roadmap to become net zero by 2050 validated by SBTi.

Improving energy usage is focused on three axes:

Reduce what we use energy efficiency	**Increase renewable electricity** own generated	**Increase renewable electricity** green procurement

II.1.2.2. Targets

Next to the carbon footprint targets mentioned above, Lotus Bakeries has also set targets to improve its energy usage by increasing energy efficiency.

Target: Increase renewable electricity and energy efficiency.

The KPIs related to this target are as follows:

- Reduce energy intensity per tonne produced by 10% by 2030 compared to the 2023 base year
- Increase our renewable electricity

II.1.2.3. Performance, actions and resources

The following table presents an overview of the energy consumption and mix as used by Lotus Bakeries. As Lotus Bakeries is operating in the food sector, it is considered to operate in a high climate impact sector according to NACE sections A to H in EU regulation 2022/1288. Considering that all of our revenue relates to the food sector, all our revenue stems from high climate impact sectors.

ENERGY CONSUMPTION AND MIX	UNIT OF MEASURE	2024	BASE YEAR 2023	VARIANCE 2024-2023
Coal and coal products	MWh	2,029	14,017	-85.5%
Crude oil and petroleum products	MWh	9,215	9,656	-4.6%
Natural gas	MWh	120,147	104,851	14.6%
Other fossil sources	MWh	-	-	-
Purchased or acquired electricity, heat, steam or cooling from fossil sources	MWh	31,238	27,657	12.9%
TOTAL ENERGY CONSUMPTION FROM FOSSIL SOURCES	**MWh**	**162,628**	**156,181**	**4.1%**
Share of fossil sources in total energy consumption	%	83%	84%	-0.5%
TOTAL ENERGY CONSUMPTION FROM NUCLEAR SOURCES	**MWh**	**29,439**	**28,282**	**4.1%**
Share of nuclear sources in total energy consumption	%	15%	15%	-0.6%
Renewable sources	MWh	-	-	-
Purchased or acquired electricity, heat, steam or cooling from renewable sources	MWh	1,850	2,019	-8.4%
Self-generated non-fuel renewable energy	MWh	1,615	298	442.1%
TOTAL ENERGY CONSUMPTION FROM RENEWABLE SOURCES	**MWh**	**3,465**	**2,317**	**49.6%**
Share of renewable sources in total energy consumption	%	2%	1%	42.9%
TOTAL ENERGY CONSUMPTION	**MWh**	**195,532**	**186,780**	**4.7%**
Consolidated revenue	in thousands of EUR	1,231,914	1,062,962	15.9%
ENERGY INTENSITY	**MWh/mio EUR**	**159**	**176**	**-9.7%**

All of the data mentioned in the table above is based on actual consumption, as reported by our energy suppliers. For the own-generated electricity, the data is directly derived from the registration systems installed on the related equipment. For more information regarding the methodology, we refer to the chapter above II.1.1.2. The metrics have been reviewed by our external partner who provides us with the relevant emission factors.

As described above, one of the key drivers in our decarbonisation roadmap is the reduction of our Scope 1&2 emissions. As energy usage is the main contributor to the Scope 1&2 emissions, focus will lie on identifying initiatives which increase the energy efficiency and on investing in renewable energy sources.

We have installed an e-monitoring system on our manufacturing lines in Belgium to monitor the energy usage. This allows benchmarking across our entire production network and provides valuable insights on where to find optimisation to improve energy efficiency.

As mentioned above, the Group also invested in sustainable production with the installation of a solar panel park, solar power batteries and an environmentally friendly oven heating system in South Africa.

Solar panels were also installed at the end of 2024 in Enkhuizen, the Netherlands. More than 2,200 solar panels have been placed and are expected to generate more than one MWh of energy annually.

Additional programmes will be deployed at all sites to convert to low carbon production in the future. We believe these measures are crucial to prevent any undesired rebound effects as a result of human behaviour following the conversion to green energy.

For more details on the decarbonisation plan and the actions planned to reach our targets by 2030, we refer to respectively II.1.1.5. and II.1.1.6.

II.1.3. SUSTAINABLE PACKAGING

II.1.3.1. Why do we care?

The primary objective of our packaging is to offer our consumers products of the highest quality and with a superior taste experience. Packaging has a crucial role in avoiding food waste and protecting food safety. However, Lotus Bakeries acknowledges that packaging results in waste. Therefore, Lotus Bakeries supports the move from a linear economy to a circular economy, which requires managing the environmental impact and promoting circularity. This strategy was confirmed by the double materiality assessment. The double materiality assessment determined that product packaging has impact materiality.

As packaging is used in all our products, this means that all our business units are associated with this material topic. Lotus Bakeries uses a variety of packaging materials, going from paper&pulp based materials to glass and plastics. While product packaging is mainly situated in our own business units, product packaging is also associated with our upstream and downstream value chain stages, such as the sourcing of packaging raw materials, production of packaging material, the necessity of packaging to deliver our products safely towards our customers and consumers and the end-of-life treatment associated with the packaging waste.

Packaging waste has been identified as a negative impact Lotus Bakeries can have on the environment. This impact happens both on the inflow and outflow of product packaging, for example consumers discarding packaging in a careless manner may generate litter. On the other hand, Lotus Bakeries might have a positive impact on the environment by reducing food waste by offering the right pre-packed formats and portion sizes that contribute to a long shelf life. Furthermore, implementation of the Lotus Bakeries packaging policy will reduce the amount of packaging put on the market, making it technically recyclable and lowering the usage of virgin materials. This has a positive impact as it contributes to a more circular economy.

If we would maintain the status quo, legislation, customer requirements and consumer expectations were identified as potential risks. Customer and consumer expectations towards companies to reduce packaging are increasing. Selling pre-packed goods may influence the consumer perception negatively, if the crucial role of packaging to guarantee food safety and food quality to combat food waste is not well understood. Furthermore, the changing regulatory landscape and the introduction of increasing tax systems such as EPR[6], plastic taxes and litter taxes may lead to higher taxes paid.

Acting on product packaging circularity offers significant opportunities for aligning with the customer and consumer expectations, while potentially reducing costs, either directly related to the sourcing of our packaging materials or linked to packaging taxes.

This transition towards more circular economy for product packaging needs to be overseen carefully, in order to avoid burden shifting and to keep a clear view of the resources invested into this transition.

[6] EPR: Extended Producer Responsibility



II.1.3.2. Approach and policies

In light of the materiality of product packaging and its circularity, the vision on packaging for Lotus Bakeries, as shown below, was translated into a Sustainable Packaging Policy to manage the material impacts, risks and opportunities related to resource use and circular economy where product packaging is concerned.

LOTUS BAKERIES' VISION ON PACKAGING

1. We only want to offer our customers products of the highest quality and with a superior taste experience.
2. That's why we must protect our products: packaging allows us to combat food waste and guarantee food safety.
3. We aim to make our packaging as sustainable as possible and are committed to reducing our packaging carbon footprint.

In this context, Lotus Bakeries has formulated a packaging strategy that focuses on the reduction of packaging using innovative design and investment in circularity.

Our packaging policy has been renewed and extended in 2024. The policy is developed based on the fast evolving packaging landscape and input from key stakeholders, such as suppliers, customers, consumers and industry associations. It is applicable for our worldwide activities, including our own factories and production partners. It is not applicable for products sold under a license. The packaging policy affects our own operations and upstream and downstream value chain. The Executive Committee is accountable for the implementation of the policy. Our policy is publicly available on our Corporate website and is actively discussed with stakeholders who need to help implement it.

Our packaging policy is centred around three axes:

Reduce what we use | **Design for tomorrow** | **Aim for circularity**

The first axe is “Reduce what we use”, where we focus on reducing the amount of packaging we need to pack and ship our products. By reducing the amount of packaging used, we reduce the amount of virgin resources that need to be extracted.

The second axe “Design for tomorrow” focusses on increasing the recyclability of our products. By increasing the recyclability, we aim to enhance the quality of the recycled material. This will lead to higher introduction rates in new applications.

The last axe, “Aim for circularity”, includes the transition away from extraction of virgin resources, the sustainable sourcing of packaging materials and increasing the use of renewable resources.

In case of the transition away from extraction of virgin resources, we have a clear preference for recycled paper fibres, as long as stability of the material is preserved. Also in glass, the use of secondary recycled material is promoted. For plastics this is also the case, however, proves to be more difficult because of food safety prerequisites.

Sustainable sourcing of our packaging materials includes the use of sustainably managed fibres. Lotus Bakeries defines sustainably managed fibres as being certified through FSC, PEFC or SFI. This is stimulated where this is in line with the sourcing possibilities.

Increasing the use of renewable resources can be achieved by using paper&pulp based materials, such as cardboard, corrugated board, paper and wood. Our principle in moving towards renewable resources, such as paper-based materials or biobased plastics, is fact-based, where the environmental footprint of the packaging material is leading in the decision to move towards renewable materials. While renewable materials such as paper are replenished, they often have a higher environmental footprint than plastic alternatives, because of the higher weight necessary to perform the same function. By working fact-based, we want to avoid burden shifting.

Our packaging policy clearly supports the waste hierarchy, where prevention is our first priority. If we cannot avoid it, our second axe “design for tomorrow” makes it recyclable.

II.1.3.3. Targets

Target: Limit packaging impact.

The KPI related to this target is as follows:

› Design at least 98% of our packaging to be technically recyclable by end 2025

Lotus Bakeries is aware that the newly voted EU Packaging & Packaging Waste regulation (PPWR) requires full recyclability by 2030. As the recyclability requirements related to PPWR are not yet determined, Lotus Bakeries currently uses the available industry-led design guidelines to determine recyclability. Once PPWR guidelines become available, our internal design guidelines will be adapted accordingly to ensure full compliance. Therefore, for the computation of this metric, there have been no changes in the accounting methodology, assumptions, limitations, data sources or data collection compared to previous reporting years.

This target is primarily situated in the recycling layer of the waste hierarchy. However, by designing our packaging to be recyclable according to recyclability guidelines, we contribute to the circular design of products. The available amounts of recycled materials available at supplier side increase, which in turn has an effect on the circular material use rate and minimisation of primary raw materials sourced. This target is not related to reversal of depletion of stock of renewable resources.

II.1.3.4. Performance, actions and resources

The following table gives an overview of the progress against the targets set in the context of sustainable packaging. Progress on these targets track the effectiveness of our policy and actions in relation to our material impacts, risks and opportunities.

	Unit of Measure	2024	2023	Baseline (base year)
Technically recyclable packaging	%	>98%	98%	94% (2019)

Further actions have been taken to bring our renewed packaging policy to life and to reach our target of 98% recyclable packaging by the end of 2025. The actions are summarised below per principle in our packaging policy and are applicable to all geographies where the products are sold.

Reduce what we use

In 2024, Lotus Bakeries continued to reduce the amount of packaging material put on the market. A total of 241 tonnes[7] of packaging was saved for Lotus Bakeries brands. This covers both plastic (15 tonnes) and paper&pulp based materials (226 tonnes). The packaging material has been saved by increasing the level of resource efficiency of our product packaging. This leads to prevention of waste generation, both internally and downstream in our value chain. This is done through a combination of continuous procurement optimisation and specific packaging projects.

As an example, the Kiddylicious® brand initiated a redesign in 2024, which was the perfect opportunity to reduce packaging weight put on the market. Packaging reductions for products such as veggie straws, wriggles, tiddlers, biscotti, fruity bakes, wafers, melty buttons have been developed. Some of these reduced packaging designs are already in market, while others will enter the market in the first half of 2025. The combined efforts on these products are expected to lead to an annual reduction of 50 tonnes of plastic primary packaging.

[7] The reduction in material for Lotus Bakeries brands is the reduction obtained by the improvements done in the reporting year in a like-for-like comparison. The packaging weights of the current full year are therefore compared with the packaging weights that would have been marketed in the current year if no changes to the packaging composition had occurred.

Secondary packaging has the crucial function to deliver the goods in good state at the point-of-sale. In 2023, a project was performed that shortened the flaps of the distribution units for some high-turnover Biscoff products. This project set out the guidelines for new developments on how to minimise packaging in the design phase. Following these new design guidelines, new Biscoff SKUs launched in 2024, for which implementation of shortened flaps was possible, entered the market with the minimal packaging weight from the start.

Tertiary packaging stabilises and protects our products during transport on pallets. While previous years have focussed on optimising the stretch film used to stabilise pallets, a project was started in 2024 to optimise the use of fibre-based tertiary materials, such as corner posts and interlayers. The findings of this project will be further finalised and implemented in 2025.

In 2024, we have continued the reduction of the amount of packaging material put on the market. However, the further we get in this reduction process, the more challenging the processability of these materials within our production plants becomes. It is thus a fine balance between reductions and processability.

Finding this optimal balance for the packaging weights is embedded in the procurement activities on a daily basis, but also tackled in specific reduction projects. The most impactful way to reduce packaging materials is to align these reductions with a redesign of a specific brand, as this automatically involves adapting all designs and offers opportunities for significant reductions.

Furthermore, reductions in packaging materials are stimulated through our renewed packaging policy, where a traffic light system has been included to determine if a packaging concept is acceptable in terms of packaging weights used. While for new developments, packaging should immediately fall within the acceptability limits of the traffic light system, existing concepts will be analysed against the traffic light system and adapted when considered too heavy.

Design for tomorrow

As part of our commitment to launch technically recyclable packaging by the end of 2025, we achieved a score of 98.1% technical recyclability at the end of 2024.

We were once again able to make important improvements across our strategic brand pillars. These actions can be related to circular design and prevention of waste generation.

The recyclability performance has progressed significantly across all Lotus Bakeries products since 2019. We continue to explore packaging solutions that are both easy to sort and affordable for consumers. The main challenge to reach 100% is the lid of the Biscoff spread jar.

Affordability of our products is a critical factor in selecting recyclable alternatives, as it is part of our business strategy. With rising inflation, maintaining cost-effective solutions become even more essential. By carefully evaluating recyclable options, we ensure that our products remain accessible to consumers.

From a technical point of view, we adhere strictly to industry guidelines in defining recyclability. The ISO 18601 standard defines a packaging component as a part of packaging that can be separated by hand or by using simple physical means. This definition is also used by the Ellen MacArthur foundation. While our Biscoff® spread lid's components (PP lid and cardboard backing) are recyclable separately, consumers currently need a tool to separate them for proper sorting. Therefore, both components need to be evaluated together and the lid cannot be defined recyclable in its totality. If we relaxed this strict guideline, we would achieve nearly 100% technical recyclability already in 2024.

A significant improvement on recyclability has been made for the BEAR® brand in the UK, where the non-recyclable paper-plastic wrappers have been replaced by technically recyclable plastic wrappers which can be recycled through front-of-store collection in UK. This switch has occurred for BEAR® yoyo and BEAR® paws, making the BEAR® brand reach 100% technical recyclability.

Next to the significant improvement on recyclability for the BEAR® brand in the UK, also Kiddylicious® has made significant strides towards a fully technical recyclable packaging portfolio in 2024. A long-running project on recyclability for key Kiddylicious® products has yielded technically recyclable alternatives with safeguarding of the quality and food safety of the products. In parallel with the redesign, these recyclable alternatives will be implemented for Straws, Melty buttons and Coconut rolls. When all changes have been adapted, this will lead to 100% recyclability for Kiddylicious®. The first products in recyclable packaging have already been produced for Straws and Melty Buttons in the UK. Other products and other markets will follow in the first half of 2025. With the implementation of the above improvements, the complete Natural Foods range will become technically recyclable.

The last percentages are the hardest to cover. This challenge is linked to maintaining the highest food quality and operational processability when changing packaging materials, while keeping our products affordable for our consumers. As already mentioned for the Biscoff spread jar lids, the individual components (PP lid and cardboard backing) of the lid are technically recyclable. However, as they cannot be separated without tools, we cannot claim the lid to be recyclable. Finding a solution that stays affordable and is recyclable in line with the strict industry guidelines has proven to be a challenge.

Aim for circularity

Lotus Bakeries' sustainable packaging policy further contributes to a circular economy in the "aim for circularity" axis. In the process, we always seek to ensure that products are sorted and recycled to subsequently use the recycled material. In order to close the cycle as much as possible, there are some focus points which are tackled in our 'Aim for circularity' axis.

Sustainable sourcing

For new virgin material, we aim to use sustainable sources where possible. For fibre-based materials, we actively inquire about the availability and price of certified cardboard fibres, including FSC, PEFC and SFI certifications, during tender procedures. The current status is that 87% of paper and pulp-based materials are sourced from sustainably managed forests. It is crucial to keep in mind the sourcing situation worldwide, as sourcing materials from certified fibres might in some locations lead to increased transport distances and thus increased environmental impact. Therefore, Lotus Bakeries has no target on the amount of fibres to be sourced from sustainably managed forests. However, we keep challenging our suppliers to deliver us certified fibre-based materials in order to increase the percentage of certified fibres in the coming years.

Correct collection



We constantly update the recycling information on pack. Packaging that is recyclable in the country where it is marketed, carries the ‘Recycle Me’ logo. If not, the packaging will show the 'Tidy Man', urging consumers to dispose of it carefully. In this way, we want to contribute to the optimisation of waste management.

Sorting and recycling

Lotus Bakeries contributes to worldwide waste treatment through various networks and initiatives. In the UK, we are a member of the Flexible Plastic Fund. Furthermore, we are a member of CEFLEX, helping to develop guidelines for brand owners on optimal packaging design for sortability and recyclability. We keep monitoring the packaging landscape for opportunities and collaborations on sorting and recycling.

Recycled materials

Recycled material use is crucial to close the cycle. We have high percentages of recycled content in paper&pulp- and glass-based packaging of 77% and 52% respectively. Recycled content for plastic packaging in food-contact applications is minimal due to restrictions linked to food safety. Mechanically recycled plastic is not permitted to come into contact with food. Chemically recycled plastic offers a solution for this, but at present this is only made available on a limited scale. Currently, it is not yet possible to close the cycle and reuse our recyclable packaging as recycled content in food packaging.

A significant step that has been taken in recent years, is a case study where chemically recycled material under ISCC+ certification was added to our 250g wrapper of Biscoff in Spain. This first case study showed the challenges and opportunities of using chemically recycled content in direct food-contact wrappers. This recycled content for our Biscoff® 250g wrapper in Spain was maintained in 2024.

Recycled material use is crucial to close the cycle. As mentioned above, the complexity for food-contact materials is high, leading to low recycled content at this moment.

Collective action

Lotus Bakeries is a member of a range of organisations stimulating the circular economy on a packaging level. Lotus Bakeries is a member of the Flexible Plastics Fund in UK, CEFLEX in Europe and contributes to EPR systems all over the world. Lotus Bakeries contributes to Extended Producer Responsibility in all countries where this is obliged through the respective Packaging Responsibility Organisations (PROs), such as Fost-Plus in Belgium, CITEO in France and Ecoembes in Spain. These PROs can be government-led or industry-organised and the resources contributed to EPR flow towards increasing the recycling rates of our packaging materials in the respective countries.

CEFLEX
A CIRCULAR ECONOMY FOR FLEXIBLE PACKAGING

The **Circular Economy for Flexible Packaging** (CEFLEX) initiative is a collaboration of over 180 European companies, associations and organisations representing the entire value chain of flexible packaging. The goal of the initiative is to make all flexible packaging in Europe circular. CEFLEX's 'Mission Circular' commits to the collection of all flexible packaging and over 80% of the recycled materials channelled into valuable new markets and applications to substitute virgin materials. Lotus Bakeries has been an active member of the CEFLEX initiative since 2020 and participates in the working groups concerning the development of design guidelines for a circular economy (D4ACE). Furthermore, Lotus Bakeries applies the already existing CEFLEX guidelines to develop recyclable flexible packaging.

Flexible Plastic Fund

The **Flexible Plastic Fund** is a UK-based collaborative fund of 18 renowned UK consumer goods' manufacturers giving value to hard to-recycle flexible plastics. The Flexible Plastic Fund is working with retailers, recyclers, local authorities and manufacturers using flexible plastic packaging to create an efficient system that incentivises high-quality recycling of a material that has historically gone to waste. The Fund is driving towards the long-term ambitions of ensuring flexible plastic recycling is UK based, fully circular and facilitated by household recycling collections. Lotus Bakeries has been a member of the Flexible Plastic Fund since its establishment in 2021 through the brands Lotus Bakeries UK Ltd., Natural Balance Food and Kiddylicious®. Lotus Bakeries actively participates in the funder meetings and financially supports the Flexcollect trials to pilot household collections in UK and the retail collections of flexible plastics.

II.1.3.5. Packaging inflows and outflows

Packaging inflows

Our packaging material inflow for our own operations describes the packaging that is procured to pack Lotus Bakeries products. This includes plastic, glass, paper&pulp-based, metals and other miscellaneous packaging materials.

The following table presents the weights and recycled content of the packaging material inflow, including the classification in biological or technical materials and whether the biological materials are sustainably sourced through FSC, PEFC or SFI certification.

	Weight (tonnes)	% of total	Weight recycled content (tonnes)	% recycled material	Sustainably sourced (%)
Biological materials					
Cardboard & paper	17,769	**51%**	13,595	**77%**	87%
Technical materials					
Glass	8,315	**24%**	4,334	**52%**	N/A
Plastic	6,395	**18%**	75	**1%**	N/A
Metal	139	**0%**	0	**0%**	N/A
Others	2,217	**6%**	0	**0%**	N/A
Total packaging	**34,835**	**100%**	**18,004**	**52%**	

The above tonnages were computed based on the procured amounts and the weight per item per packaging component. The weight per packaging component is as received from our suppliers and holds no assumptions. For packaging procured by production partners, only outflow weights are known. Therefore, the assumption is taken that inflow equals outflow. The data was aggregated to obtain the above disclosed numbers. None of the materials were sourced from by-products or directly from waste streams without intermediate recycling. Double counting was avoided by using the procurement data from purchase orders, where no double orders are present.

Packaging outflows

Lotus Bakeries has packaging outflows from two different streams.

The first packaging material outflow is linked to sold goods. Once our products are packed, they are sold together with the packaging towards customers and consumers. This outflow increases the durability of our products, by prolonging the shelf life of our products to the best-before date. Repairability and recyclable content in our products is not applicable, as our products are consumed before the end of their shelf life.

The recyclable content of our product packaging is mentioned in the table above (98%). This is the average technical recyclability of the packaging of all products by the end of 2024. It takes into account consumer packaging, distribution packaging and transport packaging. The technical recyclability rate is determined per packaging component on the basis of the state-of-the-art design guidelines for recyclability. The average technical recyclability is a weighted average, based on the packaging weight of each packaging component. The weight of the packaging components is as received from our suppliers and holds no assumptions. The recyclable content of our product packaging is validated by our assurance provider, with no additional external validations.

The second packaging material outflow is related to packaging waste generated during the production process. This can, for example, be linked to production line start-ups or stops or to packed products that are discarded because of quality control. The quantification of this packaging waste is summarised together with other waste in 'Other sustainability information' of the Annual Report.

II.2. EU TAXONOMY

II.2.1. OVERVIEW OF THE EU TAXONOMY

This section contains the EU Taxonomy disclosures as stipulated by the European Taxonomy Regulation (EU 2020/852) and its supporting Delegated Regulations. These are designed to help companies, investors, and policymakers identify sustainable economic activities.
The EU has defined six environmental objectives (EU 2020/852, Art. 9):

1. Climate change mitigation
2. Climate change adaptation
3. The sustainable use and protection of water and marine resources
4. The transition to a circular economy
5. Pollution prevention and control
6. The protection and restoration of biodiversity and ecosystems

For each of these objectives, the EU has published a catalogue of economic activities (the Delegated Regulations). If an activity performed by the company is described in the Delegated Regulations, it is considered as eligible and should be included in the EU Taxonomy Disclosure Table. If the eligible activity is considered to make a substantial contribution to one of the above-mentioned six environmental objectives, does no significant harm to any of the other five and we as a group comply with the minimum safeguards, then the eligible activity is designated as “aligned”.

It is important to note that ‘non-eligible’ under the EU Taxonomy Regulation refers to the fact that the activities at present remain outside the scope of the economic activities for which technical screening criteria have been developed. As such, non-eligible activities under the EU Taxonomy should not be interpreted as an indication of our sustainability performance or ambition.

II.2.2. APPLICATION OF THE EU TAXONOMY REGULATION

The European Parliament and the European Council have prioritised economic activities that can make the most relevant contribution to the environmental objectives. The EU Taxonomy currently focuses on sectors with the highest emissions impact, including energy, manufacturing, transport, contruction and activities enabling their transformation.

The main activity of Lotus Bakeries Group is the production and sale of indulgent and natural snacks. When our sector (‘manufacturing of food products and beverages’) will be added to future Delegated Regulations, we expect our key performance indicators for Taxonomy-eligible Turnover, CapEx and OpEx to increase. We will continue to monitor legislative developments and adapt our disclosures where needed.

The development of the EU Taxonomy is an ongoing process and each year Lotus Bakeries will review the list of published activities and check for eligibility. We will continue to assess our Taxonomy-eligible and Taxonomy-aligned activities considering the evolving legal framework of the EU Taxonomy Regulation and to continue to integrate the requirements of the EU Taxonomy in our business model and reporting policies and procedures.

II.2.3. ACCOUNTING POLICY

The share of Taxonomy-eligible economic activities is expressed as the proportion of revenue (Turnover), total investments (CapEx) and operational expenditures (OpEx) related to assets or processes listed in EU Taxonomy.

To avoid double counting related to the economic activities, Turnover, CapEx and OpEx are distinctly allocated to ensure that there is no overlap across these financial metrics. Additionally, we have assigned climate change mitigation as the most relevant objective for these economic activities thereby avoiding double counting.

II.2.3.1. Turnover KPI

The Turnover KPI is defined as the proportion of Taxonomy-eligible economic activities in our total turnover (numerator) divided by the net turnover (denominator).

The denominator of the turnover KPI amounts to EUR 1,232 million and reconciles with the consolidated revenue as presented in the consolidated statement of profit or loss.

Considering that our core economic activities related to producing and selling indulgent and natural snacks are not covered by the Delegated Regulations, none of our revenue as detailed in our consolidated statement of profit or loss for the year ended 31 December 2024 comes from eligible activities. As a consequence, none of our revenue can be classified as aligned.

II.2.3.2 CapEx KPI

The CapEx KPI is defined as Taxonomy-eligible CapEx divided by our total CapEx. We have allocated our CapEx projects to eligible activities following the EU Taxonomy.

The total capital expenses (denominator) consist of additions to tangible and intangible assets during the financial year considered before depreciation, amortisation and any re-measurements, including those resulting from revaluations and impairments, for the relevant financial year and excluding fair value changes. The denominator also includes additions to tangible and intangible assets resulting from business combinations and leases. The assets considered reconcile with the acquisition of assets as disclosed in notes 14.2 relating to intangible assets and 15.2 relating to property, plant and equipment of the Consolidated Financial Statements.

II.2.3.3. OpEx KPI

The OpEx KPI is defined as Taxonomy-eligible OpEx divided by our total OpEx.

The total Operating Expenses (denominator) are defined as direct non-capitalised costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets that are necessary to ensure the continued and effective functioning of such assets.

Total OpEx includes rental expenses, plant-related expenses, utilities and R&D expenses as reported in the line item ‘Services and other goods’ in the consolidated statement of profit or loss.

II.2.4. ASSESSMENT OF COMPLIANCE WITH THE EU TAXONOMY

II.2.4.1. Eligible activities

With regard to the numerator, our assessment was conducted in three stages:

- Stage 1 - Screening of eligible economic activities – we performed a screening of the activities defined in the EU Delegated Acts and reviewed our capex for eligibility. We identified areas where we had eligible economic activities which were subject to further assessment of eligibility.

- Stage 2 - Assessment of eligible economic activities – each of the identified activities was assessed to determine how the description of the activity corresponds to our operations. The identified CapEx relates mainly to construction projects and sustainability-related investments. For more information, please see note 15 of the Consolidated Financial Statements.

- Stage 3 - Assessment of alignment of economic activities – we reviewed the technical screening criteria for the defined activities to assess alignment. This was a joint effort with key internal stakeholders.

II.2.4.2. Aligned activities

Lotus Bakeries has assessed the substantial contribution criteria for all eligible activities based on the legislative requirements covering the relevant activity codes (technical screening criteria).

As for the DNSH criteria, Lotus Bakeries must verify that the activity does not significantly harm one (or more) of the other five environmental objectives included in the EU Taxonomy.

For the minimum safeguards to be aligned, it is required that the activity is in accordance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The Group considers its processes related to the minimum safeguards to be robust and no violations have been identified.

An economic activity can only be labelled as ‘aligned’ if the above three items are met.

Considering that for some Taxonomy-eligible activities the data required for the technical screening criteria are not always available, no Taxonomy-alignment for the identified economic activities is identified in 2024.

II.2.5. TAXONOMY KPIS FOR THE PERIOD ENDING DECEMBER 31, 2024

II.2.5.1. Proportion of turnover from products or services associated with taxonomy-aligned economic activities

Financial Year 2024				Substantial Contribution Criteria						DNSH ('Does Not Signifantly Harm')									
ECONOMIC ACTIVITIES	CODE	ABSOLUTE TURNOVER	PROPORTION OF TURNOVER	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIO-DIVERSITY	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIO-DIVERSITY	MINIMUM SAFE-GUARDS	PROPORTION OF TAXONOMY ALIGNED OR ELIGIBILE TURNOVER, 2023	CATEGORY ENABLING ACTIVITY	CATEGORY TRANSITIONAL ACTIVITY
		in € million	%	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
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Turnover of 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%								0%		
Of which enabling		0.0	0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%								0%	E	
Of which transitional		0.0	0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%								0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
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																			
B. Turnover of Taxonomy-non-eligible activities		1,231.9	100%																
TOTAL (A+B)		**1,231.9**	**100%**																

PROPORTION OF TURNOVER/TOTAL TURNOVER

	TAXONOMY-ALIGNED PER OBJECTIVE	TAXONOMY-ELIGIBLE PER OBJECTIVE
Climate Change Mitigation	0.0%	0.0%
Climate Change Adaption	0.0%	0.0%
Water	0.0%	0.0%
Circular Economy	0.0%	0.0%
Pollution	0.0%	0.0%
Biodiversity	0.0%	0.0%

II.2.5.2. Proportion of CapEx from products or services associated with taxonomy-aligned economic activities

Financial Year 2024				Substantial Contribution Criteria						DNSH ('Does Not Signifantly Harm')									
ECONOMIC ACTIVITIES	CODE	ABSOLUTE CAPEX	PROPORTION OF CAPEX	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIO-DIVERSITY	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIO-DIVERSITY	MINIMUM SAFE-GUARDS	PROPORTION OF TAXONOMY ALIGNED OR ELIGIBILE CAPEX, 2023	CATEGORY ENABLING ACTIVITY	CATEGORY TRANSITIONAL ACTIVITY
		in € million	%	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
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. CapEx of 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%		
Of which enabling		0.0	0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%								0%	E	
Of which transitional		0.0	0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%								0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Acquisition and ownership of buildings	CCM 7.7	1.7	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Construction of new buildings	CCM 7.1	41.7	33%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1	0.5	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0.3	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0.4	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0.2	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	2.2	2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Manufacture of other low carbon technologies	CCM 3.6	3.2	3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Production of heat/cool using waste heat	CCM 4.25	0.0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		50.2	40%	40%	0%	0%	0%	0%	0%								0%		
A. CapEx of Taxonomy-eligible activities (A.1 + A.2)		**50.2**	**40%**	**40%**	**0%**	**0%**	**0%**	**0%**	**0%**								**0%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
B. Capex of Taxonomy-non-eligible activities		76.1	60%																
TOTAL (A+B)		**126.2**	**100%**																

PROPORTION OF CAPEX/TOTAL CAPEX

	TAXONOMY-ALIGNED PER OBJECTIVE	TAXONOMY-ELIGIBLE PER OBJECTIVE
Climate Change Mitigation	0.0%	39.7%
Climate Change Adaption	0.0%	0.0%
Water	0.0%	0.0%
Circular Economy	0.0%	0.0%
Pollution	0.0%	0.0%
Biodiversity	0.0%	0.0%

II.2.5.3. Proportion of OpEx from products or services associated with taxonomy-aligned economic activities

Financial Year 2024				Substantial Contribution Criteria						DNSH ('Does Not Signifantly Harm')									
ECONOMIC ACTIVITIES	CODE	ABSOLUTE OPEX	PROPORTION OF OPEX	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTA-TION	WATER	POLLUTION	CIRCULAR ECONOMY	BIO-DIVERSITY	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTA-TION	WATER	POLLUTION	CIRCULAR ECONOMY	BIO-DIVERSITY	MINIMUM SAFE-GUARDS	PROPORTION OF TAXON-OMY ALIGNED OR ELIGIBILE OPEX, 2023	CATEGORY ENABLING ACTIVITY	CATEGORY TRAN-SITIONAL ACTIVITY
		in € million	%	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
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. OpEx of 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%		
Of which enabling		0.0	0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%								0%	E	
Of which transitional		0.0	0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%								0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0.3	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Operation of personal mobility devices, cycle logistics	CCM 6.5	1.4	3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.4	0.3	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		2.0	4%	4%	0%	0%	0%	0%	0%								0%		
A. OpEx of Taxonomy-eligible activities (A.1 + A.2)		**2.0**	**4%**	**4%**	**0%**	**0%**	**0%**	**0%**	**0%**								**0%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
B. OpEx of Taxonomy-non-eligible activities		47.2	96%																
TOTAL (A+B)		**49.2**	**100%**																

PROPORTION OF OPEX/TOTAL OPEX

	TAXONOMY-ALIGNED PER OBJECTIVE	TAXONOMY-ELIGIBLE PER OBJECTIVE
Climate Change Mitigation	0.0%	4.1%
Climate Change Adaption	0.0%	0.0%
Water	0.0%	0.0%
Circular Economy	0.0%	0.0%
Pollution	0.0%	0.0%
Biodiversity	0.0%	0.0%

II.2.5.4. Disclosures in relation to specific energy sectors

Nuclear and fossil gas related activities	Applicable?
Nuclear energy related activities	
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
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
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	
The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
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
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



III. SOCIAL INFORMATION

III.0. INTRODUCTION

The backbone of our company is our people, our employees, our partners and our local communities. The social aspect of our 'Care for Today, Respect for Tomorrow' sustainability programme represents a cornerstone of our overall ESG strategy, which is aimed at doing sustainable business by meeting the needs of the present generations without compromising the ability of future generations to meet their own needs.

Our ambition regarding Social is summarised into two ESG Guiding Principles: One Lotus Family and Balanced Portfolio of Great Taste.

LOTUS BAKERIES ESG GUIDING PRINCIPLES



ONE LOTUS FAMILY



BALANCED PORTFOLIO OF GREAT TASTE

We believe in the power of our people to drive performance. We want to contribute to employee well-being by offering an attractive and inspiring workplace that promotes health and safety, diversity, employee satisfaction, development and equal opportunities for all. We aim to build One Lotus Family by embracing our TOP culture which stands for Team spirit, Open Dialogue and Passion.

Building a balanced portfolio of great tasting snacks and offering the best possible quality is our core business. The objective of our product offering is to provide our customers with both indulgent and better-for-you snacking options, allowing our customers to establish a balanced lifestyle. Food safety and quality throughout our entire supply chain are a prerequisite to our success.

III.1. ONE LOTUS FAMILY

Lotus Bakeries believes in the power of its people to drive performance. We are committed to building a TOP culture that focuses on safety, physical and mental well-being of its people.

III.1.1. WHY DO WE CARE?

In the double materiality assessment of 2023, Lotus Bakeries identified impacts, risks and opportunities related to its own workforce (see I.4.3.).

Lotus Bakeries has an international own workforce with a well-balanced gender and age diversity. As an international employer Lotus Bakeries has a direct impact on the professional lives of its employees around the world.

Ensuring human rights, including labour rights of the workforce, is a cornerstone in our own operations as well as the companies we work with. In that respect, we attach great importance to dialogue with our employees and their representatives, and aim to maintain collaboration and strong partnerships across our value chain.

We are committed to contributing to employee well-being by offering secure employment in a flexible, attractive and inspiring workplace that promotes health and safety, diversity, employee satisfaction, development and equal opportunity for all. We aim to build One Lotus Family based on our TOP culture (Team Spirit, Open Dialogue and Passion) where all people can thrive.

We believe in the power of our people to drive performance. The war for talent makes the success of the company even more dependent on our Lotus Family. To support the acceleration of our growth we focus on attracting, developing and retaining diverse talent. The main focus areas are:



III.1.2. APPROACH AND POLICIES

Our TOP values – which stand for Team Spirit, Open Dialogue and Passion – have been an important dimension in our corporate culture for many years and show our commitment to the well-being of our employees. When employees resonate with the company's values, they are generally more engaged and motivated. This alignment can lead to higher job satisfaction, greater enthusiasm for their work and increased productivity.

A CULTURE OF TEAM SPIRIT, OPEN DIALOGUE AND PASSION

TOP-values are our guiding compass

Team Spirit: each link in the process is equally important, from marketing through to production and packaging. It is essential to work as a well-oiled team. We work together every day to make Lotus Bakeries a success, in an inspiring working environment.

Open dialogue: a listening, open attitude, proactive communication and respectful feedback are priorities in dealings with and between employees. This is put into practice via regular departmental meetings, use of internal communication platforms and promotion of two-way communication between employees.

Passion: our employees' commitment is evident on a daily basis in the workplace. It is reflected in their justified pride in our products and in our company. Investing in our employees benefits the whole company.

Lotus Bakeries is committed to respecting Human Rights, including labour rights, forced labour and child labour; both in its own operations and in the value chain, in line with, but not limited to, the Universal Declaration of Human Rights, the ILO's Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights. The policy roll-out and monitoring, including Lotus Bakeries whistleblowing line, is explained in IV.1.5 Human Rights policy and IV.1.8. Whistleblowing policy.

We value diversity amongst our employees and those with whom they collaborate. We are steadfast in our commitment to provide a workplace that ensures equal opportunities and is free from discrimination and harassment. Our company does not tolerate any form of discrimination or harassment directed at employees or candidates based on race, colour, gender, sex, sexual orientation, age, religion, national origin, political opinion, disability or any other protected class. We firmly believe in treating all individuals fairly, as articulated in our Code of Conduct (see IV.1.4. below).

To strengthen this Guiding Principle, a Group Anti-Harassment and Anti-Discrimination Policy was developed and rolled-out to increase awareness and understanding of workplace harassment, violence and discrimination among our employees. It is the responsibility of the Human Resources department in each of the countries in which Lotus Bakeries operates to ensure that this Policy is rolled out in each legal entity and fully enforced. The policy is particularly designed to provide managers with a framework to identify, prevent and manage allegations of harassment and discrimination at work. This Group policy acts as an overarching statement within which all local offices can continue and expand their existing initiatives. Read more in IV.1.6 below.

When recruiting new colleagues for Lotus Bakeries, we carefully assess the fit with our company's TOP values during the selection process, in line with our recruitment & selection policy. Through testimonials from employees and pictures of our offices and locations on the global career site, potential candidates can get a glimpse of our unique culture. Via a combination of several interviews with a diverse set of colleagues and an objective assessment centre (as of middle management) performed by an external partner, we manage to achieve strong cultural alignment.

During our continuous performance process, we do not only look at the results or objectives someone has achieved, but equally important is how someone has behaved according to the TOP values. During the year-end performance conversation, this topic is discussed between the manager and the employee.

We are steadfast in our commitment to ensure that all our employees and contractors have a pleasant working environment and can return home (mentally) healthy at the end of the day.

In this context, the Executive Committee signed the Well-being & Disconnection Charter in 2023, which is a strong statement about just how much we value the well-being of our employees. This well-being charter is actively implemented across all of our offices and plants.

Finally, occupational health and safety is vital to our business. Within our working environment, we undertake measures to minimise the risk of workplace accidents, to ensure a safe and secure workplace.



Our commitment to occupational health and safety is driven by our health and safety policy and systems. Our first focus is to prevent accidents by minimising safety risks in the following four areas: (1) Occupational health, (2) Personal safety, (3) Process safety, (4) Rolling material safety.

Our prevention management system in our own sites includes following steps:

RISK ASSESSMENT

- In all our sites, new machinery and equipment are designed to the latest safety standards and undergo an extensive safety inspection through the Site Acceptance Test by our own safety officers. We follow a clear procedure for hazard identification. Machinery is adjusted as needed to meet our high safety standards.
- We strive for continuous improvement. To identify risks related to behaviour, we use safety inspections and feedback tools to detect and report unsafe situations.

DEVELOPING GUIDELINES AND PROCEDURES

- Strict occupational safety laws apply in all the countries in which Lotus Bakeries operates. Clear safety procedures and operating guidelines are created based on the risk assessment at each production site or office. These procedures are translated into work instructions for each workstation. We provide adapted work clothing for our employees and contractors to contribute to a safe work situation.

RAISING AWARENESS AND SAFETY TRAINING

- There is a safety training programme where we regularly focus on awareness and prevention.
- Safety in the workplace is a fixed part of the onboarding programmes of new employees who start working in the factory.
- Regular training sessions are given to teach people how to bring up the importance of safety with other colleagues, or address and prevent dangerous situations.
- Each site has a clear procedure in case an emergency occurs. Yearly training of the emergency procedure takes place.

LEADERSHIP, ORGANISATION AND MONITORING VIA REPORTING

- To foster a strong safety culture that prevents accidents we lead by example, care for our colleagues, providing positive feedback. Local safety and health are managed decentrally within local organisations with local management accountable for the implementation.
- Management monitors health and safety performance. All the sites measure and report monthly on the number of accidents at work with absence. Accidents are screened to improve our risk control strategies.

We ensure that contractors and other third parties entering Lotus Bakeries sites have sufficient relevant information, training and proper equipment to safely execute their tasks.

Health and safety management is a key consideration in selecting suppliers and contractors.

The policies that we are already implementing for our employees today will be continued in the future. The following policies can be found on our corporate website: Human Rights policy, Anti-harassment and anti-discrimination policy, Diversity policy, Health and Safety policy.

III.1.3. ENGAGING WITH THE LOTUS FAMILY

Lotus Bakeries is committed to providing adequate and timely information to its workforce. And we are committed to creating a culture of open feedback and two-way communication because we believe this increases engagement, motivation and performance. Lotus Bakeries' Executive Committee (EXCO) is responsible for overseeing Lotus Bakeries' policies and programmes related to its own workforce, thereby assisted by several departments, such as HR and ESG.

Double materiality assessment

As mentioned in I.4., in the context of the double materiality assessment in 2023, Lotus Bakeries engaged with its employees through workshops followed by an online survey to a wider group of employees in different countries. The outcome of the double materiality assessment was, in line with the ESG governance, discussed by EXCO and reported back to the Audit & Sustainability Committee.

Collective organisation and social dialogue

As a Group, we believe in an organisation that collaborates with all employees, the representation of employees, employee organisations and external social stakeholders. Currently, employees are covered by collective bargaining agreements on a company, sector and/or national level in Belgium, South Africa, the Netherlands, France, Sweden, Spain, Italy and Austria. This means that approximately 83% in 2024 (74% in 2023) of our employee population worldwide is covered by collective bargaining agreement.

	Collective bargaining		Social dialogue - Workplace representation
Coverage rate*	EEA countries	Non-EEA countries	EEA countries
0-19%	–	United States	-
20-39%	-	-	–
40-59%	–	–	-
60-79%	-	-	-
80-100%	Belgium, Netherlands, France, Sweden	South Africa	Belgium, Netherlands, France, Sweden

* For countries with more than 50 employees and where a plant is located

We remain committed to respecting our employees' right to freedom of association, to join trade unions and to collective bargaining. Our primary measure in this respect is to hold regular meetings, at least annually, with the works councils and maintain the social dialogue. Lotus Bakeries does not have a European Works Council (EWC). In our European countries where we have employment of more than 50 employees, 100% of our employees have a workers' representative. We are convinced that good collaboration contributes to our success.

Fostering feedback and performance

Once people have joined the Lotus Family, it is important to retain these engaged and motivated TOP talents. We aim to empower our employees to reach their fullest potential and secure employment for our permanent workforce via several means.

We invest in a culture of open feedback and two-way communication. We believe this increases engagement, motivation and performance.

As part of the onboarding track, each new office employee is asked to complete a survey after several months of service followed by a conversation with HR. In this survey the employee is questioned about the recruitment and onboarding process, they are polled about how the first few months have gone in the position, about how the job and the organisation meet expectations and how the collaboration with their manager and colleagues is going. In countries with a large workforce in the factories, such as Belgium, a bespoke survey is provided. The goal of the survey is to gain insights into how the employee has settled in and to identify areas for improvement. A similar follow-up is provided when employees decide to leave the company. Through an exit survey & conversation, we aim to gather honest feedback and understand the reasons behind the employee's departure.

