
Corporate Social Responsibility

2021.

#TogetherMore.





Preface.

by Irénke Meekma

I'm happy and proud to present Zeelandia's Corporate Sustainability Report 2021. A document in which we describe our efforts to change our business – and our world – for the better.



As a family business with strong local roots in over 20 countries, Zeelandia has long nurtured a strong sense of responsibility for our communities and environment. That commitment extends to the health of the people who work for us and the consumers of the products made with our ingredients. To our environmental impact, especially in terms of carbon emissions and waste production. And it covers the communities we're part of: their welfare and economic prosperity.

With this CSR report, we want to give an honest account of both our achievements and the challenges we face – and how we intend to overcome them. The report describes our strategic goals, the efforts we have undertaken both on a corporate level and by our individual subsidiaries.

I'm proud of the picture that emerges. Throughout our organization, CSR is treated as an integral part of our business strategy, and as a crucial indicator of how

successful we are. We're also transparent about the areas in which we need to improve. We're committed to tackling these challenges headlong.

The key success factor here, I believe, is to join forces. Within our company, we have already developed a framework for structural cooperation, enabling us to pool resources and best practices, to achieve CSR progress throughout our global organization. I'm also encouraged by the various examples of Zeelandia joining forces with supply chain partners, for example to reduce waste production and by facilitating healthier diet choices on the part of the consumer.

Some of the challenges the world faces may at times feel overwhelming. Yet as polar explorer and environmental campaigner Robert Swan pointed out, the greatest threat to our planet is perhaps not the scale of the challenges but "the belief that someone else will save it". That is not a belief we subscribe to. Our

conviction is that we can achieve more together. And that means we will both continue to hold ourselves to account and intensify our efforts to work with partners, working towards a healthier world, in every sense of the word.



Irénke Meekma
CEO, Koninklijke Zeelandia Group



About Zeelandia.

Our people.

3,100 employees.



Our people Zeelandia employs 3100 people worldwide (including joint ventures). Together with our suppliers we explore new ingredients and more sustainable production processes, to meet the growing demand for healthy, nutritious bread and pastry products made from responsibly sourced ingredients.

Worldwide.

+100 countries.

Our product portfolio covers thousands of products and includes bread and pastry mixes, bread improvers, fermented products, pastry fillings (including fruit) and coatings as well as bake releasing agents (oils). The products are tailored to local tastes and needs in over 100 countries.

Revenue.



545 million.

Our customers include bakeries of all sizes, from small artisanal bakeries to large industrial bakeries catering to (international) retail chains and out-of-home outlets. Zeelandia exports to around 70 countries and in 2021 registered total net (including joint ventures) sales amounting to 545 million euros.



CSR@Zeelandia.

Zeelandia is committed to doing business in a sustainable way. Our goal is to create value for all our stakeholders, every day, and to have a positive long-term impact on the environment and society at large.

First and foremost this commitment informs the choices and efforts which we make ourselves. However, we also recognize that we share responsibility for the entire value chain: from suppliers of raw materials and the customers who work with our products, down to the consumers themselves. We are also committed to transparent reporting on our CSR performance and to improving that performance year on year.

To deliver on the commitment described above, we:

1. Create focus and set priorities

Our goal is to have real-world impact, which means we need to focus our efforts. To do this, we have drawn up a CSR strategy. This strategy takes into consideration global developments and CSR frameworks (see the box), as well as stakeholder expectations and internal assessments of our potential impact.

The result is a Materiality matrix (Fig. 11). It visualizes both our stakeholders' priorities and the potential impact of our efforts as an individual company (in combination with the impact of external developments on our company). This matrix has allowed us to identify the focus topics in our CSR strategy (see p. X). The matrix and the resulting focus topics are reviewed every year and updated every two years.

Some of the (external) policies, frameworks, and guidelines Zeelandia subscribes to include:

- The UN's Sustainable Development Goals
- RSPO requirements for the sourcing of sustainable palm oil
- Rain Forest Alliance for Cacao
- Sector-wide initiatives, such as sustainability commitments through FEDIMA and FDE
- The implementation of new or updated guidelines on food safety such as the European safety assessment of titanium dioxide as a food additive.
- Climate goals as laid down in the Paris Agreement and national climate policies
- CSR frameworks including the Dutch IMVO agreement on responsible business conduct and the Dutch transparency benchmark
- Palm Oil Buyers Scorecard
- EU reporting guidelines
- GRI reporting guidelines

