



CARE FOR TODAY, RESPECT FOR TOMORROW

- › Introduction
- › Sustainability statements
- › Other sustainability information



This chapter is part of the 2024 Annual Report of the Lotus Bakeries Group.
Read the full report on our [corporate website](#).

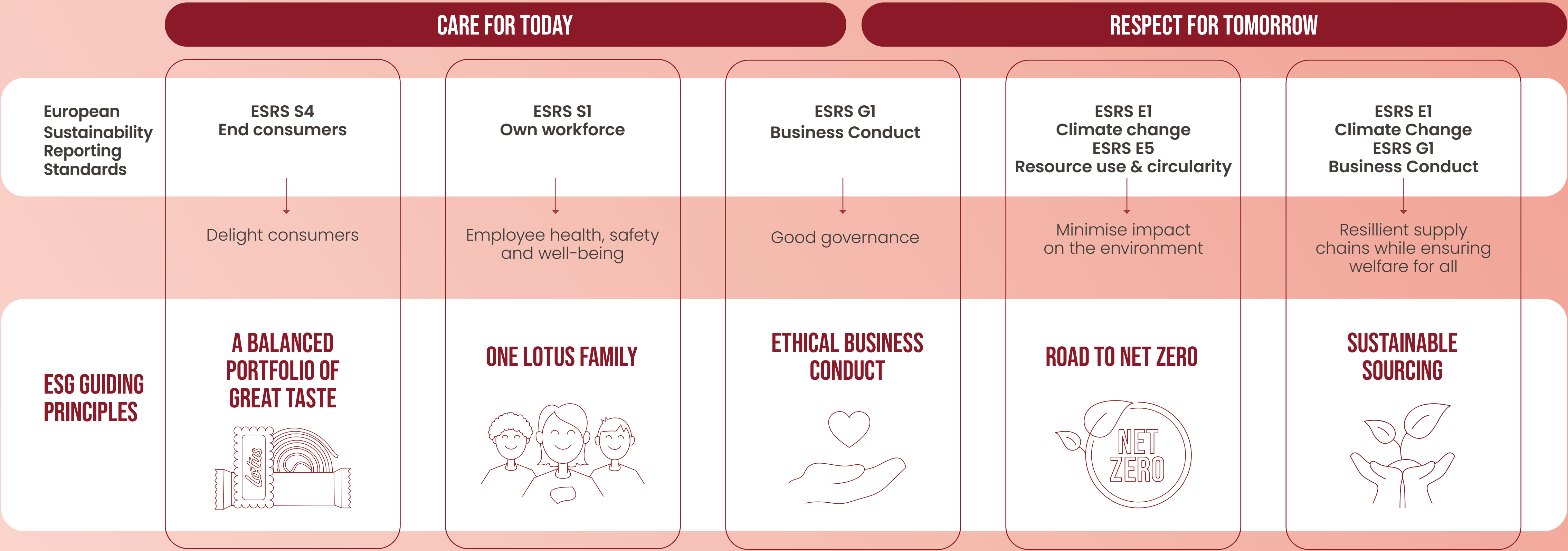
INTRODUCTION

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.



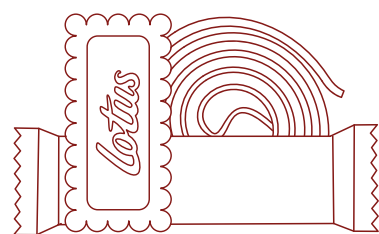
LOTUS BAKERIES SUSTAINABILITY PROGRAMME



SOCIAL

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.

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

"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

Read all about our Balanced Portfolio of Great Taste: pp. 94-102 (ESRS S4).

SOCIAL

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. 77-93 (ESRS S1).

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.

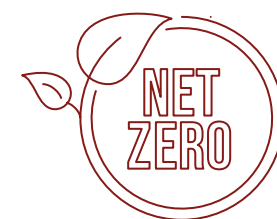
 **Target: Progress on the UN Global Compact**

Read all about our Ethical Business Conduct: pp. 104-114 (ESRS G1).

ENVIRONMENTAL

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).

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

"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

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. 40-68 (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.

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

“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

Read all about Sustainable Sourcing: pp. 115–123 (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).



SUSTAINABILITY STATEMENTS

INDEX

I. GENERAL DISCLOSURES	14	I.3. STRATEGY	19
I.1. BASIS OF PREPARATION	14	I.3.1. STRATEGY, BUSINESS MODEL AND VALUE CHAIN	19
I.1.1. BASIS OF PRESENTATION	14	I.3.2. VALUE CHAIN	19
I.1.2. CRITICAL JUDGEMENTS AND ESTIMATES	15	I.3.3. INTERESTS AND VIEWS OF STAKEHOLDERS	21
I.1.3. VALUE CHAIN ESTIMATION	15		
I.1.4. CHANGES IN PREPARATION OR PRESENTATION VERSUS PRIOR PERIODS	15	I.4. IMPACT, RISK AND OPPORTUNITY MANAGEMENT	22
I.1.5. COMPARATIVE INFORMATION AND REPORTING ADJUSTMENTS RELATED TO PRIOR PERIODS	15	I.4.1. INTRODUCTION	22
I.1.6. INCORPORATION BY REFERENCE	16	I.4.2. DESCRIPTION OF THE PROCESS TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES	23
		I.4.3. OUTCOME OF THE DOUBLE MATERIALITY ASSESSMENT	25
I.2. GOVERNANCE	16	I.4.4. TRANSLATION INTO THE LOTUS BAKERIES ESG STRATEGY	27
I.2.1. ROLE OF MANAGEMENT AND SUPERVISORY BODIES	16	I.4.5. MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL	29
I.2.2. STATEMENT ON DUE DILIGENCE	17		
I.2.3. RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING	19		

II.	ENVIRONMENTAL INFORMATION	29	II.2.	EU TAXONOMY	69
II.1.	ROAD TO NET ZERO	30	II.2.1.	OVERVIEW OF THE EU TAXONOMY	69
II.1.1.	REDUCING OUR CARBON FOOTPRINT	31	II.2.2.	APPLICATION OF THE EU TAXONOMY REGULATION	69
II.1.1.1.	Why do we care?	31	II.2.3.	ACCOUNTING POLICY	70
II.1.1.2.	Approach and policies	42	II.2.4.	ASSESSMENT OF COMPLIANCE WITH THE EU TAXONOMY	71
II.1.1.3.	Methodology for target setting	42	II.2.5.	TAXONOMY KPIS FOR THE PERIOD ENDING DECEMBER 31, 2024	72
II.1.1.4.	Targets	46			
II.1.1.5.	Decarbonisation roadmap	48	III.	SOCIAL INFORMATION	76
II.1.1.6.	Performance, actions and resources	52	III.0.	INTRODUCTION	76
II.1.1.7.	GHG removals and mitigation projects financed through carbon credits	55			
II.1.1.8.	Internal carbon pricing	56	III.1.	ONE LOTUS FAMILY	77
II.1.2.	IMPROVE ENERGY USAGE	57	III.1.1.	WHY DO WE CARE?	77
II.1.2.1.	Approach and policies	57	III.1.2.	APPROACH AND POLICIES	77
II.1.2.2.	Targets	57	III.1.3.	ENGAGING WITH THE LOTUS FAMILY	81
II.1.2.3.	Performance, actions and resources	57	III.1.4.	TARGETS	83
II.1.3.	SUSTAINABLE PACKAGING	60	III.1.5.	PERFORMANCE, ACTIONS AND RESOURCES	83
II.1.3.1.	Why do we care?	60	III.1.5.1.	Diversity, Equity & Inclusion	83
II.1.3.2.	Approach and policies	61	III.1.5.2.	Employee well-being	86
II.1.3.3.	Targets	63	III.1.5.3.	Talent development	89
II.1.3.4.	Performance, actions and resources	63	III.1.5.4.	Health & Safety	92
II.1.3.5.	Packaging inflows and outflows	68			

III.2.	BALANCED PORTFOLIO OF GREAT TASTE	94	IV.2.	SUSTAINABLE SOURCING	115
III.2.1.	WHY DO WE CARE?	94	IV.2.1.	WHY DO WE CARE?	115
III.2.2.	FOOD SAFETY AND QUALITY	95	IV.2.2.	APPROACH AND POLICIES	116
III.2.2.1.	Approach and policies	95	IV.2.2.1.	Due diligence of our partners in the value chain	117
III.2.2.2.	Engaging with consumers and end-users	97	IV.2.2.2.	Supplier Code of Conduct	118
III.2.2.3.	Targets	97	IV.2.2.3.	Other policies, certifications and sustainable programs	119
III.2.2.4.	Performance, actions and resources	98	IV.2.3.	TARGETS	120
III.2.3.	BALANCED PORTFOLIO	99	IV.2.4.	PERFORMANCE, ACTIONS AND RESOURCES	121
III.2.3.1.	Approach and policies	99	IV.2.4.1.	Supplier due diligence and risk assessment	121
III.2.3.2.	Engaging with consumers and end-users	100	IV.2.4.2.	Payment practices	123
III.2.3.3.	Targets	101	IV.3.	OTHER FOCUS AREAS	124
III.2.3.4.	Performance, actions and resources	101	IV.3.1.	UN SUSTAINABLE DEVELOPMENT GOALS	124
IV.	GOVERNANCE INFORMATION	103	IV.3.2.	CYBERSECURITY	127
IV.0.	INTRODUCTION	103	V.	FOUNDATION FOR EDUCATION	130
IV.1.	ETHICAL BUSINESS CONDUCT	104	V.I.	ESG RECOGNITION AND OTHER CERTIFICATIONS	132
IV.1.1.	GOVERNANCE BODIES	105	ANNEX		138
IV.1.2.	RELEVANT POLICIES	106		Limited assurance report sustainability statements	139
IV.1.3.	TARGETS	107		ESRS Disclosure requirements index	144
IV.1.4.	CODE OF CONDUCT	107		List of datapoints	147
IV.1.5.	HUMAN RIGHTS POLICY	109		Glossary	150
IV.1.6.	ANTI-HARASSMENT AND DISCRIMINATION POLICY	111			
IV.1.7.	ANTI-BRIBERY AND FRAUD DETECTION	112			
IV.1.8.	WHISTLEBLOWING POLICY	113			

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 in the Annual Report 2024 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 the Annual Report 2024, 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 strategy

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 the Annual Report 2024.

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 16 I.3. Strategy 19 I.4. Impact, risk and opportunity management 22 III.1.2. Approach and policies 77 IV.1.1. Governance bodies 105 IV.1.8. Whistleblowing 113
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 19 I.3.3. Interests and view of stakeholders 21 III.1.3. Engaging with the Lotus family 81 III.2.2.2 Engaging with consumer and end-users 100 III.2.3.2 Engaging with consumer and end-users 100 IV.1.8. Whistleblowing 113 IV.2. Sustainable sourcing 115
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 22 II.1.1.5. Decarbonisation roadmap 48 III.1.3. Engaging with the Lotus family 36 III.2.2.2 Engaging with consumer and end-users 100 III.2.3.2 Engaging with consumer and end-users 100 IV.1. Ethical business conduct 104 IV.2 Sustainable sourcing 115 IV.3. Other focus areas 24

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 52
		II.1.2.3. Energy usage – Performance, actions and resources 57
		II.1.3.4. Sustainable Packaging Performance, actions and resources 60
		III.1.5. Social – Performance, actions and resources 83
	III. Social Information	III.2.2.4. Food safety and quality Performance, actions and resources 98
		III.2.3.4. Balanced portfolio – Performance, actions and resources 94
		IV.1. Ethical business conduct 104
		IV.2 Sustainable sourcing 115
		IV.3. Other focus areas 24
e) Tracking the effectiveness of these efforts and communicating	II. Environmental Information	II.1.1.6. Carbon footprint – Performance, actions and resources 52
		II.1.2.3. Energy usage – Performance, actions and resources 57
		II.1.3.4. Sustainable Packaging – Performance, actions and resources 63
		III.1.5. Social – Performance, actions and resources 83
	III. Social Information	III.2.2.4. Food safety and quality – Performance, actions and resources 98
		III.2.3.4. Balanced portfolio – Performance, actions and resources 94
		IV.1. Ethical business conduct 104
		IV.2. Sustainable sourcing 115
		IV.3. Other focus areas 24

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 the Annual Report 2024.