The performance process for all office workers is fully integrated into the Global HR platform MyLotus. The operational workers use a non-digitalised system, where the feedback conversation happens with team leaders. In MyLotus, feedback exchange between manager and employee is encouraged several times a year, instead of having one annual review. There are two formal performance reviews, one at mid-year and one at end-of-year. This process provides ongoing opportunities to give and receive feedback, and our employees are encouraged more frequently to reflect on their career path. By gaining more insight into the employees' strong assets, areas for improvement and ambitions, it is possible to offer the right development and guidance, where appropriate. The platform foresees a written preparation from both the manager and the employee, and encourages a digital feedback request from various relevant stakeholders, which allows for a broad and objective assessment of someone's performance and development opportunities.

Managers are trained by HR in workshop format in how to have meaningful conversations with their team members. During these interactive peer-learning sessions, in small groups, focus lies on sharing best practices, learning from each other and reflection on specific cases, experiences and new perspectives.

Raising concerns

The performance process at Lotus Bakeries provides ongoing opportunities to give and receive feedback, and our employees are encouraged to have frequent two-way communication.

In most countries, Lotus Bakeries' employees can also approach trained Lotus Bakeries confidants at any time. They are key go-to people in case of issues at the workplace.

Finally, Lotus Bakeries has established a Whistleblowing Policy for its employees, as well as other stakeholders in the value chain, who wish to report unfair behaviour in their working area. The Lotus Bakeries whistleblowing policy sets out a procedure and guarantees that whistleblowers who report will suffer no adverse or negative consequences whatsoever of disclosing concerns in accordance with this procedure. For more information related to the policy, we refer to IV.1.8. below.

The methods described on the previous page for engaging with our workforce provide insights on their priorities and perceptions. These insights support the development of targets and initiatives, which contribute to our ESG Guiding Principle 'One Lotus Family'.

III.1.4. TARGETS

Lotus Bakeries has set targets & metrics on One Lotus Family related to two focus areas.

WELL-BEING, DIVERSITY, EQUITY & INCLUSION

🎯 **Target:** Offer long-term employment in an inclusive work environment where every employee feels engaged.

The KPIs related to this target are as follows:

- Providing strong job security with over 90% of the own workforce on permanent contract.
- Women and men in leadership positions equally balanced.
- Maintain the gender pay gap below 5%

HEALTH AND SAFETY

🎯 **Target:** Aim for zero accidents.

The KPIs related to this target are as follows:

- Zero fatalities Decrease the Lost Time Incident
- Rate (LTIR) vs last year

These targets guide our business practices. The progress on employee well-being, diversity equity and inclusion targets are monitored annually at central level. The metrics on employee health and safety are part of Lotus Bakeries internal operational monthly reporting provided by the subsidiaries. As such, insights are collected which allow us to review our policies or develop additional initiatives that contribute to having a positive impact on our own workforce.

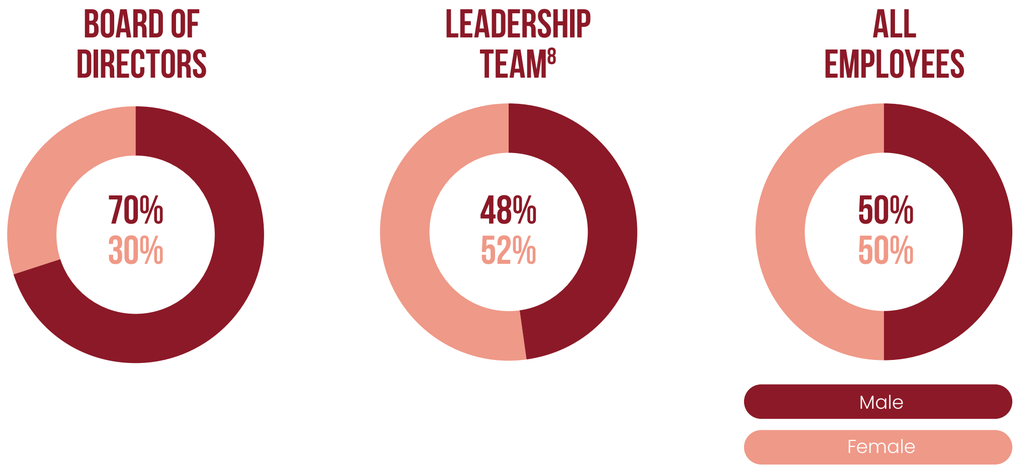
III.1.5. PERFORMANCE, ACTIONS AND RESOURCES

Resources for the below actions and initiatives regarding diversity & inclusion, employee well-being, talent development, and health & safety are allocated to the HR teams both globally and locally, in close cooperation with Lotus Bakeries Leadership Team.

III.1.5.1. Diversity, Equity & Inclusion

By the end of 2024, Lotus Bakeries' workforce consisted of 3,364 employees.

The following graphs present the gender distribution:



[8] The group comprising the Executive Committee, the General Managers and the Corporate Directors.

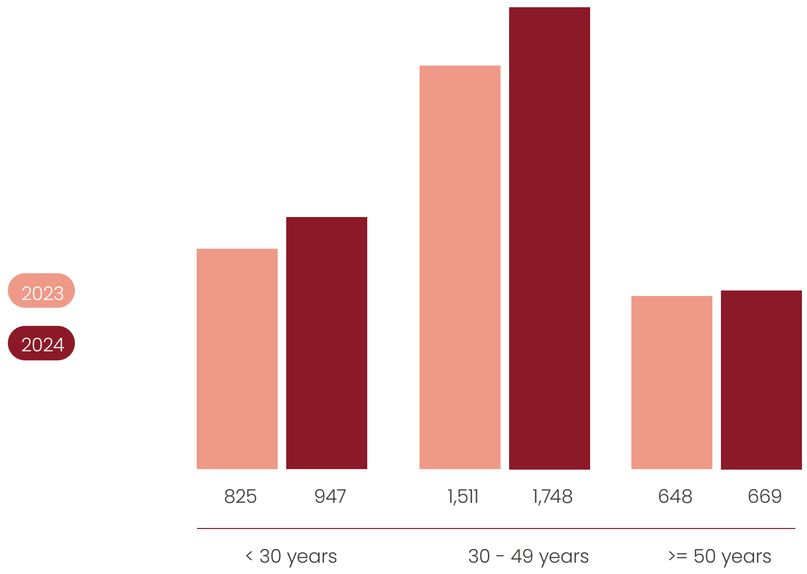
Headcount	2024	2023	Variance 2024-2023
Belgium	1,563	1,458	7.2%
South Africa	841	669	25.7%
United States	226	196	15.3%
The Netherlands	219	213	2.8%
France	150	140	7.1%
United Kingdom	125	126	-0.8%
Thailand	55	8	587.5%
Switzerland	38	38	0.0%
China	33	32	3.1%
Sweden	30	31	-3.2%
Other	84	73	15.1%
Total	**3,364**	**2,984**	**12.7%**
of which Male	1,674	1,469	14.0%
of which Female	1,690	1,515	11.6%

The table above is prepared based on the base data uploaded for each employee on the MyLotus-platform. All data related to the characteristics of the Lotus Family are derived from the MyLotus-platform, unless mentioned otherwise. The gender data disclosed in the sustainability statements reflects the options of 'male' and 'female' as captured by our data systems[9].

Fitting our recruitment policy, Lotus Bakeries creates a foundation to attract a diverse and talented group of people. Attention to diversity, as well as equal opportunities, are key parts of this strategy, in which we aim to select candidates with the best range of skills and competences for the role. We also look at the knowledge and experience available in the existing teams and how this matches with the desired competences, knowledge and/or experience of the candidate.

In this way, we continue to maintain a diverse group of employees, with balanced gender diversity across all employees. We see a good balance of 50% men and 50% women within the Lotus Bakeries Group. When we take a closer look at the Leadership team, the split is 48% men, 52% women and the Board of Directors is 70% men, 30% women. Additionally, we see a high level of diversity in age categories in Lotus Bakeries, and associated experience. This is in line with prior year.

The following graph presents the age distribution of our own workforce:



[9] We have not requested all workforce to disclose their gender. Information is generated based on the identification at the start of the employee's employment.

We aim to support the employment of people with disabilities. Due to legal restrictions under the EU General Data Protection Regulation (GDPR) covering all EU member states and EEA countries, as well as similar principles through national legislation in the countries we operate in outside the EU/EEA, we are unable to report on the number of persons with disabilities within our organisation.

Within the UK team, we have a Diversity and Social Awareness (DASA) committee which aids in fostering an inclusive and diverse workforce. DASA's mission is to create an inclusive company culture that is engaged in the community and values empathy with others. The committee organises regular training and info sessions around a variety of topics, including disability awareness, autism awareness & mental health training. DASA also prepares info sessions about cultural events such as Lunar New Year, Diwali, Pride Month & Black History Month. They also coordinate and encourage support of community initiatives such as the Great British Spring Clean.

Lotus Bakeries is committed to equal pay for equal work, regardless of gender, race, ethnicity or other factors unrelated to performance. To fulfil this commitment, we respect collective labour agreements in all countries in which we operate. We regularly benchmark our salary framework against global and country specific salary data in order to be market competitive and avoid internal bias. Salary packages are linked to specific job grades as determined in our job classification system, leaving no room for individual deviation on benefits for jobs in the same job grade in a given country. All our employees are paid adequate wages.

Our ambition is to pay our employees fair and market-aligned salaries supporting the equal pay for equal work principle and taking into account their individual skills, experience and performance. With our global classification system, we value jobs based on gender neutral criteria such as required skills, complexity and responsibility. In addition, we conduct regular internal and external benchmark exercises to ensure that our compensation decisions can be taken free of gender bias.

Based on an analysis of our group wide salary data, and being mindful of the different pay levels across countries, employee categories and employee pay grade, there is no gender pay gap[10] exceeding 5%. We will further develop processes and systems to comply with the upcoming EU Pay Transparency Legislation.

The annual total remuneration ratio between the highest paid individual (i.e. CEO) to the median annual total remuneration for all employees (excluding the highest-paid individual) is 49:1.

[10] Reflects the difference in average pay levels between female and male employees, expressed as a percentage of the average pay level of male employees. The reported pay gap is calculated as a weighted average. The weighting is based on the number of active employees at December 31, 2024 in each country, considering both employee category and pay grade. If there is no male or female in a country and pay grade, the corresponding employees are excluded in the pay gap calculation.

"OUR PEOPLE'S DRIVE AND SHARED TOP VALUES PROPEL LOTUS BAKERIES FORWARD. MANY COLLEAGUES TRULY BELIEVE IN THE COMPANY'S AMBITION AND ARE WILLING TO GO THE EXTRA MILE FOR IT. THE RESULTING GROWTH ENERGISES OUR TEAMS EVEN MORE, SO IT'S AN UPWARD SPIRAL."

STÉPHANIE DE LANGE, GROUP HR DIRECTOR

III.1.5.2. Employee well-being

The well-being charter was rolled-out in 2023. In May 2024, we organised our first Lotus Well-being Day at each of our offices and production sites around the world, in line with our commitment to foster a healthy and supportive community. As a central theme, we chose mental health. We believe that mental health is fundamental to overall health, and we are dedicated to providing our employees with the support and resources to prioritise this. Employee well-being matters to us, and through this initiative we aim to provide opportunities for our workforce to reflect, to foster open dialogue and to discover engaging activities that can support their mental health. Not only during this specific day, but anytime, anywhere.

In several countries we have ongoing well-being initiatives. The FIT programme in the Netherlands for example, entails physical and mental health stimulating activities, as well as workshops on budget coaching, creating healthy habits, and how to collaborate effectively with different generations at the workplace. By having well-being ambassadors amongst our employees, we make sure those initiatives get prioritised that matter the most for our community.

To promote well-being, Lotus Bakeries also offers other means to employees to balance their time at work and their time at home within the limits of business organisation and local legislation. For one, Lotus Bakeries has a flexible working policy outlining the conditions and guidelines that allow employees to work from home depending on their role in the organisation. 100% of our employees across the world are entitled to take family-related leave such as parental leave and carers' leave (2023: 100%).

In 2024, 18% of employees took family-related leave (2023: 15%), 12% being female employees and 6% being male employees (2023: respectively 10% and 5%).

We remain committed to be a high-quality employer. All our employees are covered by a social protection scheme against loss of income following sickness, injury or acquired disability, life insurance, health care, parental leave or retirement.

Lotus Bakeries has invested in creating a beautiful and attractive work environment. Social spaces are designed for employees to have lunch and catch up together. The offices feature spacious and bright open spaces, along with large and small meeting rooms for our employees to use, and a cosy lunch area to connect. We also provide ergonomic facilities, such as standing desks to encourage working standing up, along with screening and advice to improve the ergonomic sitting posture at the desk. Much attention has been paid to fitness and sport at all Lotus Bakeries locations, with varied initiatives depending on the site. For example, the 'House of Biscoff' in Belgium and the offices in the United States and Sweden have a gym with showers. Other locations offer sport activities with options to sign up to a bicycle lease programme, participate in weekly boot camps or join cycling or walking sessions.

This approach creates a more pleasant working environment that promotes employee satisfaction and well-being. As part of our UK well-being programme, several employees have joined up in one of the theme groups constructed around a shared passion (reading, cooking, sports, culture), fostering team spirit and strengthening connections amongst colleagues. These clubs are employee led, and allow employees from different teams to connect over non-work topics. As they are created by our team members, there is an opportunity for individuals to bring their own passions to the workplace and create a community. Additionally, we have a UK culture committee, which plans social events during the year, enabling the team to come together and celebrate important business milestones and foster strong team spirit.

In 2024, our employee turnover amounts to 16% (2023: 16%), corresponding to 511 employees. About 13% can be attributed to voluntary turnover (2023: 13%), of which 3% can be attributed to natural causes (2023: 3%) such as the end of fixed-term employment contracts, health reasons or retirement. This results into a voluntary turnover rate of approximately 10% (2023: 10%).



WE BELIEVE THAT **GOOD MENTAL HEALTH IS THE FOUNDATION OF EVERYTHING**, WE ORGANISED A GLOBAL WELL-BEING DAY CENTRED AROUND THE TOPIC. BASED ON A COMMON FRAMEWORK, EVERY AREA SET UP INITIATIVES THAT MATCHED THE LOCAL NEEDS AND WISHES. A SELECTION...

THAILAND

Colleagues unveiled a Buddha statue together, a symbol of good fortune and an important part of spiritual well-being in Thai working environments.

BELGIUM

Through inspirational sessions, we increased awareness about mental well-being and gave people food for thought.

SWITZERLAND

In Baar, the local team engaged in mindful outdoor activities on our global Well-Being Day.

CHINA

On the agenda: practical workshops to share do's and don’ts on how to improve your mental well-being.



Well-being day in China

III.1.5.3. Talent development

Recruitment of talent

Scarcity in the labour market poses a challenge that we actively address. To attract talented employees with the optimal fit, Lotus Bakeries has defined clear value propositions that allow us to seek the best match between the future employee and Lotus Bakeries in complete transparency.

One of the initiatives to facilitate recruitment is our international career site. This website strengthens our employer identity as a global food company with dozens of products that brighten every day. It also provides a complete overview of all career opportunities within the Group worldwide. Through testimonials of employees and pictures of our offices and locations, potential candidates can moreover get a glimpse of our unique culture.

When selecting new employees, we communicate the full selection process clearly and transparently. The applicant's professional competences, relevant experience and TOP values are paramount. During the selection process, applicants meet with several Lotus Bakeries employees to gain a good understanding of our company values and culture. Via the various touchpoints, candidates have several opportunities to ask questions or gather more information. For all office workers, the selection also includes objective testing, or an external assessment tailored to the position for which the candidate is applying. By including this objective element into our selection process, we reduce the chance of subjective assessment. Our recruitment is an intensive process in which we consciously invest a lot of time to ensure the optimal fit between the future employee and Lotus Bakeries.

The following table presents the number of employees by type of contract:

Headcount		2024	2023	Variance 2024-2023
Male	Permanent contracts	1,511	1,353	+11.7%
	Fixed-term contracts	163	116	+40.5%
Female	Permanent contracts	1,573	1,393	+12.9%
	Fixed-term contracts	117	122	-4.1%

The number of employees with non-guaranteed hours is not significant (< 1% of total headcount).



Onboarding

Creating an optimal employee experience starts during the employee onboarding process. Therefore, we have ensured that our global career site connects seamlessly with MyLotus, the global HR platform in which all HR data from different countries is centralised and available in real-time. During the onboarding process, we leverage technology to collect employee data and share company policies as well as contractual documents.

Upon joining, Lotus Bakeries aims for thorough onboarding, in which new Lotus employees are immersed in the company, the products, brands and culture. Special induction days are organised for new employees. From the management level onwards, new employees from around the world are invited to the 'Group Wide Onboarding days' that are organised in Belgium. During an intense two-day programme, they receive more information about the strategy, the different brands, the organisational structure and the different departments. A tour of the Lembeke plant is the icing on the cake. In the case of acquisitions, we ensure that all employees are quickly integrated into the Lotus Bakeries Group.

Through our 'Young Graduate Programme' we offer an exciting career track to University graduates. The programme entails an intensive two-year programme designed specifically for graduated master's or MBA students who enter in a function-specific domain. To guarantee a smooth onboarding and good career management within Lotus Bakeries, we have implemented a bespoke learning & development track for young graduates. Through various training sessions they acquire specific skills & competences which will enable them to be successful in the role. Our young graduates get day-to-day coaching from their manager. Thanks to the mentorship programme, they also get input and reflection from a senior employee outside of their function area of expertise, providing them with a broader view of the company. Moreover, this mentor acts as a sounding board and can offer impartial advice and support related to career development and ambitions. To broaden their perspective and knowledge, the young graduates are also assigned a cross-departmental project of strategic importance. Their mission is to tackle a specific business challenge and prepare a recommendation to EXCO.

Empowering employees

We aim to empower our employees to reach their fullest potential and secure employment for our permanent workforce via several actions.

In the majority of countries, we offer employees the opportunity to share feedback by completing an engagement survey. These surveys are conducted on an annual or bi-annual basis and, if relevant, we conduct an in-between measurement via pulse surveys. Topics such as overall job satisfaction, recognition, leadership effectiveness, working conditions, culture and communication are being assessed and the results are communicated and discussed during workshops and team sessions resulting in actionable insights. 100% of all office employees (white collars) have been invited for performance and career development reviews (2023: 100%).

During the development conversation, employees are asked to reflect and evaluate how they are experiencing the current role. The conversation covers topics such as satisfaction with the job, workload, team dynamics as well as the employee's well-being and how the company can support in that. If follow-up is required on one of these topics, employees can approach their HR contact person to discuss and jointly look for solutions.

In the performance review process, our employees are encouraged to work with their direct manager to develop an appropriate and individual development plan. Lotus Bakeries applies the

70-20-10 learning model. This may include on-the-job learning to get to know the organisation for newcomers as well as providing stretched assignments, special projects or cross-functional collaborations for employees who have been in their role for some time. Formal external training opportunities, accessible to all employees annually, address both hard skills for specific technical needs and soft skills aimed at enhancing interpersonal abilities.

Our training courses cover different topics such as project management, negotiation skills, people management skills, priority management, presentation skills, as well as the effective usage of MS Office tools. Collaboration and team dynamics are fostered during Insights Discovery workshops. Next to these programmes, we offer internal trainings around legal topics, safety trainings, HR workshops, as well as dedicated technical trainings for our blue-collar workers in the plants. In today's world it is important to continuously improve digital skills. Therefore, we offer training on the usage of SharePoint as well as on cyber security. Last year, close to 88% of PC users followed training to identify data hacks or phishing activities.

In recent years, we specifically invest in 1st line leadership programmes, targeting employees who have taken their first steps in people management. As we believe training programmes are most effective when conducted in the native language of the participants, these people management trainings are organised in each area, in line with Group guidelines. We have chosen a modular approach, starting off with a 360°-feedback survey and finishing with a closing session involving HR. The goal is to equip line managers with the necessary skills and techniques to lead and motivate others daily. In 2024, 92 employees have followed this People Management Essentials training.

In preparation of the greenfield production facility in Thailand, we are investing heavily in the training of factory workers. Newly recruited Thai colleagues are invited for a bespoke 8 weeks training course in the Biscoff factory in Belgium. In 2024, 16 employees have followed this specific onboarding training and we plan to continue these training efforts in 2025.

In 2024, 69% of the employees have received training and the total investment in training activities was on average 19 hours per employee (2023: 15 hours). Given that all trainings are available regardless gender, we do not expect any significant deviations by gender.

Employee mobility

We believe that an open feedback culture and investing in our employees' development are effective enablers of internal mobility. In this way, we strive to keep talent in-house. In 2024, our internal mobility rate for white collar workers and staff is 15% (2023: 17%), which corresponds to 159 employees.

When we recruit new talents, we typically assess the cultural fit and match with the required skills and competencies. Equally important, we also screen for potential as we believe that we don't recruit employees for a position, but instead for a long-term career in the company. As Lotus Bakeries continues to grow internationally, our internal mobility extends beyond functional domains and countries.

Similar to any other instance of internal mobility, we will always strive to find the optimal match between the individual's aspirations and the company's ambitions.

III.1.5.4. Health & Safety

Occupational health and safety is vital to our business. Within our working environment, we undertake measures to minimise the risk of accidents, to ensure a safe and secure workplace.

	Unit of Measure	2024	2023	Variance 2024-2023
Percentage of people covered by health and safety management system	%	100%	100%	0.0%
Fatalities as a result of work-related injuries and work-related ill health of own workforce	#	0	0	0.0%
Fatalities as a result of work-related injuries and work-related ill health of other workers	#	0	0	0.0%
Recordable work-related accidents for own workforce	#	80	75	6.7%
Rate of recordable work-related accidents for own workforce	#/1mio hrs	15.2	18.6	-18.2%
Number of days lost to work-related injuries or ill health	#	1,476	1,752	-15.8%

Occupational health and safety is vital to our business as outlined in our Health and Safety policy. We maintain a safe and secure workplace through proactive accident prevention and actions.

Promoting a safe working environment

For our Lotus Manufacturing South Africa (LMSA) site we are fully accredited with ISO 45001. This is the world's international standard for occupational health and safety, issued to protect employees and visitors from work-related accidents and diseases. ISO 45001 certification was developed to mitigate any factors that can cause employees and businesses irreparable harm. As we employ about 840 people in our plant in South Africa, this gives us a tremendous peace of mind that we are doing the right thing for our employees.

In South Africa, regular safety trainings are provided, and a health and safety questionnaire is completed each quarter, after which the existing risk assessments are evaluated and the existing procedures are tightened up.

In 2024, an internal safety culture programme was launched in Area Belgium. This plan revolved around Safety Awareness & Management (SAM). SAM is the safety behaviour that every employee is asked to be aware of. Training sessions were provided, and various awareness campaigns have been initiated and will continue in the coming years. TOGETHERSAM is the slogan that emphasises the team-oriented approach.

In Area France, a load-carrying risk prevention programme was launched due to heavy loads causing about half of the factory lost-time accidents. Following an external ergonomic audit, a two-part strategy was implemented: ergonomic training for all employees - which will be continued in 2025 - and the development of a workstation ergonomics investment plan.

In the plant in U.S., we adhere to the strict rules of the OSH Act. This Act is the foundation of occupational safety and health in the U.S., and includes:

- General Duty Clause: This requires employers to provide a workplace free from recognised hazards that are causing or are likely to cause physical harm to employees.
- OSHA Standards: These are rules that employers must follow to protect their employees from hazards.
- Employer Responsibilities: These include providing a safe workplace, complying with OSHA standards, and reporting workplace injuries and illnesses.
- Employee Rights: These include the right to a safe workplace, the right to file a complaint with OSHA, and the right to be free from retaliation for exercising their rights.

In 2024, there was a safety training programme where we focused on awareness and prevention.

Safety beyond our own operations

For the construction of our new plant in Thailand, we paid great attention to the contractors on health and safety precautions. The contractor has to ensure that medical staff, first-aid facilities, sick bay and ambulance services are available at all times at the site of the works, and that suitable arrangements are made for all necessary welfare and hygiene requirements. We also ask our contractor to appoint an accident prevention officer at the site of the works, responsible for maintaining safety and protection against accidents. There are daily safety exercises and weekly safety walks.

Monitoring and reporting

Management monitors health and safety performance. All the sites measure and report monthly on the number of accidents at work with absence. Accidents are screened to improve our risk control strategies.



In August 2024, the site in Thailand celebrated achieving two million working hours without a lost time incident (LTI).

III.2. BALANCED PORTFOLIO OF GREAT TASTE

Lotus Bakeries aims to delight all consumers with reliable and great-tasting brands that cater to people's evolving expectations. With our high-quality and great-tasting brands, we offer both indulgent and better-for-you snacking options, thus allowing consumers to establish a balanced dietary lifestyle.

III.2.1. WHY DO WE CARE?

In the double materiality assessment of 2023, Lotus Bakeries identified impacts, risks and opportunities related to its end-consumers and customers (see I.4.3.).

Our company ambition is to offer a versatile range of branded snacks for every consumption occasion to consumers worldwide. As explained in our Value Chain (see I.3.2. above) we aim to offer a well-balanced portfolio for multiple target groups ranging from adults to children and toddlers, as well as babies. We serve these multiple target groups through our brands, ranging from Biscoff® cookies to Lotus® pastries, cold-pressed nākd® bars with only natural ingredients, BEAR® fruit rolls, as well as Kiddylicious® baby and toddler snacks. We offer our most popular snacks in different pack sizes, to fit different household sizes and to ensure accessibility for all.

Ensuring human rights, anti-discrimination, protecting privacy and communicating as transparently as possible towards our consumers are cornerstones in our own operations. When developing our recipes, pack designs, media campaigns or other, we always have these policies at the forefront.

We attach great importance to understanding the evolving needs of our end-consumers. We use many sources to remain informed, such as the consumer reactions via our consumer hotlines, bespoke ordered consumer research or information from industry associations and other partners.



According to a report by the Intergovernmental Panel on Climate Change (IPCC), our current food system is responsible for about one third of the world's greenhouse gas emissions. A 'protein shift' from animal to vegetable proteins can have a positive impact in limiting global warming. The production of plant-based foods has a lower impact on the environment than animal-derived products. Nutrition is one of the areas where this behavioural change can contribute. Shifting diets in high-income countries to proteins from plants will contribute in the transition towards a sustainable and balanced food system. More than ever, consumers are open to plant-based alternatives, but without giving up on the taste experience.

Additionally in our aim to delight all end-consumers, everything we launch has to uphold the highest quality and food safety standards, everything must deliver a superior taste experience, without artificial flavours or colours, because we know that this will keep consumers coming back to our well-balanced portfolio. We aim to empower our consumers to make better choices by providing them with clear information. This is an integral part in building our brands in a reliable way.

III.2.2. FOOD SAFETY AND QUALITY

III.2.2.1. Approach and policies

The Lotus Bakeries Quality Policy is an integral part of our sustainability strategy and will contribute in building strong, reliable brands. The strength of our brands is after all highly dependent on the food safety and quality of our products.

Responsibility

The Corporate Quality Assurance department is responsible for auditing the quality of our products under the direction of the Corporate QA Director, who has final responsibility for ensuring that the terms and conditions of Lotus Bakeries' quality management system are met at all our production sites and in all Lotus Bakeries' offices. The Area QA Managers have the same responsibilities for their region.

Scope of product safety and quality

Lotus Bakeries' quality management system covers the entire value chain, from the purchase of raw materials and packaging, to production, labelling and delivery of the finished products to the customer. External production is also covered by the quality management system.

SCOPE OF PRODUCT SAFETY AND QUALITY

Quality control of suppliers

Supplier selection
Our suppliers are selected according to predetermined criteria, including the availability of an effective quality and food safety management system, assured by an independent food safety certification body. An effective tracing system forms part of this, so that Lotus Bakeries knows where the raw materials come from at all times.

Specifications
In addition, Lotus Bakeries, has drawn up specifications with product safety requirements to be met for raw materials and packaging materials that are critical for product safety, such as flour, eggs, fats, margarines, chocolate and printed packaging with direct product contact.

Inbound checks
The product supplied by our suppliers are also subject to an inbound check. We assess the analysis report provided by the supplier and check it with regular counter analyses by our own specialist internal laboratories. This inbound check is structurally registered in our ERP system to keep overview and be able to track.

Supplier audits
The checks on the suppliers are also supplemented by supplier visits and audits, which are conducted annually on the basis of performance measurements, and this also applies to new suppliers. Only on the basis of these detailed performance measurements can we ensure that we continue to work with the best suppliers at all times.

Quality assurance of our production processes and finished products

Hazard Analysis and Critical Control Points (HACCP)
Production processess have been developed for all production sites that are designed to assure the quality and the safety of the products. Detailed HACCP plans (product safety risk studies) have been produced. They are updated at least annually or with every major adjustment of the process or machinery.

Training
Every employee gets the necessary training on HACCP and on the quality process parameters. This kicks off during the onboarding and is followed up by regular refresher trainings.

Internal audits
Verification takes place on the basis of internal audits.

External audits
External certification is a major support in the continuous improvement of both processes and products. At the end of 2024, all Lotus Bakeries production sites are BRC or IFS certified.

Quality processes for our production partners (co-manufacturing)

Our external production partners are monitored in an identical way by our Corporate Quality Assurance department. The requirements we set for our external production partners are laid down contractually in a clear schedule of requirements.

Quality processes for our customers

First and foremost, our finished products, both the product itself and the packaging, must comply with the relevant food legislation. The lawful labelling of products and processing of raw materials and packaging materials by the country of commercialisation are monitored by the Corporate Quality Assurance.

We also wish to inform the consumer transparently about verified claims made with regard to the product. We use a database to manage all this information efficiently and to convert it into product specifications and customer information.

We receive, register and handle product complaints systematically and register these in a central database for all the sales offices in the Group. The number of complaints and their seriousness are monitored very closely and a monthly report is submitted to management.

Annual testing and continuous monitoring of our quality management system

Lotus Bakeries has specific product withdrawal and recall procedures. There is a trained crisis management team in each of our sites and sales offices. Each year, the procedures are tested in collaboration with external parties. Learning points are identified and adjusted from the results of this test, and monitoring and action plans are drawn up. These are submitted for approval towards EXCO.

The various components of our quality management system are adequately safeguarded thanks to these various steps.

III.2.2.2. Engaging with consumers and end-users

As part of the product development, we proactively research the quality expectations of consumers for both the product and the packaging. For more details, please see III.2.3.2. below.

Raising concerns

The quality expectations of consumers are translated into a list of product requirements. The quality of our finished products is assured by analyses in our internal laboratories using this list. The results of these laboratory analyses are reported to management monthly. Products of production partners are assessed in the same way.

We have a consumer point of contact available on all our branded packaging as well as on the product-brand websites. We receive, register and handle product complaints systematically and, since 2020, they have been registered in a central database for all the sales offices in the Group. The number of complaints and their seriousness are monitored very closely and a monthly report is submitted to management. These are used as an additional input for further quality checks.

Lotus Bakeries has established a Whistleblowing Policy, accessible for consumers who wish to report a concern. The Lotus Bakeries Whistleblowing Policy sets out a procedure and guarantees that whistleblowers who report will suffer no adverse or negative consequences whatsoever of disclosing concerns in accordance with this procedure. For more information on the Whistleblowing Policy, we refer to IV.1.8.

III.2.2.3. Targets

Lotus Bakeries has set targets and related metrics for food safety and quality as follows:

Target: Be a leader in food safety and high food quality standards

The KPIs related to this target are as follows:

- Reach 100% BRC/IFS
- Zero recalls

III.2.2.4. Performance, actions and resources

Quality control of suppliers	Quality assurance of our production processes and finished products	Quality processes for our production partners (co-manufacturing)	Quality processes for our customers
In 2024, 13 supplier audits and 43 supplier quality meetings were carried out at suppliers of raw materials and packaging materials.	In 2024, there were 65 internal audits with on-site presence. Each production site has been audited at least five times. External certification is a key part to guarantee the highest quality standards. At the end of 2024, every Lotus Bakeries production site is BRC or IFS certified (100%).	There were 10 on-site audits last year, 22 in-person factory visits topped up with 96 digital quality meetings over the past year.	In 2021, we revamped the database containing all information necessary to convert product specifications and customer information into clear and legally correct product labelling. This database was put into use in 2022 and the further roll-out for other sites and production partners continued in 2023 and 2024.

Our target is to aim for zero recalls. In 2024, there were no recalls.

Resources for the above actions are allocated to the Corporate Quality teams both globally and locally, in close collaboration with consumer and customer service.

III.2.3. BALANCED PORTFOLIO

III.2.3.1. Approach and policies

The R&D department is responsible for developing new products and optimising existing ones, all in alignment with Lotus Bakeries Nutritional Policy. When carefully selecting our raw materials from approved suppliers, we will always comply with Lotus Bakeries Sustainable Sourcing Policy.

Superior taste experience

Lotus Bakeries wants to be able to offer its consumers delicious, high-quality snacks at any time of the day. A superior taste experience is key to this, both in the range of cookies and pastries and in the range of natural snacks. We only use high-quality ingredients and these are sustainably sourced as much as possible, and we monitor production and supply chain processes from beginning to end. Ensuring the quality, origin, composition, sustainability and safety of our products is vital. Our R&D department plays an important part in this: namely developing products with attention to constantly improving quality and taste.

Diverse range

Lotus Bakeries aims to offer every consumer a quality range of snacks at every moment of consumption. It does this through a portfolio of products with a variety of nutritional compositions.

With the acquisition of brands such as nākd®, TREK® and BEAR®, the focus has expanded to fruit and nut-based snacks. These brands encourage consumers to eat more (dried) fruit- and nut- based products, while providing a source of fibre. Additionally, with our nākd® and TREK® ranges we stimulate the consumption of plant-based protein. This acknowledges the recommendations of several countries' dietary guidelines and the WHO.

The takeover of Kiddylicious® has meant an expansion of our range with snacks and meals for little ones.

These Natural Foods brands provide the consumer with the option to choose a healthy or healthier alternative to existing snacks in the food category.

No artificial flavours or colours

In order to exclusively offer our consumers healthy and high-quality products, we aim not to use any artificial flavours or colours in our products. Our ranges are free from industrially produced trans-fatty acids (TFAs).

More than ever, consumers are open to plant-based alternatives, but without giving up on the taste experience. All our Natural Foods brands are vegan, promoting the consumption of plant-based snacks and contributing to the protein shift and the transition towards a sustainable and balanced food system.

Our biscuit and bakery ranges use eggs where it is technologically necessary e.g. for the cake structure or part of the product identity, e.g. milk in milk chocolate. We limit the consumption of ingredients from animal-derived origin to milk, butter and free-range eggs.

We have considered it important as a business to use pure and natural ingredients since our foundation in 1932.

Variety in portion sizes

It is our ambition to empower our consumers by offering responsible snacks. Not just with our range of Natural Foods snacks, but also by making several of our top runners available in large and small packs, that contain less than 150 Kcal a portion.

Clear information & Responsible Marketing

In order to support consumers in their nutritional choices, we believe it is important to give them accurate product information, including the nutritional values. Lotus Bakeries also takes an unequivocal position with regard to responsible advertising towards children.

For more information on responsible marketing, please see “Other sustainability information” below.

III.2.3.2. Engaging with consumers and end-users

Product development follows a stage-gate process, where ideas, prototypes and products are evaluated against several criteria, including nutritional and sustainability criteria.

As part of the product development, we proactively research the quality expectations of consumers for both the product and the packaging. Our expertise in the field of innovation is complemented with exchanges with well-known knowledge institutes and universities, which give us a better view of product-packaging-process interactions as well as new insights into new technologies. Developing food products for babies requires a meticulous approach to ensure food safety, nutritional adequacy and regulatory compliance, as well as age-appropriate formulation following the development stages of infants and young children.

The development process also involves approval of prototypes and samples of both product and packaging at early stage, during scale up and at first production.

> "OUR EXCO MEMBERS TEST, DISCUSS AND EVALUATE EVERY NEW PRODUCT OR IMPROVEMENT TO AN EXISTING PRODUCT. AND THEY’RE OUTRIGHT CRITICAL WHEN IT COMES TO GREAT AND CONSISTENT TASTE. **THAT PERSONAL COMMITMENT AT TOP LEVEL DEFINES LOTUS BAKERIES**. OF COURSE, THERE ARE ALSO DOZENS OF ENTHUSIASTIC COLLEAGUES INVOLVED THROUGH VARIOUS TESTING PANELS. A BIG SHOUT-OUT TO THEM AS WELL!”
>
> ELENA BAYOD, R&D DIRECTOR

The shelf life is closely monitored to ensure that product organoleptic quality and food safety are achieved over time. At Lotus Bakeries, we work with several internal sensory panels: expert panels consist of a small group of trained assessors that objectively evaluate the product under development; internal consumer panels are a larger group of untrained colleagues representative of consumers, that taste products and provide feedback based on their personal preference and overall liking of a product. Next, external consumer panels are used to assess the consumer opinion and validate the superior quality of the new product developments. To deliver on our promise of great taste for key products, we only launch when a well-defined threshold is surpassed.

During Brand Ownership meetings[11], all stages of the development process, starting from the idea, the product feasibility and the superior taste, are evaluated in order to ensure the new development matches the brand and meets our consumer needs. This results in a high-quality branded snack fitting our sustainability strategy, which will bring a superior tasting experience to our consumers all over the world, all year round.

Raising concerns

Once the product is ready to go to market, the quality expectations are guaranteed by our internal procedures. Should consumers have a question or complaint, we have a consumer point of contact available and Lotus Bakeries has established a Whistleblowing Policy, accessible for consumers who wish to report a concern. For more information on how consumers can reach Lotus Bakeries, we refer to our Quality Policy (see III.2.2.1.).

[11] Consisting of CEO, EXCO, Global Brand director, R&D director and Area General Manager.

III.2.3.3. Targets

Lotus Bakeries aims to provide a wide array of snacking options to consumers that meet their evolving expectations. The performance on this target is measured through the growth of the three pillars Lotus® Biscoff®, Lotus™ Natural Foods and Lotus® Local heroes.

Target: Provide a wide array of snacking options to consumers that meet their evolving expectations.

The KPI related to this target is as follows:

- Performance across the 3 brand pillars (Lotus® Biscoff®, Lotus™ Natural Foods and Lotus® Local heroes).

III.2.3.4. Performance, actions and resources

In order to meet consumers' evolving expectations, we have taken several actions in the course of 2024.

Within the Natural Foods portfolio we have and continue to screen the nutritional profiling of our snacks against different systems such as HFSS (High Fat, Salt, Sugar) or WHO guidelines.
As a consequence, we are working on developing products with lower sugar content and higher content of proteins and fibres.

Contributing to the protein shift perfectly fits our sustainability strategy and our ESG Guiding Principle 'Balanced portfolio of great taste', as more than 75% of Lotus Bakeries' portfolio is plant-based while delivering a great taste experience. Our Biscoff® cookies - with the exception of Biscoff ® with chocolate - and our Biscoff® spread are both plant-based. The same applies to the cold-pressed nākd® bars with only natural ingredients and BEAR® fruit rolls, as well as some Kiddylicious® baby and toddler snacks.

An updated shelf life procedure has been developed and rolled out to guarantee the same great taste experience of our portfolio, when shipping it to our international customers and consumers.

Customers and consumers are increasingly expecting companies to lower their GHG footprint. As explained in the section on Road to Net Zero (see II.1. above), Lotus Bakeries calculated its GHG baseline in 2023. This assessment, as well as input from internal and external experts, indicated that our greatest emission-reduction opportunities lie in raw materials in the value chain. These include, amongst others, focusing on deforestation-free commodities. Collaboration with raw material suppliers to consider low-carbon versions or alternatives to high-emitting raw materials are likely to contribute to GHG reduction. While working on developing a decarbonisation roadmap, we will not compromise in our commitment to deliver a great taste.

As taste experience remains key, the impact of electrification of ovens is being studied and analysed in detail to guarantee that the great taste of our snacks remains at the same superior level as before.

Resources for the above actions are allocated to the R&D teams both globally and locally, in close collaboration with engineering, procurement and corporate quality to ensure we keep offering our consumers a balanced portfolio of great tasting snacks (see also note 14 in the Consolidated Financial Statements).

We are dedicated to continuously improving various aspects of our balanced portfolio. This includes maintaining a superior taste, ensuring global accessibility and affordability for all consumers, improving nutritional profiles and actively contributing to our company's decarbonisation initiatives.



IV. GOVERNANCE INFORMATION

IV.0. INTRODUCTION

Lotus Bakeries attaches great importance to clear Corporate Governance practices and policies, as articulated in our Corporate Governance Charter and Articles of Association.

Lotus Bakeries actively assumes its social responsibility. We uphold ethical business practices throughout the organisation. Upholding business integrity and human rights is fundamental to building trust with our partners, communities and stakeholders, as pointed out in our Human Rights Policy. Our Guiding Principle is to abide by all international human rights standards, including, but not limited to, the UN Universal Declaration of Human Rights and the UN Guiding Principles on Business & Human Rights, the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. Where local law and international standards are higher, Lotus Bakeries will follow the strictest standard.

Every individual deserves respect, dignity and equal treatment. To emphasise this belief, we have extensively communicated the principles set out in our Code of Conduct as well as the Human Rights Policy, to all employees via our intranet system. We encourage our own workforce to respect the dignity and human rights of colleagues and all other people they come into contact with in the course of their work.

Our ambition regarding Governance is summarised in the ESG Guiding Principles: Ethical Business Conduct and Sustainable Sourcing.

LOTUS BAKERIES ESG GUIDING PRINCIPLES



ETHICAL BUSINESS CONDUCT



SUSTAINABLE SOURCING

Our company's corporate governance framework is continuously updated and evaluated in light of relevant legislation, changed circumstances or developments in corporate governance policy.

IV.1. ETHICAL BUSINESS CONDUCT

Lotus Bakeries is committed to acting lawfully, ethically and with integrity towards all stakeholders, and promoting human rights throughout its value chain.



The double materiality assessment (see I.4.3 above) identified impacts, risks and opportunities (IROs) related to ethical business conduct. These IROs are detailed in I.4.5.1. above.

Business Conduct is defined as:

a) Business ethics and corporate culture, including anti-corruption and anti-bribery, the protection of whistleblowers and animal welfare;
b) Activities and commitments of the undertaking related to exerting its political influence, including its lobbying activities.

In addition to the above, business ethics and corporate culture as set out under a) above, shall also be considered to include:

- Accurate and clear communication to all stakeholders, especially to consumers who are relying on our products being food-safe and of the highest quality (including responsible marketing);
- Respect for people, including human rights and anti-discrimination/harassment;
- Fair competition;
- Fair trade;
- Fair dealing in Lotus Bakeries securities;
- Respect for confidential and personal data;
- Embracing social and environmental responsibility throughout the supply chain.

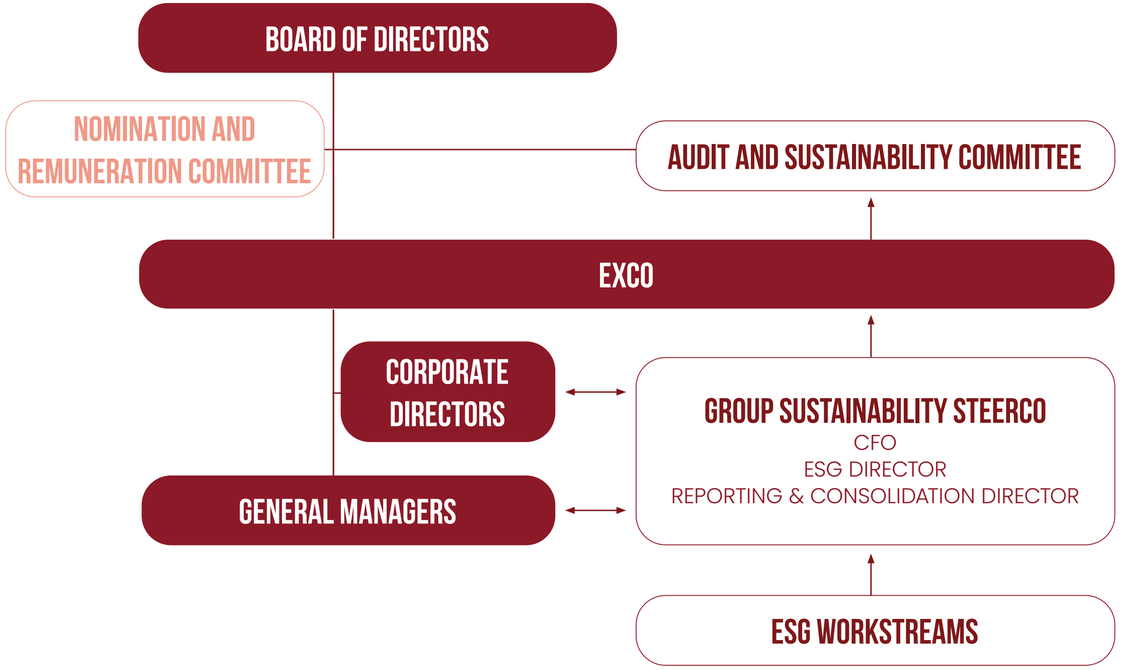
IV.1.1. GOVERNANCE BODIES

Lotus Bakeries adopts the Corporate Governance Code 2020 as a reference code, in accordance with Article 3:6(2) of the CAC and the Royal Decree of 12 May 2019 laying down the corporate governance code to be complied with by listed companies.

