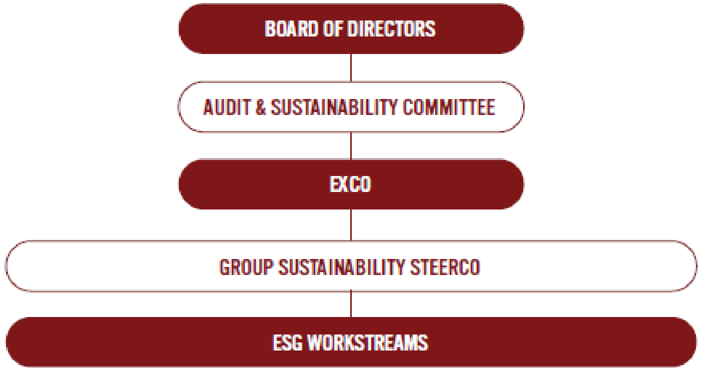
28/03/2025

MATERIALITY ANALYSIS

ESG GOVERNANCE

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.

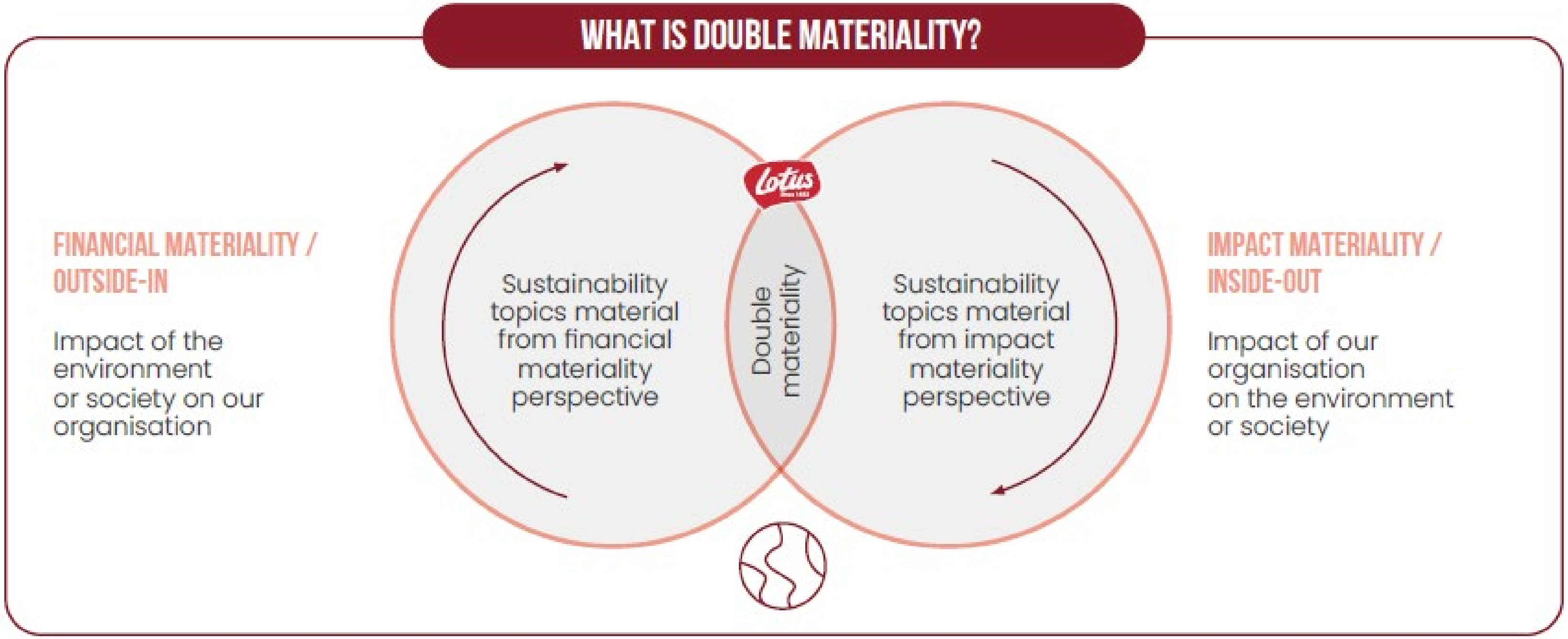


For further details, reference is made to "Corporate Governance & Risk Management" in the 2024 Annual Report of the Lotus Bakeries Group.