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 2024.

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

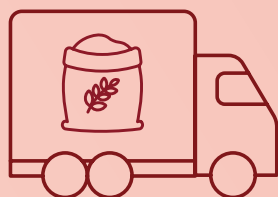
We develop, create and offer a versatile range of snacks that meets the needs of consumers for the global market. In order to do so, we strive to cooperate with our partners along the value chain to create our branded snacks in the most sustainable way possible. Cooperation along the value chain includes 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.



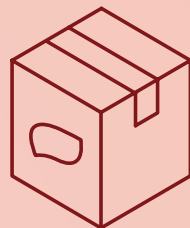
TRANSPORT

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.



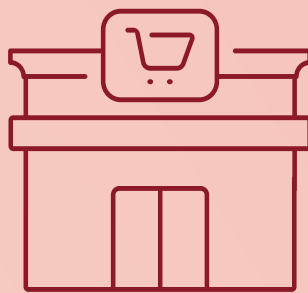
PRODUCTION

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.



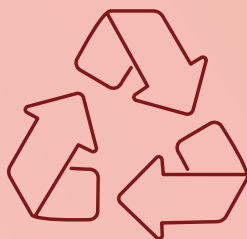
RETAIL AND AWAY-FROM-HOME

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 Assesement 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 Assesement 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 Assesement via Interviews and Survey › Self-Assessment 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 Assesement via Interviews and Survey › Investor relation contacts › Topical meetings	› Gain insights in material sustainability topics › Keep track of evolving expectations › Enhance transparency	› 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

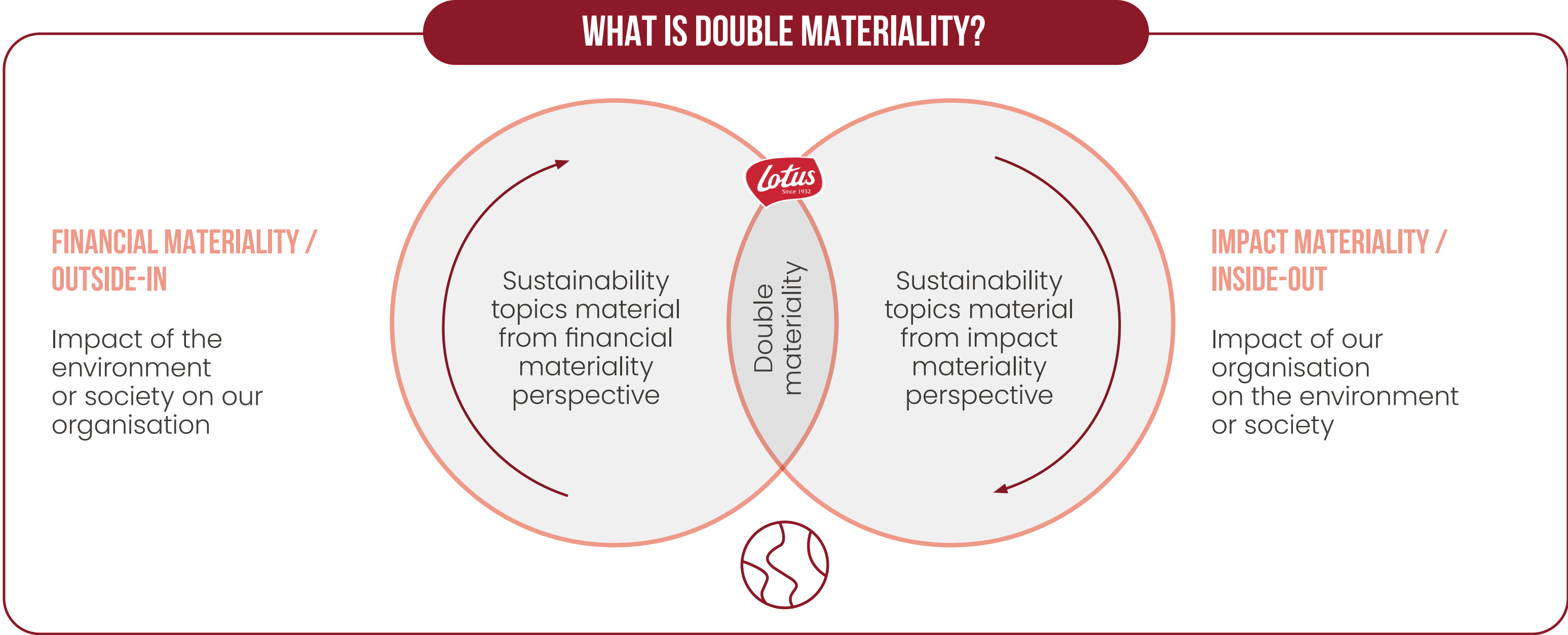
Lotus Bakeries has been running its sustainability programme ‘Care for Today, Respect for Tomorrow’ for a long time. In the past, to determine our sustainability

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.



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

LOGLIST

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

SHORTLIST

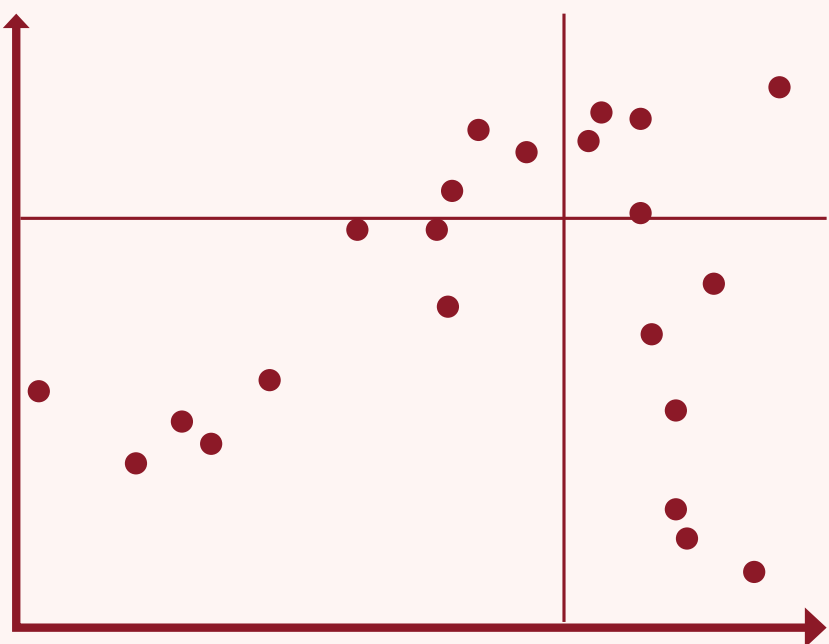
- › 22 topics identified
- › Based on impact, risk and opportunity

STAKEHOLDER ENGAGEMENT

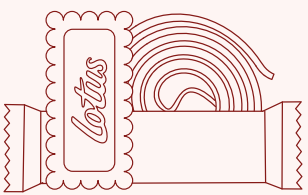
- › Engagement through dialogues and interviews to ensure completeness of the selected themes, followed by an online survey to obtain a prioritisation on the 22 key topics from both a financial and impact materiality perspective

SCORING

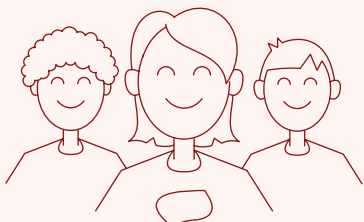
- › Rating the 22 key topics on a 9-point scale from an impact and financial perspective



Double materiality matrix



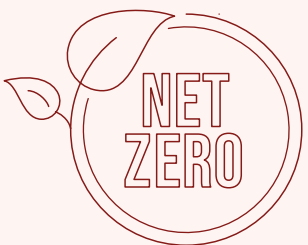
A BALANCED PORTFOLIO OF GREAT TASTE



ONE LOTUS FAMILY



ETHICAL BUSINESS CONDUCT



ROAD TO NET ZERO

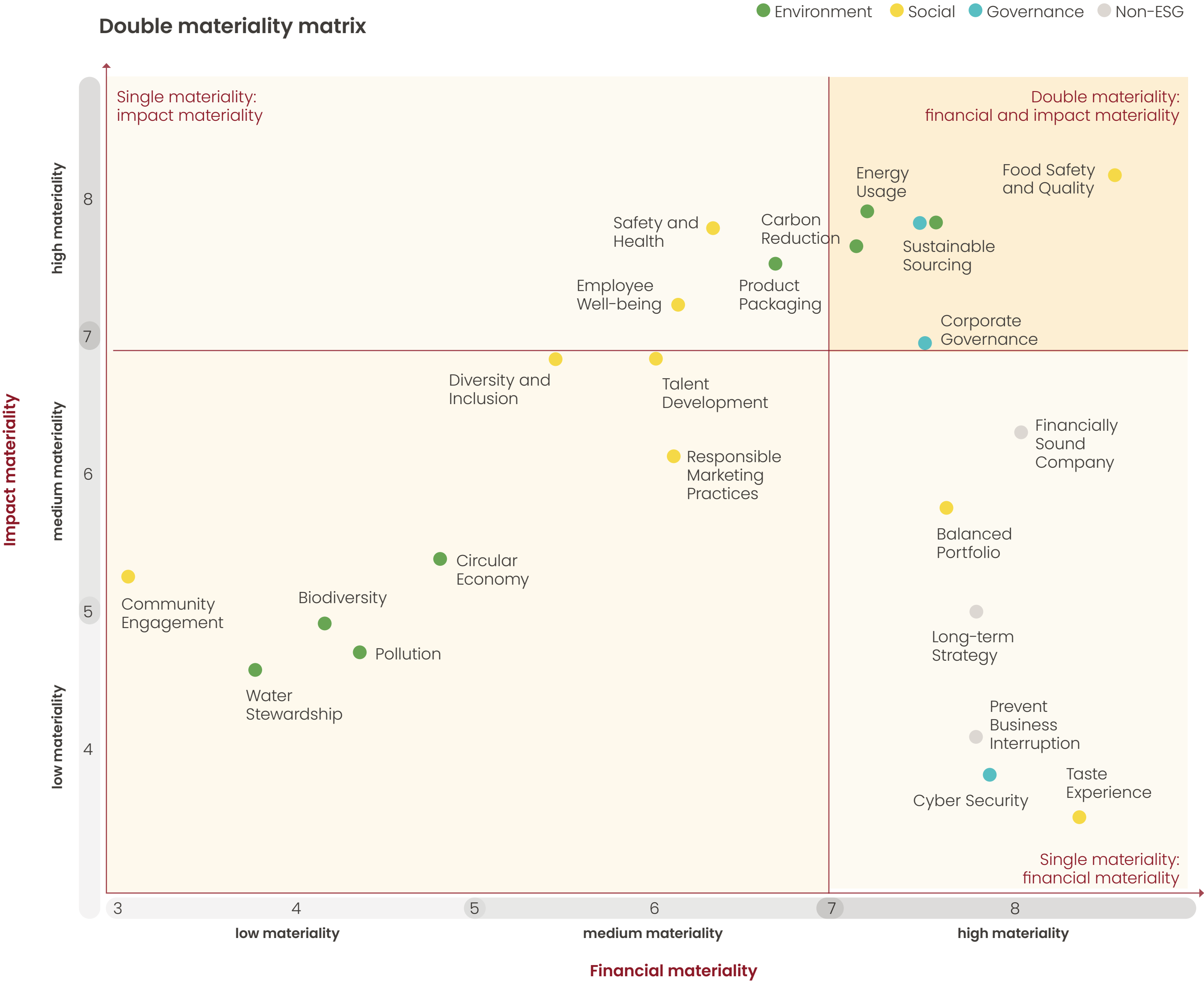


SUSTAINABLE SOURCING

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).