Lotus Bakeries' Corporate Governance Charter, which outlines our corporate governance policy and the internal rules of procedure of the Board of Directors, the Committees and the Executive Committee, was discussed by the Board of Directors and approved on April 2, 2020 and updated on November 24, 2023.

The Board of Directors has a single-tier governance model as referred to in Article 7:85 et seq of the CAC. The powers relating to day-to-day management versus supervision/control are clearly defined, the Board is kept thoroughly informed at all times by the CEO and the EXCO and all necessary decisions are approved and/or ratified.

Business conduct is part of Lotus Bakeries' sustainability strategy. The Executive Committee (EXCO) is responsible for the sustainability strategy and objectives for Lotus Bakeries. In 2023, the EXCO appointed an ESG Director, corporate director and member of the Leadership Team, reporting to the CFO. The ESG Director has to progressively develop the sustainability strategy and ensure compliance with new sustainability regulations. The integration of the sustainability strategy into the organisation is steered by the ESG Director and implemented by the ESG workstreams, which are owned by the business or relevant corporate departments. The workstream leaders are responsible for the delivery of the sustainability targets. The Group Sustainability Steerco, which meets at least once a month, oversees ESG projects and monitors progress. The EXCO presents Lotus Bakeries' sustainability strategy to the Audit & Sustainability Committee. The Board of Directors has broadened the mandate of the Audit Committee with ESG matters and renamed it the Audit & Sustainability Committee by decision of November 24, 2023.

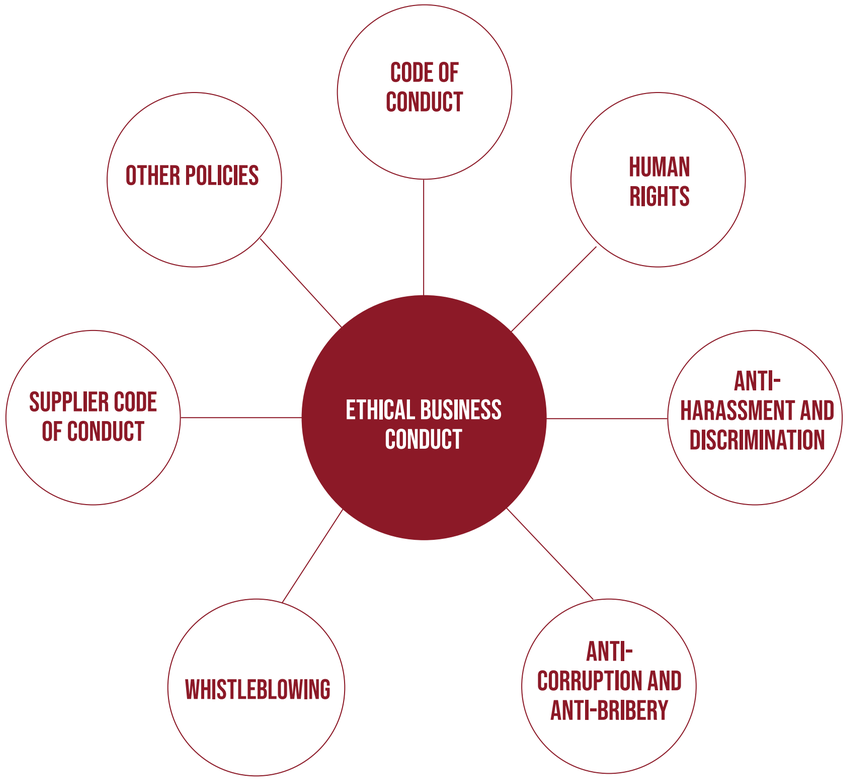


For more details regarding the composition and expertise of the different governance bodies, please see "Corporate Governance & Risk management".

Lotus Bakeries has no activities related to exerting its political influence, including lobbying activities. Lotus Bakeries does not make donations or other contributions of any kind to political parties.

IV.1.2. RELEVANT POLICIES

Managing ethical business conduct requires relevant policies which apply to all employees and companies of the Group:



The above policies are available on our website.

The Code of Conduct contains the basic principles according to which all employees of the Group are expected to act, i.e. with integrity, honesty and fairness and in compliance with the applicable laws, rules and regulations. The Code of Conduct contains six main principles that employees must respect at all times. These principles are further elaborated on in separate more detailed policies and procedures. More details are disclosed in IV.1.4. below.

The Supplier Code of Conduct contains the supplier business principles to which each supplier needs to commit in order to become a supplier of Lotus Bakeries. The Supplier Code of Conduct constitutes the basis of our supplier management and is further elaborated under IV.2. below.

The Human Rights Policy elaborates on the principles set out in the above Code of Conduct and further provides guidance to our internal workforce and key stakeholders. More details are presented in IV.1.5. below.

With the Anti-harassment and discrimination policy, Lotus Bakeries aims to increase its employees' awareness and understanding of workplace harassment, violence & discrimination and provide all of them – and more specifically the managers – with a framework to identify, prevent and manage allegations of harassment and discrimination at work. More details are presented in IV.1.6. below.

The Whistleblowing Policy explains how one can raise concerns about suspected misconduct in confidence and without fear of retaliation. It also describes what you can expect from us concerning follow up and relevant action. More details are disclosed in IV.1.8. below.

"AT LOTUS BAKERIES, THERE'S NO PAPER PUSHING OR WINDOW DRESSING. **WE BOIL EVERY ETHICAL ISSUE DOWN TO ITS ESSENCE, THEN COME UP WITH AN APPROACH THAT'S FIT FOR PURPOSE.** THIS SAVES TIME, KEEPS OUR FOCUS ON WHAT MATTERS MOST, AND – MORE IMPORTANTLY – GETS EVERYONE ON BOARD."

BRECHTJE HAAN, CORPORATE LEGAL, IP & COMMUNICATION DIRECTOR

The other policies include:

- Environmental Policy (see II.1)
- Packaging Policy (see II.1.3.)
- Sustainable Sourcing Policy, including Palm Oil Policy (see IV.2)
- Diversity Policy (see III.1)
- Health & Safety Policy (see III.1)
- Remuneration Policy
- Nutritional Policy (see III.2.1.)
- Quality Policy (see III.2.1.)
- Animal welfare (see III.2.4)

The responsibility of the other policies lies with the responsible department and is discussed in the relevant chapters of the current sustainability statements.

IV.1.3. TARGETS

Lotus Bakeries has set targets for Business Ethics & Corporate Culture as follows:

Target: Champion a culture of ethical behaviour.

The KPIs related to this target are as follows:

- 100% employees signed the Code of Conduct
- 100% of relevant employees trained in Lotus Bakeries core ethical policies (Human Rights, Competition law, GDPR, Anti-bribery and anti-corruption)

Target: Progress on the UN Global Compact

The KPIs related to this target is as follows:

- Evolution on the Progress Report

We have defined relevant employees as follows:

- For the Code of Conduct and GDPR: all employees with a permanent or fixed-term contract, both full-time and part-time.
- For the Competition Programme: all employees with a permanent or fixed-term contract, both full-time and part-time and are working in the (1) Marketing Department (excluding designers), (2) Sales Department (excluding the field representatives and supportive functions), (3) Category Development (excluding supportive functions), (4) Procurement Department and (5) General Manager.

For other ethical policies, the relevant employees or functions at risk will be defined in the course of 2025.

IV.1.4. CODE OF CONDUCT

The Code of Conduct was approved by the Board of Directors on April 2, 2020 and was implemented in the same year. As of 2021, every new employee who is recruited must sign this. This Code forms an integral part of the employment contract. In September 2023, the Code of Conduct was updated to reflect Lotus Bakeries' new whistleblowing line, encouraging our employees to speak up in case they encounter any conduct that concerns them, or appears to violate Lotus Bakeries' Code of Conduct, our policies or applicable laws and regulations.

As mentioned above, the Code of Conduct contains six main principles that its employees must respect at all times:

SIX PRINCIPLES OF THE CODE OF CONDUCT

TRANSPARENCY

- Lotus Bakeries aims for clear and accurate communication with its customers, suppliers, consumers and business partners, and encourages open communication with all its stakeholders.
- Lotus Bakeries also refrains from non-conforming, dishonest, fraudulent or misleading marketing practices.

RESPECT FOR FELLOW HUMAN BEINGS

- Lotus Bakeries is responsible for a safe working environment and places great importance on integrity and respect for fellow human beings. Respecting human rights and labour regulations, including the freedom of association of employees and combatting child labour, are important objectives. All personal data is treated with respect at all times and in accordance with the relevant rules and regulations.

TRADING FAIRLY & ENSURING COMPLIANCE

- Lotus Bakeries ensures fair competition, respect for export regulations and the prevention of insider trading.

COMBATTING CORRUPTION

- Lotus Bakeries maintains a zero-tolerance policy towards bribery and corruption, overseeing a clear process for managing conflicts of interest and keeping accurate accounts and records, including rigorous reporting and bookkeeping.

SECURING INFORMATION

- Lotus Bakeries does all it can to protect its own confidential information and the confidential information of third parties.

RESPECT FOR THE ENVIRONMENT & SUSTAINABLE SOURCING POLICY

- Lotus Bakeries closely monitors the impact of its activities on the environment and constantly strives to reduce its ecological footprint.

Responsibilities
Each employee of Lotus Bakeries has a responsibility to comply with the principles of the Code of Conduct.

The responsibility for implementing the Code of Conduct lies with the Compliance Officer, supported by the local HR departments.

Whistleblowing and reporting
All employees of Lotus Bakeries are encouraged to speak up if they encounter any conduct that concerns them, or appears to violate Lotus Bakeries' Code of Conduct, our policies or applicable laws and regulations. Lotus Bakeries has developed a Whistleblowing Policy which explains how one can raise concerns about suspected misconduct in confidence and without fear of retaliation. It also describes what to expect from us concerning follow-up and relevant action. For more details, please see IV.1.8. below.

Where necessary, Corporate Compliance reports to the Board of Directors once a year on the enforcement of the Code of Conduct, covering any breaches and concerns raised, along with action points formulated to prevent repetition.

In 2024, the Board of Directors was not informed as no material complaints were received and no infringements were established (2023: none).

Performance and implementation
The Code of Conduct has been translated into the official languages of those countries in which Lotus Bakeries has a sales office or plant. The document is available in eleven languages.

The Code of Conduct has been added to the onboarding pack for new employees at all our sites and a presentation is foreseen for the onboarding programmes.

The employees of Lotus Bakeries were asked to sign the Code of Conduct and have all received a brief explanation of the six principles it contains. Once signed, the Code of Conduct is only resubmitted to the employees in case of major changes to the Code.

At year-end 2024, 99.9% of all employees have signed the Code of Conduct (2023: 99.9%).

IV.1.5. HUMAN RIGHTS POLICY

Lotus Bakeries actively assumes its social responsibility. We uphold ethical business practices throughout the organisation and the value chain.

Upholding business integrity and human rights is fundamental to building trust with our partners, communities and stakeholders, as pointed out in our Human Rights policy. Our Guiding Principle is to abide by all international human rights standards, including, but not limited to the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business & Human Rights, the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. Where local law and international standards are higher, Lotus Bakeries will follow the strictest standard.

THE PRINCIPLES OF THE HUMAN RIGHTS POLICY CAN BE SUMMARISED AS FOLLOWS:

HUMAN RIGHTS POLICY

- NO CHILD LABOUR
- FORCED LABOUR AND FREEDOM OF MOVEMENT
- FREEDOM OF ASSOCIATION
- ADEQUATE STANDARD OF LIVING
- NO DISCRIMINATION AND HARASSMENT
- WORKPLACE HEALTH & SAFETY
- NO UNLAWFUL TAKING OF LAND AND LIVELIHOODS

Responsibilities

Lotus Bakeries' Executive Committee (EXCO) is responsible for overseeing Lotus Bakeries' Human Rights Policy.

Whistleblowing and reporting

All stakeholders (i.e. employees, suppliers, consumers…) of Lotus Bakeries are encouraged to speak up if they encounter any conduct that concerns them, or appears to violate Lotus Bakeries' Code of Conduct, our policies or applicable laws and regulations. Lotus Bakeries has developed a Whistleblowing Policy which explains how one can raise concerns about suspected misconduct in confidence and without fear of retaliation. It also describes what to expect from us concerning follow-up and relevant action. For more details, please see IV.1.8. below.

Performance and implementation

Every individual deserves respect, dignity and equal treatment. To emphasise this belief, we have extensively communicated the principles set out in our Code of Conduct as well as the Human Rights Policy, to all employees via our intranet system. We encourage our employees to respect the dignity and human rights of colleagues and all other people they come into contact with in the course of their work.

The Human Rights policy applies to all our operations and to all full-time, part-time and temporary colleagues who are directly employed by Lotus Bakeries, including our directors and officers. The policy also extends to any subsidiaries or joint ventures where Lotus Bakeries has a majority interest or management control. It is important to note that our sustainable sourcing policies and procedures specifically outline our expectations for our

suppliers, vendors, agents and contractors. In terms of human rights, Lotus Bakeries imposes its Supplier Code of Conduct on its suppliers of packaging, raw materials, equipment and finished products. We believe that, in addition to our own operations, it is also our responsibility to ensure that those in our supply chain uphold human rights.

In 2024, there have been no cases reported regarding any infringement of the Human Rights Policy.

IV.1.6. ANTI-HARASSMENT AND DISCRIMINATION POLICY

Lotus Bakeries is committed to providing a safe and respectful workplace environment. Employees, contractors, customers, or anyone who comes into contact with Lotus Bakeries is expected to maintain a professional and respectful demeanour at all times. Harassment or discrimination of any kind will not be tolerated.

Harassment and discrimination can come in many forms, including but not limited to:

- Verbal abuse or threats;
- Physical assault or violence;
- Sexual harassment or unwanted sexual advances;
- Racial or ethnic slurs or jokes;
- Age, gender, or disability-based discrimination; and
- Any other actions that are unwanted and/or which create an intimidating, offensive or hostile work environment

Our commitment extends beyond our offices, plants, warehouses and buildings. Harassment and discrimination is prohibited both in the actual workplace and in any location that can reasonably be regarded as an extension of the workplace, including electronic communication, and at all stakeholders in our value chain.

Lotus Bakeries' employees and business partners are at the heart of our operations. We respect all of them and value their potential, regardless of race, ethnicity, gender, age, political beliefs, background, religion, disability, sexual orientation, etc. We want Lotus Bakeries to be a safe and respectful place to work for and work with. Harassment and discrimination are therefore simply unacceptable.

Responsibilities

Lotus Bakeries' Executive Committee (EXCO) is responsible for overseeing Lotus Bakeries' anti-harassment and anti-discrimination policy and programmes, thereby assisted by several departments, such a Compliance and HR. Regular reporting is done to the Board of Directors.

Whistleblowing and reporting

Lotus Bakeries will regularly review and update this policy to ensure it is effective and well adapted to our dynamic company and global challenges.

Despite our commitments on ethical behaviour, conduct that seems to violate this policy or applicable laws and regulations can and should always be reported. Lotus Bakeries has developed a Whistleblowing Policy which explains how one can raise concerns about suspected misconduct in confidence and without fear of retaliation. For more details, please see IV.1.8. below.

Performance and implementation
It is the responsibility of the Human Resources department in each of the countries in which Lotus Bakeries operates to ensure that this Policy is rolled out in each legal entity and fully enforced.

This policy sets out the minimum standards for addressing and preventing discrimination and harassment. However, every Lotus Bakeries entity may implement additional policies addressing these issues. In different countries, additional procedures are rolled out involving trained internal and external trusted advisors.

In 2024, there have been no cases reported regarding any infringement of the Anti-Harassment and Discrimination Policy.

IV.1.7. ANTI-BRIBERY AND FRAUD DETECTION

Currently, there is no Group policy relating to anti-bribery and fraud detection. However, anti-bribery and fraud detection is included in the Code of Conduct and local employment handbooks as key principle. A detailed group policy has not yet been in force, but significant steps have been taken in 2024. We have assessed the regulatory framework and done an extensive impact assessment.

Considering the increased risk relating to corruption and bribery, Lotus Bakeries is committed to issuing a Group-wide documented policy in the course of 2025. This will confirm the zero-tolerance of the Group towards bribery and corruption.

As the Group-wide policy will only be rolled-out in the course of 2025, there are currently no procedures to investigate business conduct incidents, including incidents of corruption and bribery, promptly, independently and objectively, except through the whistleblowing channels (see IV.1.8. below).

As anti-bribery and corruption is currently included in the Code of Conduct, which is part of the onboarding pack, meaning each new employee is familiarised with the principles set out in the Code of Conduct by local HR. However, centralised recurring trainings will be launched for all employees once the Group anti-bribery and fraud policy is launched. First sessions are scheduled in 2025.

Whistleblowing and reporting
Except for the whistleblowing line, Lotus Bakeries currently has no procedures to investigate business conduct incidents, including incidents of corruption and bribery, promptly, independently and objectively. Lotus Bakeries is looking into developing internal control measures in the course of 2025.

Performance and implementation
Lotus Bakeries has not yet identified the functions that are most at risk in respect of corruption and bribery. This will be done as part of the gap analysis in 2025, which will be the first stage to roll-out Group Anti-bribery and Corruption Policy.

However, Lotus Bakeries will take as a starting base (i) which countries are most vulnerable to bribery and corruption risks, (ii) which people within such countries deal with public officials (local municipalities, customs…), and (iii) which people/departments within such countries are more vulnerable to commercial bribery and kickbacks/excessive gifts & hospitality (sales, procurement, finance).

Anti-bribery and corruption training will be launched by end of 2025, following the implementation of the Group policy.

In 2024, there were no violations or fines of anti-corruption and anti-bribery laws.

IV.1.8. WHISTLEBLOWING POLICY

Lotus Bakeries is committed to acting with integrity, honesty, fairness and in full compliance with applicable laws, rules and regulations at all times and in an ethical manner. Trust in our company and brands makes consumers want to buy our products, retailers to list our products, (co-)manufacturers to produce our products, investors to value our stock and talented people to join our Lotus community.

Despite our commitments on ethical behaviour, one may observe conduct that concerns a person, or that seems to violate Lotus Bakeries' Code of Conduct, our policies or applicable laws and regulations. Speaking up gives Lotus Bakeries the opportunity to review and act on the issue. We believe that speaking up is key to sustaining our reputation, success and licence to operate. We greatly value the help of employees and others who identify and speak up about potential concerns that need to be addressed. People who speak up are protected and will not suffer for raising concerns in good faith about suspected misconduct. Lotus Bakeries will not tolerate any form of retaliation against those who speak up.

Our Whistleblowing system can be used to raise concerns about any suspected violation of our Code of Conduct, our policies, or applicable laws and regulations.

The whistleblowing line is a web-based reporting system (organised via an independent party) to raise concerns confidentially or anonymously and in your own language. The web-based reporting system is available both for internal and external stakeholders.

SUSPICION OF MISCONDUCT[12]

- ADDRESS DIRECTLY WITH THE PERSON INVOLVED
- RAISE CONCERNS WITH LINE MANAGER
- REACH OUT TO AN HR/LEGAL REPRESENTATIVE
- REACH OUT TO THE MANAGING DIRECTOR OF THE RELEVANT AREA
- WHISTLEBLOWING LINE

[12] Misconduct can relate to: (1) Accounting/Audit concerns; (2) Antitrust or Fair Trading; (3) Conflict of interest; (4) Consumer Protection; (5) Copyright or Trademark infringement; (6) Corruption or Bribery; (7) Disclosure or misappropriation of confidential information; (8) Discrimination (9) Environmental issues; (10) Fraud; (11) Harassment; (12) Insider Trading; (13) Protection of Privacy and Personal Data, and Security of Network and Information Systems; (14) Quality Concerns; (15) Retaliation; (16) Unsafe working conditions; and (17) Vendor concerns

Responsibilities

Lotus Bakeries created multiple channels for reporting compliance concerns, ensuring a safe haven for employees to report concerns as they see fit.

The Whistleblowing Policy explicitly prohibits retaliation: If a report is submitted in good faith, there will never be any sort of (threatened or attempted) retaliation measure which causes or may cause unjustified detriment because of the report. Lotus Bakeries prohibits retaliation against employees who speak up in good faith or cooperate in investigations. Any form of threat or retaliation will not be tolerated and may lead to disciplinary measures.

Lotus Bakeries has implemented a system for reporting hazards, compliance concerns and retaliation — including systems for maintaining the confidentiality of employees who make reports (information shared on need-to-know basis only and anonymous reporting is also possible) — which is enforced and evaluated by the Compliance Manager and the Corporate Legal, IP & Communication Director.

Lotus Bakeries does not (yet) train managers on what retaliation is nor does it evaluate employees' or consumers' willingness to report concerns.

Reporting

All cases reported in the whistleblowing line and found to be (partially) substantiated, are reported to the Board of Directors on a yearly basis, with due respect for the confidentiality of the cases.

Performance and implementation

The Whistleblowing Policy is available in English and – for those employees who do not speak English, also in local language. This means the whistleblowing policy has been translated into Dutch, French, Korean, Chinese.

Our own workforce has been informed about the Whistleblowing Policy as follows:

- Post on Lotus Link, our global intranet;
- Integration in onboarding new employees;
- Posters in plants (conform BRC 9);
- Integration in local HR deck: employee handbook, local Lotus Link page, internal policies.

The workforce is not trained on whistleblowing as the policy and tool is very user friendly. The staff receiving reports (case handlers) are trained by Corporate Compliance. This is done on an ad-hoc basis upon receipt of the first complaint, to ensure the training is still top of mind.

During 2024, Lotus Bakeries received one complaint via the Whistleblowing line. This complaint was identified by complainant as 'discrimination'. However, following investigation, no signs of discrimination were found, which was therefore found to be unsubstantiated (2023: none).

IV.2. SUSTAINABLE SOURCING

Lotus Bakeries is committed to building greater resilience in its supply chains by preserving the environment while ensuring welfare for all, along its value chain and by setting high ethical business standards.



IV.2.1. WHY DO WE CARE?

The double materiality assessment (see I.4.3. above) identified impact, risks and opportunities (IROs) related to sustainable sourcing. These RIOs are detailed in I.4.5.1. above.

Lotus Bakeries sources high-quality raw materials and packaging materials to produce its portfolio. Lotus Bakeries seeks a joint commitment with its suppliers on social or environmental impacts. Failure to source these sustainably may contribute to deforestation, which is a primary driver of greenhouse gas[13]. The commodities most often related to deforestation in Lotus Bakeries upstream supply chain are palm oil, cocoa, soy and wood (paper&pulp)[14]. This could in the mid- or long-term affect raw material availability and quality, and disrupt the global food system.

The greater part of the raw materials are sourced on the same continent where we operate our plants, whereas palm and cocoa are grown and sourced in the tropical belt. At Lotus Bakeries, we recognise that palm oil and other commodities, such as cocoa, have exposed some communities to social issues such as poor working conditions alongside negative impacts on the environment.

Lotus Bakeries aims to ensure that our sustainable sourcing approach generates a positive effect throughout our value chain, thereby helping to transform production practices in a way that has a positive impact on people, nature and the environment, and eventually contributing to a more robust global food system.

[13] Source: European Commission, Causes of Climate Change
[14] Source: European Deforestation Regulation

I V.2.2. APPROACH AND POLICIES

Lotus Bakeries assess its partnership with its suppliers based on sustainability criteria along with commercial criteria, planning & logistics, and quality criteria of the goods and services supplied.

Bringing sustainability in the equation is in line with our sustainable sourcing policy, which has as objective to ensure greater resilience is built in supply chains by preserving the environment while ensuring welfare for all along its value chain and by setting high ethical business standards. The principles and guidelines are reviewed by the EXCO. The full detail of our Sustainable Sourcing Policy is on our corporate website.

We are determined to build the foundations necessary to advance on sustainable sourcing and will continue to develop actions in the following focus areas:

- Due diligence of our partners in the value chain including certificates of sustainable sourcing programmes
- Supplier Code of Conduct

"SWITCHING CERTAIN RAW MATERIALS FOR MORE SUSTAINABLE ONES ISN'T A CASE OF PLUG AND PLAY. FOR EXAMPLE, IF FARMERS FERTILISE THEIR CROPS MORE SUSTAINABLY OR WORK ON DIFFERENT SOIL, IT MIGHT SLIGHTLY ALTER THE TASTE OF INGREDIENTS USED IN OUR SNACKS. THAT MEANS **R&D HAS TO FIND WAYS TO GO BACK TO THE ORIGINAL TASTE**. QUALITY THEN NEEDS TO ENSURE THE ADJUSTED PRODUCT MEETS ALL INTERNAL AND EXTERNAL STANDARDS. IN SHORT, MY **3 DEPARTMENTS WILL HAVE TO COLLABORATE BETTER THAN EVER TO MAKE STRATEGIC SOURCING A SUCCESS** – A CHALLENGE I'M LOOKING FORWARD TO."

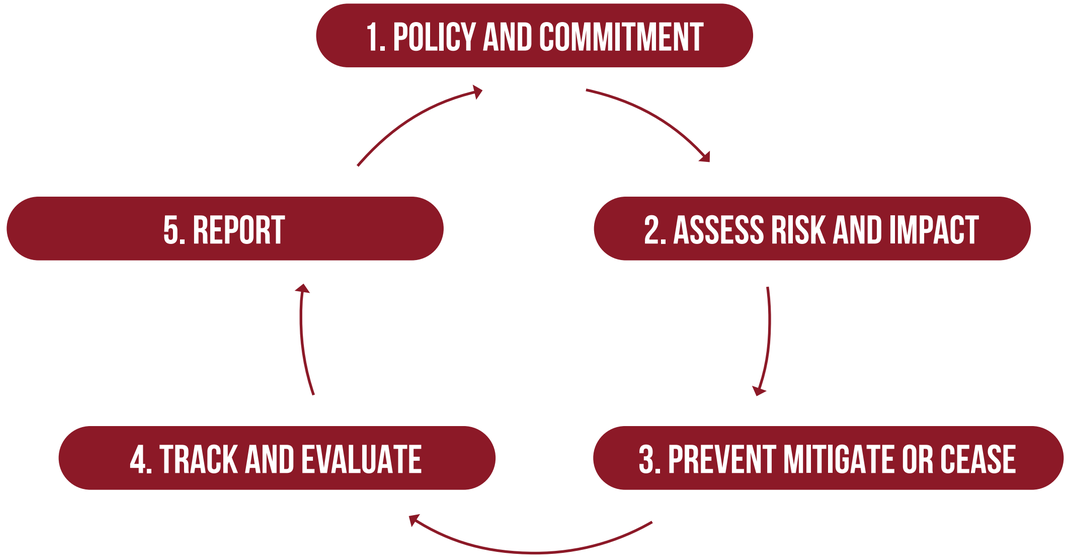
JOHN VAN DE PAR, CHIEF PROCUREMENT OFFICER

IV.2.2.1. Due diligence of our partners in the value chain

Lotus Bakeries will engage with suppliers to gain visibility in the supply chain to increase the traceability of the origins of its raw materials and to gain further understanding on how these are produced. This will allow to perform a proper due diligence.

The supplier due diligence process at Lotus Bakeries consist of five areas.

1. Policy and commitment: Lotus Bakeries ensures full transparency to all its stakeholders by making its policies and commitments public. Lotus Bakeries places great importance on respecting human rights and labour regulations as well as minimising environmental impact as set forth in our Sustainable Sourcing policy, our Human Rights policy, our Environmental policies and our other policies.



2. Assess risk and impact: The aim is to assess risks in our supply by identifying, weighing and prioritising environmental risks, social risks and human rights in our supply chain. The basis for assessment are the principles set out in Lotus Bakeries' own Code of Conduct. These principles are imposed on our suppliers by signing the Supplier Code of Conduct. These included: Lawful and ethical business practices such as Respect for human rights, Fair business practices, Respect for the environment and Traceability. Certification and sustainable programmes such as, but not limited to, RSPO palm oil are also considered.

3. Prevent, mitigate or cease risks: In case risks would be identified, Lotus Bakeries plans to take adequate and proportionate measures to mitigate the risk, with the option to conduct audits on supplier practices.

4. Track and evaluate: Lotus Bakeries has developed a Whistleblowing Policy which explains how one can raise concerns about suspected misconduct in confidence and without fear of retaliation.

5. Report and communicate: Lotus Bakeries communicates annually via its Annual Report.

IV.2.2.2. Supplier Code of Conduct

The principles set out in the Lotus Bakeries' Code of Conduct form the basis of the relationship with our suppliers of packaging, raw materials, equipment and finished products.

The principles to which these suppliers must commit can be summarised as follows:

We expect these suppliers to implement the Supplier Code of Conduct and to inform their employees, agents and subcontractors in a careful and transparent manner.

PRINCIPLES OF THE SUPPLIER CODE OF CONDUCT

LAWFUL AND ETHICAL BUSINESS PRACTICES

- Respect for human rights
- Child labour will not be accepted under any circumstances
- Treating people with dignity, honesty, fairness and respect
- Refraining from any form of discrimination, harassment, verbal or physical abuse
- Implementation of thorough health and safety procedures
- Compliance with the occupational laws and regulations in the workplace

FAIR BUSINESS PRACTICES

- Compliance with the relevant competition laws
- Use of fair and transparent price mechanisms and other contractual provisions in respect of suppliers
- Zero tolerance of bribery and corruption
- Protection of Lotus Bakeries' confidential information
- No falsification, smuggling or other related crimes

RESPECT FOR THE ENVIRONMENT

- Obtaining and documenting all necessary environmental permits, licences and registrations, including relevant certifications.
- Setting up an environmental management system, including:
  - Processes aimed at waste reduction, lower energy consumption, lower emissions and the prevention of pollution
  - Preservation of biodiversity, including threatened flora and fauna (no deforestation) and focusing on soil protection
  - Respect for water sources and ensuring good water and (waste) water management
  - No use of illegal products and limitation of the use of pesticides and other legal chemicals

TRACEABILITY

- The supplier must keep adequate records of its direct suppliers

Responsibilities

The Procurement department is responsible for implementing the Supplier Code of Conduct, supported where necessary by Corporate Compliance.

Suppliers are asked to bring any concerns to the attention of their contact at Lotus Bakeries. Since 2023, they also have the option to report any complaints via the online whistleblowing platform selected by Lotus Bakeries. This platform allows for anonymous reports, ensures confidentiality and guarantees accurate follow-up of legal obligations.

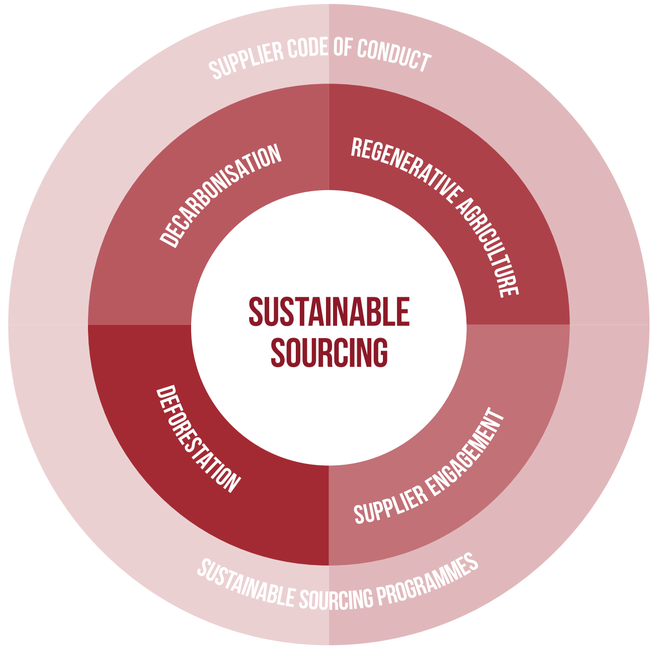
The Supplier Code of Conduct includes an obligation for the supplier to provide documentation that Lotus Bakeries can use as a basis for verifying compliance with the Supplier Code of Conduct.

While audits at suppliers have traditionally focused on quality and food safety, Lotus Bakeries is exploring ways to monitor the proper enforcement of other principles (such as deforestation regulations) in the Code of Conduct. Efforts are being made to integrate these considerations into existing audits.

Lotus Bakeries expects suppliers to take corrective actions necessary to address any identified gaps.

V.2.2.3. Other policies, certifications and sustainable programs

Several other Lotus Bakeries' policies and initiatives will positively contribute to its ambition in sustainable sourcing. Read more about these policies in IV.1. above.



In addition to the Supplier Code of Conduct, Lotus Bakeries also uses certificates and the participation in sustainable sourcing programmes as a criterium to assess and avoid potential risks in the behaviour of its suppliers.

IV.2.3. TARGETS

Lotus Bakeries has set targets on Sustainable Sourcing related to two focus areas.

PARTNERING IN THE VALUE CHAIN

Target: Conduct proper due diligence of suppliers.

We aim to have a robust foundation in the partnership with our suppliers.
The related KPI in that respect is:

› 100% of Lotus Bakeries' key suppliers signed and endorsed our Supplier Code of Conduct by 2027.

As part of the battle against climate change, Lotus Bakeries aims to fight one of its main drivers being deforestation. In line with the European Deforestation regulation, we also aim to have deforestation-free raw materials in our supply chain. The KPI in that respect is:

› For Lotus Bakeries we aim to source deforestation-free commodities subject to EUDR by the end of 2025[15].

In accordance with upcoming legislation such as the European Deforestation Regulation (EUDR) and the Corporate Sustainability Due Diligence Directive (CSDDD), we strive for the rights of people in our value chain to be respected and promoted. Therefore, in a first phase, we will conduct due diligence of suppliers subject to EUDR. The KPI in that respect is:

› Key suppliers of deforestation-linked commodities subject to EUDR are assessed and scored on sustainability criteria as per EUDR by end 2025.

SUSTAINABLE SOURCING PROGRAMMES

Target: Participate in sustainable sourcing programmes for key raw materials.

The KPI related to this target are as follows:

› Palm oil, soy flour and eggs procured are 100% covered by a sustainable sourcing programme that contributes to preserving the environment and improving welfare.

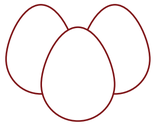
PALM OIL



SOY FLOUR



EGGS



The targets on sustainable sourcing and managing our supplier relationships are in line with evolving expectations from our customers and consumers and in line with evolving legislation. Moreover they have been confirmed by the double materiality assessment.

For the computation of the metrics reported already previously, there have been no changes in the methodology or assumptions compared to previous reporting years. The new targets on deforestation-linked commodities will be communicated to our stakeholders and guide our business practices.

[15] The commodities subject to EUDR, which are in scope for Lotus Bakeries, are palm oil, cocoa, soy & wood (paper&pulp)

IV.2.4. PERFORMANCE, ACTIONS AND RESOURCES

	Unit of Measure	2024	2023	Baseline (base year)
Key suppliers who signed the Supplier Code of Conduct	%	96.4	94.2	62 (2020)
Key palm oil suppliers who endorsed the principles of Lotus Bakeries Palm Oil Policy	%	100	100	100 (2011)
Our production sites which process palm oil and have achieved the RSPO certificate	%	100	100	100 (2011)
Soy flour procured traceable to plantations in regions which aren't subject to deforestation	%	100	100	100 (2022)
Eggs that are sourced from cage-free hens	%	100	100	100 (2012)

The targets mentioned in IV.2.3. linked to deforestation are initiated. Progress will be reported as of next year.

IV.2.4.1. Supplier due diligence and risk assessment

The Supplier Code of Conduct was implemented in 2020, is supplied in the language of the contract and is available in eleven languages. In 2020, the suppliers of packaging, raw materials, equipment and finished products with whom Lotus Bakeries had a framework contract, were asked to sign the Code of Conduct separately at the time. Since then, this code has been an integral part of the standard contracts with our key suppliers. Moreover, all our general purchase conditions contain a reference to the Supplier Code of Conduct, which is available on our website.

In 2024, 96.4% of key suppliers[16] of finished products (external production), raw materials, packaging and equipment with whom Lotus Bakeries has concluded a written contract had signed the Supplier Code of Conduct (2023: 94.2%).

In 2024, we have assessed a selected group of suppliers representing more than 40% of our procurement expenditure on the risk of child labour using UNICEF's Children's Rights in the Workplace index as a reliable, objective and independent tool. If the UNICEF index for the suppliers country in scope is classified as 'basic', then no further investigation was done, if the countries where classified as 'enhanced risk' or 'heightened risk' additional documentation was requested to assess the risk on child labour. Child labour was not identified as a significant risk at these suppliers. We plan to repeat this assessment annually and extend the suppliers assessed as well as the type of risks we assess.

As of next year, Lotus Bakeries will engage with its suppliers on additional topics such as but not limited to the EUDR-readiness for EUDR-subject suppliers, the suppliers' own decarbonisation plans and how they fit with Lotus Bakeries' decarbonisation ambition, and on the anti-bribery and anti-corruption policy. Read more in section IV.1.7.

Particularly, in preparation for the European Deforestation Regulation, Lotus Bakeries is looking into mapping the supply chains of the commodities in scope. Supply chains for commodities, such as palm oil, are particularly complex. Lotus Bakeries will be gathering more precise information on the origin of products (geolocation and time of production). Additionally, we will evolve our due diligence system to support EUDR compliance, including information collection, risk assessment and risk mitigation.

[16] Key suppliers are all of our suppliers of end products (external production), raw materials, packaging and machinery, with whom Lotus Bakeries has entered into a written contract.

Key consideration in evaluating our suppliers is whether they hold relevant sustainability certificates or participate in sustainable sourcing programmes, which are detailed below.

Palm oil

Palm oil is obtained by hot pressing the pulp of the palm fruit, a process that is more than 10,000 years old. Palm oil is not per se environmentally damaging, but the intensification and expansion of plantations can have environmental consequences, such as deforestation.

Lotus Bakeries is committed to purchasing only sustainable palm oil. Lotus Bakeries has been member of RSPO since 2011. It is important that the palm oil Lotus Bakeries uses in its products has been produced sustainably and does not contribute to deforestation or the destruction of vulnerable areas. Lotus Bakeries therefore selects its key palm oil suppliers carefully on the basis of the NDPE principle (No Deforestation, No Peat, No Exploitation) in its purchasing standards. That is why Lotus Bakeries only buys RSPO certified palm oil.

In 2024, Lotus Bakeries was a member of the RSPO (Roundtable on Sustainable Palm Oil) and the Belgian Alliance for Sustainable Palm Oil, and remained committed to purchasing only sustainable palm oil. Moreover, all Lotus Bakeries sites that use or purchase palm oil also have an RSPO certificate.

Next to the RSPO certification, Lotus Bakeries requires its key palm oil suppliers to also invest in a number of projects to, among other things, rejuvenate forests and help farmers switch to sustainable cultivation. Lotus Bakeries has endorsed this in its Palm Oil Policy to foster investment in sustainable agriculture and reforestation. At the end of 2024, 100% of key palm oil suppliers had endorsed Lotus Bakeries' palm oil policy.

Soy

Soy has, next to six other commodities, been identified in the European Deforestation Regulation as one of the commodities that can contribute to deforestation.

The soy bean flour Lotus Bakeries procures can be traced to the plantations that are located in regions not identified as being subject to deforestation.

Barn eggs

Animal welfare is important to us and is in our case focused on the origin of the eggs. We use barn eggs in our bakery products. As of January 2012, we have been committed to sourcing 100% of our eggs from cage-free hens. Cage-free refers to farm environments where chickens who produce eggs live in open indoor spaces. Overall, cage-free represents an increased quality of life for hens as compared with those held in cages.

Cocoa

100% of the cocoa butter and cocoa mass used in our Lotus® Biscoff® chocolate bars has been certified by the Rainforest Alliance. The Enkhuizer and Peijnenburg products with chocolate were originally UTZ certified, but are Rainforest Alliance certified since the transition from UTZ to Rainforest Alliance.

Pulp- and paper-based packaging

Today, 87% of wood pulp and paper-based packaging of our brands is FSC, PEFC or SFI-certified with the guarantee that the components come from sustainably managed forests. This preserves biological diversity and combats deforestation.

When we start producing in our new plant in Thailand, we plan to source FSC-certified packaging, in line with our sustainable packaging vision. Read more about sustainable packaging in II.1.4.

Low-carbon commodities

As part of our carbon reduction goals, we will investigate the possibilities for low-carbon commodities. Among these possibilities are a focus on deforestation-free commodities and regenerative agriculture. Collaboration with raw material suppliers to consider low-carbon versions or alternatives to high-emitting raw materials are likely to contribute to GHG reduction.

Other commodities are currently not managed through a bespoke sustainability programme.

Lotus Bakeries aims to continuously update its supplier risk management approach to ensure the assessment of risks and impacts of critical supplier groups.

IV.2.4.2. Payment practices

Lotus Bakeries has standard payment terms ranging from 30 to 60 days, unless a specific legal requirement applies. The company does not have a specific payment term depending of the size of the vendor. The objective is to settle an invoice according to the due date agreed with the vendor.

In 2024, the average time to settle an invoice was 36 days (2023: 41 days). We do not have any outstanding legal proceedings regarding late payments.



IV.3. OTHER FOCUS AREAS

IV.3.1. UN SUSTAINABLE DEVELOPMENT GOALS

Lotus Bakeries aims to achieve sustainable, profitable growth by providing consumers around the world a diverse range of branded snacks for every occasion. As part of this ambition, we aspire to create value in a sustainable way, not only today, but also for the future generations to come.

To live up to our purpose and deliver on our sustainability strategy, targets and long-term ambition, we focus where we believe we can make a difference and deliver great long-term impact.

The ESG Guiding Principles are driving our 'Care for Today, Respect for Tomorrow' programme. The focus areas within this programme directly impact a number of SDGs. The below overview highlights the SDGs our programme is most closely aligned with, being the ones where we believe we can have the biggest impact.



CARE FOR TODAY, RESPECT FOR TOMORROW

ESG Guiding Principles	Focus Areas	SDG linked to the Focus Areas
Road to Net Zero	Carbon footprint	7 Affordable and clean energy
		9 Industry, innovation and infrastructure
		13 Climate action
		15 Life on land
	Energy usage	7 Affordable and clean energy
		13 Climate action
	Sustainable Packaging	12 Responsible consumption and production
		13 Climate action
		14 Life below water
		15 Life on land

ESG Guiding Principles	Focus Areas	SDG linked to the Focus Areas
Sustainable Sourcing	Partnering in the value chain	8 Decent work and economic growth
		13 Climate action
	Sustainable sourcing programmes	4 Quality Education
		10 Reduced inequalities
		13 Climate action
		15 Life on land

ESG Guiding Principles	Focus Areas	SDG linked to the Focus Areas
One Lotus Family 	**Well Being, Diversity Equity & Inclusion**	3 GOOD HEALTH AND WELL BEING — Good health and well-being
		4 QUALITY EDUCATION — Quality Education
		5 GENDER EQUALITY — Gender equality
		8 DECENT WORK AND ECONOMIC GROWTH — Decent work and economic growth
	Health & Safety	3 GOOD HEALTH AND WELL BEING — Good health and well-being
		8 DECENT WORK AND ECONOMIC GROWTH — Decent work and economic growth
Balanced portfolio of great taste 	**Food safety and Quality**	3 GOOD HEALTH AND WELL BEING — Good health and well-being
		12 RESPONSIBLE CONSUMPTION AND PRODUCTION — Responsible consumption and production
	Balanced Portfolio	3 GOOD HEALTH AND WELL BEING — Good health and well-being
		12 RESPONSIBLE CONSUMPTION AND PRODUCTION — Responsible consumption and production
Ethical business conduct 	**Business ethics & Corporate Culture**	2 ZERO HUNGER — Zero Hunger
	Partnership for the SDG goals	17 PARTNERSHIPS FOR THE GOALS — Partnership for the goals

IV.3.2. CYBER SECURITY

The double materiality assessment (see I.4.3) identified impacts, risks and opportunities (IROs) related to cyber security. This IRO is detailed in I.4.5.1 above.