1 NO POVERTY



2 ZERO HUNGER



3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



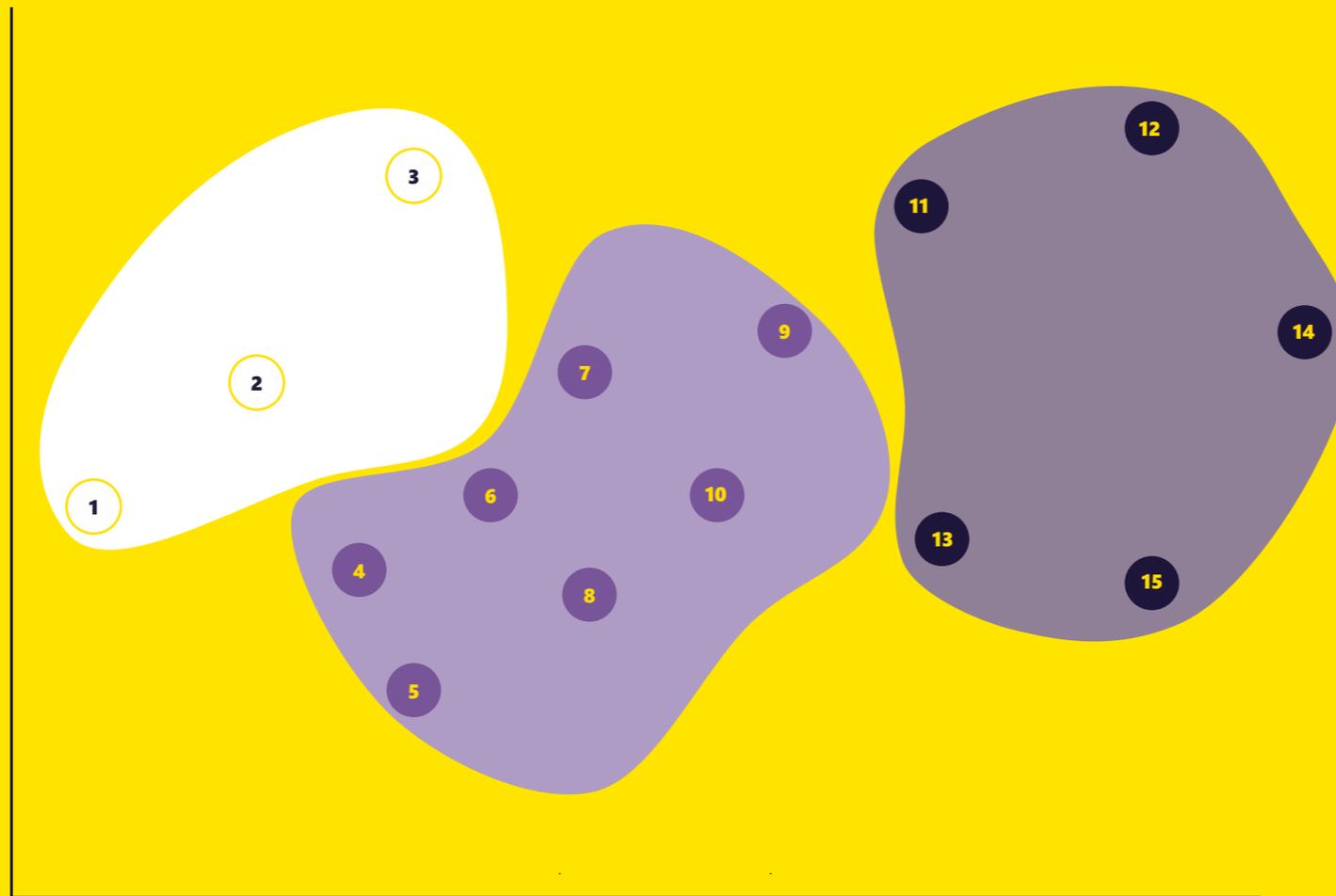
14 LIFE BELOW WATER



Zeelandia materiality matrix

- Impact
- Improvement
- Compliance

Relevance to stakeholders



Group environmental, economic and social impact

Compliance

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

Improvement

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

Impact

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

Focus Dimensions/Pillars

Better for PEOPLE.



Better for PLANET.



○ Fair Share ● Improvement

2. Translate strategic goals into actual progress

To achieve our strategic goals, we use two parallel approaches:

On the one hand, we have set up company-wide change programs and specific projects in which our operating companies and corporate departments join forces. This helps us to make the most of potential synergies and ensure consistent progress in our most prominent focus areas.

At the same time, we encourage and facilitate bottom-up initiatives. This helps us to generate quick successes, build momentum and boost CSR engagement throughout the organization. A network of CSR ambassadors has been set up. These have been trained to nurture local change, to fully integrate CSR into our everyday work and decision-making.

In 2021 we worked on a range of Group-wide CSR projects:

Better for consumers

- In September 2021, we launched a new concept for lower-sugar pastry ingredients, Nativa.
- Zero Problem: Gluten-free range.
- Origen: Our brand-new range of digestive sourdough which improves bread digestibility.
- Fruitful Veggie Fillings: 70% vegetables and vegan.

Better for Employees

- We created a “Covid Taskforce” as a groupwide initiative.
- Employees Code of Conduct.

Community Support

Several local community supportive initiatives are carried out locally by our operating companies. (See Page 26)

Better for the Planet

- We agreed to implement the LEED silver design standard for newbuild projects.
- We completed a solar panel pilot project in Poland, in which our factory roof was covered with solar panels.
- We introduced recycle-ready, FSC-certified paper bags without plastic lining.

3. Ensure proper CSR Governance

Ultimate responsibility for CSR rests with line management, since CSR is to be fully integrated into our everyday business processes and decisions. As they take up this responsibility, we have set up a governance model to ensure adequate support and consistent progress.

At the heart of this model is the CSR leader, who drives CSR and change programs and who reports to a CSR Governance Committee chaired by Zeelandia's CEO. Corporate functions prepare annual CSR plans and report to this committee, which monitors overall progress and is empowered to take decisions on behalf of the general management team. The CSR leader supports operating companies as they prepare their CSR plans and execute local initiatives.

Our global CSR Program.



Governance

- We drafted guidelines for procurement of sustainably sourced palm oil.
- We worked on a range of roadmaps covering various CSR-related topics, one of which was completed in 2021 (Energy).

4. Monitor progress

We are developing a set of company-wide KPIs to enable us to assess our overall CSR performance and progress. The operating companies are responsible for local efforts to collect and report data. The current KPIs focus on environmental parameters including carbon emissions, energy consumption, and various waste streams. Over the next few years, the set of KPIs will be expanded ([see p. 33](#)).

Progress on projects is reported quarterly. Group projects and initiatives are reported by the assigned corporate functional lead (supported by the CSR leader), to the CSR Governance committee. Local projects are reported to the local MT by the responsible manager, supported by the local CSR ambassador.

5. Communicate results

Our overall progress and results are communicated through an annual CSR report, prepared by the CSR leader and the Communications Department. In addition, we use complementary channels such as social media platforms and our own [Zeelandia websites](#). The CSR leader also coordinates any other publications required or expected by external stakeholders or government bodies. Last but not least, we use internal communication channels to inform and engage our employees around the world. After all, it's their commitment that is crucial to achieving our goals.



Our strategic goals.

Our CSR strategy is built around five key topics, which reflect our stakeholder's priorities and the areas in which we can have the most direct and substantial impact.

These five topics are drawn from the Materiality matrix described in chapter 1. They are:

Better for consumers

Through our products, we have a direct impact on public health and responsible consumption patterns, two of the UN's Sustainable Development Goals.

Our strategic goals for 2023:

- To improve the nutritional profile of our products, by reducing sugar content and the use of additives, adding fibers, making products more digestible using sourdoughs and by creating gluten-free options. We continually develop and update our Better for Consumers product roadmap and launch new solutions derived from this roadmap in local markets.
- To help customers make informed, responsible decisions by providing more transparent information.
- Maintain a high level of compliance with safety regulations worldwide.