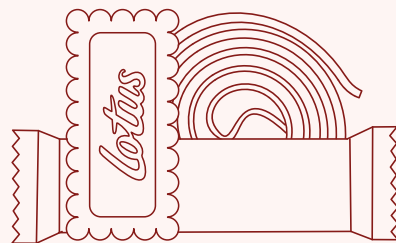
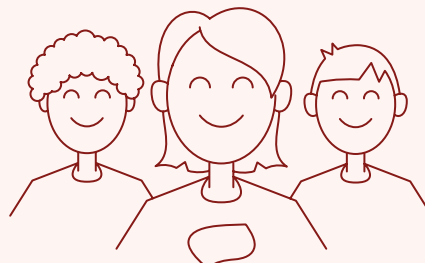
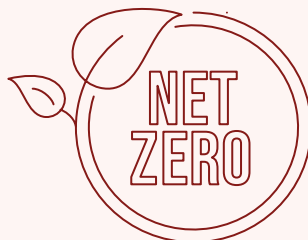
The double materiality assessment was presented to the Audit & Sustainability Committee and the outcome thereof, the double materiality matrix and strategy, was approved by the Board of Directors. The Board confirmed their confidence in the resilience of Lotus Bakeries' current business model against 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	ONE LOTUS FAMILY	ETHICAL BUSINESS CONDUCT	ROAD TO NET ZERO	SUSTAINABLE SOURCING
LINK WITH MATERIAL TOPICS	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.
	● 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 the Annual Report 2024.

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 135).

› **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.

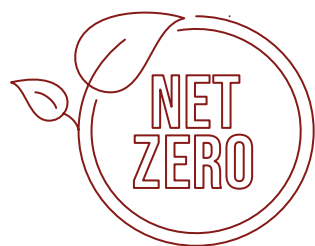


II. ENVIRONMENTAL INFORMATION

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.

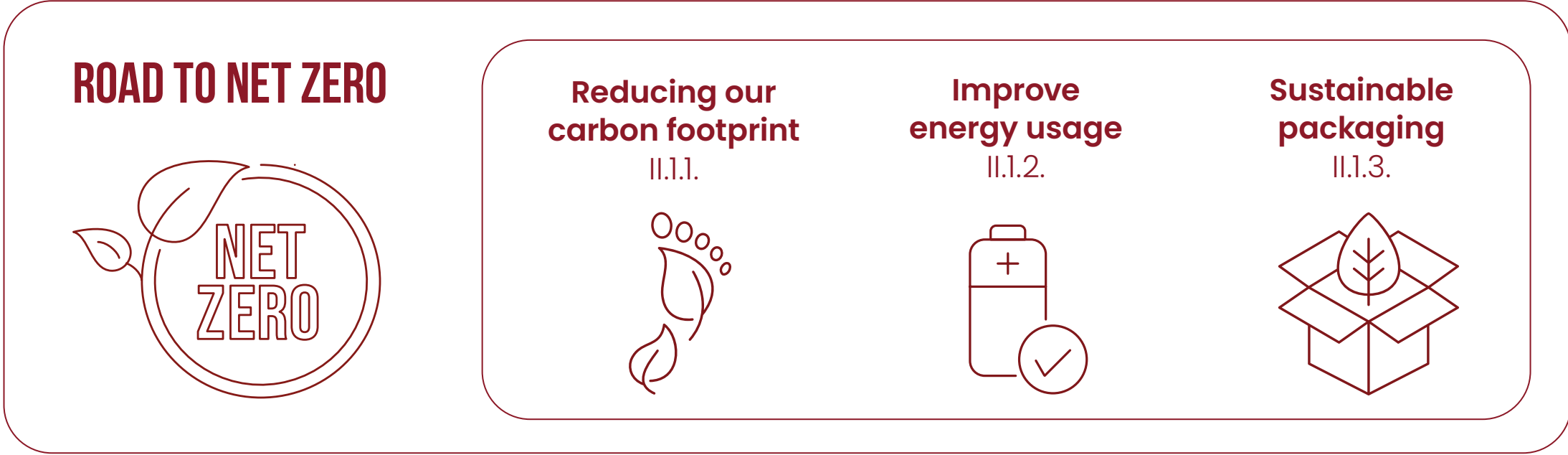
The double materiality assessment (see I.4.3 above) identified impacts, risks and opportunities (IROs) related to climate change. These IROs are detailed in I.4.5.1 above.

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) emissions¹.

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 (tCO₂e). In line with the GHG protocol, all seven greenhouse gases are taken into account in the assessment, being carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃). 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 CO₂ equivalents, CO₂e) 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 steam² 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 unknown (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:

- › EcolInvent
- › 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 & 2⁴: 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.

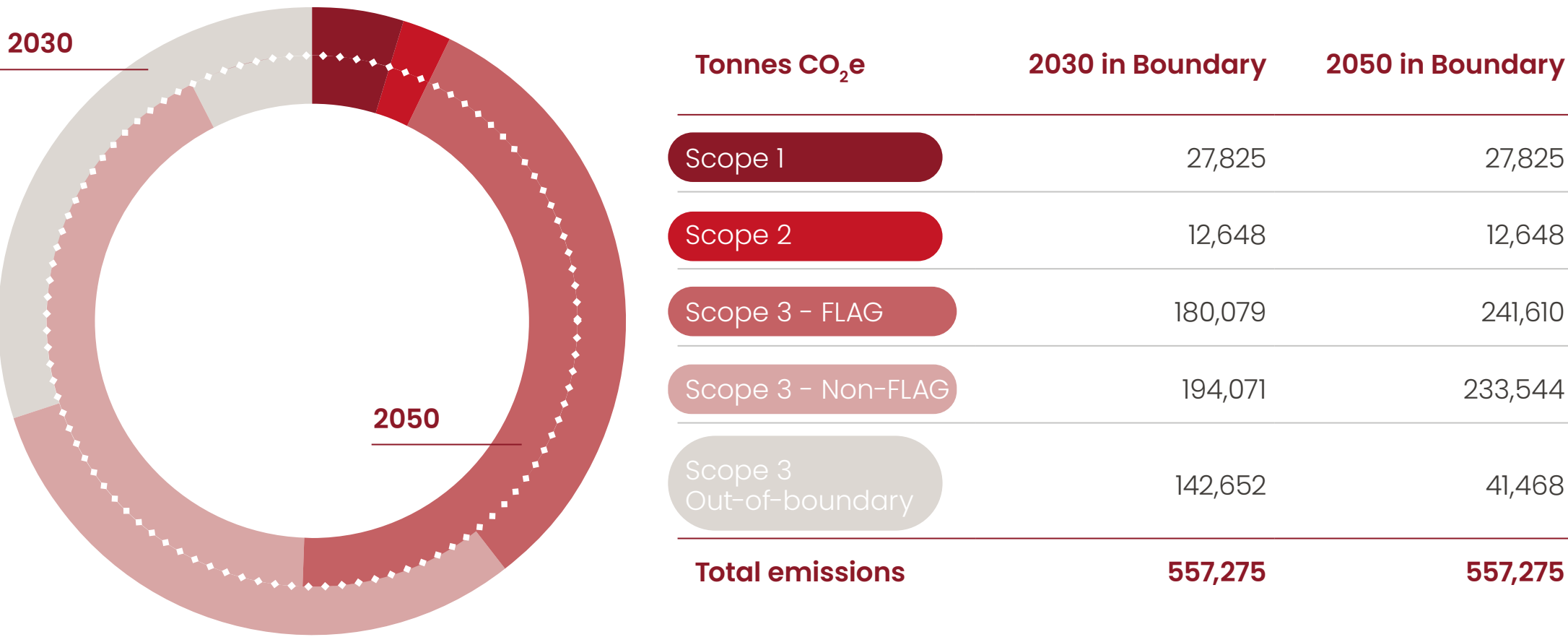
- › Scope 3 – Non-FLAG: Lotus Bakeries commits to reducing absolute Scope 3 GHG emissions from purchased goods and services, capital goods, fuel- and energy-related activities, upstream transportation and distribution, waste generated in operations, downstream transportation and distribution by 90% by 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, 2025⁵.

“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.”

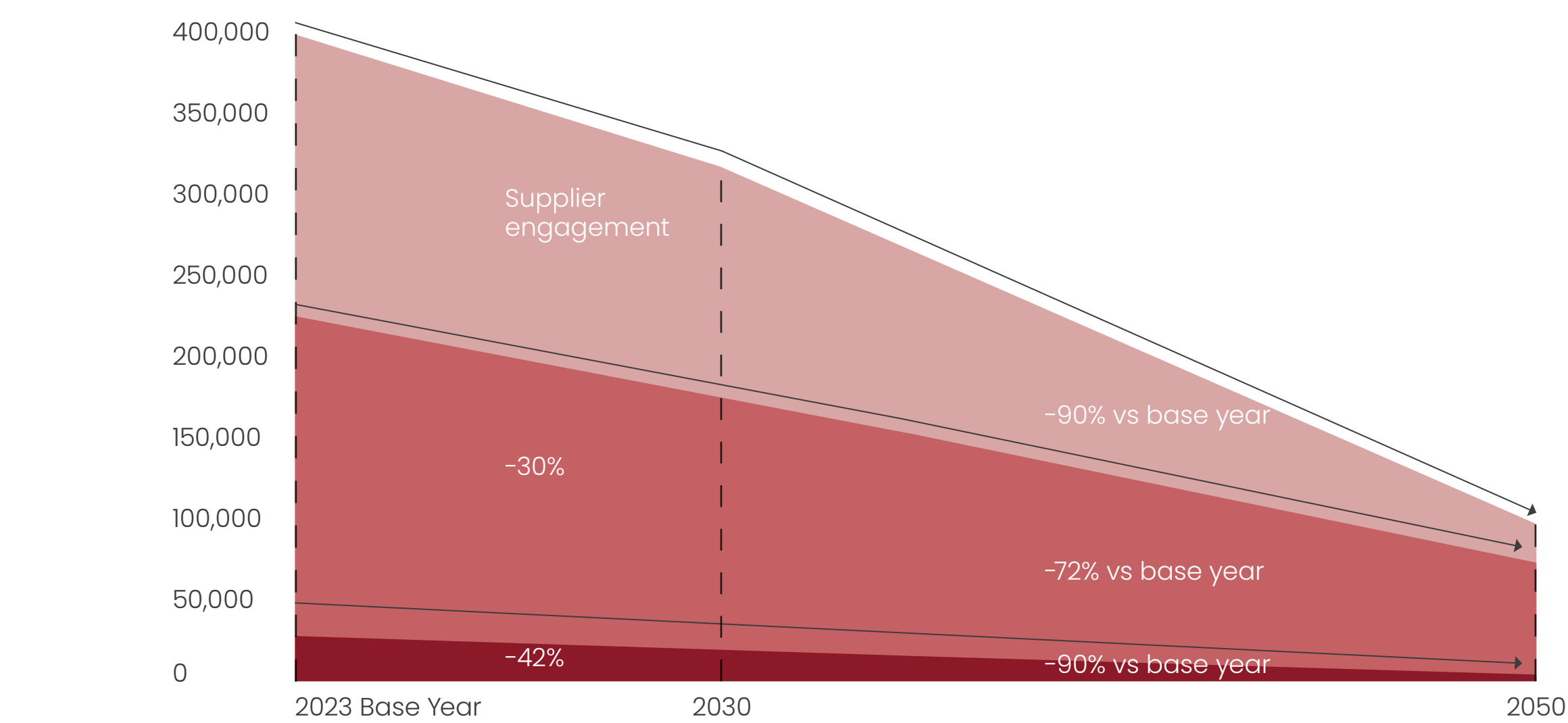
SABIEN DEJONCKHEERE, ESG DIRECTOR

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):



The above targets are integrated into the following global roadmap:



Tonnes CO ₂ e	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.