As the operations of Lotus Bakeries are increasingly dependent on IT systems, Lotus Bakeries is committed to maintaining a robust information and network system to protect our data, systems and operation from potential threats or vulnerabilities, this to ensure availability, confidentiality and integrity of our critical data assets.

The continuous and uninterrupted availability of the information technology systems is a key requirement for the growth of the company, i.e. to process transactions and to manage stocks, purchases and deliveries of its products.

In a fast changing environment, Lotus Bakeries needs to evolve towards a data-enabled organisation in order to reach customers more rapidly with products and services adapted to their needs. In this context, Lotus Bakeries' plants are also becoming more digitised, and therefore the cyber risk is increasing. The frequency and sophistication of cyberattacks & other data breaches are increasing and may result in an increase of Lotus Bakeries' exposure to risks such as:

- Hacking of physical facilities (plants, security systems, badge systems…);
- Leakage of the Group's confidential data;
- Cyber fraud & ransomware attacks.

Responsibilities

The IT department is responsible for implementing the Cybersecurity Policy, supported where necessary by Legal & Compliance.
Lotus Bakeries' Executive Committee (EXCO) is responsible for overseeing Lotus Bakeries' IT department. Regular reporting is done to the Board of Directors.

Target: Lotus Bakeries aims to become ISO27001 certified by 2026.

The Group is committed to implementing a cybersecurity policy by mid-2025. Additional policies defined by ISO27001 will be implemented in the course of 2025 and 2026.

Lotus Bakeries strives for a "zero trust strategy" in security, meaning "never trust, always verify." It treats every request as if it comes from an open network, requiring continuous verification of users, devices and applications.

Key principles include:

- Always authenticate and authorise based on all available data points.
- Limit user access to the minimum necessary.
- Assume breaches will happen and minimise their impact.

Performance and implementation

Action plans focus on tackling possible identified weaknesses and improve security systems and processes regarding "identify, protect, detect, respond and recover" elements, safeguarding against cyberattacks.

THE FOLLOWING ACTIONS HAVE BEEN TAKEN IN 2024

1. PENETRATION TESTING AND AUTHORISATION REVIEWS

Periodic reviews are conducted to assess if the appropriate authorisation rights in the IT system are delivered.

2. ACCESS CONTROL

Multi-factor authentication (MFA) for all third-party access to our IT environment has been implemented. Furthermore, we are currently developing processes to control the access from external suppliers to the production environment.

3. DATA BACKUP AND RECOVERY

Regular backups of critical data are ensured. Recovery plans for our critical SAP environment is periodically tested.

4. CLOUD SECURITY

Security measures to control and monitor access to critical administrative functions in cloud environments are rolled-out.

5. THREAT DETECTION AND SERVER SECURITY

Advanced threat detection tools for endpoints and servers are used to detect unusual behaviour. Security measures and configurations of servers have been enhanced to protect against potential threats.

6. REMOTE ACCESS SECURITY

Secure remote access through a cloud firewall, applicable for both remote working and office environments.

7. SECURITY AWARENESS AND TRAINING

Extensive security awareness training and phishing campaigns have been conducted. In 2024, an 88% training completion rate among PC users in 2024 has been achieved.

8. ISO27001 CERTIFICATION AND ISMS IMPLEMENTATION

The programme is launched to obtain ISO27001 certification and implement related organisational changes. The setup of an Information Security Management System (ISMS) is ongoing in Area Belgium, identifying critical processes, data and systems.

9. INCIDENT RESPONSE AND MANAGEMENT

An incident response procedure for security is in development. An incident management procedure has been developed and implemented.

10. OPERATION TECHNOLOGY (OT) SECURITY

A security template for Operational Technology has been implemented at the new plant in Thailand, with plans to roll out to other Biscoff-producing plants in 2025.

In 2024, there were zero security information incidents with business continuity impact or confidential data impact.

In 2025, we plan to initiate the following actions to make additional progress regarding cybersecurity:

› Access control
- Roll-out of Multi Factor Authentication for external suppliers, connecting to production machines.
- Further improvement of the password policy.
- Further restrict access to endpoints & high-risk applications.

› ISO27001 certificate: continuation of the programme.
- Complete the implementation of an information security management system (ISMS) towards all areas in the Group.
- Define a risk register in which we will identify and prioritise the risks. Followed by an action plan to reduce these risks based on policies, procedures & controls.
- Implement the Cybersecurity policy for the Lotus Bakeries Group.
- Implement the incident response procedure for security.
- Implement additional policies and controls related to ISO 27001 such as an 'Access policy' which defines measures covering unauthorised data access or disclosure both for physical & digital access.
- Ensure everybody is trained by making the cybersecurity awareness training mandatory to all PC users.
- Initiation of the information due diligence programme at third parties.

› Asset and vulnerability management
- Implement an asset management tool to maintain an up-to-date inventory of all information security assets (PCs, applications, switches).
- Implement a vulnerability management tool to monitor potential vulnerabilities on installed software and take preventive actions.



V. FOUNDATION FOR EDUCATION

V.1. COMMUNITY ENGAGEMENT: FOUNDATION FOR EDUCATION

Every child deserves a strong and stable family. And for children from an underprivileged background, the Lotus Family gladly steps in to provide that strength and stability. More specifically, through our Foundation for Education.

V.1.1 WHY DO WE PUT EDUCATION IN THE SPOTLIGHTS?

Because it's the key to breaking the vicious circle of poverty. Quality education allows young adults to gain access to the labour market, earn an income and support a family. Moreover, it prepares them to consciously participate in decisions that affect them and share knowledge with others. These are all vital parts in shaping a better future for themselves and their society.

V.1.2 MISSION OF OUR FOUNDATION FOR EDUCATION

Lotus Bakeries aims to make a substantial contribution to carefully selected educational projects focusing on providing quality education to disadvantaged children and young people.



SUPPORTED PROJECTS IN 2024

- The Kusasa Project (South Africa)
- Cunina (South Africa)
- Gammol (Gambia)
- Entrepreneurs for Entrepreneurs (the Democratic Republic of the Congo)
- TAJO (Belgium)
- City Pirates (Belgium)
- VZW De Gooikenshoeve (Belgium)
- YouthStart (Belgium)
- KickCancer (Belgium)

For more info on these projects, go to our website.

IN THE PICTURE: THE KUSASA PROJECT

In 2024, our largest contribution went to The Kusasa Project, an independent primary school in South Africa's Western Cape. The school provides a critical educational foundation to underprivileged children of colour giving them the chance of a much brighter future. Every year, about 150 children become literate, compassionate, respectful, communicative, imaginative and multi-lingual students thanks to the school.



"AT LOTUS BAKERIES, **WE ARE COMMITTED TO SUPPORTING EDUCATION AS A FUNDAMENTAL RIGHT FOR EVERY CHILD.** BY SUPPORTING THE KUSASA PROJECT, WE STRIVE TO MAKE A SUBSTANTIAL AND LASTING DIFFERENCE, BOTH FOR THE YOUNG PEOPLE ATTENDING THE SCHOOL AND THEIR BROADER COMMUNITY"

JAN BOONE, CEO LOTUS BAKERIES

VI. ESG RECOGNITION AND OTHER CERTIFICATIONS

EcoVadis is a globally recognised rating platform that assesses corporate sustainability based on four key categories: environmental impact, labour and human rights standards, ethics, and procurement practices. The objective of the EcoVadis rating is to measure the quality of a company's Corporate Social Responsibility (CSR) management system annually through its policies, actions and results within a network of more than 130,000 rated companies.

Lotus Bakeries was awarded an EcoVadis Bronze Medal in June 2024 for sustainability performance. Lotus Bakeries ranks in the 84th percentile placing us amongst the top 16%. We value the feedback and have taken steps to further enhance our ESG performance.

Sedex, the Supplier Ethical Data Exchange, is a collaborative platform that enables members to collect and share ethical data and identify risks in their supply chains. It's the world's largest data platform for supply chain assessment.

Lotus Bakeries is a Sedex member with plants in Belgium and France. Being a member of the Sedex community supports our commitment to fair labour practices, the well-being of our employees, business ethics and the environment.

CDP, the former Carbon Disclosure Project, runs the global disclosure system to manage environmental impacts. They have broadened the scope of this disclosure, to deforestation and water security. They have built a comprehensive global collection of self-reported data. By scoring business from A to D, they take organisations on a journey from disclosure to awareness up to management on several environmental topics.

Lotus Bakeries has a B on Climate Change, a B- on Forest and a B- Water. We commit to the feedback and set up action plans to mitigate risks and capitalise on the opportunities that CDP points out.

Sustainalytics is a company that rates the sustainability of listed companies based on their environmental, social and corporate governance performance. They measure how exposed a company is to industry-specific ESG risks and how well it deals with the risks. The rating scale is made up of 5 risk levels ranging from severe risk to negligible risk.

The assessment by Sustainalytics is 27.6. (latest update, October 2024). We appreciate the feedback and have taken initiatives in the course of 2024 to further improve our ESG performance.

OTHER SUSTAINABILITY INFORMATION

INTRODUCTION

As mentioned in I.4. of the Sustainability Statements, several topics have been assessed to have double materiality or single materiality (impact or financial materiality) by our stakeholders.

In addition to the topics that result from the double materiality assessment, we have identified a further set of topics that we will be reporting on, based on other factors. These factors mainly include (local) legal requirements or requirements related to other regulations, as well as topics that we deem necessary to elaborate on the organisational context that Lotus Bakeries is operating in. As such, consistently with prior years, we will continue to disclose information on Waste, Water Stewardship and Responsible Marketing. However, these topics are not subject to the detailed disclosure requirements under CSRD and are not covered by the limited assurance conducted by the external auditor.

WASTE

Waste, defined under the topic Circular Economy (ESRS E5) and assessed with the description "continuously improving our manufacturing efficiency with continued efforts on reducing waste" is below the materiality threshold for Lotus Bakeries. We will provide, on a voluntary basis, our approach to waste and selected metrics of the waste generated and disposed of in our own operations. For the waste generated downstream relating to end-of-life of the products and packaging we refer to II.1.3 of the Sustainability Statements.

Reporting

As part of its internal operational reporting, Lotus Bakeries monitors all types of waste generated. The waste in its own activities relate to production waste, grease, residual waste, paper and cardboard. Waste registers in accordance with legislative obligations are kept where needed. Based on these reported figures, Lotus Bakeries monitors carefully evolutions in waste generation across the various plants.

Performance

Lotus Bakeries applies the waste hierarchy to deal with waste in a responsible manner. The first measure is prevention of waste. Where possible, generated waste is re-used. Where this proves impossible, it is diverted towards the highest-possible waste treatment method. The major part of our production waste is diverted towards animal feed. Packaging waste coming from our plants are primarily sent for recycling. Where not possible to recycle, materials are sent for incineration with energy recovery, limiting the CO_2e impact related to their disposal. Only as a last resort, it is sent for incineration without energy recuperation or landfill. This is strongly dependent on the country of operation, as the availability of recycling infrastructure varies widely across the globe.

WASTE GENERATED IN OPERATIONS, IN TONNES	2024
Non-hazardous waste	**17,848**
Non-hazardous waste diverted from disposal due to preparation for reuse	12,420
Non-hazardous waste diverted from disposal due to recycling	2,981
Non-hazardous waste diverted from disposal due to other recovery operations	1,339
Non-hazardous waste directed to disposal by incineration	908
Non-hazardous waste directed to disposal by landfilling	200
Non-hazardous waste directed to disposal by other disposal operations	-
Hazardous waste	**7**
Hazardous waste diverted from disposal due to preparation for reuse	-
Hazardous waste diverted from disposal due to recycling	-
Hazardous waste diverted from disposal due to other recovery operations	-
Hazardous waste directed to disposal by incineration	-
Hazardous waste directed to disposal by landfilling	-
Hazardous waste directed to disposal by other disposal operations	7
TOTAL WASTE GENERATED	**17,856**
Of which radioactive waste	-
Of which non-recycled waste	1,115
Percentage of non-recycled waste	6%

WATER

Climate change and droughts are becoming more frequent and industrialisation often puts additional pressure on water availability.

Water stewardship has been assessed as part of the materiality assessment and scores below the materiality threshold for Lotus Bakeries (see Sustainability Statements – I.4.3.). Engagement with external stakeholders indicated that water stewardship is considered important in the wider food and agricultural sector. However, water intensity in Lotus Bakeries' operations is well below the industry benchmark. Nevertheless, we consider it our duty to manage water efficiently and we will provide on a voluntary basis information on Lotus Bakeries' approach on water.

Reporting

As part of its internal operational reporting, Lotus Bakeries reports on a regular basis on its water consumption as part of the periodic operational reporting of our production plants. Based on these reported figures Lotus Bakeries carefully monitors evolutions in water usage across the various plants and sites.

Performance

Lotus Bakeries is withdrawing water mainly from municipal water supplies, next to groundwater and rainwater. We re-use water as much as possible.

VOLUME IN m³	2024
Water withdrawal	156,500
Water consumption	13,200
Water discharges	143,300

Water discharge from our facilities may include rainwater and surface water, alongside process wastewater. Before discharging, 27.6% was treated by purification processes, the remaining part could be discharged without special treatment as it was compliant with local imposed criteria.

RESPONSIBLE MARKETING

Responsible Marketing has been assessed as part of the materiality assessment and scores below the materiality threshold for Lotus Bakeries. Nevertheless, below provides an overview of our policy and actions related to Responsible Marketing.

TRANSPARENT NUTRITIONAL INFORMATION

The nutrition labelling on our packaging complies at minimum with all local food law requirement of the country or region that our snacks are sold into. Where packaging size allows, nutritional values are provided in a full nutritional table, offering information per 100g and per portion and if space allows, labels include the percentage that a nutrient provides of a person's recommended daily intake (RDI). This allows consumers to make well considered choices: consumers can compare products in an objective way based on the nutritional values per 100g, but also know the energy intake per portion they consume.

- All allergens and unavoidable cross-contaminations from ingredients or the production process are mentioned in a clear way on the pack. This allows allergic and intolerant consumers to make the best choice.
- The nutrition-related claims on pack are based on sound scientific evidence and comply with applicable local regulations.
- Our product brand websites also provide nutritional information in a very clear way, and for innovative concepts like the BEAR® fruit rolls or the nākd® bars we provide further explanation on how these snacks are made.

RESPONSIBLE COMMUNICATION

Lotus Bakeries Belgium signed the Belgian Pledge 3.0, this is a self-regulatory initiative in which participants indicate not to advertise to children. As such, Lotus Bakeries Belgium will not communicate to children below 13 years of age. We see the parents as the gatekeepers of their children's healthy diet. This applies to media channels such as TV, radio, print, cinema, direct marketing, product placement, apps, outdoor marketing, mobile and in online including social media channels, influencer marketing, and company websites.

- Next to that, we will pay attention to the way we are portraying people in our advertisements to ensure alignment with Lotus Bakeries Human Rights Policy.
- Additionally, in our increasingly digital world, we also take up the responsibility to protect the data and privacy of our consumers. Lotus Bakeries has a detailed guidance in line with the privacy protection outlined in The European Union's General Data Protection Regulation (GDPR). Lotus Bakeries trains employees on this guidance.

Reporting

When developing pack designs, media campaigns or other communication tools to consumers, we aim to proactively research the consumer acceptance upfront.

The Brand Ownership meetings consisting of the senior leadership team evaluates the key stages of the development process. This results in pack designs, media campaigns or other communication tools, not only meeting consumer needs but also fitting the brand strategy and sustainability guardrails.

Performance

In 2024, in line with the Green Claims Directive, Lotus Bakeries' legal department implemented an updated process in collaboration with the involved departments Corporate QA, Global Brands and local marketing to assess the use of new product claims to avoid greenwashing.

We continue to provide plant-based snacks with our Biscoff® cookies, Biscoff® spread, BEAR®, nākd®, TREK® and Kiddylicious® ranges. As such, Lotus Bakeries contributes to more sustainable food choices by introducing more plant-based snacks into the consumer's diet.



05

CORPORATE GOVERNANCE & RISK MANAGEMENT



CORPORATE GOVERNANCE DECLARATION

Lotus Bakeries adopts the Corporate Governance Code 2020 as a reference code, in accordance with Article 3:6(2) of the CAC and the Royal Decree of 12 May 2019 laying down the corporate governance code to be complied with by listed companies.

Lotus Bakeries' Corporate Governance Charter, which outlines our corporate governance policy and the internal rules of procedure of the Board of Directors, the Committees and the Executive Committee, was discussed by the Board of Directors and approved on 2 April 2020.

› More information about our Corporate Governance Charter can be found on our website (https://www.lotusbakeries.com/governance-practices-and-policies).

In this Annual Report, we report factual applications of the Corporate Governance Charter.

Adoption of Corporate Governance Code 2020

As set out below, Lotus Bakeries follows all principles contained in the Corporate Governance Code 2020, except for the following two provisions:

› The Ordinary General Meeting of Shareholders of 18 May 2021 reappointed Benoit Graulich BV as independent director, since all of the specific independence criteria of Article 3.5 of the Belgian Corporate Governance Code 2020 were fulfilled but one, i.e. the criterion that a director must have held the position of non-executive director for no longer than 12 years. This was not considered to detract from the independence of Benoit Graulich (and Benoit Graulich BV), who in carrying out his duties as director always demonstrates an independent and critical attitude and has confirmed that he has no relationship whatsoever with the company, the executive management, the reference shareholder or other shareholders owning more than 10% of the shares which could jeopardise his independence.

› Article 7.12 concerning the possibility of clawing back variable remuneration paid to the members of the executive management or withholding the payment of variable remuneration. The Board of Directors is not convinced of the enforceability of a claw-back clause in employment contracts or service agreements, which cannot be amended unilaterally. Nor does it see the need for such a claw-back clause since, according to the remuneration policy, the variable remuneration is allocated solely on the basis of verified, audited and published results.

Governance structure

The Board of Directors chose to consolidate its current single-tier governance model as referred to in Article 7:85 et seq of the CAC, since the functioning of the Board is highly effective and transparent. The powers relating to day-to-day management versus supervision/control are clearly defined, the Board is kept thoroughly informed at all times by the CEO and the EXCO and all necessary decisions are approved and/or ratified.

SHARE CAPITAL AND SHARES

SHARE CAPITAL

The share capital of Lotus Bakeries NV amounts to EUR 3,591,183.65.

NOTICES WITH RESPECT TO ART. 34 OF THE ROYAL DECREE OF 14 NOVEMBER 2007 - ANTI-TAKEOVER MEASURES

The Board of Directors of Lotus Bakeries NV was authorised by the Extraordinary General Meeting of 12 May 2023 to increase the issued capital one or more times up to a maximum amount of four million seven hundred and eighty-eight thousand two hundred and forty-four euros and eighty-seven cents (EUR 4,788,244.87). This authorisation was granted for a period of three years starting on the date of the publication of the resolution of the Extraordinary General Meeting of 12 May 2023 in the Supplements to the Belgian Official Journal.

Within the limits of the aforementioned authorised capital, the Board of Directors of Lotus Bakeries NV was furthermore authorised by the Extraordinary General Meeting of 12 May 2023, within a period of three years commencing with the Extraordinary General Meeting of Shareholders of 12 May 2023, following notification from the Financial Services and Markets Authority of a public takeover bid for the company's stock, to increase the company's capital subject to fulfilment of the legal requirements.

SHARES

Since the beginning of January 2002, Lotus Bakeries NV shares have been listed on the continuous trading market of Euronext (Brussels). Previously, the shares were listed on the spot market.

As of 31 December 2024, there were 816,013 shares of Lotus Bakeries NV, in registered or dematerialised form.

SHARE OPTIONS

In the context of the Lotus Bakeries NV share option scheme, no new share options were issued in 2024. As at 31 December 2024 the total number of unexercised share options was 2,476.

GRANTED IN	2019	2020	2021	2022	2023	2024
Number granted	1,199	962	660	792	618	-
Number exercised	(1,149)	(457)	(33)	-	-	-
Number expired	(50)	(40)	(26)	-	-	-
Available options	**-**	**465**	**601**	**792**	**618**	**-**

PURCHASE OF TREASURY SHARES

The Extraordinary General Meeting of 8 May 2020 authorised the Board of Directors of Lotus Bakeries NV for an unlimited period of time as follows regarding the buying and selling of treasury shares:

- To dispose of shares, profit-sharing certificates or other certificates acquired by the company, whether via the stock exchange or otherwise, through sale, exchange, contribution, conversion of bonds or any other form of transfer (whether or not for consideration), to offer them to the staff, to offer them to one or more specified persons other than staff, or to otherwise exercise control over them, always in accordance with the legal provisions, or to cancel these shares or profit-sharing certificates, without requiring further approval or other intervention of the General Meeting of Shareholders and without any time restrictions.

The Extraordinary General Meeting of 12 May 2023 authorised the Board of Directors of Lotus Bakeries NV as follows regarding the buying and selling of treasury shares:

- For a period of three years, within legal limits, whether via the stock exchange or otherwise, whether directly or indirectly, whether by purchase or exchange, whether by contribution or any other form of acquisition, to acquire shares, profit-sharing certificates or certificates related thereto, with as compensation the average closing share price of the company over the last thirty calendar days prior to the date of purchase, reduced by twenty percent as a minimum price and increased by ten percent as a maximum price. This authorisation applies also to the acquisition of shares of the company, carried out, directly or indirectly, by direct subsidiaries of the company within the meaning of Article 7:221 CAC.
- To acquire, whether via the stock exchange or otherwise, whether directly or indirectly, the company's stock, when such acquisition is necessary to prevent the company from suffering serious imminent damage. This authorisation is granted for a period of three years.

No treasury shares were purchased over the course of 2024. The total number of treasury shares in the portfolio at the end of the financial year is 3,547 shares. They represent an accounting par value of EUR 15,606.8 or 0.43% of the issued share capital.

SHAREHOLDERS AND SHAREHOLDERS STRUCTURE

The shareholding structure of Lotus Bakeries NV on 31 December 2024:

	NO. OF SHARES	NO. OF VOTING RIGHTS	% OF SHARES	% OF VOTING RIGHTS
Stichting Aandelen Lotus Bakeries (1)	408,007	816,014	50%	63.38%
Lotus Bakeries NV	3,547	3,547	0.43%	0.28%
Publicly held	404,459	467,863	49.57%	36.34%
Total	**816,013**	**1,287,424**	**100%**	**100%**

(1) Stichting Aandelen Lotus Bakeries is not controlled. The interest of Stichting Aandelen Lotus Bakeries in Lotus Bakeries NV follows from a disclosure concerning a transparency notification dated 17 October 2024*.
(*) Pursuant to article 6 of the Law of 2 May 2007 on disclosure of participating interests.

COMMUNICATION ACCORDING TO ARTICLE 14(1) OF THE LAW OF 2 MAY 2007 ON DISCLOSURE OF MAJOR HOLDINGS

Lotus Bakeries NV received two transparency notifications in 2024.

- On 1 and 2 May 2024, Lotus Bakeries NV has received transparency notifications, revealing that Holding Biloba BV, following a passive threshold crossing – being obtaining double voting rights on shares that have been held in registered form – directly held 5.34% of the company's voting rights. As a result of Holding Biloba BV obtaining double voting rights, the total number of voting rights of Lotus Bakeries NV increased to 1,286,867. The unchanged number of voting rights of the Stichting Administratiekantoor van aandelen Lotus Bakeries as a result directly represented 63.41% of the company's voting rights. Stichting Administratiekantoor van aandelen Lotus Bakeries and Lotus Bakeries NV jointly held directly and/or indirectly 63.73% of the voting rights. The participation therefore fell below the threshold of 65%.
- On 16 October 2024, Lotus Bakeries NV has received a transparency notification revealing that, following the disposal of shares on the 10th of October 2024, Holding Biloba BV held less than 5% of the voting rights in the company. It has therefore fallen below the shareholding threshold of 5%.

COMMUNICATION ACCORDING TO ARTICLE 74(7) OF THE LAW OF 1 APRIL 2007 ON PUBLIC TAKEOVER BIDS

Lotus Bakeries NV is not aware of any updates to any communication according to article 74 of the Law of 1 April 2007.

BOARD OF DIRECTORS AND COMMITTEES OF THE BOARD OF DIRECTORS

BOARD OF DIRECTORS COMPOSITION

On May 14, 2024, the Ordinary General Meeting accepted the reappointment of Concellent NV, represented by its permanent representative Ms Sofie Boone, and Beneconsult BV, represented by its permanent representative Ms Benedikte Boone, as non-executive director of the company, for a term of four years.

Furthermore, on September 30, 2024, Mercuur Consult BV, represented by its permanent representative Jan Boone, was acquired – by means of a transaction equated with a merger by acquisition (geruisloze fusie) - by Stephenson NV, resulting in the dissolution without liquidation of Mercuur Consult BV and cancellation of its board mandate. In light of this, the Board of Directors has decided to provisionally fill the vacancy in accordance with Article 13 of the Articles of Association of Lotus Bakeries NV and Stephenson NV (represented by its permanent representative Jan Boone) was co-opted as a director as of 1 October 2024 for the remaining term of office of Mercuur Consult BV, which runs until the Annual Shareholders Meeting of 13 May 2025.

THE CURRENT MEMBERS OF THE BOARD OF DIRECTORS:

Managing director, CEO:

Stephenson NV, represented by its permanent representative Jan Boone
Current term of office ends: *2025* General Meeting

Non-executive directors:

- Vasticom BV, represented by its permanent representative Jan Vander Stichele (Chairman)
  Current term of office ends: *2025* General Meeting
- Beneconsult BV, represented by its permanent representative Benedikte Boone
  Current term of office ends: *2028* General Meeting
- PMF NV, represented by its permanent representative Emanuel Boone
  Current term of office ends: *2026* General Meeting
- Concellent NV, represented by its permanent representative Sofie Boone
  Current term of office ends: *2028* General Meeting
- Anton Stevens
  Current term of office ends: *2025* General Meeting

Independent directors:

- Palumi BV, represented by its permanent representative Peter Bossaert
  Current term of office ends: *2025* General Meeting
- Benoit Graulich BV, represented by its permanent representative Benoit Graulich
  Current term of office ends: *2025* General Meeting
- Lema BV, represented by its permanent representative Michel Moortgat
  Current term of office ends: *2026* General Meeting
- Eagli BV, represented by its permanent representative Noelle Goris
  Current term of office ends: *2027* General Meeting

Secretary:

- Brechtje Haan

Benedikte Boone - Non-Executive Director
- Master's degree in Applied Economics (KU Leuven)
- She has held positions at Creyf's Interim and Avasco Industries
- Director in various family companies (Bene Invest BV, Holve NV and Harpis NV) and also director at Deceuninck NV
- Member of the Board of Directors at Lotus Bakeries since 2012

Jan Boone - CEO / Managing Director
- Master's degree in Applied Economics (KU Leuven); Master in Audit (UMH)
- Started his career in the Audit department of PwC
- Between 2000 and 2005 Head of Corporate Controlling, member of the Executive Committee and Board of Directors at Omega Pharma
- Since 2005, active at Lotus Bakeries as managing director and since 2011 as CEO
- Since 2011, member of the Board of Directors at FC Bruges
- Between 2017 and 2024, President of the Board of Directors of Animal Care, a listed company in the veterinary sector
- Since 2023, member of the Board of Directors of Tomorrowland
- Since 2005, member of the Board of Directors at Lotus Bakeries and managing director since 2011

Emanuel Boone - Non-Executive Director
- Master's degree in bioengineering (KU Leuven)
- 2003-2012 technical and operational positions at several breweries (Heineken/Alken-Maes and Van Steenberge)
- Since 2012 business and process consultant for multiple breweries and maltster
- Since 2022 director at Herbafrost NV
- Member of the Board of Directors at Lotus Bakeries since 2022

Sofie Boone - Non-Executive Director
- Master's degree in Pharmaceutical Sciences (KU Leuven), postgraduate degree in Business Economics (Vlekho) and Business Management for pharmacists (Vlerick Business School)
- 1996 – 2001: deputy pharmacist and titular pharmacist.
- Since 2002, owner and titular pharmacist of Boone pharmacy in Tervuren
- Since 1999, active as volunteer departmental pharmacist at the Red Cross Tervuren
- Member of the Board of Directors at Lotus Bakeries since 2016

Peter Bossaert - Independent Director
- Commercial engineer (University of Antwerp)
- 1989 - 1997: various marketing and sales roles at Unilever and FrieslandCampina
- Between 1989 and 2018 active at Medialaan (Today DPG-media), from 2012 as CEO
- Between 2018 and 2023 CEO at KBVB
- Since 2023, executive chairman at International Food Services
- Member of the Board of Directors at Lotus Bakeries since 2017

Noelle Goris - Independent Director

- Master's degree in Law (KU Leuven), Master in Business Administration (Solvay Business School Brussels)
- Built up an international career in sales & marketing which started at Procter & Gamble in 1997, where she was Managing Director Greater Europe Distributor Operations between 2014 and 2016
- Joined Coty, as General Manager Travel Retail (2018-2020) & Export Europe (2016-2020)
- Since 2020 she is VP Global Travel Retail, Apac & Distribution Markets, and member of the Management Board at la Prairie Group established in Zürich, part of the Beiersdorf Group
- Since 2020, member of the Advisory Board at Hello Hossy
- Member of the Board of Directors at Lotus Bakeries since 2023

Benoit Graulich - Independent Director

- Master's degrees in Law, Business and Finance (KU Leuven)
- Began his professional career at PwC and then at Paribas Bank/Artesia Bank. In 2000 he became a partner at EY. Currently he is a managing partner at Bencis Capital Partners
- Various directorships at Cofinimmo, among other organisations
- Member of the Board of Directors, Audit & Sustainability Committee and Remuneration and Nomination Committee at Lotus Bakeries since 2009

Michel Moortgat - Independent Director

- Master's degree in Business and Finance (Ichec Brussels) and MBA (Vlerick Business School)
- Since 1991, active at Duvel Moortgat and since 1998 as CEO
- Member of the Board of Directors and Chairman of the Audit & Sustainability Committee at Lotus Bakeries since 2018

Anton Stevens - Non-Executive Director

- Master's degree in Law (UGent) and in Notarial law (UGent)
- Member of the Board of Directors at Lotus Bakeries since 2002

Jan Vander Stichele - Non-Executive Director, Chairman of the Board of Directors

- Master's degree in Civil Engineering (KU Leuven) and Candidate degree in Applied Economics (KU Leuven)
- Between 1990 and 1996, technical director of the Verlipack Group
- Between 1996 and 2016, active in the Lotus Bakeries Group as General Manager Lotus Bakeries France, thereafter as General Manager Operations and between 2011 and 2016 as Executive Director
- Member of the Board of Directors of Frigilunch (Since 01/2019), AZorg (merged hospital Aalst) (since 01/2025), B.I.G. (since 10/2019), Ardo Group (since 01/2021), EPS (since 09/2024), Groupe Sébacoop (since 09/2024) (Chairman) and the Pulse Foundation (09/2024) (Co-Chairman).
- Since 2014, Chairman of the Board of Directors at Fost Plus and Flanders' FOOD
- Member of the Board of Directors, the Audit & Sustainability Committee and the Remuneration and Nomination Committee at Lotus Bakeries since 2005

ACTIVITIES OF THE BOARD OF DIRECTORS

The Board of Directors met six times in 2024. All directors were present at all meetings, except for Anton Stevens, who was excused for the Board Meeting held December 3rd and 4th in South Africa. The Board of Directors also passed one written resolution on October 1st, 2024.

Within the Board of Directors, the following matters were discussed in detail:

- Investment budget and global budget
- Financial results
- Growth plans and –strategy
- Sustainability Strategy: Double materiality matrix & EUDR
- Reporting: financial and sustainability
- Sales results and channels
- Organisational changes
- Evolution of prices and availability of raw materials and packaging
- Price negotiations with customers
- Strategic global partnership Mondelēz
- Results at 31/12 and 30/06 and proposed press release
- Long term financing opportunities
- General Meeting, amongst which:
  - Agenda
  - (Re)appointments
  - Dividend proposal
- Capex investments and expansions of capacity:
  - Europe, Belgium
  - Americas, United States
  - Asia, Thailand
  - Africa, South Africa
- Product developments and innovations
- Reports and recommendations from the Committees
- Co-optation Stephenson NV
- Selection new auditor to be proposed to the Annual Shareholder Meeting of 2025
- Bel20 listing

Over the course of 2024, the following topics within the Board of Directors led to the application of the conflict of interest procedure as set out in Articles 7:96 and 7:97 CAC.

- At the Board of Directors meeting of 4 March 2024, and before proceeding to the deliberation and decision-making, Concellent NV, represented by its permanent representative Ms Sofie Boone, and Beneconsult BV, represented by its permanent representative Ms Benedikte Boone declared to have a conflict of interest in their reappointment.
- At the board meeting of 1 October 2024, and before proceeding to the deliberation and decision-making, Stephenson NV, represented by Mr. Jan Boone, declared to have a conflict of interest in the co-option of Stephenson NV.

In both instances the board members declared a proprietary interest in the fee paid to the respective board members. They therefore abstained from voting on this item.

- At the Board meeting of 21 May 2024, and before proceeding to the deliberation and decision-making, Mercuur Consult BV, represented by its permanent representative Mr. Jan Boone, moreover declared to have a conflict of interest, that is a propriety interest in the management fee paid to him as CEO and member of the Executive Committee.

AUDIT & SUSTAINABILITY COMMITTEE

The Audit & Sustainability Committee consists of two independent directors and one non-executive director. The two independent directors are Lema BV, represented by its permanent representative Michel Moortgat (Chairman) and Benoit Graulich BV, represented by its permanent representative Benoit Graulich. The non-executive director is Vasticom BV, represented by its permanent representative Jan Vander Stichele. All members have accounting and audit experience.

In 2024, the Audit & Sustainability Committee met three times. All directors were present at all meetings. The Auditor participated in two meetings, at which he presented his findings to the Audit & Sustainability Committee.

The subjects examined were:

- Risk strategy
- Audit plan of FY 2024 including scope and materiality determination
- Internal Control and IT General Control findings and recommendations
- Half- Year and Year-End reporting by Group auditor
- Non-audit services to be approved under applicable Independence regulations
- New CSRD audit requirements and the CSRD assurance plan and audit scope
- Corporate Governance, reporting, IFRS and other developments relevant for the Audit & Sustainability Committee
- Tender for the appointment of a new auditor after the current auditor's mandate ends & final selection new auditor to be proposed to the Annual Shareholder Meeting of 2025.

REMUNERATION AND NOMINATION COMMITTEE

The Remuneration and Nomination Committee consists of two independent directors and one non-executive director. The independent directors are Benoit Graulich BV, represented by its permanent representative Benoit Graulich (Chairman) and Palumi BV, represented by its permanent representative Peter Bossaert. The non-executive director is Vasticom BV, represented by its permanent representative Jan Vander Stichele. All members have both HR management and remuneration policy experience.

The Committee met twice in 2024, with all members present.
The subjects examined were:

- Remuneration policy and its application
- Remuneration and evaluation of CEO and Executive Committee
- Resignation of William Du Pré and nomination of John Van de Par as Chief Procurement Officer and member of the Executive Committee
- The classification of Executive Committee remuneration has been reevaluated in collaboration with Korn Ferry
- Performance share plan for members of the Leadership Team

EVALUATION OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

The operation of the Board of Directors and of the Committees is evaluated every three years. The evaluation of the effectiveness of the Board of Directors is undertaken by the Board itself under the leadership of its Chairman. This evaluation covers the size of the Board, the general functioning of the Board of Directors, the way meetings are prepared, the contribution of each individual director to the work of the Board, the presence and involvement of each individual director at meetings and decision-making, the composition of the Board of Directors and the interaction with the Executive Committee.

This assessment makes it possible to constantly optimize the management of Lotus Bakeries. Where appropriate, based on this review, and eventually in consultation with external experts, the Remuneration and Nomination Committee presents a report on the strengths and weaknesses of the Board of Directors and, where necessary, a proposal for the appointment of a new director or the non-prolongation of a directorship. The non-executive directors evaluate annually the interaction of the Board of Directors and the Executive Committee and when appropriate, submit proposals for improving cooperation. The CEO and the Remuneration and Nomination Committee also together evaluate annually the operation and performance of the Executive Committee. The CEO is not present at his own evaluation.

EXECUTIVE COMMITTEE

Composition of the Executive Committee:

- **Jan Boone,** permanent representative of Stephenson NV, CEO
  Jan Boone began his career in the audit department of PwC. From 2000-2005, he was responsible for corporate controlling, reporting and M&A at pharmaceutical company Omega Pharma, where he also sat on the Executive Committee and Board of Directors. Jan Boone moreover sits on the Board of Directors of FC Bruges and Tomorrowland and was Chairman of the Board of Directors of Animal Care Group (2017 -June 2024). Jan joined Lotus Bakeries as General Manager and member of the Board of Directors in May 2005. He was appointed CEO and Managing Director of Lotus Bakeries in 2011.

- **Isabelle Maes,** permanent representative of Valseba BV, CMO & CEO Natural Foods
  Isabelle Maes began her career as an auditor for PwC. In May 2001, she moved to the Barry Callebaut chocolate company. Having fulfilled various roles and been involved in various projects in Finance and SAP, she was appointed Finance Officer of Barry Callebaut Belgium in 2006. Since 2019, Isabelle has been part of the Board of Directors at Van de Velde. Isabelle joined Lotus Bakeries in 2014. Between 2014 and 2017, Isabelle fulfilled the role of CFO at Lotus Bakeries Group. So as to be able to dedicate herself fully to the internationalisation and growth of the natural snacking segment, she has fulfilled the role of CEO Natural Foods since September 2017. As of May 1st 2023, Isabelle took on the additional role of CMO of the Lotus Bakeries Group.



› **Mike Cuvelier,** permanent representative of Cumaco BV, CFO
Mike Cuvelier began his career in 1996 as an auditor for PwC. Between 2000 and 2013 he fulfilled various controlling roles at Bekaert in the US, Asia and finally Vice President Control Global Business Platforms in Belgium. From 2013 to 2016, Mike was CFO of the Unilin Group, part of Mohawk Industries. Mike has been CFO of Lotus Bakeries Group since September 2017.

› **Ignace Heyman**, permanent representative of Heycom BV, COO
Ignace Heyman pursued a career in marketing in both Belgium and France, firstly at Procter & Gamble, PAB Benelux (Panzani-Amora-Blédina) and then at Reckitt Benckiser. In 2008, Ignace joined Lotus Bakeries as Marketing Director Belgium, before going on to become Corporate Director Marketing in 2011. From 2012 to 2015 he was General Manager France. Ignace is COO of Lotus Bakeries Group since 2016.

› **John Van de Par**, CPO
John van de Par fulfilled various finance roles at Smurfit Westrock and Friesland Campina before joining Lotus Bakeries. He joined Lotus Bakeries in 2008 as Finance Director of Koninklijke Peijnenburg. He quite rapidly evolved to the role of Corporate Director at HQ and member of the Exco. In 2013 he became the COO of Lotus Bakeries and in 2016 he became General Manager of Area Belgium. John Van de Par is Chief Procurement Officer of the Lotus Bakeries Group since October 2024 and is responsible for Corporate Procurement, Corporate Quality and Corporate R&D.

The members of the Executive Committee are appointed by the Remuneration and Nomination Committee. The Executive Committee held 23 official meetings in 2024. All members were present at all meetings.

DIVERSITY POLICY

Lotus Bakeries ensures the presence on the Board of Directors, the Committees and the Executive Committee of critical members with specialist knowledge of the various areas relevant to Lotus Bakeries. Certain diversity criteria are imposed by law and are naturally adopted by Lotus Bakeries. Moreover, skills, competencies and diversity are paramount in the selection of members of the Committees, the Executive Committee, and in the selection of candidates for the Board of Directors proposed to the General Meeting.

First and foremost, Lotus Bakeries fulfils the diversity criteria regarding the number of independent directors and the number of directors of a different gender. In this respect, Lotus Bakeries declares that the composition of its Board complies with the requirement for at least one third of directors to be of a different gender than that of the other members. The aforementioned obligation is contained in Art. 7:86 CAC. It also wishes to point out in this connection that the abovementioned independent directors fulfil the independence criteria of Article 7:87 of the CAC and the Corporate Governance Code 2020, except for Benoit Graulich BV, for whom all of the specific independence criteria of Article 3.5 of the Belgian Corporate Governance Code 2020 were fulfilled but one, i.e. the criterion that a director must have held the position of non-executive director for no longer than 12 years. Reference is made to p. 185 of this Annual Report.

Besides these diversity criteria enshrined in law, Lotus Bakeries also aims for diversity in knowledge and experience and, when selecting candidates, performs a thorough assessment based on competencies which would additionally benefit the company in view of the existing competencies among the members of the Board of Directors. In defining the appointment procedure and selection criteria for candidates for the Board, the following principles are always applied:

- The candidate must be expert in a field pertaining to the company's activities;
- The competencies, knowledge and/or experience which the candidate possesses must complement the competencies already present in the Board;
- In the interests of diversity on the Board, the Board shall consider different nominations, taking into account diversity in terms of gender, age and background, for example;
- Each candidate must have sufficient availability to fulfil his/her obligations properly, while non-executive directors must hold no more than five directorships in listed companies.

The results of this policy are illustrated in the CVs described above.

- Moreover, the Remuneration and Nomination Committee selects the members of the Executive Committee on the basis of knowledge, competencies, experience, background and skills and aims for diversity in these areas so as to have all knowledge in house to manage Lotus Bakeries with a team specialising in all relevant areas.

To strengthen the transparency regarding the background and experience of the board and executive committee members, their sector & market specific experience and management competencies were mapped out:

	% OF BOARD AND EXCO MEMBERS WITH EXPERIENCE
SECTOR SPECIFIC EXPERIENCE	
Multinational FMCG	100%
SPECIFIC MARKET KNOWLEDGE	
Continental Europe	86%
UK	71%
Americas	71%
Rest of the world	71%
MANAGEMENT COMPETENCES	
Independent board membership mandates	50%
General management	79%
Risk, audit & finance management	71%
Environmental strategy & policy	86%
Social Strategy & Policy	79%
Governance Strategy & Policy	79%

More information about the diversity policy and diversity ratios within Lotus Bakeries, can be found on page 163 of this Annual Report.

INVESTOR RELATIONS

Lotus Bakeries aims for transparent communication about financial and non-financial results to all of its shareholders. This information is communicated to existing and potential shareholders on various platforms. For example, Lotus Bakeries publishes an “investor relations” presentation every six months, the most recent of which was published on 6 February 2025. It also organises analyst presentations, which can be consulted by interested parties on the Lotus Bakeries website.

› More information about our investor relations can be found on our website (https://www.lotusbakeries.com/results-presentations)

REMUNERATION REPORT

INTRODUCTION

The purpose of the 2024 remuneration report is to provide transparent information about the specific remuneration policy adopted by Lotus Bakeries for directors and executive managers. It will be submitted to the Ordinary General Meeting of 13 May 2025 for approval. The 2023 remuneration policy was adopted by 94.37% of the votes at the Ordinary General Meeting of 14 May 2024.

The works council has also been informed in accordance with the provisions of the Act. The report has also been reviewed by the Auditor.

This 2024 remuneration report explains how the remuneration corresponds to the remuneration policy approved by the Board of Directors on 16 April 2021 and which was adopted on 18 May 2021 by the General Meeting with 97.27% of the votes, in accordance with provision 7.3 of the Corporate Governance Code and Article 7:89(1) of the Belgian Companies Code. The remuneration policy rremains unchanged since then but will be revised and resubmitted to the General Shareholdings Meeting on 13 May 2025.

› More information about our remuneration policy can be found on our website (https://www.lotusbakeries.com/governance-practices-and-policies).

STATEMENT ON REMUNERATION POLICY APPLIED IN 2024

Non-executive and executive directors

The remuneration policy for directors of the company approved at the Ordinary General Meeting of 18 May 2021 comprises a fixed remuneration, paid partly in cash and partly in shares in the company and set based on the responsibilities of and time spent by the director and the as Chairman of the Board of Directors or Chairman or member of a Committee. Specifically:

› Each director, except the Chairman, receives an annual remuneration of (i) EUR 20,000 and (ii) 4 shares in the company;
› The Chairman of the Board of Directors receives an annual remuneration of (i) EUR 40,000 and (ii) 10 shares in the company.
› The members of the Audit & Sustainability & Sustainabilitee Committee and the Remuneration and Nomination Committee receive an annual remuneration of EUR 5,000 per mandate.