Better for employees

The UN's Sustainable Development Goals highlight the importance of quality education, decent work, and economic growth for all. At Zeelandia we create an environment in which employees from all ages and backgrounds feel safe and can thrive. We protect and foster their physical health and well-being and encourage their professional and individual growth.

Our strategic goals for 2023:

- To use group-wide standards for safety at work and the reduction of dust and heavy labour.
- To consistently involve people in change and create engagement, using a standardized employee survey.
- To hire talent from diverse backgrounds and invest in developing their potential through lifelong learning.
- To share best practices through a thriving CSR community.

Community support

Zeelandia's operating companies are strongly rooted in their local communities, and as stated in our Business Principles, we want to "fulfill the responsibilities to societies and communities in which the company operates". In line with this commitment, operating companies have a long track record of supporting charities, financially or in kind. This enables them to address the specific needs of local communities and to make the most of their employees' personal drive and enthusiasm.

Better for the planet - Clean Energy

We support the world's efforts to combat the climate crisis and environmental pressure by reducing our own ecological footprint. This includes reducing our direct and indirect greenhouse gas (GHG) emissions, as we work towards a carbon-neutral future. In this way, we contribute to several of the UN's Sustainable Development Goals (Affordable and clean energy, Responsible consumption and production, Climate action and Life below water).

Our strategic goals for 2023

- To achieve year by year reductions in water, energy, and fuel consumption, taking responsibility for our share of greenhouse gas reductions, in line with external commitments such as those laid down in the EU Green Deal and the Paris climate agreement.
- Where possible and feasible, to transition from fossil to sustainable energy sources. For electricity, our goal is to use only sustainable sources by 2023.

Better for the planet - Zero Waste

We work with partners throughout the supply chain to monitor and reduce waste streams. We also strive to recycle and reuse as much waste as possible. In this way, we contribute to several of the UN's Sustainable Development Goals (Responsible consumption & production, Climate action, and Life below water).

Our strategic goals for 2023

- To reduce direct food waste (the waste produced in our own factories and warehouses) to 1% of our sales volume.
- To sort more than 90% of other types of waste for recycling.
- To cooperate with bakers and retail partners in joint efforts to reduce packaging and food waste.

How we determine our strategic goals

Within the key topics described above, we need to set goals that are ambitious yet achievable. We want to use our resources in a way that, again, maximizes the impact of our CSR efforts. That is why we distinguish between three types of goals.

Impact goals are of strategic importance.

They are closely linked to our core processes and competences, and are typically aimed at achieving structural, long-term progress. We want these goals to be incorporated into our everyday processes, and we set up dedicated project teams to deliver on our ambitions. Examples include our investments in products with better nutritional value, and gluten-free or vegan product ranges.

Improvement goals include crucial topics such as climate targets, circular use of materials, and sustainable packaging. All areas in which considerable efforts are required to meet (external) commitments. Compared to our impact goals, however, they will typically be of a more operational nature, focusing on specific, year-on-year improvements.

Compliance goals cover areas such as ethical business practices, product quality, people and product safety and respecting human rights. These are not areas in which we must consider priorities: they are non-negotiable. We owe it to ourselves and our communities to ensure we are always compliant with (international) rules, regulations, and codes of conduct.



In 2021 we achieved progress across all our strategic CSR focus areas. This chapter describes initiatives and results both on a Group-wide level and in our operating companies.

What we achieved together

Initiatives and results.

Better for consumers



Healthier products and better nutritional value
According to a consumer study effectuated by Zeelandia in several European markets, sugar and additives are the first two top-of-mind ingredients that final consumers think of as necessary to eliminate in a healthy diet. Therefore, as a first major milestone in the roll-out of our **Better for Consumers roadmap**, we launched **Nativa**: a new range of pastry products with reduced sugar content and minimal use of additives (as well as containing no palm fat).

In one of our key Group projects, we pooled expertise to extend our **Gluten-free range known as Zero Problem**. In addition to the growing number of people with coeliac's disease, there is a sizeable group of consumers who are gluten-intolerant, while an increasing number of consumers prefer gluten-free products for their perceived health benefits. However, removing gluten from recipes presents considerable technical challenges. In 2022 we plan to invest in a partnership with a specialized gluten-free manufacturer, to support us in the introduction of a range of gluten-free products with excellent taste and texture characteristics.



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

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



Origen is another initiative focused on **sourdough** bread, one of the strongest growth drivers in the bakery business today. Sourdough appeals to consumers who are looking for better tasting products, made with traditional ingredients and with clean-label formulations. Because genuine sourdough is a living product, full of active micro-organisms, its shelf life is normally very limited unless it is kept in chilled conditions. However, Zeelandia developed a patent pending process to keeping sourdough flora alive at room temperature. Not having to chill the product also results in a much lower carbon footprint.



Transparency

Zeelandia prepared an application for full membership of SEDEX, one of the world's leading platforms for monitoring and managing businesses' ethical and environmental impact. As a full member, we will submit to rigorous monitoring of our own business practices, starting with our main site in the Netherlands. We will also have access to data on suppliers, which will allow us to make informed decisions that contribute to a more responsible supply chain.

Other initiatives aimed at ensuring a more sustainable supply chain included a further increase in the use of FSC-certified paper packaging materials. We also had internal discussions on some of the dilemmas created by consumer trends. For example, consumers increasingly avoid palm oil-based products altogether, even though sustainably sourced palm oil (such as the RSPO-certified variety we use in most factories) is less land-intensive than all alternative oils.

Another challenge is the fact that regulatory requirements and initiatives in different areas (environment, food safety, health & safety) may conflict. We introduced a new corporate department that will coordinate Group certifications and monitor regulatory procedures in these different areas, allowing us to view them in each other's context and strike an optimal balance.



Better for employees

A safe working environment, in every way 2021 was another year marked by the global COVID-19 pandemic. We continued our efforts to ensure our employees' health and (mental) well-being. This included clear and consistent safety instructions, policies, Personal Protective Equipment guidance, and clear flowcharts to help managers in answering employees' questions in a

transparent and consistent way. We also emphasized the need for managers to remain alert to signs of mental pressure and developed communication tools to express our appreciation of employees' efforts and to boost morale.