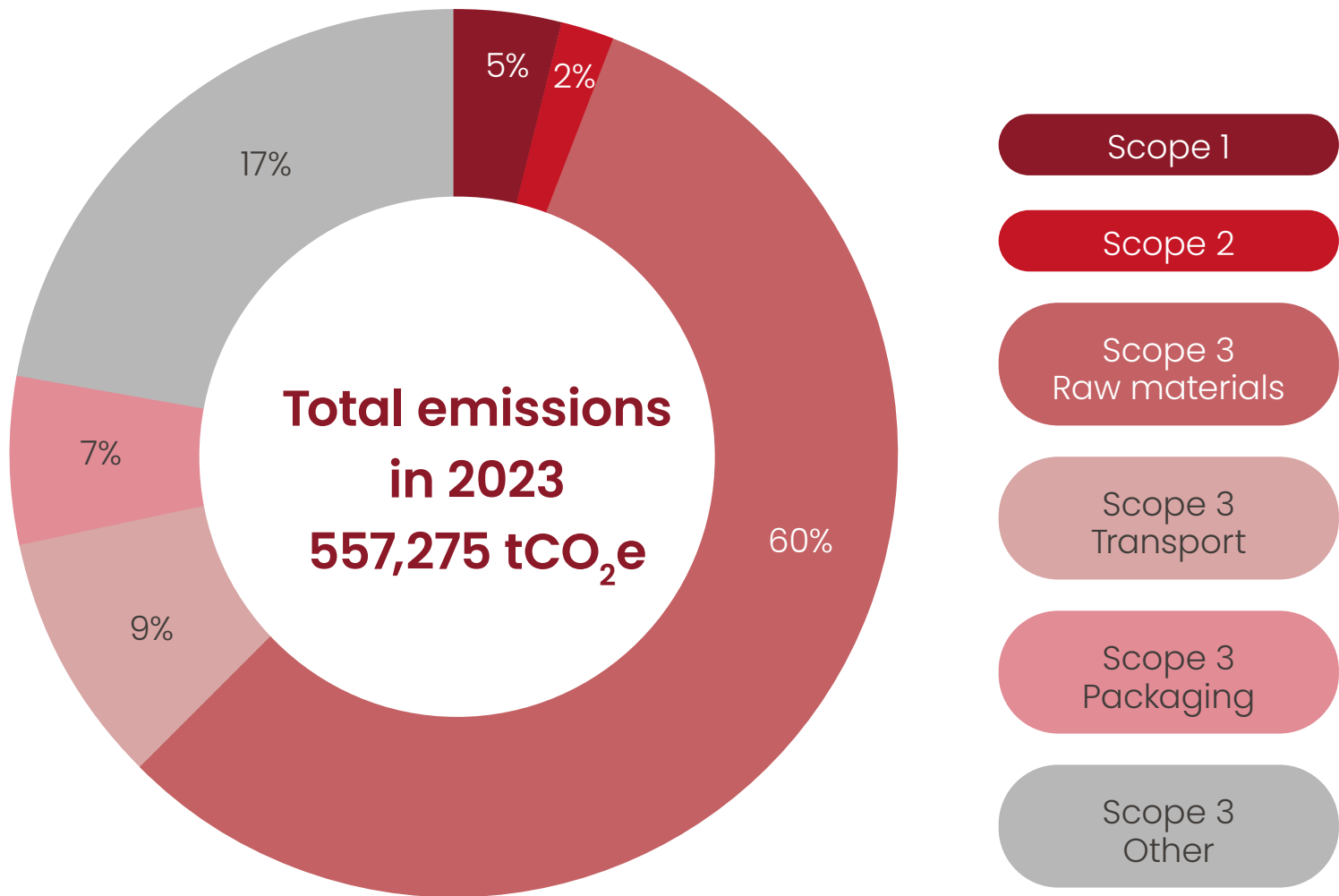
These targets will guide our business practices. By leveraging opportunities and innovations to reduce our carbon footprint across our product portfolio, operations and value chain, we aim to achieve ambitious emission-reduction goals to limit global warming to 1.5°C above pre-industrial levels, aligned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

II.1.1.5. Decarbonisation roadmap

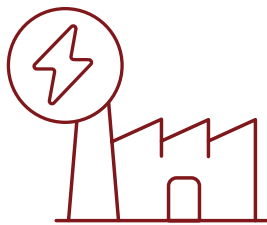
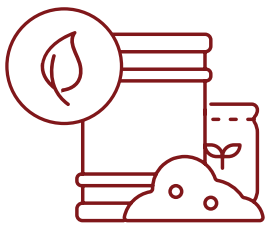
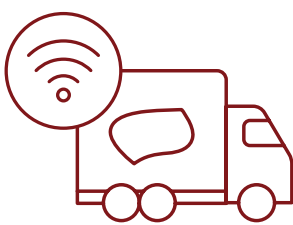
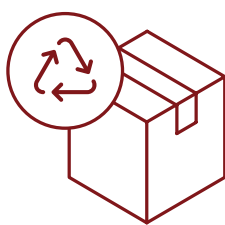
As part of our SBTi approval process, a detailed roadmap was developed to model the reductions for Scope 1, 2 & 3. The roadmap was built from the bottom up at site level and includes intermediary modelling of estimated emissions on the road to target year 2030. The roadmap takes into account the foreseen 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 ₂ e Emissions per scope	
Scope 1	27,825 tonnes CO ₂ e
Scope 2	12,648 tonnes CO ₂ e
Scope 3	516,802 tonnes CO ₂ e



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.

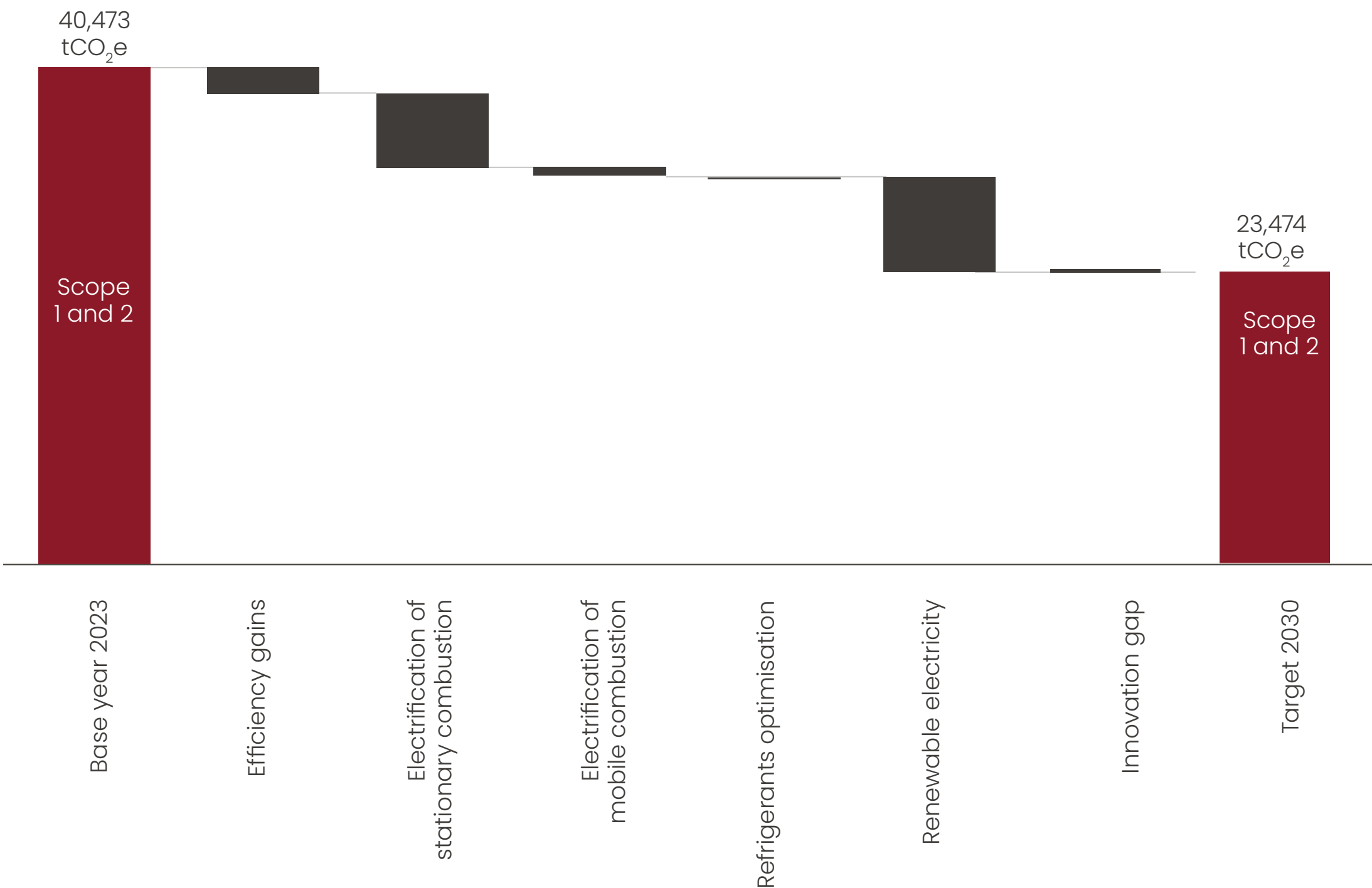
The OPEX expenditure is related to exploring the impact of low-carbon versions or alternative ingredients to high-emitting ones. Given rising inflation, maintaining cost-effective solutions is crucial. Consumer affordability will remain a primary consideration in our decision-making. In transport and 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).

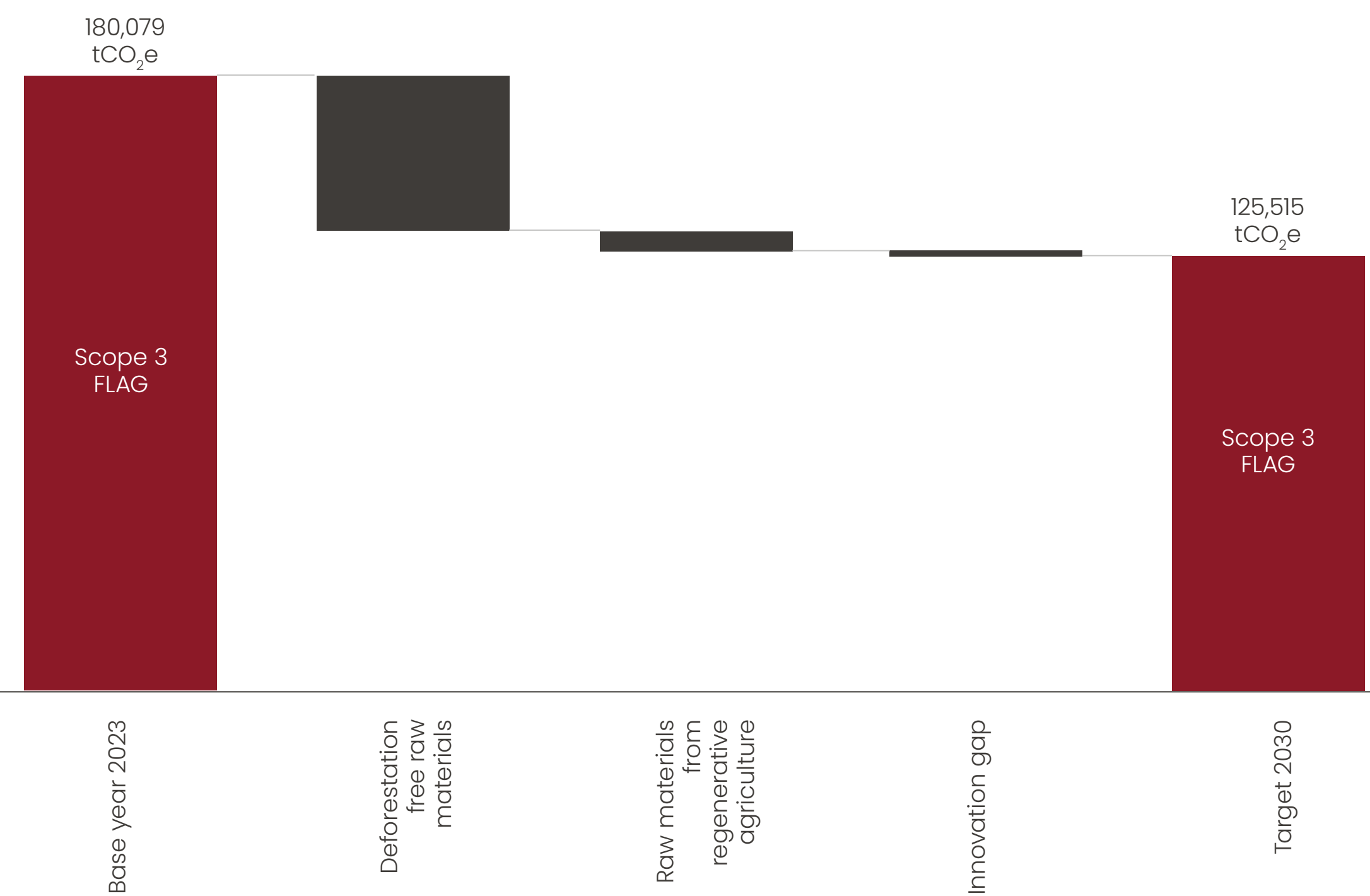
Scope 1 and 2

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.