OUR MATERIALITY

Lotus Bakeries has its sustainability programme 'Care for Today, Respect for Tomorrow' since long. 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. In order to confirm or reconsider the priorities of our sustainability programme, Lotus Bakeries in 2023 performed a broad and in-depth assessment 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.

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

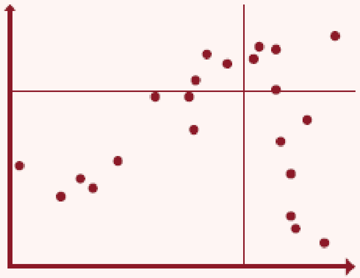
- 22 topics identified
- Based on impact, risk and opportunity

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

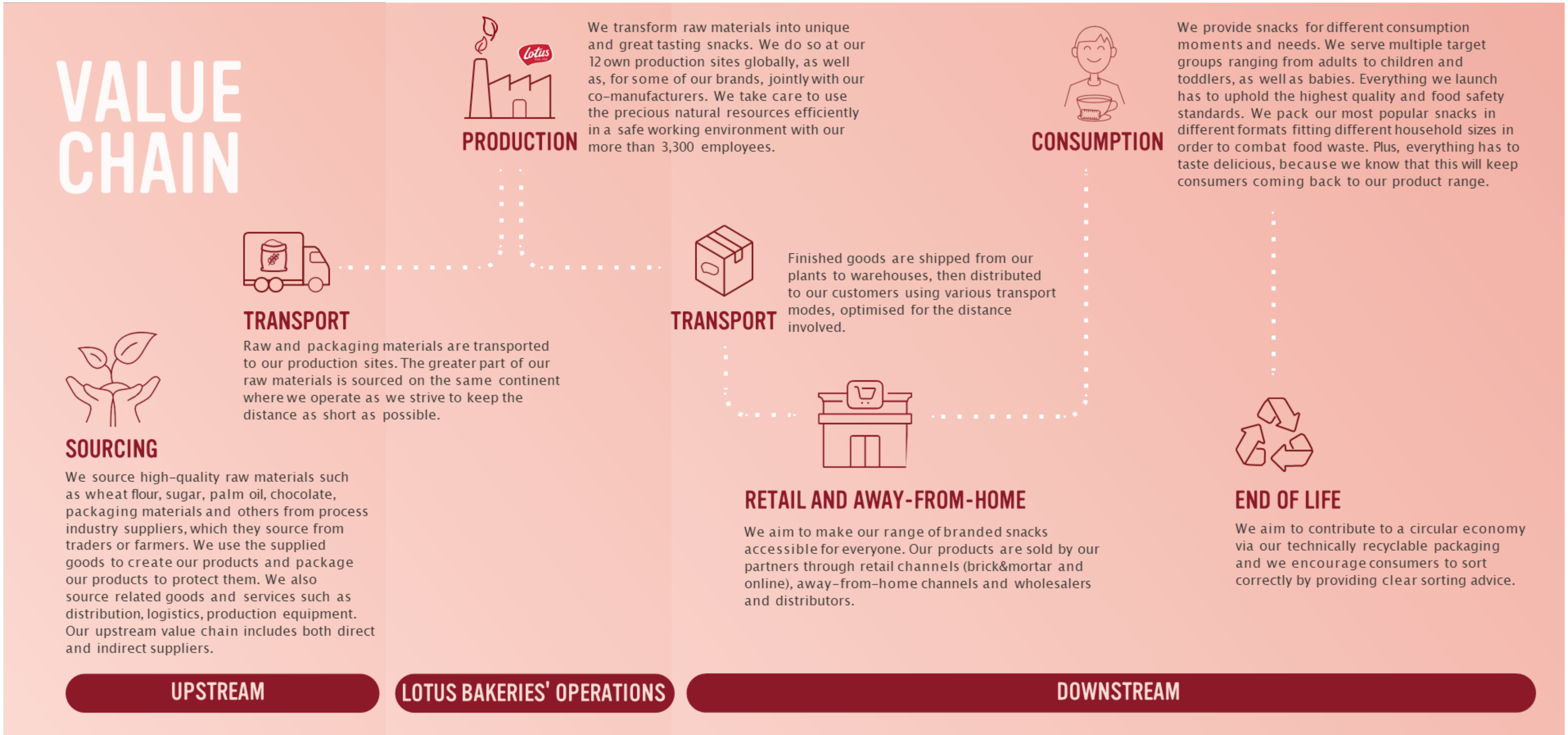
ROAD TO NET ZERO

SUSTAINABLE SOURCING

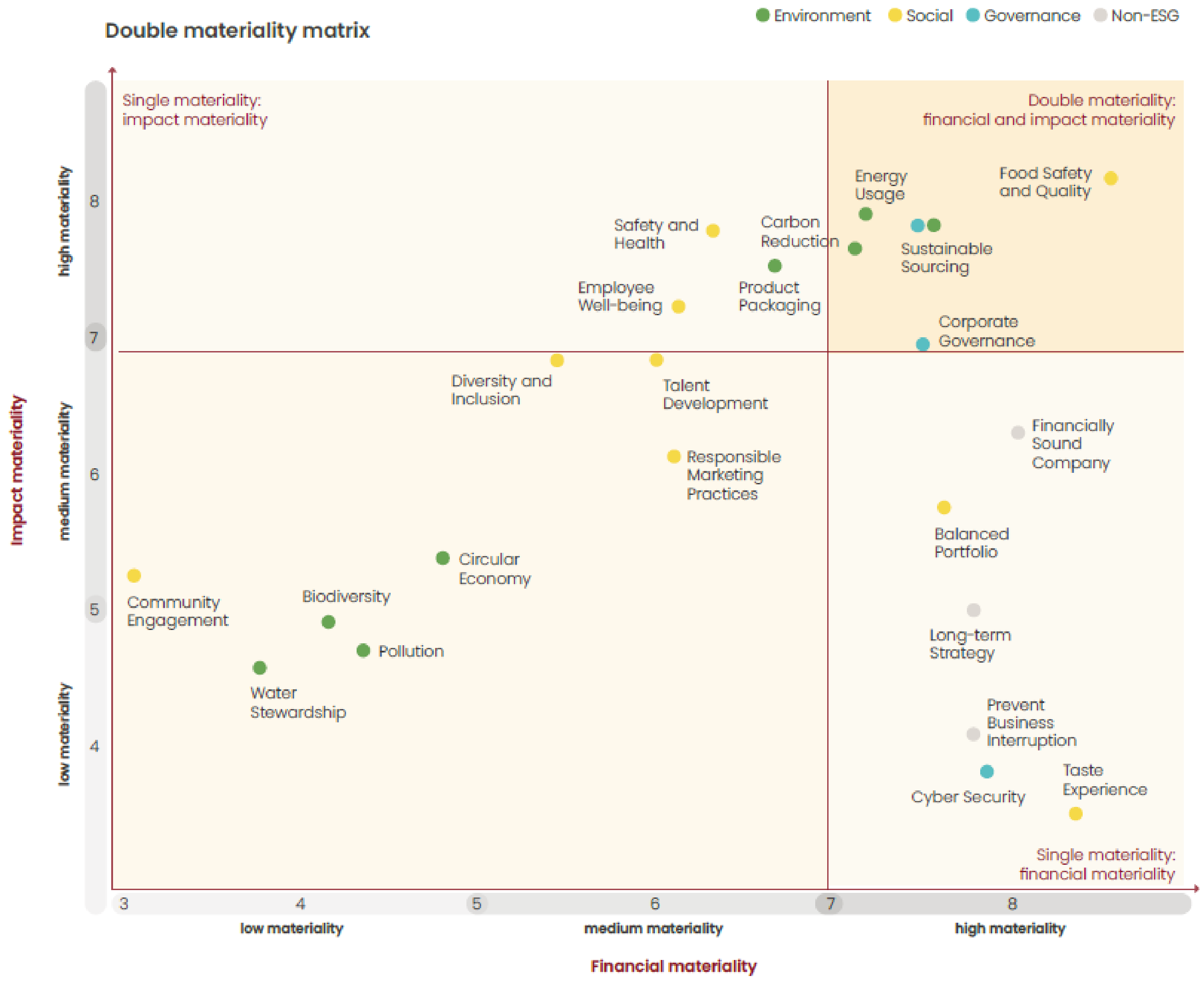
Find out more about the process to identify and assess material impacts, risks and opportunities on p. 103 of the 2024 Annual Report of the Lotus Bakeries Group.

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.



DOUBLE MATERIALITY MATRIX



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).

TRANSLATION INTO THE LOTUS BAKERIES ESG STRATEGY

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	ONE LOTUS FAMILY	ETHICAL BUSINESS CONDUCT	ROAD TO NET ZERO	SUSTAINABLE SOURCING
	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.	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.	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.	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.	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 xperience** 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.

Read more about our Care for Today, Respect for Tomorrow programme in the 2024 Annual Report of the Lotus Bakeries Group.