In 2021 we rolled out our new Code of conduct, as well as a robust whistleblower policy. The code was shared throughout our organization, and

operating companies were specifically tasked with ensuring local communication, implementation as well as collecting feedback. After all, this is to be a living document, allowing us to move swiftly as new challenges arise.

Based on this internal document, we also drew up a Supplier code of conduct. This will guide and enable our efforts to reduce ethical risks in our supply chain. The Supplier code of conduct clearly describes our standards in terms of respect for human rights, environmental impact, and fair wages. It will be rolled out over the coming years, starting with suppliers of ingredients identified as high-risk.

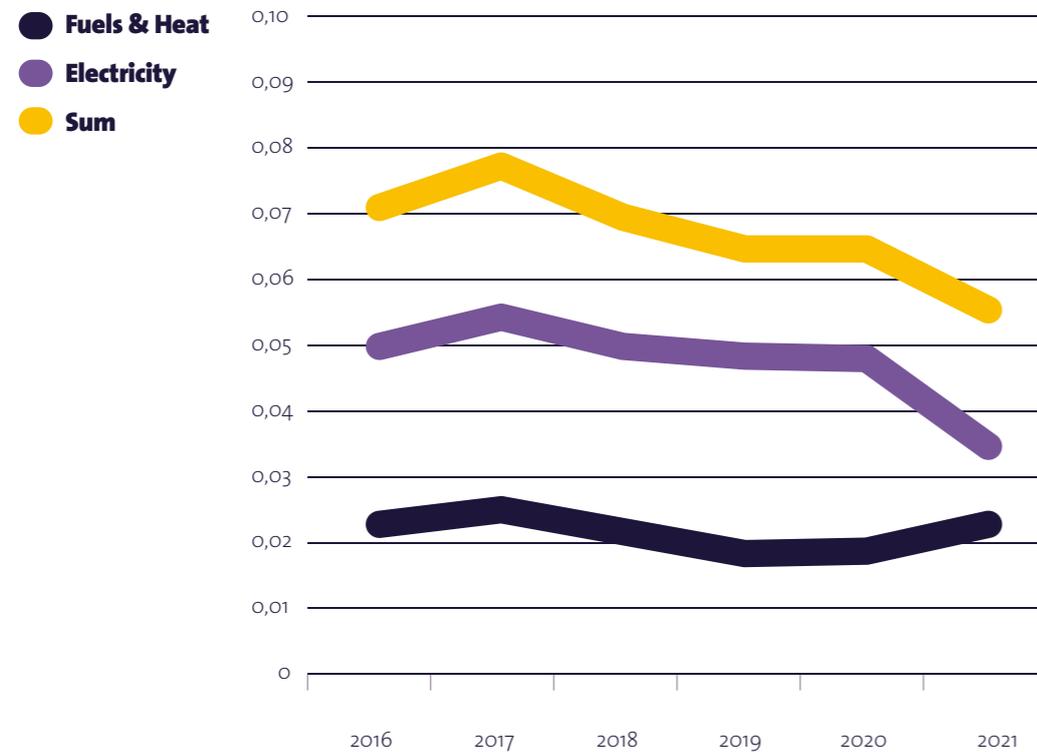
Finally, we prepared various initiatives that will be rolled out in 2022, including standardized KPIs that will allow us to monitor the number of safety incidents and guide efforts to improve employee safety. Other initiatives will focus on measuring employee engagement and on facilitating and promoting employees' professional development.

Better for the planet – clean energy

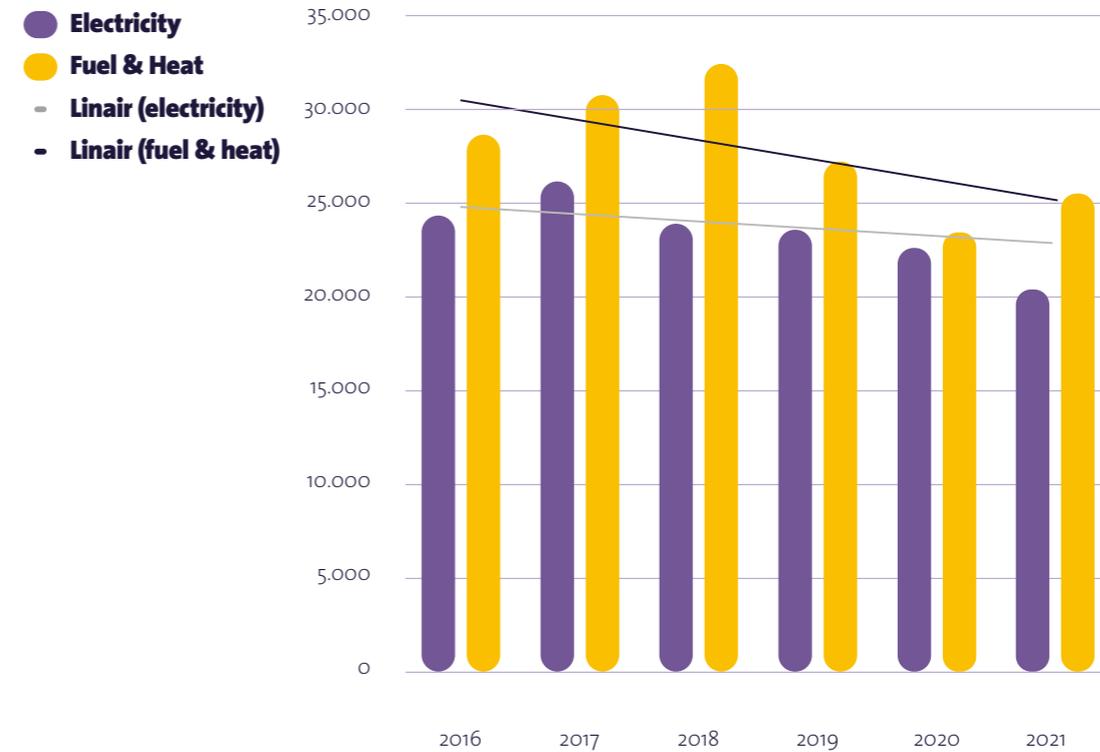
Our overall energy consumption increased in 2021, in part because of growing production volumes, but emissions per kg production rose as well. The increase was offset by the **gradual conversion to green electricity from 33% to 53% of total electricity used, resulting in a 15% reduction in CO₂ emissions from energy consumption.**

kg CO₂ per kg production

at constant conversion factor for electricity



Total energy consumption



The overall increase in energy consumption is a disappointing result. Covid is part of the explanation: the focus was not on energy in 2021. Another reason was the increase in production of fat-based coatings in Ukraine, which is more energy intensive. Several plants performed very well and achieved significant reductions of their energy consumption and carbon footprint (for example, our largest plant in the Netherlands).