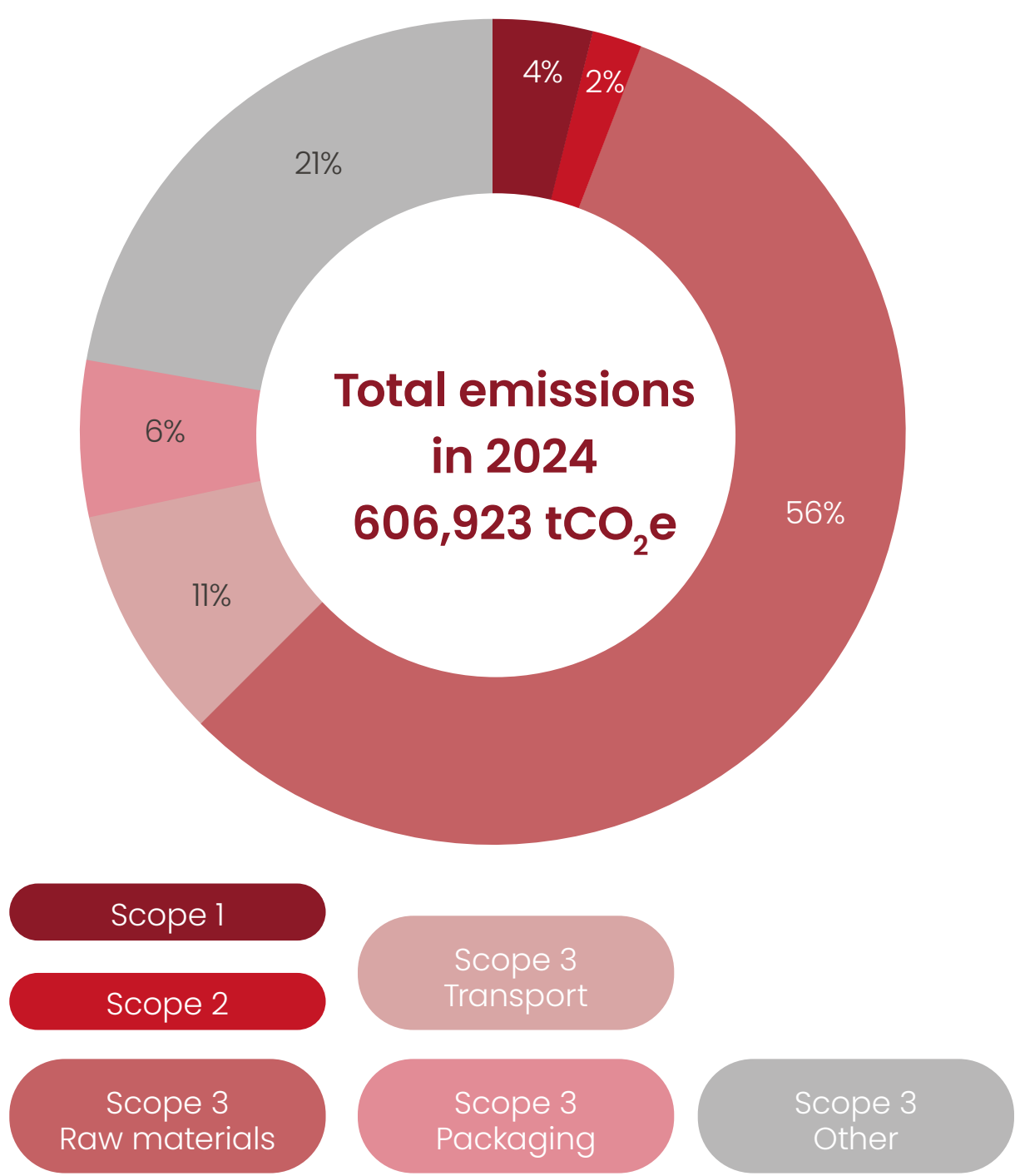
II.1.1.6. Performance, actions and resources

Our total Greenhouse Gas (GHG) emissions (Scope 1, 2 & 3) amounted to 606,923 tonnes CO₂ 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 ₂ e	24,114	25,626	-5.9%
Mobile combustion	tCO ₂ e	1,265	1,150	10.0%
Process emissions	tCO ₂ e	384	332	15.6%
Fugitive emissions	tCO ₂ e	271	717	-62.3%
SCOPE 1	tCO₂e	26,033	27,825	-6.4%
of which covered by regulated emission trading schemes	%	-	-	-
Location-based	tCO ₂ e	12,944	12,235	5.8%
Market-based	tCO ₂ e	11,869	12,648	-6.2%
SCOPE 2	tCO₂e	11,869	12,648	-6.2%
Purchased goods and services	tCO ₂ e	429,148	411,469	4.3%
Upstream transportation and distribution	tCO ₂ e	56,875	45,387	25.3%
Capital goods	tCO ₂ e	37,897	25,099	51.0%
End-of-life treatment of sold products	tCO ₂ e	18,672	14,542	28.4%
Downstream transportation and distribution	tCO ₂ e	12,186	5,320	129.1%
Fuel- and energy-related activities	tCO ₂ e	7,635	7,994	-4.5%
Employee commuting	tCO ₂ e	2,836	2,343	21.1%
Business travel	tCO ₂ e	2,415	2,294	5.3%
Waste generated in operations	tCO ₂ e	1,048	986	6.2%
Upstream leased assets	tCO ₂ e	291	574	-49.3%
Processing of sold products	tCO ₂ e	18	-	100.0%
Investments	tCO ₂ e	-	794	-100.0%
SCOPE 3	tCO₂e	569,021	516,802	10.1%
Total GHG emissions (location-based)	tCO₂e	607,999	556,861	9.2%
Total GHG emissions (market-based)	tCO₂e	606,923	557,275	8.9%
Consolidated revenue	in thousands of EUR	1,231,914	1,062,962	15.9%
GHG intensity (location-based)	tCO₂e/mio EUR	494	524	-5.8%
GHG intensity (market-based)	tCO₂e/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.

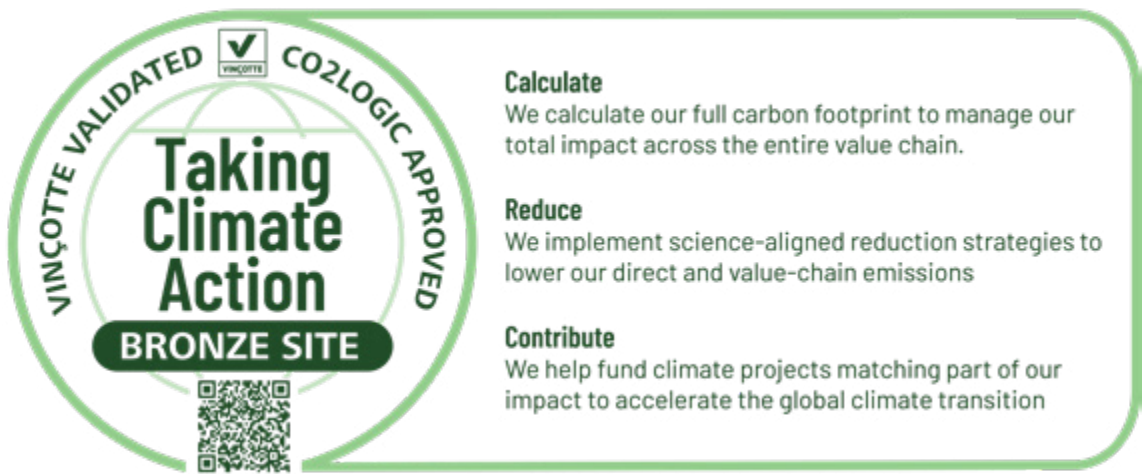
Already since 2015, Lotus Bakeries has offset the emissions from Scope 1 and 2 by supporting external projects through carbon credits leading to the avoidance of extra GHG emissions. Until last year, this has been reported as “Carbon Neutral”. However, in line with the guidance from SBTi, Lotus Bakeries 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:



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 EPR⁶, 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.

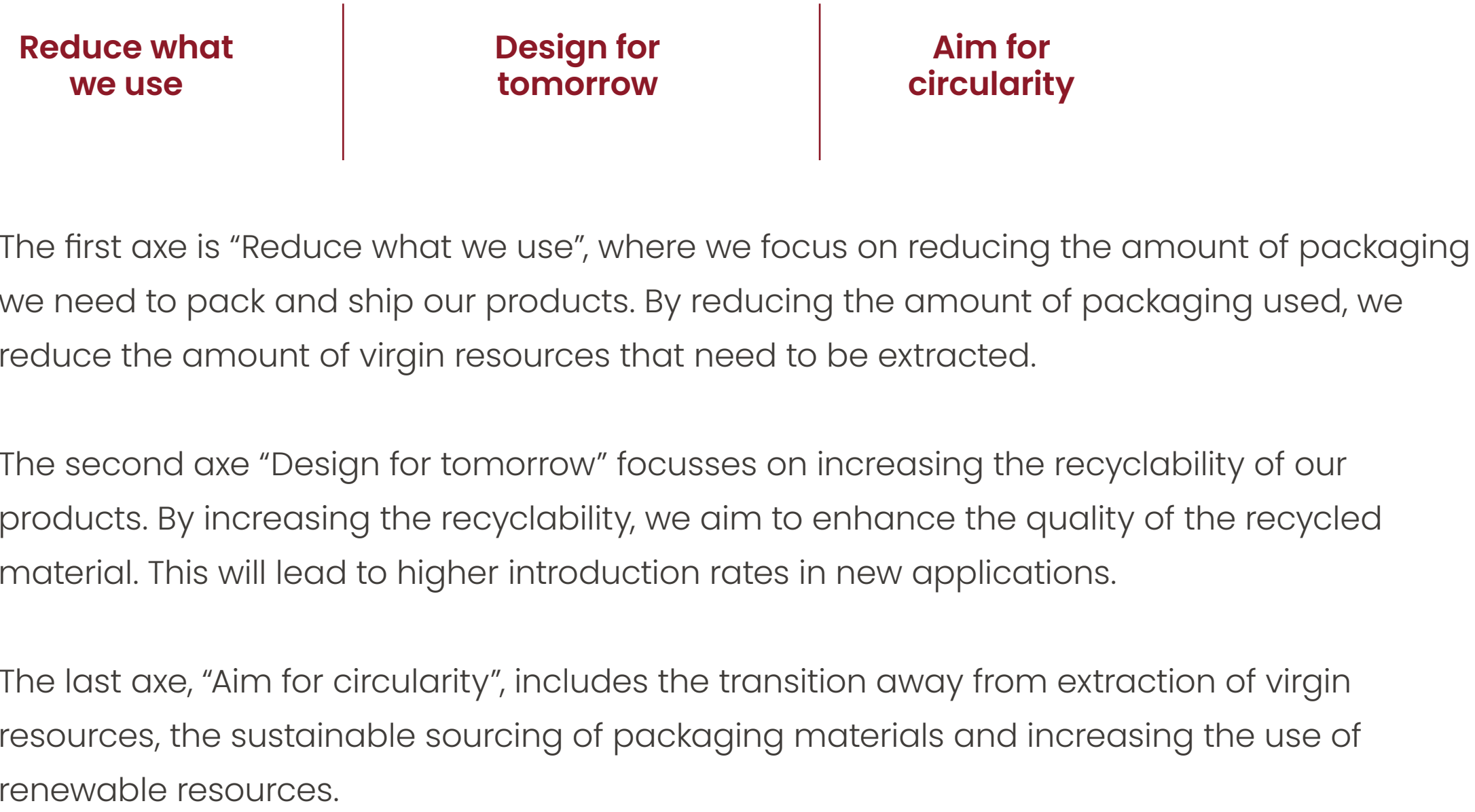
LOTUS BAKERIES' VISION ON PACKAGING

- 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:



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 tonnes⁷ 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.