The non-executive directors must keep the shares they receive by way of remuneration for at least one year after leaving the Board and for at least three years after the awarding of these shares. The non-executive directors receive no performance-based remuneration such as bonuses, stock-related long-term incentive schemes, fringe benefits, pension plan-related benefits or share options.

Besides the fee, all reasonable expenses of the members of the Board of Directors incurred with the consent of the Chairman of the Board of Directors are reimbursed.

The provisions concerning the remuneration of non-executive directors apply equally to executive directors in their capacity as directors.

The remuneration of the directors is evaluated every two years via a relevant random sample of other listed companies. This allows Lotus Bakeries to attract directors with the appropriate competencies to realise its ambitions.

No adjustments have been made to the remuneration policy compared to 2023.



Overview of remuneration:

TOTAL REMUNERATION OF DIRECTORS (IN EUR)		1. FIXED REMUNERATION				2. VARIABLE REMUNERATION				
NAME & FUNCTION DIRECTOR	YEAR	BASE SALARY	ALLOWANCES	OTHER BENEFITS	PENSION COSTS	1 YEAR VARIABLE	MULTIPLE YEARS VARIABLE	3. EXTRA ORDINARY EXPENSES	4. TOTAL REMUNERATION	5. RATIO OF FIXED TO VARIABLE REMUNERATION
Stephenson NV*, represented by Jan Boone, Executive (member BoD, CEO)	2024	20,000	/	/	/	/	/	/	20,000	100%/0%
	2023	20,000	/	/	/	/	/	/	20,000	100%/0%
Vasticom BV, represented by Jan Vander Stichele, non-executive(non-executive Chairman BoD, member Audit & Sustainability Committee and member Nomination and Remuneration Committee)	2024	50,000	/	/	/	/	/	/	50,000	100%/0%
	2023	50,000	/	/	/	/	/	100,000	150,000	100%/0%
PMF NV, represented by Emanuel Boone, non-executive (member BoD)	2024	20,000	/	/	/	/	/	/	20,000	100%/0%
	2023	20,000	/	/	/	/	/	/	20,000	100%/0%
Anton Stevens, non-executive (member BoD)	2024	20,000	/	/	/	/	/	/	20,000	100%/0%
	2023	20,000	/	/	/	/	/	/	20,000	100%/0%
Beneconsult BV, represented by Benedikte Boone, non-executive (member BoD)	2024	20,000	/	/	/	/	/	/	20,000	100%/0%
	2023	20,000	/	/	/	/	/	/	20,000	100%/0%
Concellent NV, represented by Sofie Boone, non-executive (member BoD)	2024	20,000	/	/	/	/	/	/	20,000	100%/0%
	2023	20,000	/	/	/	/	/	/	20,000	100%/0%
Palumi BV, represented by Peter Bossaert, non-executive (member BoD, member of the Remuneration and Nomination Committee)	2024	25,000	/	/	/	/	/	/	25,000	100%/0%
	2023	20,000	/	/	/	/	/	/	20,000	100%/0%
Benoit Graulich BV, represented by Benoit Graulich, non-executive (member BoD, member Audit & Sustainability Committee and Chairman Remuneration and Nomination Commitee)	2024	30,000	/	/	/	/	/	/	30,000	100%/0%
	2023	30,000	/	/	/	/	/	/	30,000	100%/0%
Lema BV, represented by Michel Moortgat, non-executive (member BoD, Chairman Audit & Sustainability Committee)	2024	25,000	/	/	/	/	/	/	25,000	100%/0%
	2023	25,000	/	/	/	/	/	/	25,000	100%/0%
Eagli BV, represented by its permanent representative Noelle Goris (member BoD)	2024	20,000	/	/	/	/	/	/	20,000	100%/0%
	2023	/	/	/	/	/	/	/	/	100%/0%

* Cooptation as a director as of 1 October 2024 for the remaining term of office of Mercuur Consult BV

Overview of remuneration:

TOTAL REMUNERATION OF DIRECTORS (IN SHARES)	MAIN CONDITIONS OF STOCK GRANT PLANS					INFORMATION ABOUT THE REPORTED FINANCIAL YEAR			
						OPENING BALANCE SHEET	DURING THE YEAR		CLOSING BALANCE SHEET
NAME & FUNCTION DIRECTOR	1. DETAILS OF THE PLAN	2. PERFORMANCE PERIOD	3. GRANT DATE	4. VESTING DATE	5. END RETENTION PERIOD	STOCKS HELD AT THE START OF THE YEAR*	GRANTED STOCKS	VESTED STOCKS	STOCKS SUBJECT TO A RETENTION PERIOD
Stephenson NV**, represented by Jan Boone, Executive (member BoD, CEO)	Fixed annual remuneration adopted at OGM of 18 May 2021	01/01/2024 until 31/12/2024	May 14, 2024	May 14, 2024	At least 1 year after end of directorship and 3 years after rewarding	16	4	4	20
Vasticom BV, represented by Jan Vander Stichele, non-executive(non-executive Chairman BoD, member Audit & Sustainability Committee and member Nomination and Remuneration Committee)	Fixed annual remuneration adopted at OGM of 18 May 2021	01/01/2024 until 31/12/2024	May 14, 2024	May 14, 2024	At least 1 year after end of directorship and 3 years after rewarding	40	10	10	50
PMF NV, represented by Emanuel Boone, non-executive (member BoD)	Fixed annual remuneration adopted at OGM of 18 May 2021	01/01/2024 until 31/12/2024	May 14, 2024	May 14, 2024	At least 1 year after end of directorship and 3 years after rewarding	8	4	4	12
Anton Stevens, non-executive (member BoD)	Fixed annual remuneration adopted at OGM of 18 May 2021	01/01/2024 until 31/12/2024	May 14, 2024	May 14, 2024	At least 1 year after end of directorship and 3 years after rewarding	16	4	4	20
Beneconsult BV, represented by Benedikte Boone , non-executive (member BoD)	Fixed annual remuneration adopted at OGM of 18 May 2021	01/01/2024 until 31/12/2024	May 14, 2024	May 14, 2024	At least 1 year after end of directorship and 3 years after rewarding	16	4	4	20

TOTAL REMUNERATION OF DIRECTORS (IN SHARES)	MAIN CONDITIONS OF STOCK GRANT PLANS					INFORMATION ABOUT THE REPORTED FINANCIAL YEAR			
						OPENING BALANCE SHEET	DURING THE YEAR		CLOSING BALANCE SHEET
NAME & FUNCTION DIRECTOR	1. DETAILS OF THE PLAN	2. PERFORMANCE PERIOD	3. GRANT DATE	4. VESTING DATE	5. END RETENTION PERIOD	STOCKS HELD AT THE START OF THE YEAR*	GRANTED STOCKS	VESTED STOCKS	STOCKS SUBJECT TO A RETENTION PERIOD
Concellent NV, represented by Sofie Boone, non-executive (member BoD)	Fixed annual remuneration adopted at OGM of 18 May 2021	01/01/2024 until 31/12/2024	May 14, 2024	May 14, 2024	At least 1 year after end of directorship and 3 years after rewarding	16	4	4	20
Palumi BV, represented by Peter Bossaert, non-executive (member BoD, member of the Remuneration and Nomination Committee)	Fixed annual remuneration adopted at OGM of 18 May 2021	01/01/2024 until 31/12/2024	May 14, 2024	May 14, 2024	At least 1 year after end of directorship and 3 years after rewarding	16	4	4	20
Benoit Graulich BV, represented by Benoit Graulich, non-executive (member BoD, member Sustainability & Audit Committee and Chairman Remuneration and Nomination Commitee)	Fixed annual remuneration adopted at OGM of 18 May 2021	01/01/2024 until 31/12/2024	May 14, 2024	May 14, 2024	At least 1 year after end of directorship and 3 years after rewarding	16	4	4	20
Lema BV, represented by Michel Moortgat, non-executive (member BoD, Chairman Audit & Sustainability Committee)	Fixed annual remuneration adopted at OGM of 18 May 2021	01/01/2024 until 31/12/2024	May 14, 2024	May 14, 2024	At least 1 year after end of directorship and 3 years after rewarding	16	4	4	20
Eagli BV, represented by its permanent representative Noelle Goris (member BoD)	Fixed annual remuneration adopted at OGM of 18 May 2021	01/01/2024 until 31/12/2024	May 14, 2024	May 14, 2024	At least 1 year after end of directorship and 3 years after rewarding	0	4	4	4
						Total: 160	**Total: 46**	**Total: 46**	**Total: 206**

"*Only those shares are shown, which the directors hold by virtue of their mandate.
** Cooptation as a director as of 1 October 2024 for the remaining term of office of Mercuur Consult BV

"

Executive Committee

Furthermore, the Remuneration and Nomination Committee makes specific recommendations to the Board of Directors on the remuneration of members of the Executive Committee. In addition to the fixed remuneration, there is a variable compensation for members of the Executive Committee, which depends on the results of the Lotus Bakeries Group.

The variable remuneration is based on well-defined criteria with a one-year evaluation period but also evaluation periods of two and three years.

- The criteria for determining the short-term bonus are as follows:
  - 1/3rd of the short-term bonus depends on the consolidated turnover growth achieved by Lotus Bakeries Group over the past financial year
  - 1/3rd of the short-term bonus depends on the consolidated recurring operating result achieved during the past financial year
  - 1/3rd of the short-term bonus depends on the consolidated recurring operating cash flow achieved during the past financial year

  The Board of Directors approved the final, audited results on 5 February 2025, and, on this basis, on the advice of the Remuneration and Nomination Committee, established that all criteria were met. Consequently, 100% of the 2024 short-term bonus will be paid to all members of the Executive Committee in 2025.
- The criteria for determining the long-term bonus are as follows:
  - 1/3rd of the long-term bonus depends on the consolidated revenue growth achieved by Lotus Bakeries Group as specified in the multi-year plan in place
  - 1/3rd of the long-term bonus depends on the consolidated recurring operating result as specified in the multi-year plan in place
  - 1/3rd of the long-term bonus depends on the consolidated recurring operating cash flow as specified in the multi-year plan in place

  The long-term bonus is awarded and paid annually, with a settlement of accounts during the third year of the evaluation period. The Board of Directors approved the final, audited results on 5 February 2025, and, on this basis, on the advice of the Remuneration and Nomination Committee, established that all criteria were met. Consequently, 100% of the long-term bonus will be paid to all members of the Executive Committee in 2025.

The bonus plan for Executive Committee provides that the bonus is earned only after approval of the consolidated figures by the Auditor and then by the Remuneration and Nomination Committee.

The members of the Executive Committee are appointed on an independent basis.

There also exists a stock option plan with a fixed number of options for the members of the Executive Committee. Allocated options are not normally deemed to be acquired finally and cannot be exercised during the first three years after being allocated. Upon early departure, the options not yet exercisable at that time can no longer be exercised.
Furthermore, the Board decided that members of the Executive Committee will each have to own at least EUR 250,000 worth of shares in the company by the end of 2022, which must be kept so long as they remain a member of the executive management. All members of the Executive Committee meet this requirement on 31 December 2024.

If a member of the Executive Committee is also an executive director, his or her remuneration also includes the compensation he or she receives in the latter capacity.

The remuneration policy for members of the Executive Committee is set every two years based on a proposal by the Remuneration and Nomination Committee. Individual remuneration is reviewed annually. For this Lotus Bakeries uses the services of an international HR consultancy firm, that assesses the functions and presents the corresponding salary package as commonly awarded in the relevant market. The consultant reports directly to the Remuneration and Nomination Committee and provides verbal explanations.



Overview of remuneration:

TOTAL REMUNERATION OF CEO/EXCO (IN EUR)		1. FIXED REMUNERATION			2. VARIABLE REMUNERATION		3. EXTRA ORDINARY EXPENSES	4. TOTAL REMUNERATION	5. RATIO OF FIXED TO VARIABLE REMUNERATION
NAME & FUNCTION	YEAR	BASE SALARY	ALLOWANCES	OTHER BENEFITS*	PENSION COSTS	1 YEAR VARIABLE	MULTIPLE YEARS VARIABLE			
Stephenson NV**, represented by Jan Boone (CEO)	2024	1,324,854	/	52,485	216,233	698,442	698,442	/	2,990,455	53% / 47%
	2023	1,172,788	/	51,236	190,619	618,275	618,275	/	2,651,193	53% / 47%
Other members executive management***	2024	2,497,547	/	142,040	399,773	1,042,604	1,042,604	/	5,124,569	59%/41%
	2023	2,169,103	/	139,429	347,646	900,765	900,764	/	4,457,707	60%/40%

*The other benefits relate primarily to insured benefits
** Cooptation as a director as of 1 October 2024 for the remaining term of office of Mercuur Consult BV
***The remuneration of the other members of the executive management include the remuneration of William Du Pré from 01/01/2024 until 30/09/2024 and those of John Van de Par as of 01/10/2024

Overview of remuneration in options or shares:

		KEY CONDITIONS OF OPTION OR SHARE PLANS				INFORMATION ABOUT THE REPORTED FINANCIAL YEAR			
						OPENING BALANCE SHEET	DURING THE YEAR		CLOSING BALANCE SHEET
NAME & FUNCTION	1. DETAILS OF THE PLAN	2. GRANT DATE	3. ACQUISITION DATE	4. EXERCISE PERIOD (OPTIONS ONLY)	5. EXERCISE PRICE OF THE STOCK (OPTIONS ONLY)	OPTIONS OR SHARES ALREADY GRANTED BUT NOT ACQUIRED AT THE START OF THE YEAR	OPTIONS OR SHARES GRANTED DURING THE YEAR	OPTIONS OR SHARES ACQUIRED DURING THE YEAR	OPTION OR SHARES GRANTED BUT NOT DEFINITIVELY AQUIRED
Stephenson NV**, represented by Jan Boone (CEO)	T2020	5/8/2020	1/1/2024	1/1/2024-7/5/2025	2,828.95	200	0	200	0
	U2021	5/8/2021	1/1/2025	1/1/2025-17/5/2026	4,517.14	130	0	0	130
	W2022	5/13/2022	1/1/2026	1/1/2026-12/5/2027	5,114.50	130	0	0	130
	Y2023	6/1/2023	1/1/2027	1/1/2027-31/5/2028	6,086.36	100	0	0	100
	Y2024	3/3/2025	6/1/2027	/	/	0	16	0	16
Valseba BV, represented by Isabelle Maes (CMO & CEO Natural Foods)	T2020	5/8/2020	1/1/2024	1/1/2024-7/5/2025	2,828.95	100	0	100	0
	U2021	5/18/2021	1/1/2025	1/1/2025-17/5/2026	4,517.14	65	0	0	65
	W2022	5/13/2022	1/1/2026	1/1/2026-12/5/2027	5,114.50	65	0	0	65
	Y2023	6/1/2023	1/1/2027	1/1/2027-31/5/2028	6,086.36	50	0	0	50
	Y2024	3/3/2025	6/1/2027	/	/	0	8	0	8

** Cooptation as a director as of 1 October 2024 for the remaining term of office of Mercuur Consult BV

	KEY CONDITIONS OF OPTION OR SHARE PLANS					INFORMATION ABOUT THE REPORTED FINANCIAL YEAR			
						OPENING BALANCE SHEET	DURING THE YEAR		CLOSING BALANCE SHEET
NAME & FUNCTION	1. DETAILS OF THE PLAN	2. GRANT DATE	3. ACQUISITION DATE	4. EXERCISE PERIOD (OPTIONS ONLY)	5. EXERCISE PRICE OF THE STOCK (OPTIONS ONLY)	OPTIONS OR SHARES ALREADY GRANTED BUT NOT ACQUIRED AT THE START OF THE YEAR	OPTIONS OR SHARES GRANTED DURING THE YEAR	OPTIONS OR SHARES ACQUIRED DURING THE YEAR	OPTION OR SHARES GRANTED BUT NOT DEFINITIVELY AQUIRED
Cumaco BV, represented by Mike Cuvelier (CFO)	T2020	5/8/2020	1/1/2024	1/1/2024-7/5/2025	2,828.95	100	0	100	0
	U2021	5/18/2021	1/1/2025	1/1/2025-17/5/2026	4,517.14	65	0	0	65
	W2022	5/13/2022	1/1/2026	1/1/2026-12/5/2027	5,114.50	65	0	0	65
	Y2023	6/1/2023	1/1/2027	1/1/2027-31/5/2028	6,086.36	50	0	0	50
	Y2024	3/3/2025	6/1/2027	/	/	0	8	0	8
Heycom BV, represented by Ignace Heyman (COO)	T2020	5/8/2020	1/1/2024	1/1/2024-7/5/2025	2,828.95	100	0	100	0
	U2021	5/18/2021	1/1/2025	1/1/2025-17/5/2026	4,517.14	65	0	0	65
	W2022	13/5/2022	1/1/2026	1/1/2026-12/5/2027	5,114.50	65	0	0	65
	Y2023	1/6/2023	1/1/2027	1/1/2027-31/5/2028	6,086.36	50	0	0	50
	Y2024	3/3/2025	6/1/2027	/	/	0	8	0	8
John Van de Par (CPO)*	Y2024	3/3/2025	6/1/2027	/	/	0	8	0	8
						Total:	**Total:**	**Total:**	**Total:**
						1,400	**48**	**500**	**948**

* John Van de Par was appointed as CPO and member of the Executive Committee on 1 October 2024.
He has not been granted any options in 2024 in his capacity as Exco member.

During 2024, no stock options were granted to the members of the Executive Committee. Instead, shares were awarded in 2025 as part of the compensation package 2024. This issuance, originally planned for mid-2024, was postponed due to the Remuneration & Nomination Committee and the Board's revision of the incentive program.

Severance payments

The members of the Executive Committee are remunerated on an independent basis and through a number of board mandates, and have a severance payment of maximum of 12 months of the fixed and variable remuneration. No severance payments were paid to Executive Committee members in 2024.

Executives

The remuneration policy of the executives is determined by the Executive Committee, the Remuneration and Nomination Committee approves. For this Lotus Bakeries also uses the services of an international HR consultancy firm, which assesses the functions and presents the going-rate salary package for the relevant market.

Lotus Bakeries ensures coherence between the remuneration of Executive Committee members, senior executives, and other employees, taking into account market conditions for each category of staff. The policy is designed to attract, reward, and retain employees. The remuneration of senior executives consists, like that of Executive Committee members, of a fixed and variable component, supplemented by additional benefits such as a company car, mobile phone, and/or group insurance. The specific composition of these elements always depends on the individual's role as well as the local regulations applicable to the employee. Similar to the Executive Committee members, an incentive plan is currently in place for the other members of the LB Leadership Team.[1]

Evolution of the remuneration and of the performance of the company over the last five years

The following table shows the evolution of remuneration and business performance over the past five financial years.

[1] The Leadership Team comprises the Executive Committee, the General Managers and the Corporate Directors

Evolution of the renemeration and the performance of the company over the last five years

IN THOUSANDS OF EUR	2020	2021	2022	2023	2024
REMUNERATION OF NON-EXECUTIVE DIRECTORS					
Vasticom BV, represented by Jan Vander Stichele, non-executive (non-executive Chairman BoD, member Audit & Sustainability Committee and member Nomination and Repuneration Committee)	150	150	150	150	50
	100.0%	100.0%	100.0%	100.0%	33.3%
PMF NV, represented by Emanuel Boone, non-executive (member BoD)	/	/	20	20	20
	/	/	/	100.0%	100.0%
Anton Stevens, non-executive (member BoD)	20	20	20	20	20
	100.0%	100.0%	100.0%	100.0%	100.0%
Beneconsult BV, represented by Benedikte Boone ,non-executive (member BoD)	20	20	20	20	20
	100.0%	100.0%	100.0%	100.0%	100.0%
Concellent NV, represented by Sofie Boone, non-executive (member BoD)	20	20	20	20	20
	100.0%	100.0%	100.0%	100.0%	100.0%
Palumi BV, represented by Peter Bossaert, non-executive (member BoD, member of the Remuneration and Nomination Committee)	20	20	20	20	25
	100.0%	100.0%	100.0%	100.0%	125.0%
Benoit Graulich BV, represented by Benoit Graulich, non-executive (member BoD, member Audit & Sustainability Committee and Chairman Remuneration and Nomination Committee)	30	30	30	30	30
	100.0%	100.0%	100.0%	100.0%	100.0%
Lema BV, represented by Michel Moortgat, non-executive (member BoD, Chairman Audit & Sustainability Committee)	25	25	25	25	25
	100.0%	100.0%	100.0%	100.0%	100.0%
Eagli BV, represented by its permanent representative Noelle Goris, non-executive (member BoD)	/	/	/	/	20
	/	/	/	/	/
REMUNERATION OF EXECUTIVE DIRECTOR					
Stephenson NV, represented by Jan Boone (Member BoD, CEO)**	20	20	20	20	20
	100.0%	100.0%	100.0%	100.0%	100.0%

IN THOUSANDS OF EUR	2020	2021	2022	2023	2024
REMUNERATION CEO					
Jan Boone, CEO	1,962	2,058	2,325	2,651	2,990
Evolution (%)	102.5%	104.9%	113.0%	114.0%	112.8%
REMUNERATION OF OTHER MEMBERS OF THE EXECUTIVE COMMITTEE					
Total remuneration	3,466	3,636	4,097	4,457	5,125
Number of mlembers executive management incl. CEO	5	5	5	5	5
Evolution (%)	105%	105%	113%	109%	115%
PERFORMANCE OF LOTUS BAKERIES					
Market capitalisation (on 31 dec)	3,002,928	4,561,513	5,157,202	6,715,787	8,796,620
Evolution market capitalisation (%)	142%	152%	113%	130%	131%
Turnover	663,289	750,251	877,451	1,062,962	1,231,914
Evolutie turnover (%)	108%	113%	117%	121%	116%
EBIT(u)	111,114	123,805	140,188	172,974	206,692
Evolution EBIT(u) (%)	108%	111%	113%	123%	119%
EBITDA(u)	135,683	150,967	169,909	207,527	243,146
Evolution EBITDA(u) (%)	110%	111%	113%	122%	117%
Net result	82,545	90,743	103,283	129,333	152,482
Evolution net result (%)	109%	110%	114%	125%	118%
REMUNERATION OTHER EMPLOYEES					
Total remuneration	137,116	152,857	173,618	205,310	234,633
Number of employees (FTE)*	2,214	2,305	2,550	2,857	3,364
Evolution (%)	111%	111%	114%	118%	114%

The ratio between the highest remuneration of members of management and the lowest compensation (in full-time equivalents) of employees of Lotus Bakeries NV, as stipulated by Article 3:6(3) CAC, cannot be reported since Lotus Bakeries NV has no employees. Reference is made to p. 165 where the ratio between the highest paid individual (CEO) to the median annual total remuneration for all employees (excluding the highest-paid individual) is provided.

* Full-time employee calculated as 12-month avarage.
** Cooptation as a director as of 1 October 2024 for the remaining term of office of Mercuur Consult BV

ENTERPRISE RISK MANAGEMENT

RISK MANAGEMENT STRATEGY

Lotus Bakeries has implemented a continuous risk management process aimed at ensuring that risks are identified, assessed, prioritised, controlled and monitored in such a way that they can be kept at an acceptable level. The risk management process is aligned with the implementation of the strategic, operational and financial objectives of the company. The entire risk management process is based on the COSO Enterprise Risk Management framework.

The Company is exposed to a wide range of risks within the context of its activities that can result in its objectives being affected or not achieved. Mitigating these risks is a key task of the Executive Committee (EXCO). The EXCO has full responsibility for the risk management process for Lotus Bakeries and reports on this periodically to the Audit & Sustainability Committee.

Lotus Bakeries has a one-tier governance model, in accordance with the Belgian Companies Code. The Board of Directors bears ultimate responsibility for the management of risks within the company, assisted by the Audit & Sustainability Committee. The day-to-day management is delegated to the CEO, assisted by the EXCO. The Audit & Sustainability Committee receives regular reports on risk management.

As such, the enterprise risk management of Lotus Bakeries consists of following key components:

- Risk identification: this involves identifying the sources of risk that could impact the Group. These sources could include anything from food safety and quality risks, to operational and financial risks. The double materiality methodology is used to identify and prioritise the main risks to which the Group is faced from two perspectives: financial materiality and impact materiality (see chapter I.4. of the Sustainablility Statements).
- Risk assessment: once risks have been identified, it is important to assess their impact and likelihood of occurrence. This helps to prioritise the most critical risks and determine the appropriate response.
- Risk mitigation: after risks have been identified and assessed, strategies are developed to mitigate or manage those risks. This may include implementing process improvements, implementing controls, or transferring risk through insurance.
- Risk monitoring: ongoing monitoring of risks is critical to ensure that the Group is prepared for potential threats and to assess the effectiveness of risk mitigation strategies.
- Communication and training: effective communication and training are essential for an ERM program to be successful. All employees should understand their role in identifying and managing risk and should be trained on how to do so.

The Governance structure of Lotus Bakeries is supported by the implementation of various internal Governance policies, procedures and processes, such as:

- Corporate Governance Charter
  - The Corporate Governance Charter is designed to give a detailed and transparent picture of Lotus Bakeries' policy regarding corporate governance and is updated based on developments in such policy and changes in the relevant regulations.
- Dealing code
  - The main purpose of the Dealing Code is to prevent the misuse or appearance of misuse of information which directors or employees of Lotus Bakeries may possess about Lotus Bakeries and which is not generally available to investors. Particular attention is paid to those shares, share options or other rewards received under Lotus Bakeries' incentive plans, to those who buy or sell Lotus Bakeries shares, and to those who use Lotus Bakeries shares as collateral for a loan.
- Code of Conduct
  - Lotus Bakeries is committed to act with integrity, honesty, fairness and in full compliance with applicable laws, rules and regulations at all times. It has developed a code of conduct which sets out six key principles which must be respected by all employees of Lotus Bakeries at all times.
- Remuneration Policy
  - The approved remuneration policy complies with the Second Shareholder Rights Directive, Directive (EU) 2017/828, Article 7:89(1) of the Companies and Associations Code and the Corporate Governance Code 2020. This remuneration policy was approved at the Ordinary General Meeting of 18 May 2021 and is published on the website.

The responsibilities of the various departments in the Lotus Bakeries Group ranging from procurement, manufacturing, logistics to sales, management of customer relations and Corporate services are set out in clear guidelines. As such, each employee clearly knows his role and responsibility.

PRINCIPAL RISKS AND MITIGATING MEASURES

On a periodic basis, risks are assessed, monitored and adjusted by the EXCO. The risk management matrix defined is discussed with and reported to the Audit & Sustainability Committee.

For each of the principal risks identified, a risk owner has been appointed who ensures a concrete action plan to mitigate the potential impact of the risks. The risk owner is also responsible for the follow-up of the defined actions. The results are reported periodically to the Audit & Sustainability Committee.

The risk management program of the Group is an ongoing process that requires regular review and revision to ensure that it remains effective in the face of changing risks and circumstances and new threats.

The principal risks listed below are considered to be the most relevant for the business of the Group that might have an impact on the achievement of the Group's strategic objectives.

KEY COMPONENT	RISK	RISK DESCRIPTION & MITIGATING ACTIONS
Product	Safety & Quality	Failure to meet quality and food safety standards expose the Group to business interruption, litigation, product liability and recall claims. Lotus Bakeries applies the highest product safety standards to the entire production and distribution process, from the purchase of raw materials through the distribution of the final product, supported and guaranteed by structured procedures and systematic internal quality audits. External audits take place at regular intervals.
	Counterfeiting/Intellectual property	The success of the Lotus® Biscoff®, Lotus™ Natural Foods and Lotus® Local Heroes products and brands is accompanied with the risk of counterfeiting, both in terms of the recipes of our products and the visual identity of our brands. First of all, the recipe. The quality of all Lotus Bakeries products is an absolute priority. All employees are strongly committed to the continuous pursuit of high quality products and processes. The R&D department wants to use new insights into interactions between different raw materials to contribute to better products. For this purpose, we do not only call on our own expertise, but also on that of well-known university research institutes, as well as existing innovation platforms set up by the food industry. Our innovation efforts also translate into an extensive and innovative product range, in which quality and superior taste are paramount. To safeguard these efforts as much as possible, our recipes are protected as trade secrets wherever possible. To this end, strict procedures are in place regarding access, transfer and storage of data. In addition, the R&D team monitors and analyses competing products on a regular basis. To protect our brand identity in the best possible way, a clear strategy is in place aimed at identifying our brand assets, defining the desired protection, use and enforcement of our brands. Protection levels are updated annually, both at product and geographical level. Thanks to an automated, global notification system, the Intellectual Property department stays on top of identical or similar registrations. Furthermore, copycats in the market are reported on a continuous basis by our own employees and our distributors. Since 2021, Lotus Bakeries has also been working with an online monitoring system for even more accurate detection of copycats.
	Inflation and volatility of raw materials and packaging costs	The risk of unfavourable effects of fluctuations in raw material prices on the results is limited by concluding forward contracts with a fixed price for the most important raw materials. For other raw materials and packaging, annual agreements are used where possible.
People	Job market shortages	Given the scarcity on the labour market, Lotus Bakeries needs to pay attention to attracting sufficient talent to support its growth plans. To this end, Lotus Bakeries can rely on a professional recruitment policy, onboarding process and training & development plan. We have also been deploying a Young Graduate Programme since 2020, with which we make young talent enthusiastic about our company. Finally, much attention is paid to employer branding and translating our corporate identity internally and externally.

KEY COMPONENT	RISK	RISK DESCRIPTION & MITIGATING ACTIONS
ESG	Climate change / Carbon reduction	We are committed to the environment and help fight global warming. Lotus Bakeries is aware of the negative impact the industry can have on the environment and society and the responsibility it bears as an industrial partner. Lotus Bakeries also sees opportunities to contribute to the progress of society and limiting global warming. Climate-related disruption (including extreme weather events, floods, deforestation) might impact our operations and/or consumer demands and preferences. In everything we do, we strive to reduce our ecological footprint. We are already carbon neutral today with our 12 factories. Beginning 2023, we signed the Commitment Letter of Science Based Target initiative (SBTi), committing to science-based reduction targets, in line with SBTi Criteria and Recommendations, in order to limit global warming to 1.5 degrees Celsius above pre-industrial levels. This is translated into science-based climate targets for 2030 and 2050, which have been submitted to and validated by SBTi. The 'Care for Today – Respect for Tomorrow' sustainability ambition clearly embodies how Lotus Bakeries wants to deal with sustainability and responsibility. This action plan has been widely distributed to all employees as well as to the Board of Directors. Lotus Bakeries chooses to report on its priorities, targets and achievements taking into account the Sustainable Development Goals (SDGs) as defined by the United Nations and in accordance with CSRD as adopted by the European Union. Furthermore, the Group monitors any emerging regulations which would impose specific carbon-reduction initiatives. Such initiatives could potentially impact the current operations and accelerate the transition to low-carbon production processes, materials and investments.
	Packaging	Lotus Bakeries recognises the problems related to the use of plastic packaging, including ocean pollution, carbon emissions, and the use of non-renewable resources. Lotus Bakeries shares the concerns and wants to assume responsibility to move from the current linear economy, where packaging is produced, used and thrown away, to a circular economy, where materials are kept within the loop. To this end, Lotus Bakeries has formulated clear ambitions and a clear strategy. The Group also monitors regulatory measures to limit the use of single-use packaging, such as packaging taxes. The Group is constantly scanning and improving the packaging portfolio based on fact-based methodologies. Lotus Bakeries investigates various alternatives to the classic fossil-based plastics currently in use. However, alternative materials need to guarantee the same level of product safety, processability and sustainability as the current materials used.

KEY COMPONENT	RISK	RISK DESCRIPTION & MITIGATING ACTIONS
	Sustainable sourcing	Lotus Bakeries is aware of the possible negative impact of cultivation of key raw materials (such as oils, cocoa) on the environment, in particular deforestation, as well as the possible social impact in the regions where these raw materials are cultivated. For Lotus Bakeries, it is important that our consumers and customers have confidence that the above mentioned raw materials used in our products has been sustainably sourced. Lotus Bakeries carefully selects its suppliers based on its responsible sourcing standards according to NDPE: No-Deforestation, No-Peat, No-Exploitation. Lotus Bakeries is a member of RSPO and is committed to purchasing only certified sustainable palm oil. All Lotus Bakeries sites which process palm oil have also obtained the RSPO certificate. Furthermore, Lotus Bakeries requests its suppliers to invest in following initiatives and to actively inform the Company on a regular basis: › supporting smallholder producers to enter sustainable supply chains; › protecting and restoring forests in a palm oil production landscape; › support of a landscape/jurisdiction approach to sustainability in palm oil producing areas; › and support for one or more local conversion projects in palm oil producing countries. As such, Lotus Bakeries aims to drive the transformational change needed in the supply chain of key raw materials.
IT architecture	Data protection and cybersecurity	Considering the ever-increasing digitalisation, the risk of unauthorised access to confidential data of Lotus Bakeries and personal data processed by Lotus Bakeries remains real. Fraud in the form of cybercrime is also high on the agenda. Within Lotus Bakeries, clear policies are in place regarding access and security of business-critical information. Multi-factor authentication contributes to the security of our information. Corporate ICT has taken various measures to prevent, detect and limit the impact of cyber-attacks. In addition, there is an annual audit of the security of our ICT systems. Automated and continuous awareness efforts among Lotus Bakeries employees are also implemented.
Financial	Foreign currencies	The functional currency of the Company is the euro, which is also the company's reporting currency. Translation gains or losses that result from remeasuring foreign subsidiaries' local currencies to EUR are recorded in other comprehensive income. Foreign currency transactions resulting in gains or losses are recorded in the consolidated statement of comprehensive income. The main foreign currency transactions are denominated in USD, GBP, CZK, THB, CNY, KRW, SEK and ZAR. The Group assesses on a case by case basis how to avoid any unfavourable currency impact and aims to hedge as many transactions as possible through a natural hedge.
	Other financial risks	The Group's activities are exposed to a variety of other financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk. For more details, refer to the Consolidated Financial Statements in note 27.

KEY COMPONENT	RISK	RISK DESCRIPTION & MITIGATING ACTIONS
External environment	Compliance and regulations	Lotus Bakeries is a global company generating the bulk of its revenue outside the home countries. As such, the Group is subject to applicable laws and regulations in the global jurisdictions in which it operates. As a manufacturer of food products with global commercial operations, these applicable laws and regulations relate to product safety, product labelling, health and safety, carbon reduction, intellectual property rights, anti-bribery and corruption, competition, data protection, export regulations, human rights and taxes. Relevant teams within the Group monitor closely any evolutions in the regulatory landscape to warrant compliance of the Group with regulatory initiatives as they emerge.
	Wars	As a global company, the Group may be impacted by conflicts in countries in which it operates. Operations and business could be affected indirectly by a conflict. These impacts may come from supply issues, an inflationary macro-economic environment, credit risks on customers and increasing financing costs.
	Pandemics and other infectious diseases	As the Group is operating around the globe, a global epidemic or pandemic outbreak may affect our business contingency. As such, crisis management is in place, which has been proved to be effective in the context of the COVID-19 pandemic.

06

FINANCIAL STATEMENTS



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GENERAL INFORMATION

Lotus Bakeries NV (the 'company') is a limited-liability company incorporated as a "naamloze vennootschap" ("NV") under Belgian law with company registration number 0401.030.860. Lotus Bakeries NV has its registered office at Gentstraat 1, 9971 Lembeke, Belgium. The shares of Lotus Bakeries NV are listed on the regulated market of Euronext Brussels.

Lotus Bakeries is active worldwide in the indulgent and natural snacking segment with the Lotus®, Biscoff®, nākd®, TREK®, BEAR®, Kiddylicious®, Peter's Yard®, Dinosaurus®, Peijnenburg® and Annas brands, among others. Lotus Bakeries, with headquarters in Belgium, is a dynamic, internationally oriented company with production facilities in Belgium, the Netherlands, France, Sweden, South Africa and the United States, and 23 own sales organisations in Europe, America, Asia and Australia. By maintaining a healthy balance between tradition and innovation, the Lotus brand indulges consumers with a unique range of high-quality, tasty products.

The Consolidated Financial Statements of Lotus Bakeries Group (the 'Group') for the year ended December 31, 2024 were authorised for issue on March 25, 2025.

These Consolidated Financial Statements have been prepared in accordance with IIFRS Accounting Standards (IFRS) as adopted for application within the European Union with comparative figures for 2023.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND STATEMENT OF COMPREHENSIVE INCOME

IN THOUSANDS OF EUR	NOTE	2024	2023
REVENUE	**4**	**1,231,914**	**1,062,962**
Raw materials, packaging and co-manufacturing		(419,957)	(368,903)
Services and other goods	5	(331,887)	(277,024)
Employee benefit expenses	6	(234,633)	(205,310)
Depreciation and amortisation expenses	7	(36,593)	(32,857)
Impairment on inventories and trade receivables	17, 18	69	(1,226)
Other operating expenses	8	(5,393)	(6,348)
Other operating income	8	3,109	1,681
UNDERLYING OPERATING RESULT – EBIT(u)		**206,629**	**172,974**
Non-underlying items	9	(5,165)	(2,544)
OPERATING RESULT – EBIT		**201,463**	**170,430**
Financial result	10	(2,213)	(2,533)
Interest income (expenses)		(942)	(1,560)
Foreign exchange gains (losses)		(358)	(119)
Other financial income (expenses)		(913)	(854)
RESULT BEFORE TAXES		**199,250**	**167,897**
Income taxes	11	(46,769)	(38,565)
NET RESULT		**152,482**	**129,333**
Attributable to non-controlling interests		(95)	72
Attributable to equity holders of Lotus Bakeries		152,577	129,261

IN THOUSANDS OF EUR	NOTE	2024	2023
NET RESULT		**152,482**	**129,333**
OTHER COMPREHENSIVE INCOME			
Items that may be subsequently reclassified to profit and loss		27,116	(9,192)
Currency translation differences		27,116	(9,273)
Gain/(Loss) on cash flow hedges, net of tax		-	81
Items that will not be reclassified to profit and loss		(636)	(142)
Remeasurement gains/(losses) on defined benefit plans		(636)	(142)
Other comprehensive income		**26,480**	**(9,334)**
TOTAL COMPREHENSIVE INCOME		**178,962**	**119,999**
Attributable to non-controlling interests		(48)	91
Attributable to equity holders of Lotus Bakeries		179,010	119,908
EARNINGS PER SHARE	**12**		
Weighted average number of shares		811,863	811,364
Basic earnings per share (EUR)		187.82	159.40
Attributable to equity holders of Lotus Bakeries		187.93	159.31
Weighted average number of shares after effect of dilution		813,074	812,373
Diluted earnings per share (EUR)		187.54	159.20
Attributable to equity holders of Lotus Bakeries		187.65	159.12

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

IN THOUSANDS OF EUR	NOTE	DEC. 31, 2024	DEC. 31, 2023
ASSETS			
Non-current assets		**993,050**	**875,583**
Goodwill	13	230,070	222,915
Intangible assets	14	150,437	147,825
Property, plant and equipment	15	580,404	474,311
Investments in other companies	16	28,798	27,504
Deferred tax assets	11	2,485	2,120
Other non-current assets	20	856	908
Current assets		**399,134**	**367,920**
Inventories	17	90,473	76,906
Trade and other receivables	18	166,511	152,044
Current tax assets	11	4,356	4,888
Other financial assets	26	35,914	-
Cash and cash equivalents	19	98,314	131,231
Other current assets	20	3,565	2,852
TOTAL ASSETS		**1,392,183**	**1,243,503**

IN THOUSANDS OF EUR	NOTE	DEC. 31, 2024	DEC. 31, 2023
EQUITY AND LIABILITIES			
Equity		**791,155**	**656,207**
Share Capital	21	16,388	16,388
Treasury shares	21	(16,882)	(18,797)
Retained earnings		810,954	704,401
Other reserves		(19,305)	(45,785)
Non-controlling interests		-	-
Non-current liabilities		**261,987**	**349,943**
Interest-bearing liabilities	22	180,501	275,834
Deferred tax liabilities	11	74,624	68,024
Employee benefit obligations	23	4,901	4,183
Provisions		73	101
Other non-current liabilities	25	1,887	1,801
Current liabilities		**339,042**	**237,352**
Interest-bearing liabilities	22	100,810	14,657
Employee benefit obligations	23	463	335
Provisions		21	21
Trade and other payables	24	216,256	205,110
Current tax liabilities	11	18,446	14,173
Other current liabilities	25	3,046	3,056
TOTAL EQUITY AND LIABILITIES		**1,392,183**	**1,243,503**

CONSOLIDATED CASH FLOW STATEMENT

IN THOUSANDS OF EUR	2024	2023
OPERATING ACTIVITIES		
NET RESULT	152,482	129,333
Depreciation and amortisation expenses	36,593	32,857
Impairment of assets and results from disposal of assets	(114)	(21)
Change in provisions	100	(478)
Financial result	2,213	2,533
Income taxes	46,769	38,565
Employee share-based compensation expense	942	470
Gross cash provided by operating activities	**238,984**	**203,259**
Decrease/(Increase) in inventories	(13,568)	(6,544)
Decrease/(Increase) in trade and other receivables	(11,975)	(31,266)
Decrease/(Increase) in other assets	(713)	367
Increase/(Decrease) in trade and other payables	6,340	18,896
Increase/(Decrease) in other liabilities	570	1,015
Change in working capital	**(19,345)**	**(17,532)**
Income taxes paid	(37,546)	(31,352)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**182,093**	**154,375**

IN THOUSANDS OF EUR	2024	2023
INVESTING ACTIVITIES		
Acquisitions paid for (in)tangible assets	(117,605)	(65,457)
Proceeds received from disposal of (in)tangible assets	20	-
Investments paid for financial assets	(37,208)	(10,587)
Proceeds / (Reimbursement) of long-term receivables	53	(151)
Interests received	3,093	2,110
NET CASH USED IN INVESTING ACTIVITIES	**(151,647)**	**(74,084)**
FINANCING ACTIVITIES		
Dividends paid	(47,014)	(36,470)
(Acquisition)/Disposal of treasury shares	2,392	324
Proceeds from interest-bearing liabilities	-	88,000
Reimbursement of interest-bearing liabilities	(9,500)	(66,000)
Reimbursement of lease liabilities	(6,831)	(5,490)
Interests paid	(3,772)	(3,819)
NET CASH FROM FINANCING ACTIVITIES	**(64,725)**	**(23,456)**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(34,280)**	**56,835**
Cash and cash equivalents as at January 1	131,231	76,435
Effect of exchange rate fluctuations	1,363	(2,038)
CASH AND CASH EQUIVALENTS AS AT DECEMBER 31	**98,314**	**131,231**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

IN THOUSANDS OF EUR	ISSUED CAPITAL	SHARE PREMIUM	SHARE CAPITAL	TREASURY SHARES	RETAINED EARNINGS	TRANSLATION DIFFERENCES	REMEASUREMENT GAINS/(LOSSES) ON DEFINED BENEFIT PLANS	CASH FLOW HEDGE RESERVES	OTHER RESERVES	EQUITY- PART OF THE GROUP	NON-CONTROLLING INTERESTS	TOTAL EQUITY
EQUITY AS AT JANUARY 1, 2024	**3,591**	**12,797**	**16,388**	**(18,797)**	**704,401**	**(44,880)**	**(905)**	**-**	**(45,785)**	**656,207**	**-**	**656,207**
Net result	-	-	-	-	152,577	-	-	-	-	152,577	(95)	152,482
Other comprehensive income	-	-	-	-	-	27,069	(636)	-	26,433	26,433	47	26,480
Total comprehensive income	**-**	**-**	**-**	**-**	**152,577**	**27,069**	**(636)**	**-**	**26,433**	**179,010**	**(48)**	**178,962**
Dividend to shareholders	-	-	-	-	(47,100)	-	-	-	-	(47,100)	-	(47,100)
Transactions with treasury shares	-	-	-	1,915	249	-	-	-	-	2,164	-	2,164
Employee share-based compensation expense	-	-	-	-	942	-	-	-	-	942	-	942
Impact written put options on non-controlling interests	-	-	-	-	(95)	47	-	-	47	(48)	48	-
Other	-	-	-	-	(20)	-	-	-	-	(20)	-	(20)
EQUITY AS AT DECEMBER 31, 2024	**3,591**	**12,797**	**16,388**	**(16,882)**	**810,954**	**(17,764)**	**(1,541)**	**-**	**(19,305)**	**791,155**	**-**	**791,155**
EQUITY AS AT JANUARY 1, 2023	**3,591**	**12,797**	**16,388**	**(18,976)**	**611,180**	**(35,607)**	**(764)**	**(81)**	**(36,451)**	**572,141**	**-**	**572,141**
Net result	-	-	-	-	129,261	-	-	-	-	129,261	72	129,333
Other comprehensive income	-	-	-	-	-	(9,292)	(142)	81	(9,353)	(9,353)	19	(9,334)
Total comprehensive income	**-**	**-**	**-**	**-**	**129,261**	**(9,292)**	**(142)**	**81**	**(9,353)**	**119,908**	**91**	**119,999**
Dividend to shareholders	-	-	-	-	(36,531)	-	-	-	-	(36,531)	-	(36,531)
Transactions with treasury shares	-	-	-	179	145	-	-	-	-	324	-	324
Employee share-based compensation expense	-	-	-	-	470	-	-	-	-	470	-	470
Impact written put options on non-controlling interests	-	-	-	-	72	19	-	-	19	91	(91)	-
Other	-	-	-	-	(196)	-	-	-	-	(196)	-	(196)
EQUITY AS AT DECEMBER 31, 2023	**3,591**	**12,797**	**16,388**	**(18,797)**	**704,401**	**(44,880)**	**(905)**	-	**(45,785)**	**656,207**	**-**	**656,207**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES

1.1 BASIS OF PRESENTATION

The Consolidated Financial Statements of the Group have been prepared in accordance with the IFRS Accounting Standards (IFRS), as adopted by the European Union (EU).