In the coming years, we will have to intensify our efforts to reduce energy consumption. Much valuable work was done in 2021 to prepare for reductions in the coming years. For example, we completed a large pilot project in which solar panels were installed on the roof of our Polish production facility. This project has generated valuable insights which have allowed us to simplify and improve similar projects elsewhere. Following up on an earlier business case study, we will gradually roll out solar roofs over the coming years, with 8 countries scheduled for 2022 alone. In addition to generating solar power

ourselves, we continued a Group-wide project that focuses on the procurement of green energy. We completed an analysis of all our operating companies' existing electricity contracts. From 2022, we will conclude new contracts (or renegotiate existing ones) to enable a smooth transition to 100% green electricity by 2023. This will often be done in conjunction with the installation of solar roofs.

In the Netherlands, we conducted a comprehensive study into the energy consumption of our main production plant, to enable us to prepare a roadmap towards 55% natural gas reduction by 2030, in line with the Paris agreement. In the last quarter (Q4) of 2021, we started up an extensive study of transport emissions by our operating companies.

In addition to sorting waste, we try to use materials that facilitate recycling. For example in 2021 we replaced paper labels on plastic containers for release agents with plastic ones, which will make it easier to recycle the containers. This is in line with sector-wide commitments (through FEDIMA) to use single-material packaging.

Better for the planet – Zero waste

Like our emissions, our waste production is closely linked to production volumes. However, we seek to reduce our waste production per kg produced as well. One key way of doing this is by increasing the percentage of sorted waste. Many of our operating companies reported specific improvements in these areas.

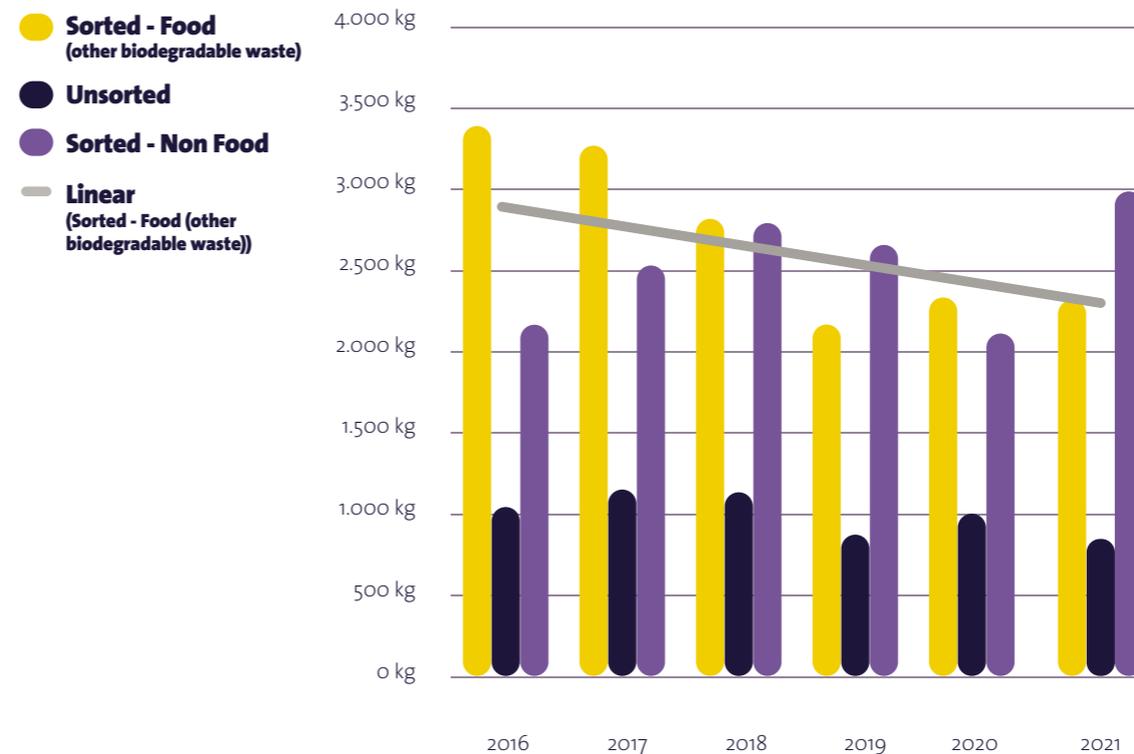
In addition to sorting waste, we try to use materials that facilitate recycling. For example, in 2021 we replaced paper labels on plastic containers for release agents with plastic ones, which will make it easier to recycle the containers. This is in line with sector-wide commitments (through FEDIMA) to use single-material packaging. In another project with some key customers in the Netherlands and Belgium, we replaced plastic-lined packaging with 100% FSC-certified paper bags. This resulted in significant savings: in 2021 we supplied 76,000 paper bags which represented an overall reduction of 1,472 kilos of plastic.

Food waste

A second crucial category is food waste. The main lever we can pull is optimization of our own processes and planning, for example to limit the amount of product that must be discarded from our warehouses because it has passed its expiry date. In 2021 we achieved another (small) reduction in food waste, which at 1% is now at the level we committed to in our strategy. This is a promising result, and we will continue to try and make further progress, since every kg saved contributes to a lower overall environmental footprint.