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.



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' on p. 133-134 of this 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, construction 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 Significantly Harm')									
ECONOMIC ACTIVITIES	CODE	ABSOLUTE TURNOVER	PROPORTION OF TURNOVER	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 ELIGIBLE TURNOVER, 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. 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 Significantly Harm')											
ECONOMIC ACTIVITIES	CODE	ABSOLUTE CAPEX	PROPORTION OF CAPEX	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 ELIGIBLE CAPEX, 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. 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	

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 Significantly 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 ELIGIBLE 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%																
		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

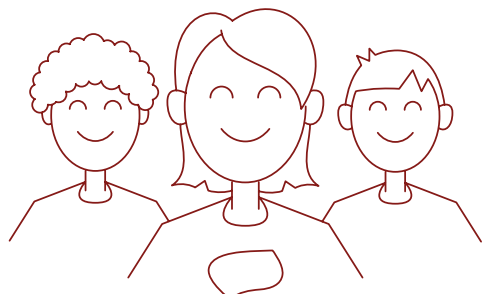
The backbone of our company is our people, our employees, our partners and our local communities. The social aspect of our ‘Care for Today, Respect for Tomorrow’ sustainability programme represents a cornerstone of our overall ESG strategy, which is aimed at doing sustainable business by meeting the 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.

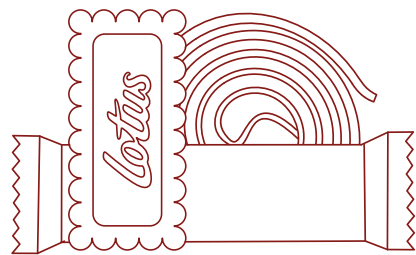
We believe in the power of our people to drive performance. We want to contribute to employee well-being by offering an attractive and inspiring workplace that promotes health and safety, diversity, employee satisfaction, development and equal opportunities for all. We aim to build One Lotus Family by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

LOTUS BAKERIES ESG GUIDING PRINCIPLES



ONE LOTUS FAMILY



BALANCED PORTFOLIO
OF GREAT TASTE

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.).

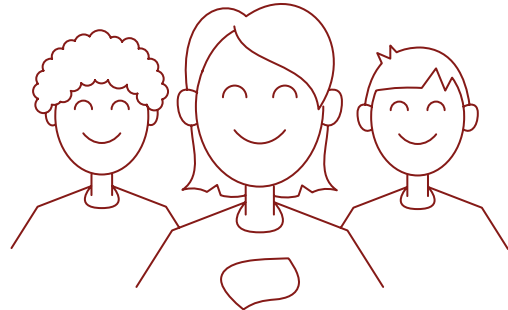
Lotus Bakeries has an international own workforce with a well-balanced gender and age diversity. As an international employer Lotus Bakeries has a direct impact on the professional lives of its employees around the world.

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.

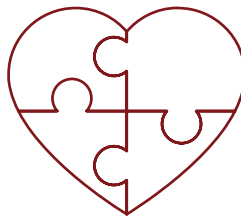
We believe in the power of our people to drive performance. The war for talent makes the success of the company even more dependent on our Lotus Family. To support the acceleration of our growth we focus on attracting, developing and retaining diverse talent. The main focus areas are:

ONE LOTUS FAMILY



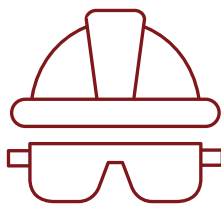
Well-being, diversity, equity & incusion

III.1.5.1. – III.1.5.3.



Health & safety

III.1.5.4.



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.

Coverage rate*	Collective bargaining		Social dialogue - Workplace representation
	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.

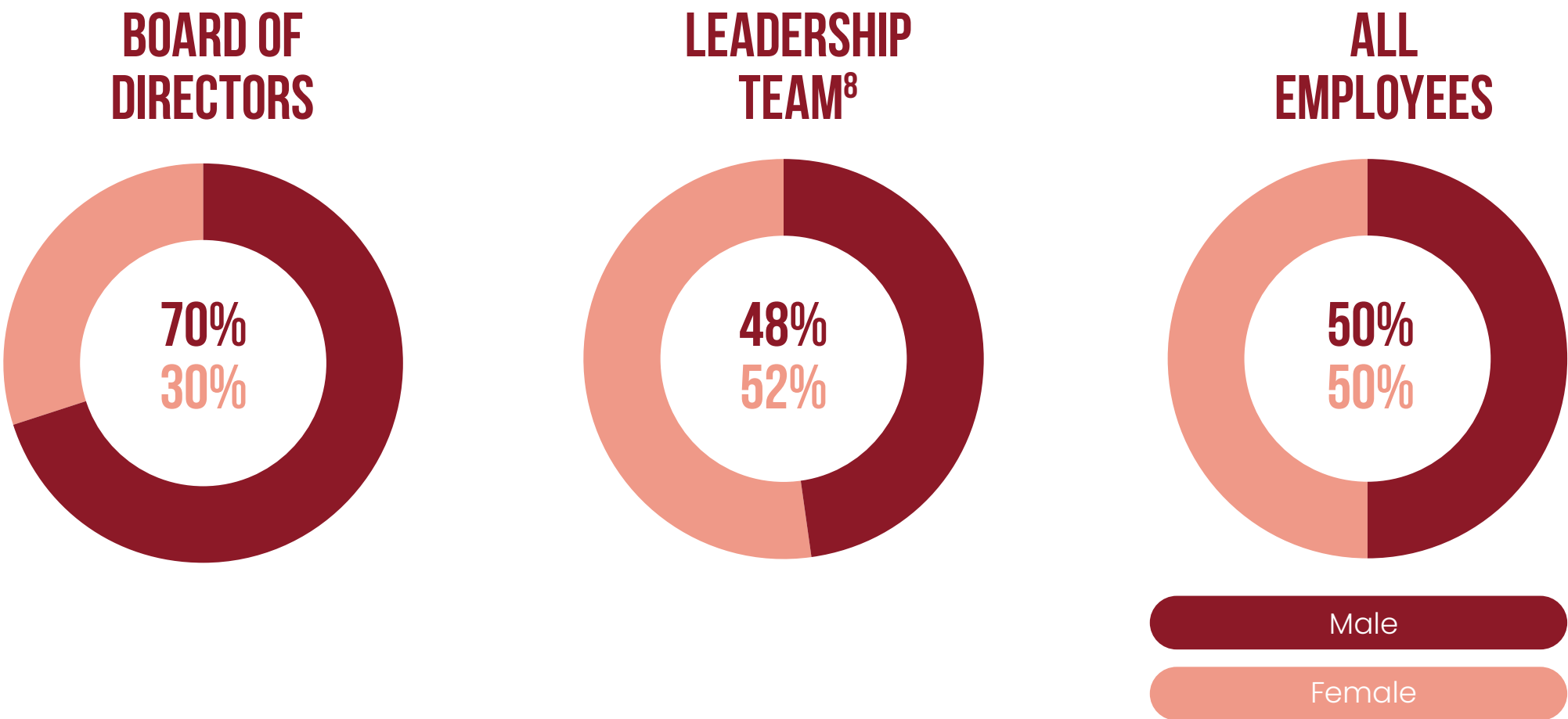
III.1.5. PERFORMANCE, ACTIONS AND RESOURCES

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.

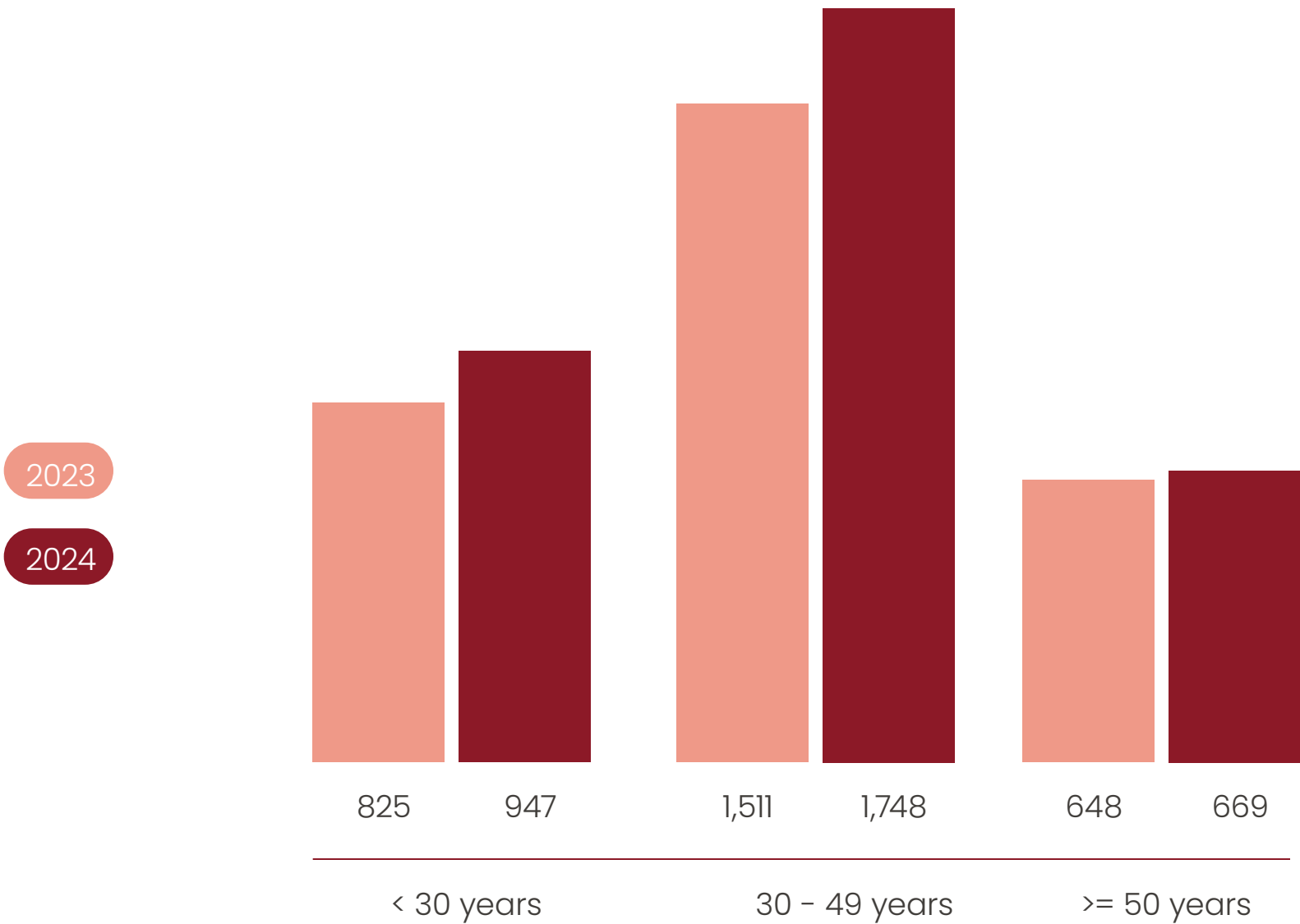
Headcount	2024	2023	Variance 2024-2023
Belgium	1,563	1,458	7.2%
South Africa	841	669	25.7%
United States	226	196	15.3%
The Netherlands	219	213	2.8%
France	150	140	7.1%
United Kingdom	125	126	-0.8%
Thailand	55	8	587.5%
Switzerland	38	38	0.0%
China	33	32	3.1%
Sweden	30	31	-3.2%
Other	84	73	15.1%
Total	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 systems⁹.