These Consolidated Financial Statements are presented in thousands of EUR and present the financial situation as at December 31, 2024. Due to rounding, numbers presented throughout these Consolidated Financial Statements may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

The accounting principles have been consistently applied to all periods presented and are consistent with those applied in the audited Consolidated Financial Statements for the year ended December 31, 2023 of the Group.

The Consolidated Financial Statements have been prepared based on the historical cost methodology, except for certain financial instruments for which the fair value is used.

These financial statements are prepared on an accrual basis and on the assumption that the Group is in going concern and will continue in operation in the foreseeable future.

The Group has adopted the following relevant new standards, amendments to standards or interpretations for the first time for the financial year beginning January 1, 2024 and have been endorsed by the European Union:

- **Amendments to IAS 1 – *Presentation of Financial Statements:*** *Classification of Liabilities as current or non-current,* affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. The amendments provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date.

The following relevant new standards, amendments to standards or interpretations have been published, but are not yet mandatory for the first time for the financial year beginning January 1, 2024, and have not been early adopted:

- ***IFRS 18 – Presentation and Disclosure in Financial Statements*** (effective January 1, 2027, but not yet endorsed in EU). IFRS 18 will replace IAS 1 – *Presentation of Financial Statements*. The new standard will improve the quality of financial reporting by requiring defined subtotals in the statement of profit or loss, requiring disclosure about management-defined performance measures, and adding new principles for aggregation and disaggregation of information.

The Group does not expect that the above-mentioned new pronouncements will have a material impact on the Consolidated Financial Statements.

1.2 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

In order to prepare the financial statements in accordance with IFRS, management has to make judgements, estimates and assumptions which have an impact on the financial statements and notes.

Estimates and judgements made on the reporting date reflect existing conditions on that date (for example: market prices, interest rates and foreign exchange rates). Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Though these estimates are made by management based on maximum knowledge of ongoing business and of the actions that the Group may undertake, the actual results may be different.

The estimates and judgements that could have an impact on the Consolidated Financial Statements are listed below:

- Key assumptions used in the impairment test of goodwill and intangible assets (see note 13); and
- Key assumptions used in the measurement of post-employment benefits (see note 23).

Nevertheless, the company does not expect that the above-mentioned accounting judgements and estimates will have a significant impact on the operations of the Group.

Next to the above items, the company considers climate change and its sustainability commitments as one of the main items to consider in the determination of future estimates and judgements when preparing the Consolidated Financial Statements, particularly in the context of the targets included towards its Net Zero ambition as disclosed in the Sustainability Statements. As such, the company is aware that climate change can create disruptions in the supply chain and in the operating activities. Legislation requires significant investments to reach the sustainability targets defined. Therefore, Lotus Bakeries monitors and assesses how its business impacts the environment and the direct surroundings of its different locations. The Group assesses how sustainable CAPEX investments will impact in the future its cash forecasts, useful lives of assets... Furthermore, the changing customer behaviour to more healthy and sustainable products is considered a key item in identifying opportunities and business developments.

At this stage, the Group does not expect that climate change or other environmental related risks would have a significant impact on the financial statements in the short term. However, the Group monitors closely its consumptions and usage of key commodities to mitigate any potential impact. More details regarding the actions taken by the Group to reduce its greenhouse emissions are disclosed in the Sustainability Statements as prepared in accordance with CSRD.

The "Net Zero by 2050" target requires the Group to reassess its investment strategy and timing and alternatives of both CAPEX and OPEX investments. This will potentially impact the use of resources and available assets. As such, future financial statements would potentially be impacted through a revision of the useful lives of tangible assets, updated cash forecasts in impairment tests, investments in tools and assets improving our ecological footprint.

1.3 CONSOLIDATION PRINCIPLES

The Consolidated Financial Statements comprise the financial statements of Lotus Bakeries NV and its subsidiaries (collectively referred to as the 'Group'). Intercompany balances and transactions between Group companies are eliminated.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group has control over an investee when it is exposed to, or has the right to, variable returns arising from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of the subsidiaries are included in the consolidation scope as from the date that the Group obtains control until the date such control ceases.

Acquisition of subsidiaries is accounted for according to the acquisition method. The cost of the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The cost includes the fair value of any asset or liability resulting from a contingent consideration agreement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired, liabilities assumed and contingent liabilities assumed in a business combination are measured initially at their fair value at acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. The excess of the cost of the acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary in the case of a bargain purchase, the difference is recognised directly in the statement of profit or loss.

The financial statements of the subsidiaries have the same financial year as the company and are prepared in accordance with the accounting principles of the Group.

Liabilities related to put options granted to non-controlling interests

The Group granted put options to non-controlling interests in a subsidiary, giving the holders the right to sell part or all of their investment in the subsidiary to the company. This put option on non-controlling interests (own equity instrument) gives rise to a gross liability that is initially recognised against equity and measured at the present value of the redemption amount (exercise price) in accordance with IAS 32 – *Financial Instruments: presentation*. This financial liability is included in the other non-current liabilities. This gross liability is subsequently measured at fair value. The difference between the value of the non-controlling interest and the fair value of the liability is allocated to the retained earnings (Group share), which are included in shareholders' equity.

This liability is adjusted at the end of each reporting period to reflect changes in the estimated exercise price of the option and the carrying amount of non-controlling interests. If the option comes to maturity without exercising, the liability is derecognised against non-controlling interests and retained earnings (Group share).

1.4 FOREIGN CURRENCIES

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated Financial Statements are presented in euro, the Group's reporting currency.

Transactions in foreign currencies

Transactions in foreign currencies are translated into the functional currency using the exchange rate applicable on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the closing rate on the reporting date. Resulting foreign exchange gains and losses are recognised in the statement of profit or loss.

Foreign exchange gains and losses that relate to interest-bearing liabilities and cash and cash equivalents are presented in the statement of profit or loss within the financial result. All other foreign exchange gains and losses are presented in the statement of profit or loss within operating result.

Financial statements of foreign entities

For foreign entities using a different functional currency than the euro:

- Assets and liabilities are translated to the euro using the exchange rate on the reporting date;
- Items of income and expenses are translated at average exchange rate; and
- Equity items are translated at the historical exchange rate.

The resulting translation differences are recognised in other comprehensive income and accumulated in a separate component of equity (translation differences). These translation differences remain in equity up to the disposal of the relevant entity. In case of disposal, the accumulated amount in equity is reclassified to the statement of profit or loss as part of the result on disposal of the relevant foreign activity.

Goodwill arising from the acquisition of a foreign entity and fair value adjustments to the carrying amount of the acquired assets and liabilities at the date of acquisition, are considered as assets and liabilities of the foreign activity and are translated at the exchange rate on the reporting date.

The Group has no entities in hyperinflationary economies.

Exchange rates

The following exchange rates were used in preparing the financial statements:

	CLOSING RATE		AVERAGE RATE	
	2024	2023	2024	2023
EUR/CHF	0.941	0.926	0.953	0.972
EUR/CNY	7.583	7.851	7.789	7.662
EUR/CZK	25.185	24.724	25.117	24.000
EUR/GBP	0.829	0.869	0.847	0.870
EUR/KRW	1,532.150	1,433.660	1,475.212	1,413.178
EUR/SEK	11.459	11.096	11.433	11.477
EUR/THB	35.676	37.973	38.222	38.278
EUR/USD	1.039	1.105	1.082	1.082
EUR/ZAR	19.619	20.348	19.839	19.957

1.5 MATERIAL ACCOUNTING POLICIES

The material accounting policies applied by the Group are disclosed in the relevant notes as a separate paragraph.

2. CHANGES TO THE CONSOLIDATION SCOPE

In 2024, the Group has established a new entity in Canada, Lotus Montréal Canada Inc., and in Thailand, Lotus Asia Pacific Management Services Ltd.

In 2023, B.W.I. BV merged into Biscuiterie Willems BV. The merge did not have a significant impact on the Consolidated Financial Statements. Furthermore, the Group has established a new entity in Australia, Lotus Bakeries Australia Pty Ltd., and in Japan, Lotus Bakeries Japan G.K.

The complete list of companies included in the consolidation scope is disclosed in note 32.

3. SEGMENT REPORTING

3.1 ACCOUNTING POLICY

Group revenue is centralised around a number of products that are all included in the traditional and natural snack segment. For these products, the Group is organised according to geographical regions for sales, production and internal reporting.

The result of a segment includes the income and expenses directly generated by a segment as well as the portion of the income and expenses that can be reasonably attributed to the segment. Intersegment price-fixing is defined based on the 'at arm's length' principle.

Considering that the chief operating decision maker does not review on a regular basis items of the statement of financial position per segment, segment assets and liabilities are not disclosed.

For the purpose of sales, production and internal reporting, the Group is classified according to geographical regions in line with the organisational and managerial structure. Furthermore, aggregation of underlying countries into the below identified reportable segments have been done when such aggregation is consistent with the core principle of IFRS 8, the segments have similar long-term economic characteristics and the segments are similar in each of the following respects:

- The nature of products and services;
- The nature of the production processes;
- The procurement process;
- The type or class of customer for their products and services;
- The functional currencies of each market;
- The methods used to distribute their products to provide their services; and
- The nature of the regulatory environment.

The regions presented in the segment reporting, which are based on the internal reporting system, are composed as follows:

- Continental Europe: sales by Sales Offices in Continental Europe and intra-group sales by factories in Continental Europe (homogeneous activities within Europe, excluding UK activities, and including Belgium, France and other European countries);
- UK: sales by Sales Offices UK, Natural Balance Foods, Urban Fresh Foods, Kiddylicious and Peter's Yard;
- Americas: sales by Sales Offices in Americas and intra-group sales by the factory in the United States;
- Rest of the world: sales from Belgium to countries without own Sales Office and by own Sales Offices in China and South Korea.

3.2. SEGMENT INFORMATION

PERIOD ENDED DECEMBER 31, 2024

IN THOUSANDS OF EUR	CONTINENTAL EUROPE	UK	AMERICAS	REST OF THE WORLD	ELIMINATIONS / GROUP	TOTAL
SEGMENT REVENUE	**736,587**	**311,348**	**185,655**	**187,416**	**(189,092)**	**1,231,914**
Revenue from external customers	606,265	265,031	182,452	178,165		1,231,914
Intersegment revenue	130,323	46,317	3,202	9,250	(189,092)	-
SEGMENT RESULT – EBIT(u)	**120,895**	**51,737**	**32,265**	**42,293**	**(40,561)**	**206,629**
Non-underlying items						(5,165)
Operating result - EBIT						**201,463**
Financial result						(2,213)
Result before taxes						**199,250**
Income taxes						(46,769)
Net result						**152,482**
OTHER SEGMENT INFORMATION						
Acquisitions:						
Tangible assets	38,099	7,856	8,597	66,568	4,587	125,707
Intangible assets	1	-	-	-	530	531
Depreciations and amortisations on (in)tangible assets	22,363	2,475	7,272	571	3,911	36,593

PERIOD ENDED DECEMBER 31, 2023

IN THOUSANDS OF EUR	CONTINENTAL EUROPE	UK	AMERICAS	REST OF THE WORLD	ELIMINATIONS / GROUP	TOTAL
SEGMENT REVENUE	**648,919**	**271,901**	**155,753**	**144,730**	**(158,340)**	**1,062,962**
Revenue from external customers	534,414	235,971	155,753	136,825	-	1,062,962
Intersegment revenue	114,505	35,931	-	7,905	(158,340)	-
SEGMENT RESULT – EBIT(u)	**97,438**	**51,373**	**27,945**	**30,995**	**(34,776)**	**172,974**
Non-underliying items						(2,544)
Operating result – EBIT						**170,430**
Financial result						(2,533)
Result before						**167,897**
Income taxes						(38,565)
Net result						**129,333**
OTHER SEGMENT INFORMATION						
Acquisitions:						
Tangible assets	32,358	15,346	16,646	16,327	4,750	85,427
Intangible assets	8	-	-	-	774	783
Depreciations and amortisations on (in)tangible assets	20,510	1,668	6,588	458	3,633	32,857

Sales between the various segments are carried out at arm's length.

The non-current assets (i.e. property, plant and equipment, right-of-use assets, intangible assets and goodwill) by location of assets are detailed on the right.

The Group's revenue by country are disclosed in note 4.

IN THOUSANDS OF EUR	2024	2023
Belgium	280,946	265,045
United Kingdom	222,090	212,773
United States	145,212	135,227
The Netherlands	101,636	100,342
South-Africa	63,773	55,292
Other	147,255	76,372
TOTAL NON-CURRENT ASSETS	**960,911**	**845,051**

4. REVENUE

4.1 ACCOUNTING POLICY

Revenue is included in the statement of profit or loss when it is probable that the Group will receive economic benefits from the transaction and the revenue can be measured reliably.

Revenue of the Group is generated principally through the sale of goods with as only performance obligation the delivery of goods. Revenue recognition occurs at a point in time, when control of the asset is transferred to the customer, generally on delivery of the goods.

Customer contracts include trade discounts or volume rebates, which are granted to the customer if the delivered quantities exceed a certain threshold. In these cases, the transaction price includes a variable consideration. The effect of the variable consideration on the transaction price is taken into account in revenue recognition by estimating the probability of the realisation of the discount or rebate for each contract.

In the context of contracts with clients or as a result of business practices, Lotus Bakeries might pay certain amounts to its customer. The payments can be cash, either in the form of rebates or discounts, or could alternatively be a credit or some other form of incentive that reduces amounts owed to Lotus Bakeries by a customer. Amounts paid by Lotus Bakeries to customers on either a limited or a continuous basis may take various forms and are paid for a varying number of reasons, such as discounts, coupons, rebates, co-advertising, slotting or listing fees.

In accordance with IFRS 15, Lotus Bakeries accounts for such consideration payable to a customer as a reduction of the transaction price and, therefore, of revenue unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the entity. It is therefore important to analyse the substance of such payment in order to properly reflect the substance of them, i.e. include in the transaction price of the transaction with the customer (revenue) or consider as a separate transaction (expense).

4.2 OVERVIEW

Revenue is generated at a point in time mainly by branded products (Biscoff, Natural Foods brands and Local heroes).

The sales generated in the country of domicile of the Group (Belgium) represent 14% of the Group's revenue. Sales to countries in our top four countries are presented in the table below. The sales in all other individual country represent less than 10% of the Group's revenue.

IN THOUSANDS OF EUR	2024	2023
Belgium	169,989	159,848
United Kingdom	265,781	240,251
United States	181,342	155,753
France	172,100	150,816
Other	442,703	356,294
TOTAL REVENUE	**1,231,914**	**1,062,962**

5. SERVICES AND OTHER GOODS

Services and other goods include mainly commercial and marketing expenses, logistic expenses (transport and warehousing), professional fees (legal, accounting and consulting) and utilities.

The increase compared to 2023 mainly relates to increased sales and production volumes, and increased investments to strengthen the organisation further and to upscale the media investments, both key to sustain continued growth.

6. EMPLOYEE BENEFIT EXPENSES

IN THOUSANDS OF EUR	2024	2023
Short-term employee benefits	187,419	165,997
Social security contributions	30,358	25,828
Defined contribution costs	4,059	3,628
Defined benefit costs	495	311
Other employee benefit expenses	12,301	9,546
TOTAL EMPLOYEE BENEFIT EXPENSES	**234,633**	**205,310**
Average number of employees	3,239	2,857
Number of employees as at the end of the year	3,364	2,984

The other employee benefit expenses include mainly the costs of training and other employee-related insurances.

7. DEPRECIATION AND AMORTISATION EXPENSES

IN THOUSANDS OF EUR	2024	2023
Amortisation of intangible assets (see note 14)	1,265	1,274
Depreciation of property, plant and equipment (see note 15)	29,191	26,498
Depreciation of right-of-use assets (see note 15)	6,137	5,085
TOTAL DEPRECIATION AND AMORTISATION EXPENSES	**36,593**	**32,857**

8. OTHER OPERATING INCOME AND EXPENSES

The other operating income consists primarily of external sales of raw materials and other non-core items, various costs recovered at the time of sale and indemnification payments.

The other operating expenses include local levies (property taxes, municipal taxes, packaging tax…) and penalties.

9. NON-UNDERLYING ITEMS

Non-underlying items include other operating income and expenses that do not belong to or derive from the recurring operating activities of the Group (normal course of business). This category includes primarily results from the disposal of fixed assets, any goodwill impairment losses, any impairment losses on fixed assets, expenses relating to the acquisition, disposal and start-up of new businesses, restructuring expenses and expenses relating to pandemics.

IN THOUSANDS OF EUR	2024	2023
Start-up costs related to capacity extensions	(3,792)	(2,546)
Acquisition-related costs	(1,075)	-
Office relocations	-	(17)
Product range & Organisational restructuring	147	(62)
Other	(445)	81
TOTAL NON-UNDERLYING ITEMS	**(5,165)**	**(2,544)**

In 2024, the non-underlying items relate mainly to costs to support capacity expansion for Lotus Biscoff and the greenfield site in Thailand (Chonburi).

10. FINANCIAL RESULT

IN THOUSANDS OF EUR	2024	2023
Interest expenses	(4,448)	(4,035)
Interest income	3,505	2,475
Interest income (expenses)	**(942)**	**(1,560)**
Foreign exchange gains (losses)	**(358)**	**(119)**
Other financial income (expenses)	**(913)**	**(854)**
TOTAL FINANCIAL RESULT	**(2,213)**	**(2,533)**

The financial result of EUR -2.2 million consists mainly of interest expenses, net of cash deposit income and bank charges.

The foreign exchange gains (losses) are related to the realisation and revaluation of financial positions mainly in GBP (pounds sterling) and USD (US dollars).

11. INCOME TAXES

11.1 ACCOUNTING POLICY

Income taxes include current and deferred taxes. Both taxes are recognised in the statement of profit or loss except if the underlying transaction has been recognised directly in other comprehensive income. If so, the related income taxes are also directly recognised in other comprehensive income.

Current taxes include the amount of tax payable on the taxable earnings for the period calculated at the tax rate applicable on the reporting date. They also include adjustments to income tax liabilities for previous years. In line with IAS 12 – *Income Taxes*, management assesses on a periodic basis the positions taken in tax declarations in respect of items subject to interpretation in the tax legislation, and records, if necessary, additional income tax liabilities based on the expected amounts payable to the tax authorities. The assessment is made for all fiscal periods still subject to controls by the authorities.

Deferred taxes are calculated using the balance sheet method and result mainly from temporary differences between the carrying amount of both assets and liabilities in the statement of financial position and their respective tax base. Deferred taxes are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at reporting date. Deferred taxes are recognised at their nominal value and are not discounted.

Deferred tax assets from deductible temporary differences and unused tax losses carry forwards are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be offset.

The carrying amount of deferred tax assets is reassessed at each reporting date and reduced when it is no longer probable that the related tax savings can be generated. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it is probable that future taxable profits allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

11.2 INCOME TAXES IN THE STATEMENT OF PROFIT OR LOSS

The income tax recognised in the statement of profit or loss can be detailed as follows:

IN THOUSANDS OF EUR	2024	2023
Current taxes in respect of the current year	(42,134)	(33,699)
Current taxes in respect of the prior years	467	100
Withholding Taxes	(1,174)	-
Deferred taxes in respect of the current year	(2,843)	(6,435)
Deferred taxes in respect of the prior year	(1,085)	1,469
TOTAL INCOME TAXES	**(46,769)**	**(38,565)**

The average effective tax rate is 23.5%, compared to 23.0% in 2023. The effective tax rate increased compared to prior year and historically. This is in part linked to the increase of the corporate income tax rate in the UK from 19% to 25%.

The income tax expense can be reconciled as follows:

IN THOUSANDS OF EUR	2024	2023
Result for the period before taxes	**199,250**	**167,897**
Legal tax rate	25.00%	25.00%
Income tax expense computed at the legal tax rate	**(49,813)**	**(41,974)**
Effect of different tax rates in other countries	1,473	1,599
Deductions of taxable income	5,373	2,461
Tax adjustments for prior years	(618)	1,569
Disallowed expenses	(1,095)	(898)
Tax exempted income	56	115
Tax losses used for which no deferred tax asset has been recorded	37	-
Unrecognised deferred tax assets	(677)	(1,232)
Withholding tax	(1,174)	-
Other	(332)	(204)
TOTAL INCOME TAXES	**(46,769)**	**(38,565)**
Effective tax rate	23.5%	23.0%

In October 2021, the OECD reached agreement on the Pillar Two global minimum tax rules to address the tax challenges arising from digitalisation of the economy. The agreement includes a coordinated system of Global anti-Base Erosion (GloBE) rules that are designed to ensure large multinational companies pay a minimum level of tax on the income arising in each jurisdiction where they operate, establishing a global minimum corporate tax rate of 15% on the profit. This set of measures would be applied on a Country-by-Country basis to multinational companies with revenue exceeding EUR 750 million.

Considering that the Group has exceeded the applicable thresholds in 2021, the Group is subject to the GloBE rules and has to consider the global minimum tax in the jurisdictions in which it operates as a legal entity. Belgium, where the company is domiciled, has adopted the new tax legislation implementing the GloBE rules. The company is currently monitoring the progress of adoption of the GloBE rules in each jurisdiction.

Based on assessment and considering the effective and nominal tax rates in the different jurisdictions, it is clear that the Group will be able to benefit from the safe harbours provided by the OECD for most of its subsidiaries with an exception for Switzerland where the effective tax rate is close to 15%. However, in the meantime, the Swiss authorities have adopted the GloBE rules and the related qualified domestic minimum top-up tax (QDMTT).

Therefore, the Group has recognised an estimated top-up tax relating to our activities in Switzerland.

11.3 INCOME TAXES IN THE STATEMENT OF FINANCIAL POSITION

Deferred taxes

The deferred tax assets and liabilities can be reconciled as follows:

IN THOUSANDS OF EUR	AS AT JANUARY 1, 2024	RECOGNISED THROUGH THE STATEMENT OF PROFIT OR LOSS	RECOGNISED THROUGH EQUITY	EXCHANGE DIFFERENCES	AS AT DECEMBER 31, 2024
Intangible assets	(33,820)	(76)	-	(831)	(34,727)
Property, plant and equipment	(38,452)	(3,471)	-	(1,025)	(42,948)
Inventories	666	(191)	-	(12)	463
Employee benefit obligations	998	(85)	95	153	1,161
Other liabilities	(4,113)	(513)	-	23	(4,602)
Derivative financial instruments	-	-	-	-	-
Tax losses carried forward	6,402	(3,760)	-	115	2,757
Other	2,414	4,170	-	(828)	5,757
TOTAL DEFERRED TAXES	**(65,905)**	**(3,927)**	**95**	**(2,403)**	**(72,140)**
of which deferred tax assets	2,120				2,485
of which deferred tax liabilities	(68,024)				(74,624)

IN THOUSANDS OF EUR	AS AT JANUARY 1, 2023	RECOGNISED THROUGH THE STATEMENT OF PROFIT OR LOSS	RECOGNISED THROUGH EQUITY	EXCHANGE DIFFERENCES	AS AT DECEMBER 31, 2023
Intangible assets	(33,389)	(167)	-	(263)	(33,820)
Property, plant and equipment	(32,416)	(6,570)	141	393	(38,452)
Inventories	232	436	-	(2)	666
Employee benefit obligations	844	(38)	192	-	998
Other liabilities	(1,848)	(2,276)	-	11	(4,113)
Derivative financial instruments	95	(68)	(27)	-	-
Tax losses carried forward	3,649	2,903	-	(150)	6,402
Other	1,331	814	(141)	410	2,414
TOTAL DEFERRED TAXES	**(61,503)**	**(4,966)**	**165**	**398**	**(65,905)**
of which deferred tax assets	2,212				2,120
of which deferred tax liabilities	(63,716)				(68,024)

The recognition of these deferred tax assets is supported by profit expectations in the foreseeable future.

At year-end 2024, the Group did not recognise deferred tax assets for unused tax losses for a total gross amount of EUR 8.9 million with maturity of 5 years.

Current taxes

The current tax assets mainly relate to the excess of pre-payments made compared to the actual income tax payable for the year. The current tax liabilities include actual corporate taxes payable.

12. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the Group's share in net result by the weighted average number of outstanding shares over the year (total number of shares – treasury shares).

Diluted earnings per share is calculated by dividing the Group's share in net result by the weighted average number of outstanding shares over the year, adjusted for the potential dilution of ordinary shares as a result of options granted under the stock option plan for management (see note 21).

IN THOUSANDS OF EUR	2024	2023
Net result - Basic and diluted earnings per share	**152,482**	**129,333**
of which attributable to equity holders of Lotus Bakeries	152,577	129,261
Weighted average number of shares - Basic earnings per share	**811,863**	**811,364**
Dilutive effect	1,211	1,009
Weighted average number of shares - Diluted earnings per share	**813,074**	**812,373**
BASIC EARNINGS PER SHARE (IN EUR)	**187.82**	**159.40**
of which attributable to equity holders of Lotus Bakeries	187.93	159.31
DILUTED EARNINGS PER SHARE (IN EUR)	**187.54**	**159.20**
of which attributable to equity holders of Lotus Bakeries	187.65	159.12

13. GOODWILL

13.1 ACCOUNTING POLICY

Goodwill arising from a business combination is initially measured at cost (i.e., the excess between the cost of the business combination and the Group's interest in the fair value of the identifiable assets acquired, liabilities assumed and contingent liabilities assumed). After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any.

Goodwill is tested for impairment annually or more often if events or changes in circumstances indicate that the carrying amount may have been impaired. For the purpose of impairment testing, goodwill acquired in a business combination is, from acquisition date onwards, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

For sales, production and internal reporting, the Group is organised into geographic regions (see also note 3 Segment reporting). The segments consist of underlying business units. These business units represent the lowest level within the Group at which the goodwill is monitored for internal management purposes. These business units are the cash-generating units to which goodwill is allocated.

13.2 OVERVIEW

The carrying amount of goodwill has been allocated to the various independent cash-generating units as follows:

IN THOUSANDS OF EUR	DEC. 31, 2024	DEC. 31, 2023
Lotus™ Natural Foods (Natural Balance Food, Urban Fresh Foods, Kiddylicious and Peter's Yard)	176,975	169,094
Belgium	20,773	20,773
The Netherlands	17,151	17,151
Asia	8,096	8,653
Nordics	5,371	5,541
Other	1,704	1,704
TOTAL GOODWILL	**230,070**	**222,915**

IN THOUSANDS OF EUR	
Carrying amount as at January 1, 2023	**225,246**
Effect of movements in foreign exchange rates	(2,331)
Carrying amount as at December 31, 2023	**222,915**
Effect of movements in foreign exchange rates	7,155
CARRYING AMOUNT AS AT DECEMBER 31, 2024	**230,070**

13.3 IMPAIRMENT TEST

Goodwill, representing approximately 17% of the total assets of Lotus Bakeries at December 31, 2024, is tested for impairment every year during the fourth quarter after the budget process (or whenever there is a specific reason to do so) by comparing the carrying amount of each cash-generating unit (CGU) with its recoverable amount. The recoverable amount of a cash-generating unit is determined on the basis of the value in use.

The value in use is determined as the present value of expected future cash flows based on the current long-term planning of the Group. The discount rate used in determining the present value of expected future cash flows is based on a weighted average cost of capital (WACC) before taxes (pre-tax discount rate). The impairment test for goodwill is based on a number of critical judgements, estimates and assumptions.

The assumptions are consistent and reasonable for all cash-generating units, which are mainly located in Europe and the UK:

- Revenue and operating result: revenue and operating result reflect management's expectations based on past experience and taking into account the risks specific to the reportable business unit;
- The first year of the model is based on the budget for the year as approved by the board of directors, taking into account historical results and is management's best estimate of the free cash flow outlook for the current year;
- In years two to three of the model, free cash flows are based on Lotus Bakeries' long-term plan. The long-term plan is prepared country by country, based on reasonable internal plans that take into account the specific market situation and the past;
- Cash flows beyond the first three years are extrapolated by applying a perpetual growth rate;
- Projections are discounted at the pre-tax weighted average cost of capital (WACC). The WACC has been determined by jurisdiction and considering the specific risks related to each CGU. Main inputs include risk-free rate, market risk, risk premium and the cost of debt.

The impairment test is highly sensitive to the key assumptions, pre-tax discount rate and perpetual growth rate, which are detailed below:

	PRE-TAX DISCOUNT RATE 2024	PRE-TAX DISCOUNT RATE 2023	PERPETUAL GROWTH RATE 2024	PERPETUAL GROWTH RATE 2023
Lotus™ Natural Foods CGU's	8.4%-8.8%	8.9%-9.4%	2.0%	2.0%
Other CGU's	7.4%-8.9%	7.6%-9.5%	2.0%	2.0%

At the end of 2024, Lotus Bakeries has completed its annual impairment test of goodwill. The discount rates have been updated to reflect the overall decrease of the risk-free rates on the market. Furthermore, the perpetual growth rates have been aligned to the long-term targeted inflation rates instead of the company-specific estimated long-term growth rates. These changes in key assumptions have impacted positively the different headrooms, but did not result in any impairment loss.

As part of the impairment test, the company carried out a sensitivity analysis for the key assumptions used, i.e. the pre-tax discount rate and perpetual growth rate. Here, a decrease in the perpetual growth rate by 100 basis points and an increase in the pre-tax discount rate by 100 basis points were applied. A change in the key assumptions used, as described above, does not lead to an impairment loss.

Although Lotus Bakeries believes that its assessments, assumptions and estimates are suitable, actual results may differ from these estimates in the event of changed assumptions and conditions.

14. INTANGIBLE ASSETS

14.1 ACCOUNTING POLICY

Intangible assets which are acquired separately are measured initially at cost. After initial recognition, intangible assets are measured at cost less accumulated amortisations and impairment losses.

Costs for internally generated intangible assets are recognised in the statement of profit or loss as incurred, unless they meet the criteria to be considered as development costs.

Intangible assets acquired in the context of a business combination are recognised separately in the statement of financial position at their estimated fair value at acquisition date. This concerns brands. The value of these brands was established as part of the valuation at fair value of the asset and liability components upon first consolidation.

The brands are not amortised as the useful life is deemed to be indefinite as based on all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Group and are sustained by continuous marketing support. Therefore, an impairment test is performed to assess the recoverability of the brands on annual basis or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The indefinite useful life is re-assessed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made prospectively.

Intangible assets with a finite useful life are amortised on a straight-line basis over the estimated useful life and reviewed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation begins when the intangible asset is available for its intended use.

Investments in software and licences are amortised over a period of three to five years.

14.2 OVERVIEW

IN THOUSANDS OF EUR	BRANDS	SOFTWARE	TOTAL
Acquisition cost	148,200	16,013	165,243
Accumulated amortisation and impairment losses	(4,627)	(12,851)	(18,508)
CARRYING AMOUNT AS AT JANUARY 1, 2023	**143,573**	**3,162**	**146,735**
Acquisitions	-	783	783
Amortisation expense	-	(1,274)	(1,274)
Transfer from one heading to another	1	184	185
Effect of movements in foreign exchange rates	1,400	(3)	1,396
CARRYING AMOUNT AS AT DECEMBER 31, 2023	**144,974**	**2,851**	**147,825**
Acquisition cost	149,601	13,989	163,590
Accumulated amortisation and impairment losses	(4,627)	(11,138)	(15,765)
Acquisitions	-	531	531
Amortisation expense	-	(1,265)	(1,265)
Transfer from one heading to another	-	260	260
Effect of movements in foreign exchange rate	3,085	2	3,087
CARRYING AMOUNT AS AT DECEMBER 31, 2024	**148,059**	**2,379**	**150,437**
Acquisition cost	152,686	14,466	167,151
Accumulated amortisation and impairment losses	(4,627)	(12,087)	(16,714)

Intangible assets include brands and software investments. Software relates mainly to the capitalised external and internal costs connected with the further roll-out of the ERP information system SAP across the Lotus Bakeries Group.

The brands relate to the brands acquired by the company over the years:

- Peijnenburg: base brand in the Netherlands;
- Dinosaurus: brand acquired in 2012;
- Annas: base brand for the Nordic region and base brand for the pepparkakor products outside the Nordic region;
- nākd: brand acquired in 2015 as part of the acquisition of Natural Balance Foods;
- BEAR: brand acquired in 2015 as part of the acquisition of Urban Fresh Foods;
- Kiddylicious: brand acquired in 2018;
- Kung Oscar: brand acquired in 2022; and
- Peter's Yard: brand acquired in 2022.

IN THOUSANDS OF EUR	DECEMBER 31, 2024	DECEMBER 31, 2023
Lotus™ Natural Foods (nākd, BEAR, Kiddylicious, Peter's Yard)	76,862	73,559
Other brands (Dinosaurus, Peijnenburg, Annas, Kung Oscar)	71,196	71,415
TOTAL CARRYING AMOUNT	**148,059**	**144,974**

At year-end 2024, the Group tested the value of these brands to assess any recoverability issues. Taking into account the assumptions used, the value in use of the related cash-generating units exceeds its carrying amount and no impairment loss is recognised.

For more details on the impairment test conducted per CGU, we refer to note 13 on goodwill.

Although Lotus Bakeries believes that its assessments, assumptions and estimates are reasonable, actual results may differ from these estimates in the event of changed assumptions and conditions.

During 2024, the Group has incurred research and development expenses of EUR 1,766 thousands (2023: EUR 1,655 thousands), which are mainly composed of employee benefit expenses and consumables.

15. PROPERTY, PLANT AND EQUIPMENT AND LEASES

15.1 ACCOUNTING POLICY

Property, plant and equipment

Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses. Cost includes the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of self-produced assets includes direct material costs, direct labour costs and a proportional part of the production overhead.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. Depreciation of an asset begins when the asset is available for its intended use.

The estimated useful lives are as follows:

Buildings, incl. warehouses	25-30 years
Plant and machinery	15-25 years
Furniture	15 years
Trucks	10 years
Office equipment and motor vehicles	5 years
Computer equipment	3-5 years

Land is not depreciated considering that it has an indefinite useful life.

The depreciation methods, residual values and the useful lives of the property, plant and equipment is reassessed and adjusted if appropriate, annually.

Leases

A lease exists if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Leases are recognised as a right-of-use asset and corresponding liability at the date the leased asset is available for use by the Group. The right-of-use assets are presented in the consolidated statement of financial position within the line item “Property, plant and equipment”.

The Group recognises right-of-use assets at cost, which consists of the initial measurement of the corresponding lease liabilities and any initial direct costs less lease incentives received.

These assets are generally depreciated on a straight-line basis over the lease term and are subject to impairment. If it is reasonably certain that the Group will exercise a purchase option, the asset shall be depreciated on a straight-line basis over its useful life.

Lease liabilities are measured at the present value of future lease payments over the lease term.

The lease payments are discounted using the Group’s incremental borrowing rate, i.e. the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment, as the interest rate implicit in the lease cannot be readily determined.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not 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.

For leases with a term of 12 months or less (short-term leases) or leases of low-value items to which the Group applies the recognition exemptions available in IFRS 16, lease payments are recognised on a straight-line basis as an expense over the lease term.

15.2 OVERVIEW

IN THOUSANDS OF EUR	LAND AND BUILDINGS	PLANT, MACHINERY AND EQUIPMENT	FURNITURE, OFFICE EQUIPMENT AND VEHICLES	ASSETS UNDER CONSTRUCTION	RIGHT-OF-USE ASSETS	TOTAL
Acquisition cost	209,647	369,907	25,014	108,403	23,098	736,069
Accumulated depreciation and impairment losses	(60,412)	(223,201)	(17,256)	-	(6,957)	(307,826)
CARRYING AMOUNT AS AT JANUARY 1, 2023	**149,235**	**146,705**	**7,758**	**108,403**	**16,142**	**428,243**
Acquisitions	13,248	26,820	1,092	36,432	7,835	85,427
Disposals	(885)	(77)	(4)	(52)	(193)	(1,211)
Depreciation expense	(6,782)	(17,954)	(1,761)	-	(5,085)	(31,583)
Transfers from one heading to another	42,729	54,275	227	(97,417)	-	(185)
Effect of movements in foreign exchange rates	(3,355)	(1,832)	(53)	(1,109)	(31)	(6,380)
CARRYING AMOUNT AS AT DECEMBER 31, 2023	**194,190**	**207,937**	**7,259**	**46,257**	**18,667**	**474,311**
Acquisition cost	260,318	439,530	20,307	46,257	28,181	794,593
Accumulated depreciation and impairment losses	(66,128)	(231,593)	(13,048)	-	(9,514)	(320,283)
Acquisitions	7,823	15,033	1,425	95,171	6,255	125,707
Disposals	(59)	(54)	-	-	(188)	(301)
Depreciation expense	(7,229)	(20,056)	(1,905)	-	(6,137)	(35,328)
Transfers from one heading to another	2,330	16,142	608	(19,340)	-	(260)
Effect of movements in foreign exchange rates	5,058	4,098	67	6,662	391	16,275
CARRYING AMOUNT AS AT DECEMBER 31, 2024	**202,112**	**223,100**	**7,453**	**128,751**	**18,989**	**580,404**
Acquisition cost	274,544	460,651	21,252	128,751	32,149	917,347
Accumulated depreciation and impairment losses	(72,432)	(237,551)	(13,799)	-	(13,161)	(336,943)

In 2024, an amount of EUR 119,452 thousands has been invested in property, plant and equipment. Lotus Bakeries is currently further investing in Thailand (Chonburi) in the greenfield production facility for Lotus® Biscoff® to further support its growth ambition in the Asia-Pacific region. The greenfield is anticipated to be completed in the second quarter of 2026. Furthermore, Lotus Bakeries has continued to invest in capacity and sustainability of its plant in South Africa (Wolseley) to support further growth of its hero concepts BEAR and nākd

In 2023, an amount of EUR 77,592 thousands has been invested in property, plant and equipment. Lotus Bakeries has invested in Thailand (Chonburi) in a new greenfield production facility for Lotus® Biscoff® to further support its growth ambition in the Asia-Pacific region. The land was purchased in 2022 and the project team has completed the land levelling and groundworks. The building construction is ongoing. Furthermore, the Group has continued to invest in the Wolseley factory in South-Africa with an additional production facility for the production of the nākd® raw bars. The first commercial production took place in January 2024.

During 2024 and 2023, no government grants have been granted to the Group.

No pledges have been set on the items of property, plant and equipment.



15.3 RIGHT-OF-USE ASSETS

The carrying amount of the right-of-use assets arising from IFRS 16 – Leases is reconciled as follows:

IN THOUSANDS OF EUR	CARRYING AMOUNT AS AT JANUARY 1, 2024	NEW LEASES	DEPRECIATIONS	OTHER MOVEMENTS	CARRYING AMOUNT AS AT DECEMBER 31, 2024
Land and buildings	11,436	1,152	(2,558)	375	**10,406**
Plant, machinery and equipment	290	357	(98)	3	**551**
Furniture, office equipment and vehicles	6,942	4,746	(3,481)	(175)	**8,031**
TOTAL RIGHT-OF-USE ASSETS	**18,667**	**6,255**	**(6,137)**	**202**	**18,989**

IN THOUSANDS OF EUR	CARRYING AMOUNT AS AT JANUARY 1, 2023	NEW LEASES	DEPRECIATIONS	OTHER MOVEMENTS	CARRYING AMOUNT AS AT DECEMBER 31, 2023
Land and buildings	11,766	2,091	(2,374)	(48)	**11,436**
Plant, machinery and equipment	223	136	(69)	-	**290**
Furniture, office equipment and vehicles	4,153	5,608	(2,643)	(177)	**6,942**
TOTAL RIGHT-OF-USE ASSETS	**16,142**	**7,835**	**(5,085)**	**(225)**	**18,667**

In 2024 and in 2023, additional right-of-use assets relate mainly to the lease of vehicles (transition to electric company cars).

16. INVESTMENTS IN OTHER COMPANIES

In 2019, Lotus Bakeries created the corporate venture fund FF2032, establishing a platform for investment in promising brands and growth companies offering innovative products, technologies or market approaches within the food sector.

Considering that these investments do not provide the Group any control or significant influence, the investments are valued at fair value. An irrevocable election has been made at initial recognition to measure the investments subsequently at fair value through other comprehensive income (FVTOCI), with dividend income recognised in the statement of profit or loss. Investments for which no fair value can be determined reliably, are recognised at historical cost and are reviewed on a regular basis for impairment.

The Group, through its subsidiary FF2032, has minority shares in:

- Love Brands Inc., an American company which markets delicious crunchy corn snacks under the LOVE Corn name.
- Partake Foods, operating in the American market with cookies free from the top eight allergens.
- Oot Granola, a Dutch brand which markets fresh, organic and gluten-free granola that are low in sugars. Oot Granola has a pure online 'direct-to-consumer' concept.
- The Good Crisp Company, an American company which produces natural, gluten-free chips, completely free of artificial flavourings and colorants.
- IQBAR, an American company manufacturing a set of plant-based nutritional bars that contain six brain nutrients and that tick all the boxes in terms of nutritional profile.
- Aura Bora, a US company which produces natural zero calorie sparkling water infused with real herbs, fruits and flowers.
- Fit Joy, a US company manufacturing grain-free pretzels. Their products are vegan, dairy-, gluten-, nut-free, and non-GMO.

In 2024, the Group invested in Lovebiotics, an American company which produces probiotic coconut yoghurt.

17. INVENTORIES

17.1 ACCOUNTING POLICY

Inventories are measured at the lower of cost and net realisable value.

For raw materials, consumables and goods for resale, cost is measured at the purchase price on a FIFO basis.

The cost of finished products is the standard manufacturing cost price. This includes, in addition to direct production and material costs, a proportional part of the fixed and variable overhead costs based on the normal production capacity.

The net realisable value is defined as the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

17.2 OVERVIEW

IN THOUSANDS OF EUR	DECEMBER 31, 2024	DECEMBER 31, 2023
Raw materials and consumables	22,833	20,412
Work in progress	3,724	3,912
Goods for resale and finished goods	63,917	52,581
TOTAL INVENTORIES	**90,473**	**76,906**

Write-down on inventories of EUR 3,266 thousands (2023: EUR 2,673 thousands) relate mainly to finished products (2024: EUR 1,681 thousands; 2023: EUR 1,009 thousands), goods for resale (2024: EUR 613 thousands; 2023: EUR 625 thousands), raw materials (2024: EUR 344 thousands; 2023: EUR 534 thousands) and packaging material (2024: EUR 628 thousands; 2023: EUR 494 thousands).

18. TRADE AND OTHER RECEIVABLES

IN THOUSANDS OF EUR	DECEMBER 31, 2024	DECEMBER 31, 2023
Trade receivables	152,487	142,762
Less allowance for impairment of trade receivables	(1,286)	(1,294)
Trade receivables - net	**151,201**	**141,468**
VAT receivables	15,098	10,049
Other amounts receivable	213	527
Other receivables	**15,311**	**10,576**
TOTAL TRADE AND OTHER RECEIVABLES	**166,511**	**152,044**

The trade receivables represent an average of 48 days of customer credit (2023: 46 days).

With regard to trade receivables there are no indications that debtors will not meet their payment obligations. Nor are there any customers representing more than 10% of the consolidated revenue. IFRS 9 requires the company to recognise an allowance for expected losses on the recovery of trade receivables. This has no material impact.

More information regarding the credit risk is disclosed in note 26.