At the same time, we are aware that most food waste occurs elsewhere in the supply chain. As much as 25% of food is wasted in the chain as a whole. We are preparing a pilot project with customers to address this issue in 2022, looking at ways in which we can contribute to food waste reduction in bakeries.

Composition of commercial waste





**What
operating
companies
accomplished.**



Belgium *(Community)*

In July 2021, Belgium was hit by the worst floods it had ever encountered. We were shocked to see the resulting devastation. How could we, as Zeelandia, help the people affected by this disaster? Could we provide food, raw materials, and clothes? After some phone calls, the best option appeared to be to donate money to the Belgian Red Cross. We then donated 5,000 euros to support the Red Cross rescue operations.



**Belgian
Red Cross**



United Kingdom *(Community)*

Zeelandia UK participated in the Essex wildlife trust. As a kick-off event for a larger wildlife event in 2022, we organized a tea party. For Derian House - a children's hospice - and the children's wards of Colchester and Ipswich hospitals, we organized several fundraising events, such as doughnut sales, quizzes, raffles, a Santa run, and skydiving. We managed to collect a total of 4,727.54 British pounds (5,676.97 euros).



Indonesia (Employees, Waste)

In Indonesia, we invested in dust. Flour dust, to be precise. Normally, this dust is collected and disposed of in landfills. But why waste perfectly nutritious material? Now 100 % of the flour dust collected is converted into animal feed. This is made possible by a third party we contracted. In 2021, a total of 5,768 kg of dust was converted to feed for cows and fish.



Brazil (Community)

The project “Pão do Povo da Rua” (‘bread for people of the street’) was the focus of our community support efforts in Brazil. We donated 2 tons of baking mixes, enough to bake 150,000 loaves of bread and 180,000 cupcakes for the homeless people of São Paulo. The project also includes a social school, Massaria Social, which we supported with the knowledge and expertise to train students. 11 formerly homeless young people are now being trained to be skilled bakers and two of them have already been outplaced.





Lithuania (Clean energy, Community)

The Zeelandia factory in Lithuania produces the first 100% ‘green’ margarine, thanks to solar panels covering the entire factory roof and a new green power contract. We produce approximately 5,000 tons of margarine per year, and with 100 % green electricity we now save 120,000 kg of CO2 per year. We plan on extending this practice to our other factories around the world as an important step towards our goal of 100 % green electricity consumption.



Poland (Community)

Bee Day, Run for a Cause, the Szamotuły Orphanage, solar panels, a technical school, and pastry with less sugar: in Poland, we have been busy bees this year! On Bee Day we helped increase awareness of the importance of bees in the ecosystem. Our employees collected kilometers running for Pink October. We undertook activities with the children of Szamotuły Orphanage, and we support a local technical school training students to be pastry chefs. We also developed pastry products with less sugar.





Czech Republic (Employees)

In the Czech Republic, we installed dust extractors in our two production plants that work with powders. With their pantograph arms, they are a versatile tool in improving the safety of employees and reducing the risk of dust inhalation. In addition, we organized safety training sessions for our employees.



Germany (Consumers, Clean Energy, Employees)

We expanded our German product portfolio with a range of vegan products as well as two climate-friendly products: Protein Max and VeggieSchmaus. Some well-organized promotion campaigns helped create awareness of these products. In the meantime, our employees had the opportunity to engage in a weekly online physical training session with a personal trainer and they improved their mental resilience with a special workshop.

Online lecture with Jens Corssen



100 Participants

In preparation for the 1-hour lecture, the sales representatives received the book "Der Selbstentwickler" by Jens Corssen as an audio book.

Life is a roller coaster. Those who have self-power, enjoy the ride to the top with all their senses. And make sure their spirits stay high on the way down.
- Jens Corssen





Italy (Community)

In Italy, we sprang into action for families who found themselves in need during the covid-19 crisis. With our solidarity campaign #nessunoescluso (#nobodyexcluded) we donated part of our margins on Novaterra Zeelandia Spa gluten-free mixes, resulting in a donation of 5,000 euros to the Nobody Excluded project. This project provided food and basic necessities to vulnerable families who had no access to other aid.



Ukraine (Community)

In Ukraine, we contributed to the Perspectiva 21.3 project, which helps people with intellectual disabilities to lead a full life. We supported this project financially, as well as with educational materials, by training teachers and providing internships in the EU. A key part of the project is to create places where adolescents with mental disorders can work, intern and develop professional skills, and many other companies have since joined this Zeelandia-initiated project. In 2021, Zeelandia helped create the Golan Bakery 21.3, a space where teenagers can do internships in a real bakery, and Café 21.3, where teenagers can learn to be a waiter and barista.



Greece (Community, Consumers)

We supported the Greek community and bakers' profession by providing professional raw materials for educational and training purposes to public bakery schools.

Aligned to the nutritional target for sugar reduction for a more balanced nutrition we launched the new cake mix "Mamas Zero" and the new custard cream mix "Minuta Zero", both with no added sugar. With these mixes, exceptional desserts with no added sugar can be created and no compromise on taste and pleasure.



The Netherlands (Clean energy, Community)

In the Netherlands, we partnered with Zeeuwind, a professional cooperation for sustainable energy. This cooperation of individuals, companies, and municipalities invests in wind farms and solar projects which help bring the energy transition closer. It also issues certificates to confirm the origin of each MW of energy generated by participating wind farms. With our special 'Serious Request Roll' we supported the annual Serious Request campaign on Dutch public radio, to support WWF.



Looking ahead.

In 2022 we will continue to work towards the strategic goals set out in chapter 2. Specific ambitions for the coming years – up to 2023 and in some cases beyond - include the following.

Better for consumers

We will formulate a new purpose statement for Zeelandia which specifically addresses our commitment to care for every life we touch. Additionally, to support consumers in their choice for a healthier lifestyle, we will continue to develop new technology, recipes and ingredients for vegan, low-sugar, sourdough, and gluten-free products. The goal is to enable bakers to explore new opportunities for creating bread and pastry products, which in turn allow customers to enjoy moments of indulgence as part of a health-conscious lifestyle.

We also want to make it easier to access product information. One possibility we will start exploring is sharing more specific information on certain ingredients as well as using QR codes on packaging.