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:



⁹We 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 gap¹⁰ 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	Quality assurance of our production processes and finished products	Quality processes for our production partners (co-manufacturing)	Quality processes for our customers
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.	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.	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.	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 meetings¹¹, 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 of the Annual Report 2024).

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

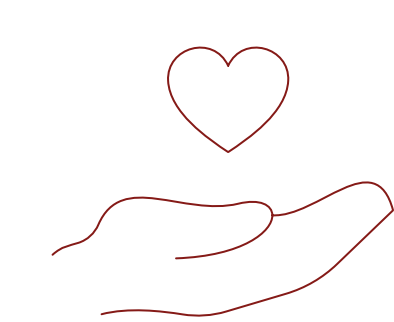
Lotus Bakeries attaches great importance to clear Corporate Governance practices and policies, as articulated in our Corporate Governance Charter and Articles of Association.

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

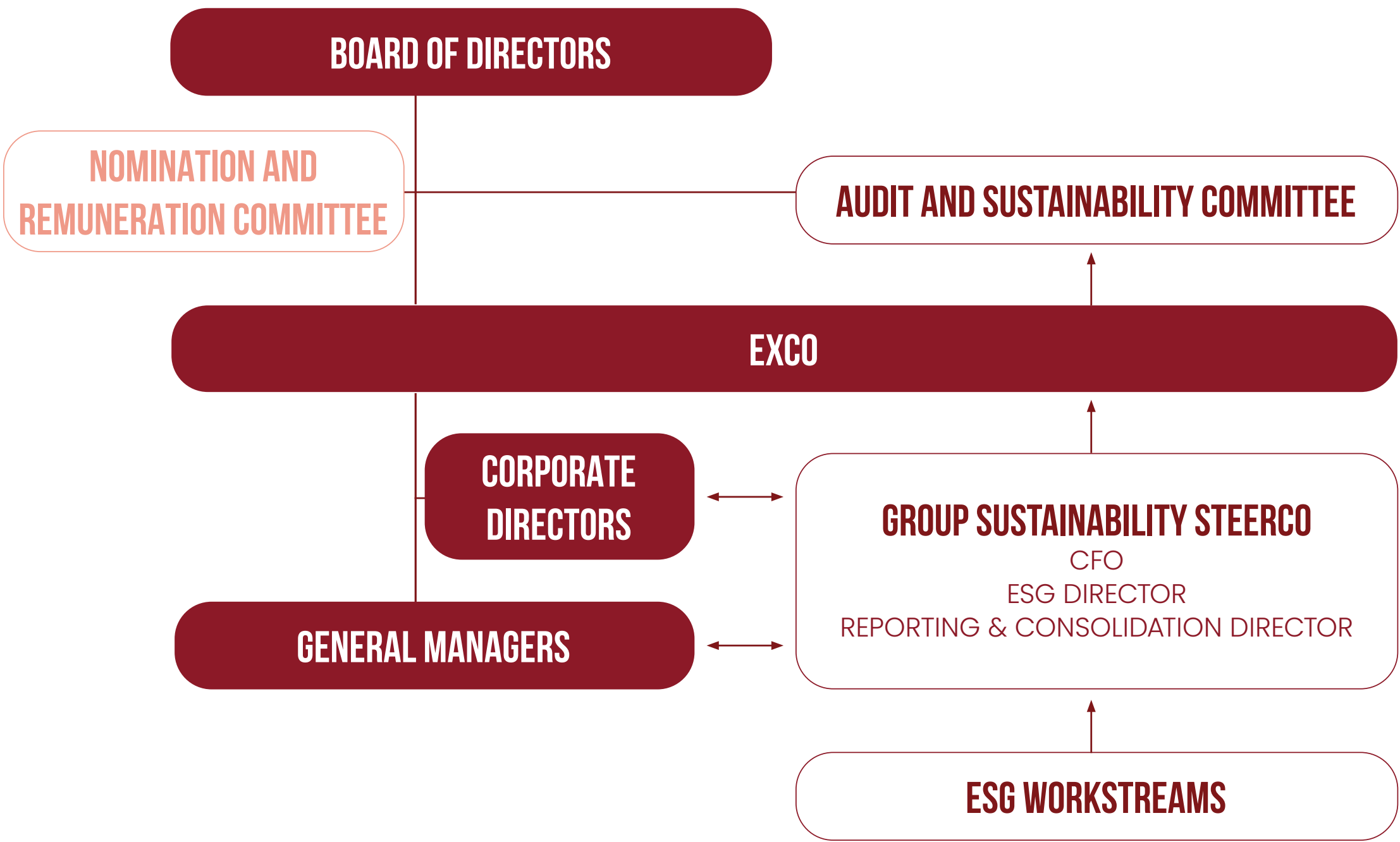
Lotus Bakeries adopts the Corporate Governance Code 2020 as a reference code, in accordance with Article 3:6(2) of the CAC and the Royal Decree of 12 May 2019 laying down the corporate governance code to be complied with by listed companies.

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.

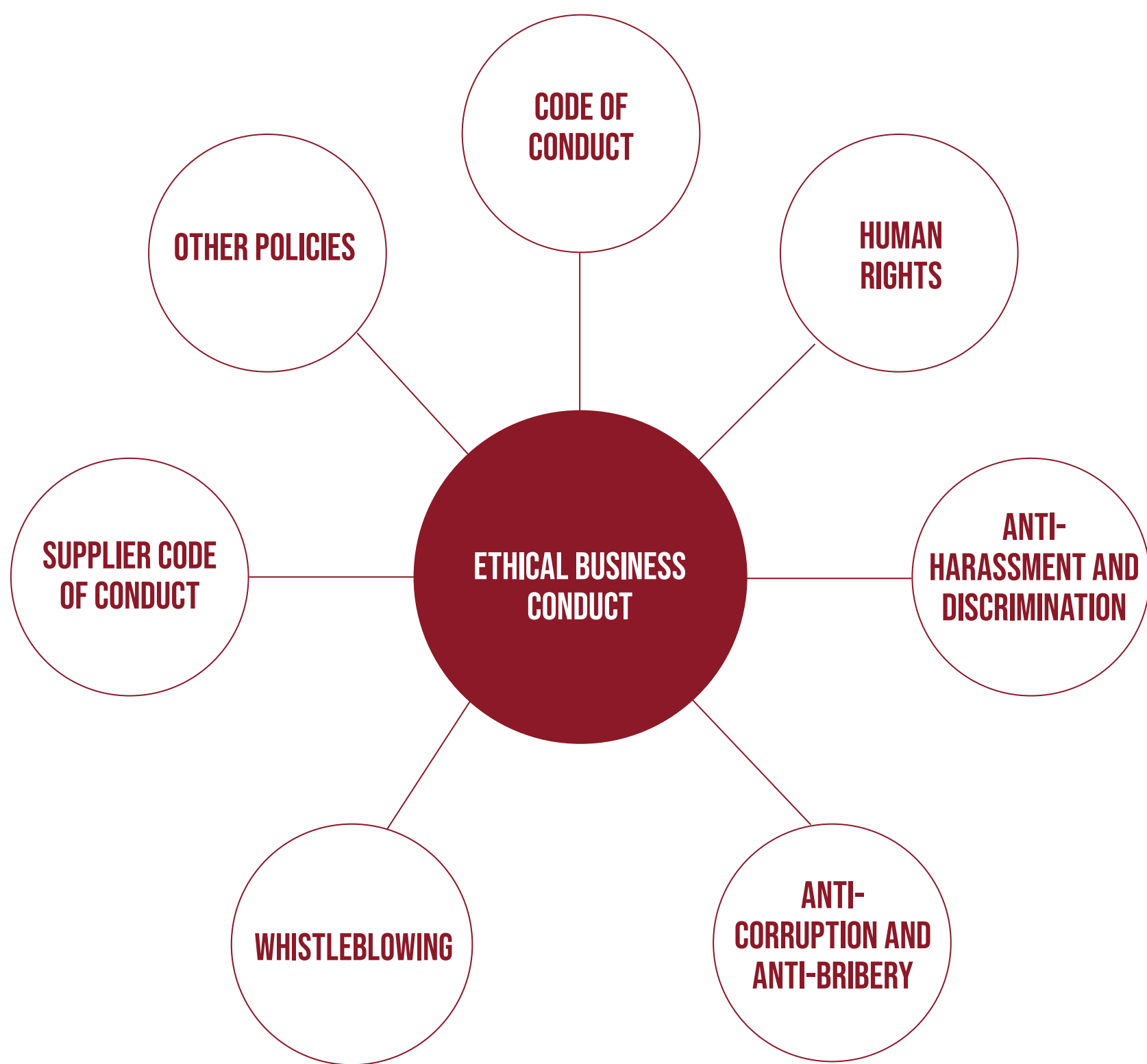


For more details regarding the composition and expertise of the different governance bodies, please see “Corporate Governance & Risk management” in the Annual Report 2024.

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.



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 gas¹³. 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.