Movements on valuation for impairment of trade receivables are as follows:

IN THOUSANDS OF EUR	DECEMBER 31, 2024	DECEMBER 31, 2023
Opening balance	**1,294**	**803**
Allowances recognised	(24)	531
Amounts written off during the year as uncollectible	-	(51)
Effect of movements in foreign exchange rates	16	12
TOTAL ALLOWANCE FOR IMPAIRMENT OF TRADE RECEIVABLES	**1,286**	**1,294**

19. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, bank balances (current and deposit accounts) and other short-term highly liquid investments with maturities since acquisition date of three months or less.

IN THOUSANDS OF EUR	DECEMBER 31, 2024	DECEMBER 31, 2023
Short-term bank deposits	40,109	71,135
Cash at bank and on hand	58,205	60,096
TOTAL CASH AND CASH EQUIVALENTS	**98,314**	**131,231**

For the cash flow statement, cash and cash equivalents include cash and bank balances and term deposits. Any negative cash is included under non-current interest-bearing liabilities in the statement of financial position.

20. OTHER ASSETS

The other non-current and current assets include mainly cash guarantees and deferred charges relating to the operational activities of the Group.

21. EQUITY

21.1 ACCOUNTING POLICY

Ordinary shares are classified as equity. Where any Group company purchases the company's equity share capital (treasury shares), the consideration paid is deducted from equity attributable to owners of the company until the shares are cancelled or reissued. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Dividends payable to shareholders of the company are recognised as a liability in the statement of financial position in the period in which the dividends are approved by the shareholders of the company.

21.2 SHARE CAPITAL

All shares are ordinary shares, registered or dematerialised. The ordinary share capital of the company issued and full paid consists of 816,013 shares (2023: 816,013 shares), of which 3,547 treasury shares (2023: 4,313 treasury shares).

The treasury shares have been purchased as part of the share option plans mentioned below.

The following table presents the number of shares outstanding:

NUMBER OF SHARES	SHARES ISSUED	TREASURY SHARES	OUTSTANDING SHARES
As at January 1, 2023	**816,013**	**(5,072)**	**810,941**
Treasury shares delivered for share option plans	-	1,238	1,238
Purchase/sale of treasury shares	-	(479)	(479)
As at December 31, 2023	**816,013**	**(4,313)**	**811,700**
Treasury shares delivered for share option plans	-	766	766
Purchase/sale of treasury shares	-	-	-
AS AT DECEMBER 31, 2024	**816,013**	**(3,547)**	**812,466**

Further details of the shareholding structure of Lotus Bakeries NV as of December 31, 2024 are disclosed in the Corporate Governance Statement in chapter 5.

21.3 CAPITAL RISK MANAGEMENT

The objective of Lotus Bakeries is to ensure that the Group can continue to operate as a going concern in order to generate a return for shareholders and provide benefits for other stakeholders. Furthermore, the Group aims for a capital structure (balance between debt and equity) that gives it the required financial flexibility to implement its growth strategy. The aim is to maintain the ratio of net financial debt (defined as interest-bearing liabilities minus cash and cash equivalents and term deposits minus treasury shares, and are reported excluding the 'lease liabilities') to underlying operating cash flow (EBITDA(u)) at what is considered as a reasonable level in the financial market.

21.4 SHARE-BASED PAYMENTS

21.4.1 Accounting policy

The stock option plan allows employees to acquire shares in the company at relatively advantageous conditions. The stock option plan is accounted for as equity-settled share-based payments. The exercise price of the option is equal to the average stock market closing price of the Lotus Bakeries share during the thirty calendar days preceding the date of offering. A personnel cost is recognised for options granted to employees as part of the stock option plan. The cost is determined based on the fair value of the stock options on the grant date and, together with an equal increase in equity, is recognised over the vesting period, ending on the date when the employees receive full right to the options. When the options are exercised, the proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

21.4.2 Overview

Since 2012, each financial year the Board of Directors grants stock options to executives and senior management, based on category, results and performance. In accordance with the terms of the plan, as approved by shareholders, employees may be granted options to purchase ordinary shares at an exercise price as mentioned below.

Each option gives the holder the right to purchase one ordinary Lotus Bakeries share at a fixed exercise price. The exercise price is equal to the average closing stock market price of the underlying share during the thirty calendar days prior to the offering date. The granted options have a term of five years. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The stock options are only subject to services conditions so that it will vest gradually over the vesting period, i.e. three years. The options are exercisable if the option holder remains linked to the company or a related entity as an employee or executive director. These rights are retained in the event of retirement, early retirement, invalidity or death.

The stock option plans are considered equity-settled share-based payments.

The fair value of the options is estimated at the grant date, using the binomial valuation model. This valuation model is based on the following market data and assumptions: the share price at the time of allotment, the exercise price, the exercise arrangements, the estimated volatility, the dividend expectations and the risk-free interest rate. The fair value of the share options is recognised linearly over the vesting period.



The following table details the different plans granted and the assumptions used for the measurement of the fair value:

GRANTED IN	2019	2020	2021	2022	2023	2024
Number granted	1,199	962	660	792	618	-
Number exercised	(1,149)	(457)	(33)	-	-	-
Number expired	(50)	(40)	(26)	-	-	-
Available options	**-**	**465**	**601**	**792**	**618**	**-**
Key assumptions used for the measurement of the fair value						
Exercise period	01/01/2023 - 09/05/2024	01/01/2024 - 07/05/2025	01/01/2025 - 17/05/2026	01/01/2026 - 30/06/2027	01/01/2027 - 31/05/2028	
Exercise price (EUR)	2,351.58	2,828.95	4,517.14	5,057.32	6,086.36	-
Share price (EUR)	2,330.00	2,890.00	4,630.00	4,868.81	5,990.00	-
Expected volatility	23.14%	25.07%	23.69%	25.39%	26.23%	-
Dividend yield	0.92%	0.95%	0.94%	0.97%	0.95%	-
Risk-free rate	-0.29%	-0.36%	-0.34%	0.82%	2.57%	-
FAIR VALUE PER OPTION (EUR)	**331.55**	**471.65**	**720.51**	**790.38**	**1,167.59**	

The volatility is based on daily share prices of Lotus Bakeries over the last three years.

The following reconciles the options outstanding at the beginning and end of the year:

	WEIGHTED AVERAGE EXERCISE PRICE (EUR)	NUMBER OF OPTIONS
Outstanding options at January 1, 2023	**3,398**	**3,695**
Granted	6,086	618
Exercised	2,358	(1,192)
Expired	-	-
Outstanding options at December 31, 2023	**4,328**	**3,121**
Granted	-	-
Exercised	2,653	(645)
Expired	-	-
OUTSTANDING OPTIONS AT DECEMBER 31, 2024	**4,765**	**2,476**

In 2024, a total expense of EUR 942 thousands was recognised (2023: EUR 470 thousands).

21.5 DIVIDENDS

The dividend related to 2023 was paid in 2024, in accordance with the decision taken at the Ordinary General Meeting of Shareholders of May 14, 2024. The shareholders approved a gross dividend of EUR 58 per share, resulting in a total dividend of EUR 47,329 thousands.

The Board of Directors will propose to the Ordinary General Meeting of Shareholders of May 13, 2025 to pay a gross dividend of EUR 76 per share for 2024. This amount is not recognised as a debt at closing date.

22. INTEREST-BEARING LIABILITIES

IN THOUSANDS OF EUR	DECEMBER 31, 2024	DECEMBER 31, 2023
Bank loans	166,000	261,000
Lease liabilities	14,501	14,834
Non-current interest-bearing liabilities	**180,501**	**275,834**
Bank loans	95,000	9,500
Lease liabilities	5,810	5,157
Current interest-bearing liabilities	**100,810**	**14,657**
TOTAL INTEREST-BEARING LIABILITIES	**281,311**	**290,491**
of which bank loans	261,000	270,500
of which lease liabilities	20,311	19,991

All bank loans are denominated in EUR. These loans bear a fixed interest rate. The weighted average interest rate is 1.28% (2023: 1.26%).

In the second half of 2024, Lotus Bakeries anticipated the refinancing of an important amount of bank debts due for repayment in 2025 and 2026. To that end, new bilateral financing agreements were concluded with the three house banks KBC, BNP Paribas Fortis and Belfius for a total amount of EUR 225 million, the majority of which are bullet loans with fixed interest rates. The maturities are long term and up to 7 years until 2033. The funds will be taken up in the next 12 months. Next to the refinancing of debt, the new financing also supports the ongoing capacity investment programme.

The lease liabilities mainly relate to the lease of company cars and office buildings (see also note 15).

The following tables reconcile the movements of the interest-bearing liabilities to the cash flows arising from financing activities:

			NON-CASH MOVEMENTS				
IN THOUSANDS OF EUR	**AS AT JANUARY 1, 2024**	CASH FLOWS	NEW LEASES AND LEASE MODIFICATIONS	EXCHANGE DIFFERENCES	RECLASSES	OTHER	**AS AT DECEMBER 31, 2024**
Non-current interest-bearing liabilities							
Bank loans	261,000	-	-	-	(95,000)	-	166,000
Lease liabilities	14,834	-	6,244	366	(6,752)	(191)	14,501
Current interest-bearing liabilities							
Bank loans	9,500	(9,500)	-	-	95,000	-	95,000
Lease liabilities	5,157	(6,831)	-	92	6,752	639	5,810
TOTAL LIABILITIES FROM FINANCING ACTIVITIES	**290,491**	**(16,331)**	**6,244**	**459**	**-**	**448**	**281,311**

			NON-CASH MOVEMENTS				
IN THOUSANDS OF EUR	**AS AT JANUARY 1, 2023**	CASH FLOWS	NEW LEASES AND LEASE MODIFICATIONS	EXCHANGE DIFFERENCES	RECLASSES	OTHER	**AS AT DECEMBER 31, 2023**
Non-current interest-bearing liabilities							
Bank loans	182,500	88,000	-	-	(9,500)	-	261,000
Lease liabilities	13,566	(208)	7,852	20	(5,883)	(512)	14,834
Current interest-bearing liabilities							
Bank loans	66,000	(66,000)	-	-	9,500	-	9,500
Lease liabilities	4,178	(5,282)	-	(32)	5,883	410	5,157
TOTAL LIABILITIES FROM FINANCING ACTIVITIES	**266,244**	**16,510**	**7,852**	**(12)**	**-**	**(102)**	**290,491**

23. EMPLOYEE BENEFIT OBLIGATIONS

23.1 ACCOUNTING POLICY

Short-term employee benefits

Bonuses for employees and management are calculated based on key financial objectives and individual objectives. The estimated amount of the bonuses is recognised as an expense in the period in which the related services have been rendered based on an estimate on the reporting date.

Post-employment benefits (pension plans)

Group companies operate various pension schemes. The Group has both defined benefit and defined contribution plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due.

In addition, there are also defined benefit pension plans in certain subsidiaries of the Group (mainly Germany, the Netherlands and France). Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

For the defined benefit pension plans, the liability is measured at the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Defined benefit costs are divided into 2 categories:

- Current service cost, past-service cost, gains and losses on curtailments and settlements;
- Net interest expense or income.

The current and past service cost, the net interest expense, the remeasurement of other long-term personnel expenses, administrative expenses and taxes for the reporting period are included in the personnel expenses in the statement of profit or loss. The remeasurement on the net defined benefit liability as a consequence of actuarial gains or losses is included in other comprehensive income.

23.2 OVERVIEW

The Group operates defined contribution plans and defined benefit plans.

For the defined contribution plans, the Group pays contributions to insurance companies. Management of the pension plan is outsourced to an insurance company. For 2024, the expense amounts to EUR 4,059 thousands compared to EUR 3,628 thousands for 2023 (see also note 6 on employee benefit expenses). The Group has no further obligations next to these contributions.

In the consolidated statement of financial position, the employee benefit liabilities consist of the following items:

IN THOUSANDS OF EUR	DEC. 31, 2024	DEC. 31, 2023
Non-current employee benefit obligations	4,901	4,183
Current employee benefit obligations	463	335
TOTAL EMPLOYEE BENEFIT OBLIGATIONS	**5,364**	**4,518**
of which post-employment benefits	5,364	4,518
of which termination benefits	-	-

The post-employment benefits are defined benefit pension plans granted by the Group in the Netherlands, France, Germany and Switzerland.

Furthermore, as a result of the Belgian legislation applicable to pension plans (so-called 'Law Vandenbroucke'), all Belgian defined contribution plans have to be considered under IFRS as defined benefit plans. This 'Law Vandenbroucke', which came into force in 2004, states that in the context of defined contribution plans, the employer must guarantee a minimum return of 3.75% on employee contributions and 3.25% on employer contributions. As from January 1, 2016, these percentages have been reviewed and adjusted to a single rate which varies with the market rates, subject to a minimum of 1.75% and a maximum of 3.75%, reducing the risk for the employer. Because of this minimum guaranteed return for defined contribution plans in Belgium, the employer is exposed to a financial risk (there is a legal obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods). These plans should therefore be classified and accounted for as defined benefit plans under IAS 19.

The following tables reconcile the amounts recognised in the statement of financial position, the statement of profit or loss and the statement of comprehensive income:

IN THOUSANDS OF EUR	2024	2023
Defined benefit obligation	12,933	11,373
Fair value of plan assets	(7,569)	(6,854)
TOTAL POST-EMPLOYMENT OBLIGATIONS (FUNDED STATUS)	**5,364**	**4,518**
Current service cost	495	311
Past service cost	-	-
Service cost recognised as part of employee benefit expenses	**495**	**311**
Net interest expenses on post-employment liabilities	145	123
Total defined benefit cost (statement of profit or loss)	**640**	**434**
Remeasurements of defined benefit plans (other comprehensive income)	**731**	**333**

The following table reconciles the post-employment obligations:

IN THOUSANDS OF EUR	2024	2023
Net liability as at January 1	**4,518**	**4,642**
Service cost	495	311
Net interest expense	145	123
Remeasurements of defined benefit plans	731	333
Employer contributions	(525)	(891)
NET LIABILITY AS AT DECEMBER 31	**5,364**	**4,518**

For the defined benefit pension plan, the liabilities are measured on a discounted basis because they are settled many years after the employees render the related service.
A qualified actuary has determined the present value of the defined benefit obligations and the fair value of the plan assets. These assets are held by an insurance company.
The projected unit credit method was used to estimate the defined benefit obligations, the defined benefit cost and the remeasurements of the net liability. Provisions are determined by computing the actuarial value of future payments to the employees in question.

The plan assets consist of insurance contracts. The actual return on plan assets amounted to EUR -123 thousands for 2024 (2023: EUR -239 thousands).

Expected contributions to post-employment benefit plans for the year ending December 31, 2025 are EUR 559 thousands.

The principal assumptions used in determining post-employment obligations for the Group's plans are shown below:

DECEMBER 31, 2024	BELGIUM	THE NETHERLANDS	FRANCE	GERMANY	SWITZERLAND
Discount rate	2.95%	3.50%	2.95%	3.20%	1.07%
Inflation rate	2.00%	1.50%	2.00%	2.00%	1.50%

DECEMBER 31, 2023	BELGIUM	THE NETHERLANDS	FRANCE	GERMANY	SWITZERLAND
Discount rate	3.90%	4.00%	3.90%	3.20%	2.00%
Inflation rate	2.10%	1.50%	2.10%	2.20%	2.00%

Through its defined benefit plans, the Group is exposed to a number of risks, the most relevant are detailed below:

- Changes in bond yields: a decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's bond holdings.
- Salary risk: the majority of the plan's benefit obligations are calculated by reference to the future salaries of plan members. As such, a higher-than-expected salary increase of plan members will lead to higher liabilities.
- Longevity risk: pension plans provide for benefits for the life of the plan members, so increases in life expectancy will result in an increase in the plan's liabilities.

The actuary has performed a sensitivity analysis on the above actuarial assumptions. As such, both the discount rate and the inflation rate were altered by 50 basis points. A change in the estimates used does not lead to a material impact on the Consolidated Financial Statements.

24. TRADE AND OTHER PAYABLES

IN THOUSANDS OF EUR	DECEMBER 31, 2024	DECEMBER 31, 2023
Trade payables	**172,664**	**163,411**
Employee benefit liabilities	41,200	38,026
VAT payables	1,640	1,498
Other payables	751	2,175
Other payables	**43,592**	**41,698**
TOTAL TRADE AND OTHER PAYABLES	**216,256**	**205,110**

25. OTHER LIABILITIES

The other non-current liabilities relate to put options granted to third parties with respect to the remaining non-controlling interests in Natural Balance Foods Ltd., where these put options give holders the right to sell (part of) their investment in this subsidiary. At the end of December 2024, Lotus Bakeries held 97.9% of the shares, with the remaining 2.1% still held by the founders.

These put options are unconditional and the exercise price depends on the future financial performance (revenue and operating result) of Natural Balance Foods Ltd. In accordance with IAS 32, where non-controlling interests hold put options giving them the right to sell their investment, a financial liability is recorded for the present value of the exercise price expected to be paid. These put options are classified as level 3 instruments in accordance with the fair value hierarchy of IFRS 7 – *Financial Instruments*: *Disclosures*.

The counterpart of this liability is a cancellation of the underlying non-controlling interest. The difference between the value of the non-controlling interest and the fair value of the liability is added to the consolidated reserves, which are included in shareholders' equity.

The other current liabilities include mainly accrued expenses and deferred income.

26. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

26.1 ACCOUNTING POLICY RELATING TO FINANCIAL ASSETS

The Group classifies its financial assets in the following categories: financial assets at fair value and financial assets at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition.

Regular purchases and sales of financial assets are recognised on the trade date – the date on which the Group commits to purchase or sell an asset.

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 financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets at amortised cost

Financial assets (such as loans, trade receivables, other financial assets, cash and cash equivalents) are subsequently measured at amortised cost using the effective interest method, less any impairment if they are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest.

Other financial assets include term deposits with an original maturity exceeding three months.

Trade and other receivables after and within one year are recognised initially at fair value and subsequently measured at amortised cost, i.e. at the net present value of the receivable amount, using the effective interest rate method, less allowances for impairment.

The Group assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortised cost. For trade receivables, the Group applies the simplified approach in accordance with IFRS 9 – Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The amount of the allowance is deducted from the carrying amount of the asset and is recognised in the statement of profit or loss under "Impairment on inventories and trade receivables".

Financial assets at fair value

Financial assets at fair value consist of equity instruments held in companies in which the Group does not exercise control nor significant influence.

An irrevocable election can be made at initial recognition to measure the investment subsequently at fair value through other comprehensive income (FVTOCI), with dividend income recognised in the statement of profit or loss. This classification is determined on an instrument-by-instrument basis. As such, changes in fair value are directly recognised in a separate component of other comprehensive income. For listed companies, the share price is the best estimate of the fair value. Investments for which no fair value can be determined, are recognised at historical cost.

The Group assesses at each reporting date whether there is objective evidence that the asset is impaired. Objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost.

26.2 ACCOUNTING POLICY RELATING TO FINANCIAL LIABILITIES

Financial liabilities (including interest-bearing financial liabilities, trade payables and other financial liabilities) are classified at amortised cost, except for derivative instruments. However, currently, the Group does not hold any derivative positions.

Interest-bearing financial liabilities are initially recognised at fair value less direct attributable transaction costs. After initial recognition, the interest-bearing financial liabilities are recognised at the amortised cost price based on the effective interest rate method.

Trade payables and other debts are recognised at their nominal value. A financial obligation is derecognised once the obligation is fulfilled, settled or lapsed.

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

26.3 OVERVIEW OF FINANCIAL INSTRUMENTS

The table below summarises all financial instruments by category in accordance with IFRS 9:

IN THOUSANDS OF EUR	IFRS 9 CATEGORY	DECEMBER 31, 2024	DECEMBER 31, 2023
Non-current financial assets		**28,798**	**27,504**
Investments in other companies	At fair value through OCI	28,798	27,504
Current financial assets		**285,428**	**272,699**
Trade receivables	At amortised cost	151,201	141,468
Other financial assets	At amortised cost	35,914	-
Cash and cash equivalents	At amortised cost	98,314	131,231
TOTAL FINANCIAL ASSETS		**314,226**	**300,203**
Current financial liabilities		**182,388**	**277,635**
Interest-bearing liabilities	At amortised cost	180,501	275,834
Other non-current liabilities	At fair value through P&L	1,887	1,801
Current financial liabilities		**273,474**	**178,068**
Interest-bearing liabilities	At amortised cost	100,810	14,657
Trade payables	At amortised cost	172,664	163,411
TOTAL FINANCIAL LIABILITIES		**455,863**	**455,703**

The fair value of the financial assets and liabilities measured at amortised cost approximate their carrying amount.

The financial instruments measured at fair value are grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include input for the asset or liability that are not based on observable market data (unobservable input).

The fair values of the derivatives of the Group are based on level 2 inputs as defined under IFRS 7.27.

The fair value of the other non-current liabilities (put options, see note 25) is based on level 3 input.

No transfers between the different fair value hierarchy levels took place in 2024 and 2023.

26.4 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk.

Currency risk

The functional currency of the company is EUR, which is also the Group’s reporting currency. Translation gains or losses that result from remeasuring foreign subsidiaries’ local currencies to EUR are recorded in other comprehensive income. Foreign currency transactions resulting in gains or losses are recorded in the consolidated statement of profit or loss.

As the Group is operating in various jurisdiction with different currencies, the Group is subject to foreign currency risks. The main foreign currency transactions (mainly sales and purchase transactions) take place in USD, GBP, THB, SEK, ZAR, CNY, KRW, CZK and CHF. The Group did not enter into any currency hedging arrangements in order to cover this risk.

The Group actively monitors its transactional currency exposures and consequently takes actions to mitigate any risks related to the outstanding foreign currency positions.

The following table presents the carrying amounts of the Group's main foreign currency denominated monetary assets and monetary liabilities at the end of 2024:

IN THOUSANDS OF EUR	ASSETS	LIABILITIES
EUR	604,904	(832,565)
USD	193,049	(171,356)
GBP	64,791	(42,923)
THB	36,395	(37,973)
ZAR	12,167	(11,870)
CNY	6,971	(1,664)
KRW	2,856	(139)
SEK	2,029	(2,941)
CHF	1,784	(40)
CZK	1,195	(714)

Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

As the Group only has fixed rate financial instruments at year-end 2024, it considers this risk to be limited and therefore no sensitivity analysis has been prepared.

Commodity price risk

Commodity price risk arises from transactions to purchase raw materials and energy on the market. The risk relates to the exposure of the Group to fluctuations in the prices of commodities which are necessary for the manufacturing of products.

To mitigate the risk of unfavourable price evolutions, the Group enters into forward agreements with fixed prices for the key commodities (executory contracts) and closely monitors the price trends on the market.

At year-end 2024, the Group did not enter into any hedging arrangements in order to cover this risk.

Credit risk

Credit risk is the risk that one party to an agreement will cause a financial loss to another party by failing to discharge its obligation. Credit risk covers trade receivables, cash and cash equivalents, short-term deposits and other financial assets.

The credit risk is managed on a group basis. It is the Group’s policy to deal with creditworthy partners to avoid significant risk exposure.

The Group has a diversified international customer portfolio, consisting mainly of large retail, cash-and-carry and foodservice companies in various countries. For export outside Europe, the US, South Korea and China, the Group requires the use of letters of credits or credit insurance. Strict procedures and rules are in place to accurately monitor customers and mitigate and manage any potential risks as quickly and effectively as possible.

For trade receivables, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type).

Available liquidities are placed with several highly reputable financial institutions.

The maximum credit risk to which the Group is theoretically exposed as at the reporting date is the carrying amount of the financial assets.

Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Group's main sources of cash inflows are currently obtained through capital increases and external financing through bank loans from Belgian and international financial institutions.

The following table details the Group's remaining contractual maturity of its financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The table includes both interest and principal cash flows.

DECEMBER 31, 2024 IN THOUSANDS OF EUR	WITHIN ONE YEAR	>1 AND <5 YEARS	>5 YEARS
Bank loans	96,219	99,641	75,547
Lease liabilities	6,378	13,231	2,096

DECEMBER 31, 2023 IN THOUSANDS OF EUR	WITHIN ONE YEAR	>1 AND <5 YEARS	>5 YEARS
Bank loans	9,623	165,977	108,507
Lease liabilities	5,644	12,438	3,298

The unused committed credit lines amounted to EUR 375,100 thousands at year-end 2024 (2023: EUR 150,100 thousands).

27. RELATED PARTIES

A list of all Group companies is provided in note 32. Further details of the shareholding structure of Lotus Bakeries NV as at December 31, 2024 are disclosed in the Corporate Governance Statement in chapter 5.

Balances and transactions between Lotus Bakeries NV and its subsidiaries, which are related parties of the company, have been eliminated in consolidation and are not disclosed in this note.

Key management personnel is composed of all members of the Board of Directors and members of the Executive Committee. For information on the remuneration of the CEO, the remuneration of the executive managers and the remuneration of the board members in 2024, we refer to the remuneration report included in chapter 5.

Apart from the key management remuneration, no significant transactions occurred with related parties.

28. COMMITMENTS

Capital commitments

As at December 31, 2024, the Group has EUR 62,351 thousands of commitments (2023: EUR 74,760 thousands) for the acquisition of property, plant and equipment.

Contracts for raw materials and finished products

Purchased but not yet delivered raw materials and finished products in 2025 and 2026 are detailed below:

IN THOUSANDS OF EUR	2024	2023
Less than one year	173,234	156,499
More than one year and less than five years	21,074	28,085
TOTAL	**194,307**	**184,584**

Other rights and commitments

Bank guarantees as at December 31, 2024 amounted to EUR 1,732 thousands (2023: EUR 1,905 thousands).

Lotus Bakeries commits itself not to dispose of, mortgage or pledge any fixed assets without prior consultation with the credit-granting institutions. These assets serve as guarantee for the loans ('full negative pledge').

29. SUBSEQUENT EVENTS

No significant events have occurred since December 31, 2024 which would have a material impact on the 2024 financial statements.

30. MANAGEMENT RESPONSIBILITY STATEMENT

We hereby certify that, to the best of our knowledge, the Consolidated Financial Statements for the year ended December 31, 2024, which have been prepared in accordance with IFRS (International Financial Reporting Standards), give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the subsidiaries included in the consolidation as a whole, and that the Annual Report includes a fair review of the important events that have occurred during the year 2024 and of the major transactions with the related parties, and their impact on the Consolidated Financial Statements, together with a description of the principal risks and uncertainties with which the company is confronted.

Lembeke, March 25, 2025
On behalf of the Board of Directors

Jan Boone, CEO

31. AUDIT FEES

PwC Bedrijfsrevisoren BV, represented by Ms Lien Winne, certified auditor, was appointed as Auditor of Lotus Bakeries NV on May 13, 2022 by the Ordinary General Meeting of Shareholders for a term of three years. Its mandate expires immediately after the 2025 Ordinary General Meeting of Shareholders.

IN THOUSANDS OF EUR	2024	2023
Audit fees		
Lotus Bakeries NV	148	145
Lotus Bakeries Group	473	456
Additional services rendered by the Auditor or its related parties		
Other audit-related fees	213	131
Tax fees	17	38
Other non-audit fees	155	181
TOTAL	**1,006**	**951**

32. CONSOLIDATION SCOPE

NAME	ADDRESS	VAT OR NATIONAL NUMBER	2024 %	2023 %
Lotus Bakeries België NV	Gentstraat 52, 9971 Lembeke, BE	VAT BE 0421.694.038	100.00	100.00
Interwaffles SA	Rue de Liège 39, 6180 Courcelles, BE	VAT BE 0439.312.406	100.00	100.00
Lotus Bakeries Corporate NV	Gentstraat 1, 9971 Lembeke, BE	VAT BE 0881.664.870	100.00	100.00
Lotus Bakeries NV	Gentstraat 1, 9971 Lembeke, BE	VAT BE 0401.030.860	100.00	100.00
Cremers-Ribert NV	Gentstraat 52, 9971 Lembeke, BE	VAT BE 0427.808.008	100.00	100.00
Biscuiterie Willems BV	Nieuwendorpe 33 Bus C, 9900 Eeklo, BE	VAT BE 0401.006.413	100.00	100.00
Lotus Bakeries France SAS	Place du Château 9 bis, 59560 Comines, F	VAT FR93 320 509 755	100.00	100.00
Biscuiterie Vander SAS	Place du Château 9 bis, 59560 Comines, F	VAT FR28 472 500 941	100.00	100.00
Biscuiterie Le Glazik SAS	815 Avenue du Pays Glazik, 29510 Briec-de-l'Odet, F	VAT FR95 377 380 985	100.00	100.00
Enkhuizer Koekfabriek BV	Oosterdijk 3e, 1601 DA Enkhuizen, NL	VAT NL823011112B01	100.00	100.00
Koninklijke Peijnenburg BV	Nieuwendijk 45, 5664 HB Geldrop, NL	VAT NL003897187B01	100.00	100.00
Peijnenburg's Koekfabrieken BV	Nieuwendijk 45, 5664 HB Geldrop, NL	VAT NL001351576B01	100.00	100.00
WK Koek Bakkerij BV	Streek 71, 8464 NE Sintjohannesga, NL	VAT NL006634151B01	100.00	100.00
WK Koek Beheer BV	Streek 71, 8464 NE Sintjohannesga, NL	VAT NL006634199B01	100.00	100.00
Lotus Bakeries Nederland BV	Nieuwendijk 45, 5664 HB Geldrop, NL	VAT NL004458953B01	100.00	100.00
Lotus Bakeries GmbH	Roßstraße 92, 40476 Dusseldorf, DE	VAT DE 811 842 770	100.00	100.00
Lotus Bakeries Réassurances SA	74, Rue de Merl, 2146 Luxembourg, L	R.C.S. Luxembourg B53262	100.00	100.00
Lotus Bakeries International und Schweiz AG	Neuhofstrasse 24, 6340 Baar, CH	VAT CHE-105.424.218	100.00	100.00
FF2032 AG	Neuhofstrasse 24, 6340 Baar, CH	VAT CHE-241.819.783	100.00	100.00
Lotus Bakeries CZ s.r.o.	Americká 415/36, 120 00 Praha 2, CZ	VAT CZ 271 447 55	100.00	100.00
Lotus Bakeries North America Inc.	1000 Sansome Street Suite 350, San Francisco, CA 94111-1323, USA	IRS 94-3124525	100.00	100.00
Lotus Bakeries US, LLC	2010 Park Center Drive, Mebane, NC 27302, USA	IRS 82-1300286	100.00	100.00
Lotus Bakeries US Manufacturing, LLC	2010 Park Center Drive, Mebane, NC 27302, USA	IRS 82-2542596	100.00	100.00
Lotus Bakeries Austria GmbH	Fleischmarkt 1/6/12, 1010 Wien, AT	VAT ATU72710827	100.00	100.00
Lotus Bakeries UK Ltd.	First Floor Premises, Whitecroft House, 51 Water Lane, Wilmslow, Cheshire SK9 5BQ, UK	VAT GB 896 168 761	100.00	100.00

NAME	ADDRESS	VAT OR NATIONAL NUMBER	2024 %	2023 %
Natural Balance Foods Ltd.	Second floor, 45 Grosvenor Road, St. Albans, AL1 3AW, UK	VAT GB 841 254 348	97.90	97.90
Urban Fresh Foods Ltd.	Second floor, 45 Grosvenor Road, St. Albans, AL1 3AW, UK	VAT GB 883 060 032	100.00	100.00
The Kids Food Company Ltd.	Second floor, 45 Grosvenor Road, St. Albans, AL1 3AW, UK	VAT GB 977 396 157	100.00	100.00
Peter's Yard Wholesale Ltd.	Second floor, 45 Grosvenor Road, St. Albans, AL1 3AW, UK	VAT GB 938 740 100	100.00	100.00
Lotus Bakeries Espana S.L.	C/ Severo Ochoa, 3, 2a Planta Oficina 8A, 28232 Las Rozas (Madrid), ES	VAT ESB80405137	100.00	100.00
AB Annas Pepparkakor	Radiovägen 23, SE 135 48 Tyresö, SE	VAT SE556149914501	100.00	100.00
Annas - Lotus Bakeries Holding AB	Radiovägen 23, SE 135 48 Tyresö, SE	Registration no. 556757-7241	100.00	100.00
Lotus Bakeries Asia Pacific Limited	5/F, Manulife, 348 Kwun Tong Road, Kowloon, HK	Inland Revenue Department file no. 22/51477387	100.00	100.00
Lotus Montréal Canada Inc.	1, Place Ville Marie, Bureau 3000, CA	1179981312	100.00	-
Lotus Bakeries China Ltd.	Room 01.02.06, Floor 15, No. 511 Weihai Road, Jing'an Disctrict, Shanghai 200041, P.R. CN	Registration no. 913100000781169357	100.00	100.00
Lotus Asia Pacific Management Services Ltd.	No. 725, S-Metro Building, 11th Floor, Unit No. 1102 Sukhumvit Road, Klongton Nua ub-Distrit, Wattana District, Bangkok 10110, TH	VAT 0105567212789	100.00	-
Lotus Bakeries Italia S.r.l.	Regus Dante Cairoli, Via Dante 16, Quartiere Castello, 20121 Milan, IT	VAT IT03029890211	100.00	100.00
Lotus Bakeries Japan G.K.	Regus Shiodome – office no. 1493F Shiodome Building1-2-20 Kaigan, Minato-Ku, JN	0104-03-030721	100.00	100.00
Lotus Bakeries Korea Co. Ltd.	4/F, AIA Tower, 16 Tongil-ro-2-gil, Jung-gu, Seoul 04511, KR	Registration no. 128-81-19621	100.00	100.00
Lotus South Africa Manufacturing Ltd.	Erf 4109 Voortrekker Road, Wolseley, Western Cape 6830, ZA	VAT 4190279762	100.00	100.00
Lotus Asia Pacific Manufacturing Ltd.	Summer Hill, Unit TT11, 3rd Floor, No. 1106 Sukhumvit Road, Phrakhanong Sub-district, Klongtoey District, Bangkok 10110, TH	VAT 0105565109964	100.00	100.00
Lotus Bakeries Australia PTY Ltd.	Regus Darling Park, Tower 2, Level 20 & 21, 201 Sussex Street Sydner NSW 2000, AU	665 233 545 (ACN) 44 665 233 545 (ABN)	100.00	100.00

33. ALTERNATIVE PERFORMANCE MEASURES

Underlying net result

The Underlying net result is determined by excluding the non-underlying items and the related tax effects from the net result. The Underlying net result is used as the basis for dividend distribution.

IN THOUSANDS OF EUR	2024	2023
Net result	**152,482**	**129,333**
Non-underlying items	5,165	2,544
Tax effect on non-underlying items	(1,358)	(558)
UNDERLYING NET RESULT	**156,289**	**131,319**

Underlying EBIT

EBIT(u) (Underlying operating result) is defined as the operating result after deducting the non-underlying items.

Underlying EBITDA

EBITDA(u) (Underlying operating cash flow) is defined as the EBIT(u) excluding depreciations and amortisation expenses, impairments on inventories and trade receivables and other non-cash costs.

IN THOUSANDS OF EUR	2024	2023
Operating result — EBIT	**201,463**	**170,430**
Non-underlying items	5,165	2,544
EBIT(u)	**206,629**	**172,974**
Depreciation and amortisation expenses	36,593	32,857
Impairment on inventories and trade receivables	(69)	1,226
Other	(7)	470
EBITDA(u)	**243,146**	**207,527**

Non-underlying items

Non-underlying items are those items that are considered by management not to relate to transactions, projects and adjustments to the value of assets and liabilities taking place in the ordinary course of activities of the company. Non-underlying items are presented separately, due to their size or nature, so as to allow users of the Consolidated Financial Statements of the company to get a better understanding of the normalised performance of the company. Non-underlying items relate to:

- expenses relating to business combinations and other acquisitions of investments;
- changes to the Group structure, including costs related to the liquidation of subsidiaries and the closure, opening or relocations of activities;
- impairment of assets and major litigations.

Net financial debt

Net financial debt is defined as interest-bearing liabilities (excluding lease liabilities recognised in accordance with IFRS 16) deducted with cash and cash equivalents, term deposits and treasury shares.

IN THOUSANDS OF EUR	2024	2023
Interest-bearing liabilities (note 22)	281,311	290,491
Minus lease liabilities recognised as a result of IFRS 16 (note 22)	(20,311)	(19,991)
Minus cash and cash equivalents (note 19)	(98,314)	(131,231)
Minus other financial assets (term deposits) (note 26)	(35,914)	-
Minus treasury shares (note 21)	(16,882)	(18,797)
NET FINANCIAL DEBT	**109,890**	**120,472**

CONDENSED STATUTORY FINANCIAL STATEMENTS – LOTUS BAKERIES NV

STATUTORY BALANCE SHEET

IN THOUSANDS OF EUR	DECEMBER 31, 2024	DECEMBER 31, 2023
ASSETS		
FIXED ASSETS	**681,524**	**650,648**
II. Intangible assets	-	-
IV. Financial fixed assets	681,524	650,648
CURRENT ASSETS	**18,620**	**28,341**
VII. Amounts receivable within one year		
A. Trade debtors	201	7,162
B. Other amounts receivable	1,239	2,035
VIII. Current investments		
A. Own shares	16,882	18,797
IX. Cash at bank and in hand	263	295
X. Deferred charges and accrued income	35	52
TOTAL ASSETS	**700,144**	**678,989**

IN THOUSANDS OF EUR	DECEMBER 31, 2024	DECEMBER 31, 2023
EQUITY AND LIABILITIES		
EQUITY	**184,006**	**206,748**
I. Contribution		
A. Share Capital	3,591	3,591
B. Share premium	12,797	12,797
III. Reserves		
A. Reserves not available	17,313	19,228
B. Untaxed reserves	545	545
C. Available reserves	149,760	170,587
PROVISIONS AND DEFERRED TAXES	**125**	**-**
VIII. Amounts payable after more than one year	**200,000**	**340,315**
A. Financial debts	200,000	340,315
IX. Amounts payable within one year	**316,013**	**131,926**
A. Current portion of amounts payable after more than one year	140,315	-
B. Financial debts	103,376	69,448
C. Trade debts	10,136	14,777
F. Other amounts payable	62,186	47,701
TOTAL EQUITY AND LIABILITIES	**700,144**	**678,989**

STATUTORY INCOME STATEMENT

IN THOUSANDS OF EUR	2024	2023
I. OPERATING INCOME	**31,361**	**26,199**
II. Operating charges		
B. Services and other goods	(21,928)	(19,452)
F. Provisions for risk and charges	(313)	-
G. Other operating charges	(107)	(185)
I. Non-recurring operating charges	-	-
III. OPERATING PROFIT	**9,013**	**6,562**
IV. Financial income		
A. Income from financial fixed assets	37,590	29,717
B. Income from current assets	7	20
C. Other financial income	608	275
D. Non-recurring financial income	-	-
V. Financial charges		
A. Debt charges	(7,888)	(8,512)
C. Other financial charges	(303)	(268)
D. Non-recurring financial charges	-	-
VI. RESULT FOR THE PERIOD BEFORE TAXES	39,027	27,794
VIII. Income taxes	-	13
NET RESULT	**39,027**	**27,807**

IN THOUSANDS OF EUR	2024	2023
Result allocation		
A. Profit to be appropriated		
1. Gain of the period available for appropriation	39,027	27,807
B. Withdrawals from capital and reserves		
2. From reserves	22,970	19,772
F. Profit to be distributed		
1. Dividends	(61,519)	(47,329)
2. Director's entitlements	(250)	(250)

ACCOUNTING PRINCIPLES

1. ASSETS

1.1. Formation expenses

Formation expenses are recorded at cost and depreciated at 100%.

1.2. Intangible fixed assets

Intangible fixed assets are recorded at purchase or transfer price. The amortisation percentages applied are:

› brands: 10%
› software: 33%

1.3. Financial fixed assets

Financial fixed assets are valued at acquisition price or contribution value without supplementary costs.

Reductions in value are applied where the estimated value of the financial fixed assets is less than the accounting value and where the loss of value so determined is of a lasting nature in the opinion of the Board of Directors.

The estimated value of the financial fixed assets is determined at the end of the accounting period based on the most recent available balance sheet and other relevant data.

Reductions in value are reversed, up to the amount of the previously recorded reductions in value, where the valuation at the closing date of the accounting period concerned significantly exceeds the previous valuation.

1.4. Receivables

The necessary reductions in value are applied to receivables, the collection of which is in doubt.

Receivables are recorded at their nominal value, less any credit notes remaining to be drawn up.

Receivables in foreign currencies are converted at the applicable exchange rate at balance sheet date.

Negative exchange rate differences arising from translation of non-EUR currencies are included in the income statement.

1.5. Investments and cash at bank and in hand

Treasury shares are valued at purchase price.

Cash at bank and in hand in foreign currency is converted at the applicable exchange rate at the reporting date.

Both the negative and the positive exchange rate differences are included in the income statement.

2. LIABILITIES

2.1. Provisions for liabilities and charges

Provisions are made for all normally foreseeable liabilities and charges.

2.2. Amounts payable within one year

Suppliers

Debts to suppliers are recorded at nominal value. Debts in foreign currencies are converted at the applicable rate at balance sheet date.

Exchange rate differences are processed in the same way as for foreign currency receivables.

3. ADDITIONAL DISCLOSURE

The company is part of a VAT unit that has been formed within the Group and to which the following companies belong:

- Lotus Bakeries NV;
- Lotus Bakeries België NV;
- Cremers-Ribert NV;
- Interwaffles SA;
- Lotus Bakeries Corporate NV;
- Biscuiterie Willems BV.

Consequently, the company is jointly and severally liable for the VAT debts of all the above companies.

RESULTS AND PROPOSAL FOR APPROPRIATION OF RESULTS

CONSOLIDATED

The consolidated net profit for 2024 amounted to EUR 152.5 million as compared to EUR 129.3 million in 2023.

STATUTORY

The 2024 results for the parent company Lotus Bakeries NV are as follows:

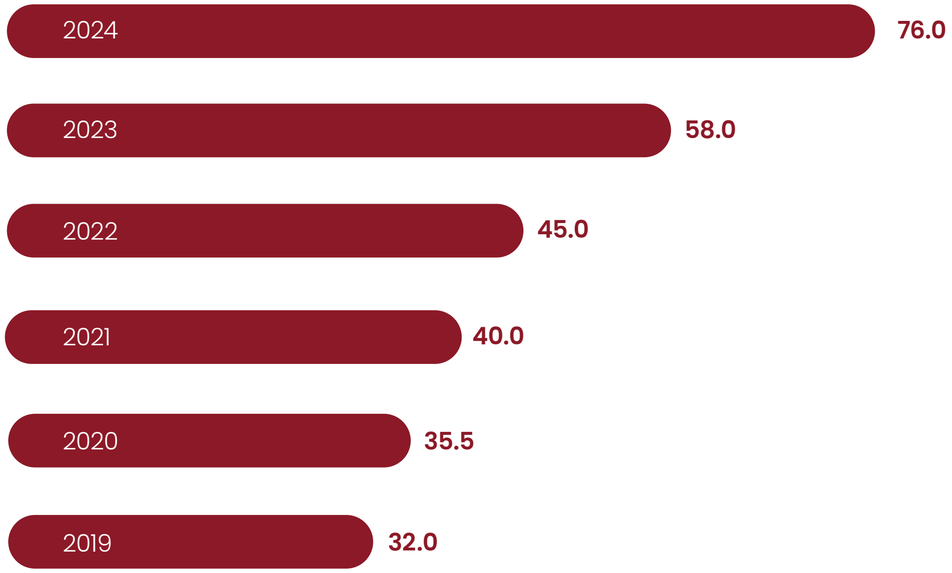
IN EUR	
Profit for the financial year	39,027,318
PROFIT FOR THE YEAR AVAILABLE FOR APPROPRIATION	**39,027,318**

The Board of Directors proposed to appropriate the profit as follows:

IN EUR	
Allocation to legal reserves	-
Transfer from reserves	(22,970,098)
Transfer to reserves	228,578
Distribution of a gross dividend	61,518,838
Distribution of emoluments to directors	250,000
TOTAL	**39,027,318**

The Board of Directors will propose at the Ordinary Shareholders Meeting of May 13, 2025 that a gross dividend of EUR 76 per share for 2024 be paid compared to EUR 58 per share in 2023. This maintains the dividend policy of recent years, whereby at least one third of the underlying net result is paid out.

GROSS DIVIDEND (IN EUR)



APPENDIX

STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING OF LOTUS BAKERIES NV ON THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2024

We present to you our statutory auditor's report in the context of our statutory audit of the consolidated accounts of Lotus Bakeries NV (the 'company"' and its subsidiaries (jointly 'the Group'). This report includes our report on the consolidated accounts, as well as the other legal and regulatory requirements. This forms part of an integrated whole and is indivisible.