Better for employees

The new purpose statement mentioned above is not only directed at external stakeholders – in fact, but its primary audience also consists of our own employees, whose engagement is crucial to

our future success. The statement will serve as a guiding principle to all of our company's efforts, creating a strong, shared sense of purpose. We will also start a training and development program for our employees and measure employee engagement.

Better for the planet – Clean energy

For CO₂ emissions from electricity (scope 2), our goal is to be climate-neutral by 2023 by transitioning to green electricity. For our direct emissions (scope 1) we will develop a roadmap and plan to meet the Paris agreement goal of a 55% reduction in emissions. We will also execute a project to reduce transport emissions. One specific ambition that will contribute to emissions reduction is the ongoing effort to install solar panels. Our goal is to have covered all suitable roofs with solar panels by 2025.

Better for the planet – Zero waste

Our ambition is to further improve waste sorting, and we will draw up a waste reduction roadmap, and planning in 2023. Our internal food waste reduction target is 1% or less of the volume sold, and we plan to

work with customers to reduce food waste in their operations. To contribute to waste reduction elsewhere in the supply chain, we are investigating the use of circular materials, such as paper made from beetroot fibers. Packaging will be addressed in line with sector plans (FEDIMA), starting with an initiative to use only single-material packaging, to facilitate recycling.

Transparent reporting

To underline our commitment to our CSR ambitions and willingness to be held accountable, we will expand the scope of our CSR reporting. We will gradually extend our reporting methods, using the GRI standard and in order to comply with the EU CSRD reporting standard by 2025.

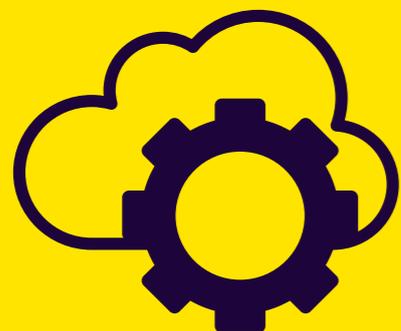
As part of this ongoing effort, we will introduce more KPIs to our reporting setup. We are working on KPIs for such diverse topics as work-related injuries, our organization's diversity, the number of suppliers screened using environmental criteria and our own greenhouse gas emissions (scope 1, 2 and 3).



Environmental data.

In 2021 operating companies once more registered their environmental performance using the internet-based envirometer tool. The resulting consolidated data are given below in graphs. These are again more complete than previous years, even our Ukraine colleagues completed the data set, despite the war. The UK sites were unable to submit a complete data set because of the integration of newly acquired business. We therefore used their 2020 data.

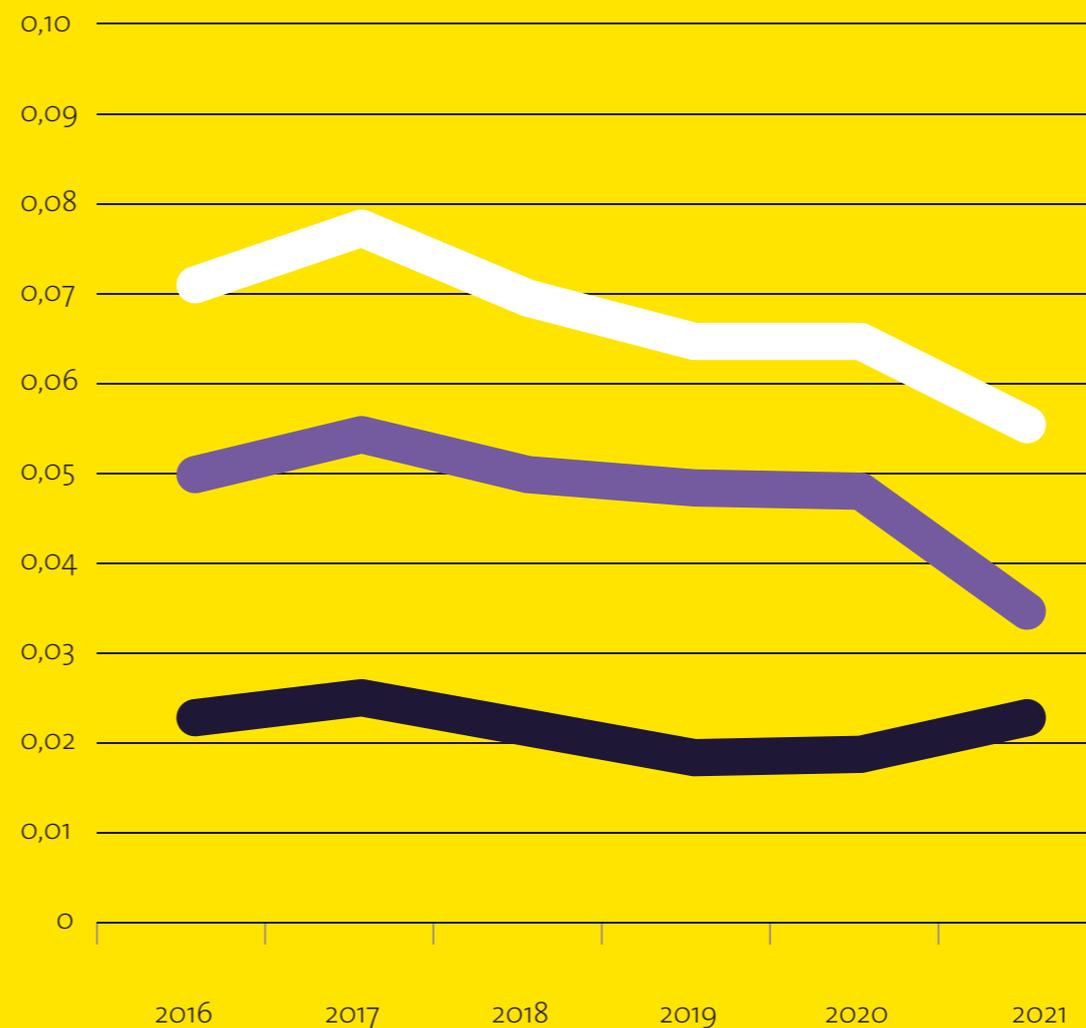
CO₂ emissions and energy.



kg CO₂ per kg production

at constant conversion factor for electricity

- Fuels & Heat
- Electricity
- Sum



Energy use.