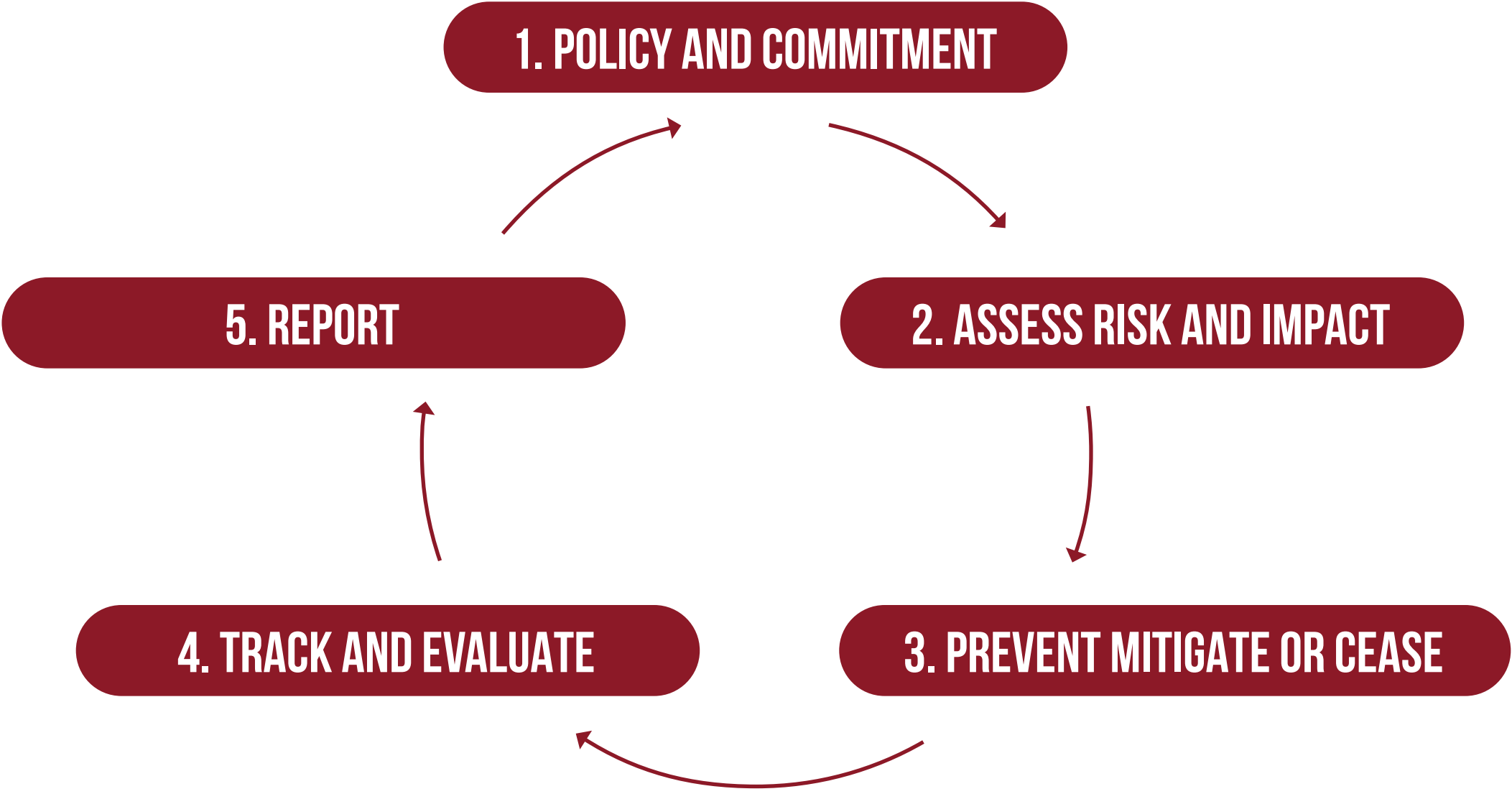
5. Report and communicate: Lotus Bakeries communicates annually via its Annual Report.

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.

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.



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.

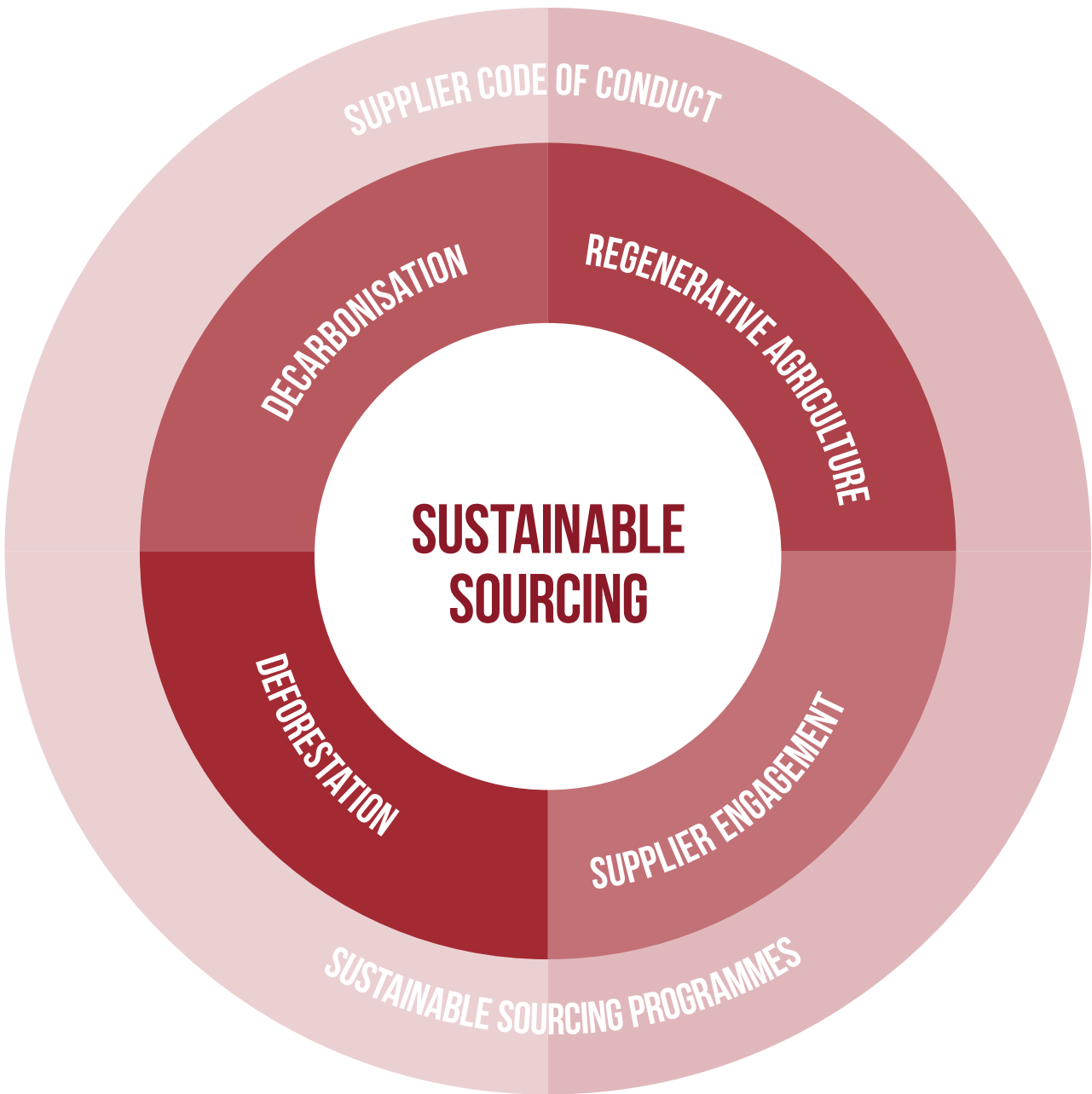
The Supplier Code of Conduct includes an obligation for the supplier to provide documentation that Lotus Bakeries can use as a basis for verifying compliance with the Supplier Code of Conduct.

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 2025¹⁵.

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.

¹⁵ The commodities subject to EUDR, which are in scope for Lotus Bakeries, are palm oil, cocoa, soy & wood (paper&pulp)

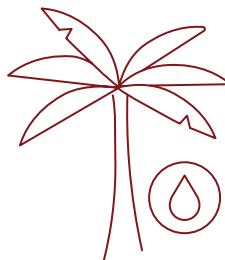
SUSTAINABLE SOURCING PROGRAMMES

 **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.

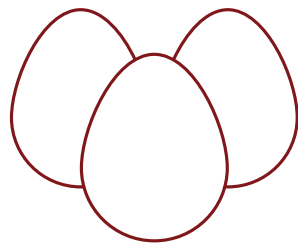
PALM OIL



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.

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 suppliers¹⁶ 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.1.3.

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

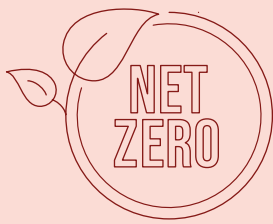
Lotus Bakeries aims to achieve sustainable, profitable growth by providing consumers around the world a diverse range of branded snacks for every occasion. As part of this ambition, we aspire to create value in a sustainable way, not only today, but also for the future generations to come.

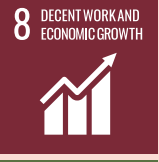
To live up to our purpose and deliver on our sustainability strategy, targets and long-term ambition, we focus where we believe we can make a difference and deliver great long-term impact.

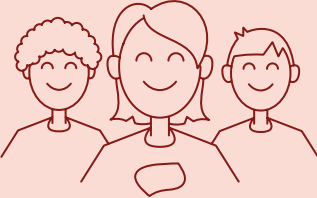
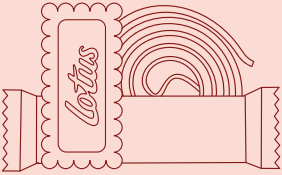
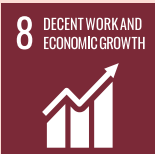
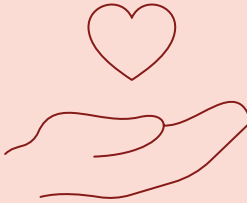
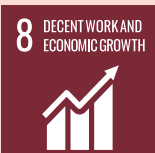
The ESG Guiding Principles are driving our 'Care for Today, Respect for Tomorrow' programme. The focus areas within this programme directly impact a number of SDGs. The below overview highlights the SDGs our programme is most closely aligned with, being the ones where we believe we can have the biggest impact.



CARE FOR TODAY, RESPECT FOR TOMORROW

ESG Guiding Principles	Focus Areas	SDG linked to the Focus Areas	
	Carbon footprint		Affordable and clean energy
			Industry, innovation and infrastructure
			Climate action
			Life on land
	Energy usage		Affordable and clean energy
			Climate action
	Sustainable Packaging		Responsible consumption and production
			Climate action
			Life below water
			Life on land

ESG Guiding Principles	Focus Areas	SDG linked to the Focus Areas	
	Partnering in the value chain		Decent work and economic growth
			Climate action
	Sustainable sourcing programmes		Quality Education
			Reduced inequalities
			Climate action
			Life on land

ESG Guiding Principles	Focus Areas	SDG linked to the Focus Areas		ESG Guiding Principles	Focus Areas	SDG linked to the Focus Areas	
One Lotus Family 	Well Being, Diversity Equity & Inclusion		Good health and well-being	Balanced portfolio of great taste 	Food safety and Quality		Good health and well-being
			Quality Education				Responsible consumption and production
			Gender equality		Balanced Portfolio		Good health and well-being
			Decent work and economic growth				Responsible consumption and production
	Health & Safety		Good health and well-being	Ethical business conduct 	Business ethics & Corporate Culture		Zero Hunger
			Decent work and economic growth		Partnership for the SDG 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 CO₂e 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.

<u>VOLUME IN m³</u>	<u>2024</u>
Water withdrawal	156,500
Water consumption	13,200
<u>Water discharges</u>	<u>143,300</u>

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.



APPENDIX

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 “1.4. 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 “1.4. 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 "1.4. 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 sustainability statement';
- › 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

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
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
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 EI-1 Transition plan to reach climate neutrality by 2050 § 14				•	Sustainability Statements – II.1.1.
ESRS EI-1 Undertakings excluded from Paris-aligned Benchmarks § 16 (g)		•	•		Not applicable
ESRS EI-4 GHG emission reduction targets § 34	•	•	•		Sustainability Statements – II.1.1.4.
ESRS EI-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) § 38	•				Sustainability Statements – II.1.2.3.
ESRS EI-5 Energy consumption and mix § 37	•				Sustainability Statements – II.1.2.3.
ESRS EI-5 Energy intensity associated with activities in high climate impact sectors §s 40 to 43	•				Sustainability Statements – II.1.2.3.
ESRS EI-6 Gross Scope 1, 2, 3 and Total GHG emissions § 44	•	•	•		Sustainability Statements – II.1.1.6.
ESRS EI-6 Gross GHG emissions intensity §s 53 to 55	•	•	•		Sustainability Statements – II.1.1.6.
ESRS EI-7 GHG removals and carbon credits § 56				•	Sustainability Statements – II.1.1.7.
ESRS EI-9 Exposure of the benchmark portfolio to climate-related physical risks § 66			•		Phased-in
ESRS EI-9 Disaggregation of monetary amounts by acute and chronic physical risk § 66 (a)		•			Phased-in
ESRS EI-9 Location of significant assets at material physical risk § 66 (c)					
ESRS EI-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 I 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 ₂ e	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 (CO ₂), methane (CH ₄), nitrous oxide (N ₂ O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF ₆), and nitrogen trifluoride (NF ₃).

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.

This chapter is part of the 2024 Annual Report of the Lotus Bakeries Group.
Read the full report on our [corporate website](#).