We have been appointed as statutory auditor by the general meeting d.d. 13 May 2022, following the proposal formulated by the board of directors and following the recommendation by the audit committee. Our mandate will expire on the date of the general meeting which will deliberate on the annual accounts for the year ended 31 December 2024. We have performed the statutory audit of the Group's consolidated accounts for 18 consecutive years.

REPORT ON THE CONSOLIDATED ACCOUNTS

Unqualified opinion

We have performed the statutory audit of the Group's consolidated accounts, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and which is characterised by a consolidated statement of financial position total of EUR'000 1,392,183 and a net result for the year, attributable to equity holders of Lotus Bakeries, of EUR'000 152,577.

In our opinion, the consolidated accounts give a true and fair view of the Group's net equity and consolidated financial position as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with IFRS Accounting Standards, as adopted by the European Union (EU) and with the legal and regulatory requirements applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Furthermore, we have applied the International Standards on Auditing as approved by the IAASB which are applicable to the year-end and which are not yet approved at the national level. Our responsibilities under those standards are further described in the "Statutory auditor's responsibilities for the audit of the consolidated accounts" section of our report. We have fulfilled our ethical responsibilities in accordance with the ethical requirements that are relevant to our audit of the consolidated accounts in Belgium, including the requirements related to independence.

We have obtained from the board of directors and company officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have 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 accounts of the current period. These matters were addressed in the context of our audit of the consolidated accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment testing of goodwill and brands - Notes 13 and 14

Description of the Key Audit Matter

The carrying value of the Group's goodwill and brands amounts to EUR'000 230,070 and EUR'000 148,059 respectively at 31 December 2024.

These assets are subject to impairment testing on an annual basis or more frequently if there are indicators of impairment.

We consider this as most significant to our audit because the determination of whether or not an impairment charge is necessary involves significant judgement in estimating the future results of the business.

How our Audit addressed the Key Audit Matter

We evaluated the appropriateness of the Group's accounting policies and assessed compliance with the policies in accordance with IFRS.

We evaluated management's annual impairment testing and assessment of the indicators of impairment and challenged impairment calculations by assessing the future cash flow forecasts used in the models, and the process by which they were drawn up, including comparing them to the latest budgets approved by the board of directors and internal forecasts.

We understood and challenged:

- assumptions used in the Group's budget and internal forecasts and the long-term growth rates by comparing them to economic forecasts;
- the discount rate by assessing the cost of capital and other inputs including benchmarking with comparable organisations;
- the historical accuracy of budgets to actual results to determine whether cash flow forecasts are reliable based on past experience;
- the mechanics of the underlying calculations.

In performing the above work, we involved our internal valuation experts to provide challenge and external market data to assess the reasonableness of the assumptions used by management.

We evaluated the sensitivity analysis around the key drivers within the cash flow forecasts to ascertain the extent of change in those assumptions and also considered the likelihood of such a movement in those key assumptions arising.

Whilst recognizing that cash flow forecasting, impairment modelling and valuations are all inherently judgmental, we concluded that the assumptions used by management were within an acceptable range of reasonable estimates.

Revenue recognition relating to commercial arrangements – Note 4

Description of the key audit matter

As described in Note 4 Revenue, section 4.1 Accounting policy, the Group enters into commercial agreements with its customers whereby volume-related allowances, promotional and marketing allowances and various other fees and discounts are contractually agreed. The Group measures revenue, cost of services & other goods taken into consideration the estimated amount based on those contractual agreements and the specific classification criteria in accordance with IFRS.

Due to the nature of some arrangements, there is a risk that these arrangements are not appropriately accounted for and as a result revenue would be misstated.

We consider this as most significant to our audit because the assessment of customer allowances requires significant judgement from management concerning:

- the nature and level of fulfilment of the company's obligations under the contractual agreements;
- determination with respect to sales volumes to support the required provision to fulfil the current obligation towards the customers.

How our audit addressed the key audit matter

We evaluated the appropriateness of the Group's revenue recognition accounting policies, in particular those relating to volume rebates and promotional & marketing allowances and assessed compliance with the policies in accordance with IFRS.

We tested the effectiveness of the Group's controls over accounting for commercial arrangements and the accuracy of the contractual agreements registered in the accounting system.

In addition, we challenged management's assumptions used in determining the commercial accruals through discussions with management and performing specific substantive procedures including:

- a sample basis on which we agreed the recorded amounts to contractual evidence;
- inspecting supporting documentation for a sample of journals posted to revenue accounts;
- testing credit notes issued after period end to assess the completeness of the commercial accruals recorded;
- a run down on prior years' commercial accruals to evaluate the reliability of management's estimates.

Our procedures confirmed that management's assumptions and estimates in respect of accounting for commercial arrangements are appropriate in all material aspects.

Responsibilities of the board of directors for the preparation of the consolidated accounts

The board of directors is responsible for the preparation of consolidated accounts that give a true and fair view in accordance with IFRS Accounting Standards, as adopted by the European Union (EU) 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated accounts, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to 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 realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the consolidated accounts

Our objectives are to obtain reasonable assurance about whether the consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 ISAs 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 accounts.

In performing our audit, we comply with the legal, regulatory and normative framework applicable to the audit of the consolidated accounts in Belgium. A statutory audit does not provide any assurance as to the Group's future viability nor as to the efficiency or effectiveness of the board of directors' current or future business management at Group level. Our responsibilities in respect of the use of the going concern basis of accounting by the board of directors are described below.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated accounts, 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 error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.
- 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 board of directors' use of the going concern basis of accounting 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 accounts 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 accounts, including the disclosures, and whether the consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or 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, among 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated accounts of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes 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 accounts, including the sustainability information and the other information included in the annual report on the consolidated accounts.

Statutory auditor's responsibilities

In the context of our engagement and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, the directors' report on the consolidated accounts, and the other information included in the annual report on the consolidated accounts and to report on these matters.

Aspects related to the directors' report on the consolidated accounts and to the other information included in the annual report on the consolidated accounts

The director's report on the consolidated accounts includes the consolidated sustainability information that is the subject of our separate report, which contains an 'Unqualified conclusion' on the limited assurance with respect to this sustainability information. This section does not concern the assurance on the consolidated sustainability information included in the directors' report on the consolidated accounts.

In our opinion, after having performed specific procedures in relation to the directors' report on the consolidated accounts, this directors' report is consistent with the consolidated accounts for the year under audit and is prepared in accordance with article 3:32 of the Companies' and Associations' Code.

In the context of our audit of the consolidated accounts, we are also responsible for considering, in particular based on the knowledge acquired resulting from the audit, whether the directors' report on the consolidated accounts and the other information included in the annual report on the consolidated accounts, containing:

- Executive summary;
- Lotus Bakeries, nice to meet you;
- Our brand strategy;

is materially misstated or contains information which is inadequately disclosed or otherwise misleading. In light of the procedures we have performed, there are no material misstatements we have to report to you.

Statement related to independence

- Our registered audit firm and our network did not provide services which are incompatible with the statutory audit of the consolidated accounts, and our registered audit firm remained independent of the Group in the course of our mandate.
- The fees for additional services which are compatible with the statutory audit of the consolidated accounts referred to in article 3:65 of the Companies' and Associations' Code are correctly disclosed and itemized in the notes to the consolidated accounts.

European Uniform Electronic Format (ESEF)

We have also verified, in accordance with the draft standard on the verification of the compliance of annual report with the European Uniform Electronic Format (hereinafter "ESEF"), the compliance of the ESEF format with the regulatory technical standards established by the European Delegate Regulation No. 2019/815 of 17 December 2018 (hereinafter: "Delegated Regulation") and with the Royal Decree of 14 November 2007 concerning the obligations of issuers of financial instruments admitted to trading on a regulated market.

The board of directors is responsible for the preparation of an annual report, in accordance with ESEF requirements, including the consolidated accounts in the form of an electronic file in ESEF format (hereinafter "digital consolidated accounts").

Our responsibility is to obtain sufficient appropriate evidence to conclude that the format and marking language of the digital consolidated financial accounts comply in all material respects with the ESEF requirements under the Delegated Regulation.

Based on our procedures performed, we believe that the format of the annual report and marking of information in the digital consolidated accounts included in the annual report of Lotus Bakeries NV per 31 December 2024 complies, and which will be available in the Belgian official mechanism for the storage of regulated information (STORI) of the FSMA, are, in all material respects, in compliance with the ESEF requirements under the Delegated Regulation and the Royal Decree of 14 November 2007.

Other statements

- This report is consistent with the additional report to the audit committee referred to in article 11 of the Regulation (EU) N° 537/2014.

Ghent, 27 March 2025

The statutory auditor
PwC Bedrijfsrevisoren BV/PwC Reviseurs d'Entreprises SRL
Represented by

Lien Winne*
Bedrijfsrevisor/Réviseur d'entreprise

* Acting on behalf of Lien Winne BV

LIMITED ASSURANCE REPORT OF THE STATUTORY AUDITOR TO THE GENERAL SHAREHOLDERS' MEETING ON THE CONSOLIDATED SUSTAINABILITY STATEMENT OF LOTUS BAKERIES NV FOR THE ACCOUNTING YEAR ENDED ON 31 DECEMBER 2024

We present to you our statutory auditor's report in the context of our legal limited assurance engagement on the consolidated sustainability statement of Lotus Bakeries NV (the "Company") and its subsidiaries (jointly "the Group"). The consolidated sustainability statement of the Group is included in the 'Sustainability Statements'' of the 'Annual Report' on 31 December 2024 and for the year then ended (hereafter "the consolidated sustainability statement").

We have been appointed by the general meeting d.d. 14 May 2024, following the proposal formulated by the board of directors and following the recommendation by the audit committee to perform a limited assurance engagement on the consolidated sustainability statement of the Group.

Our mandate will expire on the date of the general meeting which will deliberate on the annual accounts for the year ended 31 December 2024. We have performed our assurance engagement on the consolidated sustainability statement for 1 year.

LIMITED ASSURANCE CONCLUSION

We have conducted a limited assurance engagement on the consolidated sustainability statement of the Group.

Based on the procedures we have performed and the assurance evidence we have obtained, nothing has come to our attention that causes us to believe that the consolidated sustainability statement of the Group, in all material respects:

- has not been prepared in accordance with the requirements of article 3:32/2 of the Companies' and Associations' Code, including compliance with the applicable European Sustainability Reporting Standards (ESRS);
- is not in accordance with the process (the "Process") carried out by the Group, as disclosed in note "I.4. Impact, risk and opportunity management" to identify the information reported in the consolidated sustainability statement on the basis of ESRS ;
- does not comply with the requirements of article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation") disclosed in note "EU Taxonomy".

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 further described in the "Responsibilities of the statutory auditor on the limited assurance engagement of the consolidated sustainability statement" section of our report.

We have complied with all ethical requirements that are relevant to assurance engagements of sustainability statements in Belgium, including those related to independence.

We apply International Standard on Quality Management 1 (ISQM 1), which requires the firm 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 company officials the explanations and information necessary for performing our limited assurance engagement.

We believe that the assurance evidence we have obtained 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 regarding the consolidated sustainability information of the Group. Our limited assurance engagement does not extend to information related to the comparative figures included in the consolidated sustainability statement.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS RELATING TO THE PREPARATION OF THE CONSOLIDATED SUSTAINABILITY STATEMENT

The board of directors is responsible for designing and implementing a Process and for disclosing this Process in note "I.4. Impact, risk and opportunity management" of the consolidated sustainability statement. This responsibility includes:

- understanding the context in which the activities and business relationships of the Group 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 that are reasonable in the circumstances.

The board of directors is further responsible for the preparation of the consolidated sustainability statement, which includes the information established by the Process:

- in accordance with the requirements referred to in article 3:32/2 of the Companies' and Associations' Code, including the applicable European Sustainability Reporting Standards (ESRS); and
- in compliance with the requirements of article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation") disclosed in note "EU Taxonomy".

This responsibility comprises:

- designing, implementing and maintaining such internal control that the board of directors determines is necessary to enable the preparation of the consolidated Sustainability Statement that is free from material misstatement, 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 audit committee is responsible for overseeing the Group's sustainability reporting process.

INHERENT LIMITATIONS IN PREPARING THE CONSOLIDATED SUSTAINABILITY STATEMENT

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 the deviation from that can be of material importance.

RESPONSIBILITIES OF THE STATUTORY AUDITOR ON THE LIMITED ASSURANCE ENGAGEMENT ON THE CONSOLIDATED SUSTAINABILITY STATEMENT

Our responsibility is to plan and perform the assurance engagement with the aim of obtaining a limited level of assurance about whether the consolidated sustainability statement contains no 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 errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the consolidated sustainability statement.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), as applicable in Belgium, we apply professional judgment and maintain professional scepticism throughout the engagement. The work performed in an engagement aimed at obtaining a limited level of assurance, for which we refer to the section "Summary of work performed," is less in scope than in an engagement aimed at obtaining a reasonable level of assurance. Therefore, we do not express an opinion with a reasonable level of assurance as part of this engagement.

As the forward-looking information in the consolidated sustainability statement and the assumptions on which it is based, are future related, they may be affected by events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different from the assumptions, as the anticipated events frequently do not occur as expected, and the deviation from that can be of material importance. Therefore, our conclusion does not provide assurance that the reported actual outcomes will correspond with those included in the forward-looking information in the consolidated sustainability statement.

Our responsibilities regarding the consolidated sustainability statement, with respect 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;
- designing and performing work to evaluate whether the Process is consistent with the description of the Process by the Group, as set out in note "I.4. Impact, risk and opportunity management".

Our other responsibilities regarding the sustainability statement include:

- acquiring an understanding of the entity's control environment, the relevant processes, and information systems for preparing the sustainability information, 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, whether due to fraud or error, in the consolidated sustainability statement; and
- designing and performing procedures responsive to where material misstatements are likely to arise in the consolidated sustainability statement. The risk of not detecting a material misstatement 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 WORK PERFORMED

A limited assurance engagement involves performing procedures to obtain evidence about the consolidated sustainability statement. The procedures carried out in a limited assurance engagement vary in nature and timing from, and are less in extent than 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 procedures selected depend on professional judgment, including the identification of areas where material misstatements are likely to arise in the consolidated sustainability statement, whether due to fraud or errors.

In conducting our limited assurance engagement with respect to the Process, we have:

- 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 relating to its Process; and
- evaluated whether the 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 note "I.4. Impact, risk and opportunity management".

In conducting our limited assurance engagement, with respect to the consolidated sustainability statement, we have:

- obtained an understanding of the Group's reporting processes relevant to the preparation of its consolidated sustainability statement by obtaining an understanding of the Group's control environment, processes and information system relevant to the preparation of the consolidated sustainability statement, but not for 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 statement;
- evaluated whether the structure and the presentation of the consolidated sustainability statement is in accordance with the ESRS;
- performed inquiries of relevant personnel and analytical procedures on selected information in the consolidated sustainability statement;
- performed substantive assurance procedures on selected information in the consolidated sustainability statement;
- evaluated the methods/assumptions for developing estimates and forward-looking information as described in the section 'Responsibilities of the statutory auditor on the limited assurance engagement on the consolidated sustainabilitystatement';
- 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 statement.

STATEMENT RELATED TO INDEPENDENCE

Our registered audit firm and our network did not provide services which are incompatible with the limited assurance engagement, and our registered audit firm remained independent of the Group in the course of our mandate.

Ghent, 27 March 2025

The statutory auditor

PwC Bedrijfsrevisoren BV/PwC Reviseurs d'Entreprises SRL
Represented by

Lien Winne*
Bedrijfsrevisor/Réviseur d'entreprises

*Acting on behalf of Lien Winne BV

STOCK MARKET AND SHAREHOLDERS' INFORMATION

1. STOCK MARKET LISTING

The Lotus Bakeries shares are listed since January 2002 on the Euronext Brussels stock exchange under the ticker LOTB and ISIN code 0003604155.

2. LIQUIDITY

Lotus Bakeries has appointed KBC Securities as 'liquidity provider'.

3. MARKET CAPITALISATION

On the basis of a total number of 816,013 ordinary shares and a closing share price of EUR 10,780.00, Lotus Bakeries' market capitalisation amounted to EUR 8,796.62 million at the end of 2024.

4. STOCK DATA ON THE LOTUS BAKERIES SHARE

SHARE PERFOMANCE DATA (IN EUR)	2024	2023	2022	2021	2020
Highest share price of period	12,580.00	8,420.00	6,630.00	6,080.00	3,770.00
Lowest share price of period	7,560.00	5,690.00	4,455.00	3,630.00	2,500.00
Share price as per closing date	10,780.00	8,230.00	6,320.00	5,590.00	3,680.00
Market capitalisation as per closing date (in millions of EUR)	8,796.62	6,715.79	5,157.20	4,561.51	3,002.93
Number of shares as per closing date	816,013	816,013	816,013	816,013	816,013
Ratio price/earnings (PER) as per closing date	57.40	51.63	49.62	49.99	36.10

5. FINANCIAL CALENDAR

EVENT	DATE
Ordinary and Extraordinary Shareholders' meeting	May 13, 2025
Dividend payable from	May 19, 2025
2025 half-year results	August 8, 2025

7. CORPORATE WEBSITE AND ANNUAL REPORT

The corporate website provides comprehensive information regarding investor relations, including information about the company and its activities, its shares, corporate updates, financial reports, investor presentations and a financial calendar.

This Annual Report is also available on the corporate website of Lotus Bakeries: www.lotusbakeries.com.

CONDENSED FIVE-YEAR CONSOLIDATED FINANCIAL STATEMENTS

IN THOUSANDS OF EUR	2024	2023	2022	2021	2020
REVENUE	**1,231,914**	**1,062,962**	**877,451**	**750,251**	**663,289**
Raw materials, packaging and co-manufacturing	(419,957)	(368,903)	(311,310)	(250,617)	(216,376)
Services and other goods	(331,887)	(277,024)	(218,277)	(192,231)	(176,804)
Employee benefit expenses	(234,633)	(205,310)	(173,618)	(152,857)	(137,116)
Depreciation and amortisation expenses	(36,593)	(32,857)	(25,245)	(23,115)	(21,001)
Impairment on inventories and trade receivables	69	(1,226)	(3,992)	(3,384)	(2,710)
Other operating expenses	(5,393)	(6,348)	(8,534)	(8,253)	(5,919)
Other operating income	3,109	1,681	3,711	4,011	7,751
UNDERLYING OPERATING RESULT – EBIT(u)	**206,629**	**172,974**	**140,188**	**123,805**	**111,114**
Non-underlying items	(5,165)	(2,544)	(3,807)	(4,135)	(4,593)
OPERATING RESULT – EBIT	**201,463**	**170,430**	**136,381**	**119,670**	**106,521**
Financial result	(2,213)	(2,533)	(2,354)	(2,373)	(3,004)
Interest income (expenses)	(942)	(1,560)	(2,565)	(2,766)	(2,726)
Foreign exchange gains (losses)	(358)	(119)	988	886	51
Other financial income (expenses)	(913)	(854)	(777)	(493)	(329)
RESULT FOR THE PERIOD BEFORE TAXES	**199,250**	**167,897**	**134,027**	**117,297**	**103,517**
Income taxes	(46,769)	(38,565)	(30,744)	(26,554)	(20,972)
NET RESULT	**152,482**	**129,333**	**103,283**	**90,743**	**82,545**
Attributable to non-controlling interests	(95)	72	43	(24)	(48)
Attributable to equity holders of Lotus Bakeries	152,577	129,261	103,240	90,767	82,593

IN THOUSANDS OF EUR	DEC. 31, 2024	DEC. 31, 2023	DEC. 31, 2022	DEC. 31, 2021	DEC. 31, 2020
NON CURRENT ASSETS	**993,050**	**875,583**	**820,000**	**690,120**	**622,840**
Goodwill	230,070	222,915	225,246	224,846	216,485
Intangible assets	150,437	147,825	146,735	144,745	139,966
Property, plant and equipment	580,404	474,311	428,244	307,725	258,182
Investments in other companies	28,798	27,504	16,806	9,755	4,403
Deferred tax assets	2,485	2,120	2,212	2,182	3,351
Other non-current assets	856	908	757	867	453
CURRENT ASSETS	**399,134**	**367,920**	**275,036**	**301,972**	**221,387**
Inventories	90,473	76,906	70,361	57,901	46,827
Trade and other receivables	166,511	152,044	120,074	105,164	89,042
Current tax assets	4,356	4,888	4,947	5,276	3,142
Other financial assets	35,914	-	-	-	-
Cash and cash equivalents	98,314	131,231	76,435	132,160	81,261
Other current assets	3,565	2,852	3,219	1,471	1,115
TOTAL ASSETS	**1,392,183**	**1,243,503**	**1,095,036**	**992,092**	**844,227**
EQUITY	**791,155**	**656,207**	**572,141**	**519,532**	**433,744**
NON-CURRENT LIABILITIES	**261,987**	**349,943**	**266,186**	**289,450**	**261,841**
Interest-bearing liabilities	180,501	275,834	196,066	218,837	198,156
Deferred tax liabilities	74,624	68,024	63,716	64,243	57,195
Employee benefit obligations	4,901	4,183	4,411	4,020	3,748
Provisions	73	101	122	116	282
Derivative financial instruments	-	-	107	371	717
Other non-current liabilities	1,887	1,801	1,765	1,863	1,743
CURRENT LIABILITIES	**339,042**	**237,352**	**256,709**	**183,110**	**148,642**
Interest-bearing liabilities	100,810	14,657	70,178	17,439	12,552
Employee benefit obligations	463	335	232	333	317
Provisions	21	21	21	21	21
Trade and other payables	216,256	205,110	172,995	154,377	118,647
Current tax liabilities	18,446	14,173	10,367	5,850	12,701
Other current liabilities	3,046	3,056	2,917	5,091	4,404
TOTAL EQUITY AND LIABILITIES	**1,392,183**	**1,243,503**	**1,095,036**	**992,092**	**844,227**

ESRS DISCLOSURE REQUIREMENTS INDEX

ESRS REFERENCE	DESCRIPTION	ANNUAL REPORT REFERENCE
ESRS 2 - GENERAL DISCLOSURES		
ESRS 2 - BP 1	General basis for preparation of sustainability statements	I.1.1
ESRS 2 - BP 2	Disclosures in relation to specific circumstances	I.1.1.2-I.1.1.6
ESRS 2 - GOV 1	Role of the administrative, management and supervisory bodies	I.2.1
ESRS 2 - GOV 2	Information provided to and sustainability matters addressed by administrative, management and supervisory bodies	I.2.1
ESRS 2 - GOV 3	Integration of sustainability-related performance in incentive schemes	I.2.1
ESRS 2 - GOV 4	Statement on due diligence	I.2.2
ESRS 2 - GOV 5	Risk management and internal controls over sustainability reporting	I.2.3
ESRS 2 - SBM 1	Strategy, business model and value chain	I.3.1
ESRS 2 - SBM 2	Interests and views of stakeholders - general	I.3.3
ESRS 2 - SBM 3	Material impacts, risks and opportunities and their interaction with strategy and business model	I.4.5
ESRS 2 - IRO 1	Description of process to identify and assess material impacts, risks and opportunities	I.4.2
ESRS 2 - IRO 2	Disclosure Requirements in ESRS covered by sustainability statements	Appendix
ESRS E1 - CLIMATE CHANGE		
ESRS 2 - GOV 3	Integration of sustainability-related performance in incentive schemes	I.2.1
ESRS 2 - SBM 3	Material impacts, risks and opportunities and their interaction with strategy and business model	I.4.4 - I.4.5 + II.1 + II.1.1.1
ESRS 2 - IRO 1	Description of processes to identify and assess material climate-related impacts, risks and opportunities	I.4.2 - I.4.3 + II.1 + II.1.1.1
E1-1	Transition plan for climate change mitigation	II-1.1.
E1-2	Policies related to climate change mitigation and adaptation	II.1.1.1 + II-1.2.1
E1-3	Actions and resources in relation to climate change policies	II.1.1.5 + II.1.1.6 + II-1.2.3
E1-4	Targets related to climate change mitigation and adaptation	II.1.1.2 - II.1.1.4 + II.1.2.2
E1-5	Energy consumption and mix	II.1.2.3
E1-6	E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	II.1.1.6
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	II.1.1.7
E1-8	Internal carbon pricing	II.1.1.8
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Phase-in

ESRS REFERENCE	DESCRIPTION	ANNUAL REPORT REFERENCE
ESRS E5 - RESOURCE USE AND CIRCULAR ECONOMY		
ESRS 2 - IRO 1	Description of processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	I.4.2 - I.4.3. + II.1.3.1
E5-1	Policies related to resource use and circular economy	II.1.3.2
E5-2	Actions and resources related to resource use and circular economy	II.1.3.4
E5-3	Targets related to resource use and circular economy	II.1.3.3
E5-4	Resource inflows	II.1.3.5
E5-5	Resource outflows	II.1.3.5
E5-6	Potential financial effects from resource use and circular economy-related impacts, risks and opportunities	Phase-in
ESRS S1 - OWN WORKFORCE		
ESRS 2 - SBM 3	Material impacts, risks and opportunities and their interaction with strategy and business model	I.4.4 + I.4.5 + III.1.1.
S1-1	Policies related to own workforce	III. 1.2.
S1-2	Processes for engaging with own workers and workers' representatives about impacts	III. 1.3.
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	III. 1.3.
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	III. 1.5.
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	III. 1.4.
S1-6	Characteristics of undertaking's employees	III. 1.5.1. + III. 1.5.2.
S1-7	Characteristics of non-employees in undertaking's own workforce	Phase-in
S1-8	Collective bargaining coverage and social dialogue	III. 1.3.
S1-9	Diversity metrics	III. 1.5.1.
S1-10	Adequate Wages	III. 1.5.1.
S1-11	Social protection	III. 1.5.2.
S1-12	Persons with disabilities	III. 1.5.1.
S1-13	Training and skills development metrics	III. 1.5.3.
S1-14	Health and safety metrics	III. 1.5.4.
S1-15	Work-life balance metrics	III. 1.5.2.
S1-16	Remuneration metrics (pay gap and total remuneration)	III. 1.5.1.
S1-17	Incidents, complaints and severe human rights impacts	IV.1.5.

ESRS REFERENCE	DESCRIPTION	ANNUAL REPORT REFERENCE
ESRS S4 - CONSUMERS AND END-USERS		
ESRS 2 - SBM 3	Material impacts, risks and opportunities and their interaction with strategy and business model	I.4.4 + I.4.5 + III. 2.1.
S4-1	Policies related to consumers and end-users	III. 2.2.1. + III. 2.3.1.
S4-2	Processes for engaging with consumers and end-users about impacts	III. 2.2.2. + III. 2.2.3. + III. 2.3.2.
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	III. 2.2.2. + III. 2.2.3. + III. 2.3.2.
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	III. 2.2.4. + III. 2.3.4.
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (consumers and end-users)	III. 2.2.3. + III. 2.3.3.
ESRS G1 - BUSINESS CONDUCT		
ESRS 2 - GOV 1	Role of administrative, supervisory and management bodies	I.2 + IV. 1.1
ESRS 2 - IRO 1	Description of processes to identify and assess material impacts, risks and opportunities	I.4.2
G1-1	Business conduct policies and corporate culture	III-1.2. + IV.1.2
G1-2	Management of relationships with suppliers	IV. 2
G1-3	Prevention and detection of corruption or bribery	IV. 1.7
G1-4	Incidents of corruption or bribery	IV. 1.7
G1-5	Political influence and lobbying activities	N/A
G1-6	Payment practices	IV.2.4.2

LIST OF DATAPOINTS IN CROSS-CUTTING AND TOPICAL STANDARDS THAT DERIVE FROM OTHER EU LEGISLATION

This appendix is an integral part of the ESRS 2. The table below illustrates the datapoints in ESRS 2 and topical ESRS that derive from other EU legislation.

DISCLOSURE REQUIREMENTS AND RELATED DATAPOINT	SFDR	PILLAR 3	BENCHMARK	EU CLIMATE LAW	REFERENCE
ESRS 2 GOV-1 Board's gender diversity § 21 (d)	•		•		Sustainability Statements - III.1.5.1
ESRS 2 GOV-1 Percentage of board members who are independent § 21 (e)			•		Corporate Governance
ESRS 2 GOV-4 Statement on due diligence § 30	•				Sustainability Statements - I.2.2.
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities § 40 (d) i	•	•	•		Not applicable
ESRS 2 SBM-1 Involvement in activities related to chemical production § 40 (d) ii	•		•		Not applicable
ESRS 2 SBM-1 Involvement in activities related to controversial weapons § 40 (d) iii	•		•		Not applicable
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco § 40 (d) iv			•		Not applicable
ESRS E1-1 Transition plan to reach climate neutrality by 2050 § 14				•	Sustainability Statements - II.1.1.
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks § 16 (g)		•	•		Not applicable
ESRS E1-4 GHG emission reduction targets § 34	•	•	•		Sustainability Statements - II.1.1.4
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) § 38	•				Sustainability Statements - II.1.2.3.
ESRS E1-5 Energy consumption and mix § 37	•				Sustainability Statements - II.1.2.3.
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors §s 40 to 43	•				Sustainability Statements - II.1.2.3.
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions § 44	•	•	•		Sustainability Statements - II.1.1.6.
ESRS E1-6 Gross GHG emissions intensity §s 53 to 55	•	•	•		Sustainability Statements - II.1.1.6.
ESRS E1-7 GHG removals and carbon credits § 56				•	Sustainability Statements - II.1.1.7.
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks § 66			•		Phased-in
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk § 66 (a) ESRS E1-9 Location of significant assets at material physical risk § 66 (c)		•			Phased-in
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes § 67 (c)		•			Phased-in

DISCLOSURE REQUIREMENTS AND RELATED DATAPOINT	SFDR	PILLAR 3	BENCHMARK	EU CLIMATE LAW	REFERENCE
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities § 69			•		Phased-in
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, § 28	•				Not material
ESRS E3-1 Water and marine resources § 9	•				Not material
ESRS E3-1 Dedicated policy § 13	•				Not material
ESRS E3-1 Sustainable oceans and seas § 14	•				Not material
ESRS E3-4 Total water recycled and reused § 28 (c)	•				Not material
ESRS E3-4 Total water consumption in m3 per net revenue on own operations § 29	•				Not material
ESRS 2 IRO-1 - E4 § 16 (a) i	•				Sustainability Statements - I.4.1 + I.4.2 + I.4.3
ESRS 2 IRO-1 - E4 § 16 (b)	•				Sustainability Statements - I.4.1 + I.4.2 + I.4.3
ESRS 2 IRO-1 - E4 § 16 (c)	•				Sustainability Statements - I.4.1 + I.4.2 + I.4.3
ESRS E4-2 Sustainable land / agriculture practices or policies § 24 (b)	•				Not material
ESRS E4-2 Sustainable oceans / seas practices or policies § 24 (c)	•				Not material
ESRS E4-2 Policies to address deforestation § 24 (d)	•				Not material
ESRS E5-5 Non-recycled waste § 37 (d)	•				Not material
ESRS E5-5 Hazardous waste and radioactive waste § 39	•				Not material
ESRS 2 SBM-3 - S1 Risk of incidents of forced labour § 14 (f)	•				Sustainability Statements - III.1.2. + IV.1.5.
ESRS 2 SBM-3 - S1 Risk of incidents of child labour § 14 (g)	•				Sustainability Statements - III.1.2. + IV.1.5.
ESRS S1-1 Human rights policy commitments § 20	•				Sustainability Statements - III.1.2.
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, § 21			•		Sustainability Statements - III.1.2. + IV.1.5.
ESRS S1-1 processes and measures for preventing trafficking in human beings § 22	•				Sustainability Statements - III.1.2. + IV.1.5.
ESRS S1-1 workplace accident prevention policy or management system § 23	•				Sustainability Statements - III.1.2.
ESRS S1-3 grievance/complaints handling mechanisms § 32 (c)	•				Sustainability Statements - III.1.3.
ESRS S1-14 Number of fatalities and number and rate of work-related accidents § 88 (b) and (c)	•		•		Sustainability Statements - III.1.5.4.
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness § 88 (e)	•				Sustainability Statements - III.1.5.4.
ESRS S1-16 Unadjusted gender pay gap § 97 (a)	•		•		Sustainability Statements - III.1.5.1.
ESRS S1-16 Excessive CEO pay ratio § 97 (b)	•				Sustainability Statements - III.1.5.1.
ESRS S1-17 Incidents of discrimination § 103 (a)	•				Sustainability Statements - III.1.2. + IV.1.5.

DISCLOSURE REQUIREMENTS AND RELATED DATAPOINT	SFDR	PILLAR 3	BENCHMARK	EU CLIMATE LAW	REFERENCE
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD § 104 (a)	•		•		Sustainability Statements - III.1.2. + IV.1.5.
ESRS 2 SBM-3 – S2 Significant risk of child labour or forced labour in the value chain § 11 (b)	•				Not material
ESRS S2-1 Human rights policy commitments § 17	•				Not material
ESRS S2-1 Policies related to value chain workers § 18	•				Not material
ESRS S2-1 Non- respect of UNGPs on Business and Human Rights principles and OECD guidelines § 19	•		•		Not material
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, § 19			•		Not material
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain § 36	•				Not material
ESRS S3-1 Human rights policy commitments § 16	•				Not material
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines § 17	•		•		Not material
ESRS S3-4 Human rights issues and incidents § 36	•				Not material
ESRS S4-1 Policies related to consumers and end-users § 16	•				Sustainability Statements - III.2.2.1. + III.2.3.1.
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines § 17	•		•		Sustainability Statements - IV.0. + IV.1.5.
ESRS S4-4 Human rights issues and incidents § 35	•				Sustainability Statements - III.2.2.4. + III.2.3.4. + IV.1.5.
ESRS G1-1 United Nations Convention against Corruption § 10 (b)	•				Sustainability Statements - IV.1.7.
ESRS G1-1 Protection of whistleblowers § 10 (d)	•				Sustainability Statements - IV.1.8.
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws § 24 (a)	•		•		Sustainability Statements - IV.1.7.
ESRS G1-4 Standards of anti-corruption and anti-bribery § 24 (b)	•				Sustainability Statements - IV.1.7.

GLOSSARY

CONCEPT	TOPIC	DEFINITION
BVCM	ESG	Beyond Value Chain Mitigation - Mitigation action or investments that fall outside a company's value chain, including activities that avoid or reduce GHG emissions, or remove and store GHGs from the atmosphere.
CAGR	Finance	Compound Annual Growth Rate
Carbon credit	ESG	Tradable unit that represents one metric tonne of avoided GHG emissions, reduced GHG emissions or GHG removals.
CEFLEX	ESG	Circular Economy for Flexible Packaging - Collaboration of over 180 European companies, associations and organisations representing the entire value chain of flexible packaging.
CO_2e	ESG	Carbon dioxide equivalent - Metric measure used to compare the emissions from various greenhouse gases on the basis of their global warming potential (GWP), by converting amounts of other gases to the equivalent amount of carbon dioxide with the same global warming potential.
CoC	ESG	Code of Conduct -
CSDDD	ESG	Corporate Sustainability Due Diligence Directive - EU directive that requires companies to identify, assess and mitigate sustainability risks in their value chains.
CSRD	ESG	Corporate Sustainability Reporting Directive - EU directive that places extended requirements on corporate sustainability reporting.
D4ACE	ESG	Design for a circular economy - Guidelines developed by CEFLEX to increase mechanical recyclability for polyolefin-based flexible packaging.
DMA	ESG	Double Materiality Assessment
EOL	ESG	End-of-Life - The final stages of a product's existence.
ESRS	ESG	European Sustainability Reporting Standards - Set of standards for sustainability reporting, developed as part of the EU strategies for sustainable finance.
EUDR	ESG	European Deforestation Regulation - EU regulation that sets out detailed rules designed to prevent the importation and exportation of specific products linked to deforestation and forest degradation.
FLAG	ESG	Forest, Land, and Agriculture - Sectors, emissions, methodologies and targets that are related to Forest, Land and Agriculture.
FSC	ESG	Forest Stewardship Council - International, non-governmental organisation dedicated to promoting responsible management of the world's forests.
FTE	ESG	Full-Time Equivalent - Unit to measure employees in a way that makes them comparable although they may work a different number of hours per week.
GDPR	ESG	General Data Protection Regulation - Legal framework that sets guidelines for the collection and processing of personal information from individuals who live in and outside of the European Union (EU).
GHG	ESG	Greenhouse Gases - Gasses which absorb and re-emit infrared radiation, thereby trapping it in Earth's atmosphere and causing the GHG effect. They include carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF6), and nitrogen trifluoride (NF3).

CONCEPT	TOPIC	DEFINITION
GHG Protocol	ESG	Comprehensive global standardised frameworks to measure and manage GHG emissions from private and public sector operations, value chains, and mitigation actions. The GHG Protocol supplies the world's most widely used GHG accounting standards. The Corporate Accounting and Reporting Standard provides the accounting platform for virtually every corporate GHG reporting program in the world.
IRO	ESG	Impact, risk, opportunity - IROs serve as the foundation for determining what's material in a company's sustainability report. By identifying and assessing them, businesses can prioritise key sustainability issues and ensure their reporting aligns with the European Sustainability Reporting Standards (ESRS).
LCA	ESG	Life Cycle Analysis - Tool for the analysis of the environmental burden of products to the production of materials, product parts and the product itself, and the use of the product to the management after it is discarded, either by reuse, recycling or final disposalat all stages in their life cycle - from the extraction of resources, through
Leadership Team	Organisation	Executive Committee, General Managers and Corporate Directors.
NDPE	ESG	No Deforestation, No Peat, No Exploitation - Strict policy for a sustainable palm oil supply chain.
NFD - Net financial debt	Finance	Interest-bearing liabilities (excluding lease liabilities recognised in accordance with IFRS 16) deducted with cash and cash equivalents, term deposits and treasury shares.
Non-FLAG	ESG	Sectors, emissions, methodologies and targets that are not related to Forest, Land and Agriculture.
Non-underlying items	Finance	Those items that are considered by management not to relate to transactions, projects and adjustments to the value of assets and liabilities taking place in the ordinary course of activities of the company. Non-underlying items are presented separately, due to their size or nature, so as to allow users of the Consolidated Financial Statements of the company to get a better understanding of the normalised performance of the company.
Own operations	ESG	The activities, processes and systems that a company performs using company-owned and controlled resources to deliver its products or services to customers.
PEFC	ESG	Program for the Endorsement of Forest Certification - International, non-profit, non-governmental organization which promotes sustainable forest management through independent third-party certification.
PPWR	ESG	Packaging & Packaging Waste regulation - EU regulation that aims to minimise the quantities of packaging and waste generated while lowering the use of primary raw materials and fostering the transition to a circular, sustainable and competitive economy.
Primary packaging	ESG	Primary packaging directly protects the product and informs the consumer. It is all packaging that a consumer takes home when purchasing the product.
Rate of recordable work-related accidents for own employees	ESG	The number of work-related injuries with at least 1 day of absence of own employees divided by the number of total hours worked by own employees and multiplied by 1 million hours.
Underlying net result	Finance	Determined by excluding the non-underlying items and the related tax effects from the net result. The Underlying net result is used as the basis for dividend distribution.
EBIT(u)	Finance	Underlying operating result - Operating result after deducting the non-underlying items.
EBITDA(u)	Finance	Underlying operating cash flow - EBIT(u) excluding depreciations and amortisation expenses, impairments on inventories and trade receivables and non-cash costs related to share-based payment plans.

CONCEPT	TOPIC	DEFINITION
RSPO	ESG	Roundtable on Sustainable Palm Oil - Global, non-profit organisation uniting stakeholders from all across the palm oil value chain to develop and implement global standards for sustainable palm oil.
SBTi	ESG	Science Based Targets initiative - Corporate climate action organisation that enables companies and financial institutions worldwide to play their part in combating the climate crisis.
SDG	ESG	Sustainable Development Goals - Global call to action to end poverty, protect the earth's environment and climate, and ensure that people everywhere can enjoy peace and prosperity. The SDGs were adopted by the United Nations in 2015.
Secondary packaging	ESG	Secondary packaging further protects the product and groups different primary packages for distribution. Used to distribute to and often showcase at the retailer.
SFI	ESG	Sustainable Forestry Initiative - Forest certification programme in North America, covering a wide range of criteria and indicators that address various aspects of forest management.
SKU	ESG	Stock Keeping Unit - Unique identifier used in retail and manufacturing to keep track of inventory.
Technical recyclability rate	ESG	The technical recyclability rate is determined per packaging component on the basis of the state-of-the-art design guidelines for recyclability. The average technical recyclability is a weighted average, based on the packaging weight of each packaging component.
Tertiary packaging	ESG	Tertiary packaging is used to guarantee the protection of the product during shipment via pallet, typically not seen by consumers.
TFA	ESG	Trans-fatty acid - Unsaturated fatty acids that come from either industrial or natural sources.
TOP-culture	ESG	Team, Open Dialogue and Passion - These form the cornerstones for our company culture.
Employee turnover rate	ESG	Calculated as the overall number of FTEs leaving since the beginning of the year divided by the average FTE for the year.

ABOUT THIS REPORT

REPORTING ORGANISATION

Lotus Bakeries is a limited-liability company incorporated as naamloze vennootschap NV under Belgian law. Identified by company registration number 0401.030.860, Lotus Bakeries NV has its registered office at Gentstraat 1, 9971 Lembeke, Belgium. The shares of Lotus Bakeries NV are listed on the regulated market of Euronext Brussels.

REPORTING PERIOD

Publication date: March 28, 2025. Authorised for issue by the Board of Directors on March 25, 2025.

The Annual Report 2024 covers the period between January 1, 2024 and December 31, 2024. The Annual Report is available online at www.lotusbakeries.com, where you can also find our previous Annual Reports, as well as our half-year reports. Hard copies on request.

SCOPE OF THE REPORT

This Annual Report covers all Lotus Bakeries entities worldwide. Additionally, the Sustainability Statement takes our value chain into account for ESG topics that emerged as material from our double materiality analysis.

The Consolidated Financial Statements 2024 have been prepared in accordance with IFRS Accounting Standards (IFRS) as adopted for application within the European Union, while the Sustainability Statements 2024 were elaborated in accordance with the European Sustainability Reporting Standards (ESRS) as stated in the Corporate Sustainability Reporting Directive and as adopted by the European Union.

The condensed statutory financial statements disclosed at the end of the Consolidated Financial Statements are extracted from separate Belgian GAAP financial statements of the company and are included as required by article 3:17 of the Belgian Company Associations code.

The separate financial statements, together with the Annual Report of the Board of Directors to the general assembly of shareholders as well as the auditor's report, will be filed with the National Bank of Belgium within the legally foreseen time limits.

FORWARD-LOOKING STATEMENTS

This Annual Report 2024 contains forward-looking information that involves risks and uncertainties, including statements about Lotus Bakeries' plans, objectives, expectations and intentions. These statements are based on the current expectations and views of future events and developments of Lotus Bakeries and are naturally subject to uncertainty and changes in circumstances. The forward-looking statements contained in this Annual Report 2024 include statements other than historical facts, typically containing words such as "will", "may", "should", "believe", "intends", "expects", "anticipates", "targets", "estimates", "likely", "foresees" and words of similar import. All statements other than statements of historical facts are forward-looking statements. Readers are cautioned that forward-looking statements include known and unknown risks and are subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of Lotus Bakeries. Should one or more of these risks, uncertainties, or contingencies materialize, or should underlying assumptions prove incorrect, actual results may differ materially from those anticipated, estimated, or projected. As a result, undue reliance should not be placed on these forward-looking statements, and Lotus Bakeries assumes no responsibility for the accuracy thereof.

LANGUAGE OF THE REPORT

Lotus Bakeries discloses its integrated Annual Report in the European Single Electronic Format (ESEF), both in Dutch and English. The Dutch version is the only official ESEF version, discharging our Group from the obligations included in the Transparency Directive.

Financial statements made available in pdf format, as well as financial statements prepared in ESEF-format in another language than Dutch, are therefore considered non-official versions and translations.

The official ESEF version prevails over all non-official and translated versions. The official ESEF version of the annual financial statements of the Group is filed on the website of the Group.

EXTERNAL AUDIT

Our external assurance provider PricewaterhouseCoopers (PwC) has issued an unqualified audit opinion with respect to the consolidated and separate financial statements of Lotus Bakeries. Furthermore, PwC also conducted assurance on our Sustainability Statements, including the EU taxonomy.

CONTACT DETAILS

For questions regarding this report:
Emma Van Praet, Corporate Communication Manager
Tel. +32 9 376 69 20
corporate@lotusbakeries.com

PRODUCTION

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