Total energy consumption

- Electricity
- Fuel & Heat
- Linair (electricity)
- Linair (fuel & heat)



Our overall energy consumption increased in 2021, in part because of growing production volumes, but emissions per kg production rose as well. The increase was offset by the gradual conversion to green electricity from 33% to 53% of total electricity used, resulting in a 15% reduction in CO₂ emissions from energy consumption.

Example Zierikzee plant.

The overall increase in energy consumption is a disappointing result. Covid is part of the explanation: focus was not on energy in 2021. Another reason was the increase in production of fat-based coatings in Ukraine, which is more energy intensive. Several plants performed very well and achieved significant reductions of their energy consumption and carbon footprint (for example, our largest plant in the Netherlands).

● Production location (tons)
● Office (tons)



CO2 emissions Zierikzee plant scope 1 and 2, and part of scope 3 (business travel), including head office

Example Zierikzee plant.

The significant reduction is due to electricity saving, strongly reduced business travel due to COVID and the switch to green electricity. The next two tables give energy consumption. These data, together with detailed consumption data per process, are used to prepare the reduction program for the coming years.



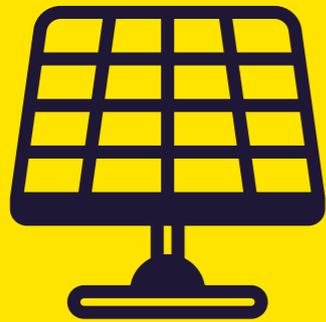
Electricity consumption Zierikzee plant, including head office (kWh/ton)

Example Zierikzee plant.



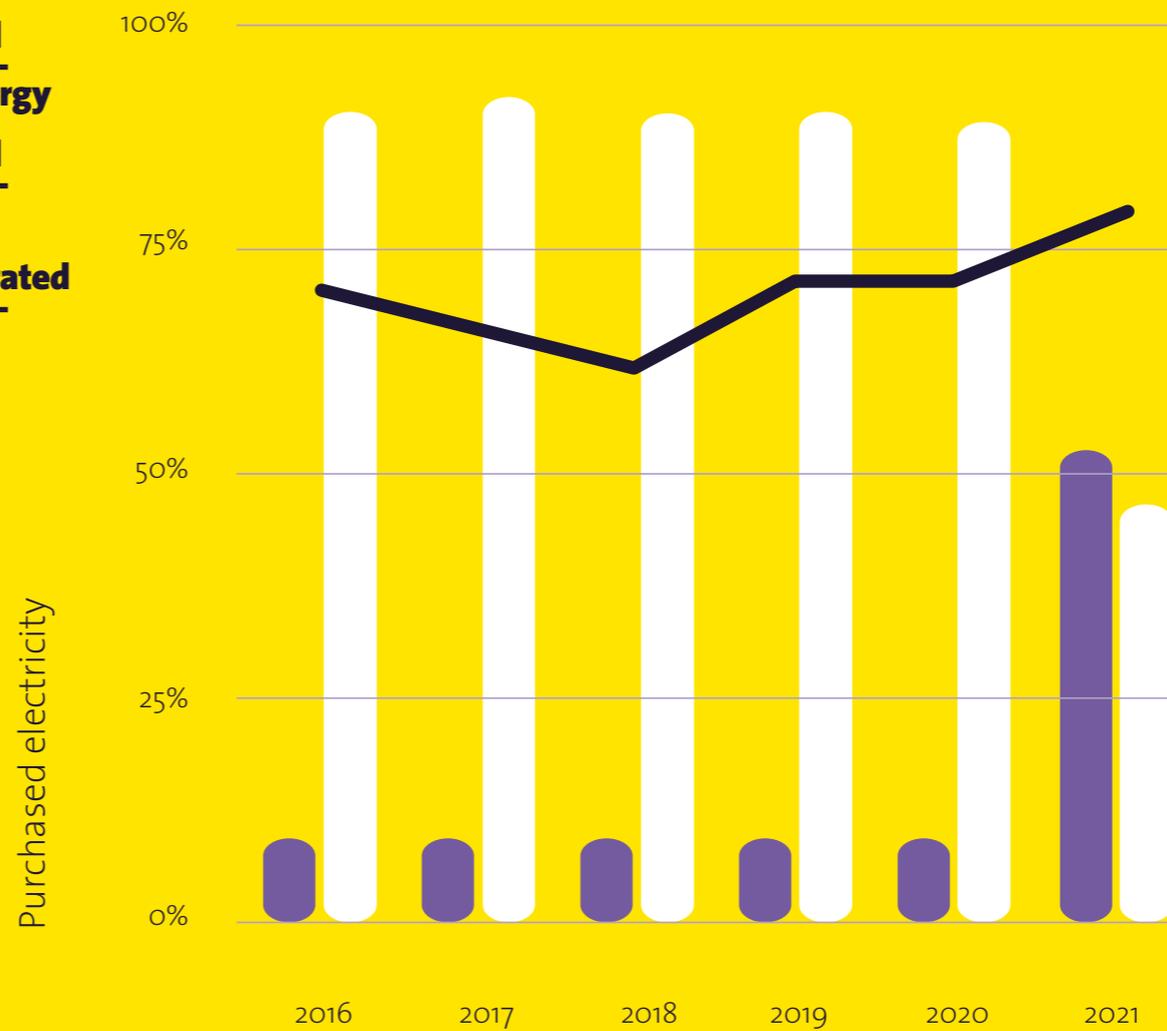
Natural gas consumption Zierikzee plant, including head office (texts: heating production buildings, gas consumption of production processes, heating head office)

Source of electricity.

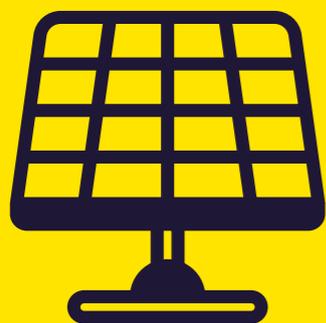


- Purchased electricity-green energy
- Purchased electricity-other
- Self generated electricity-solar

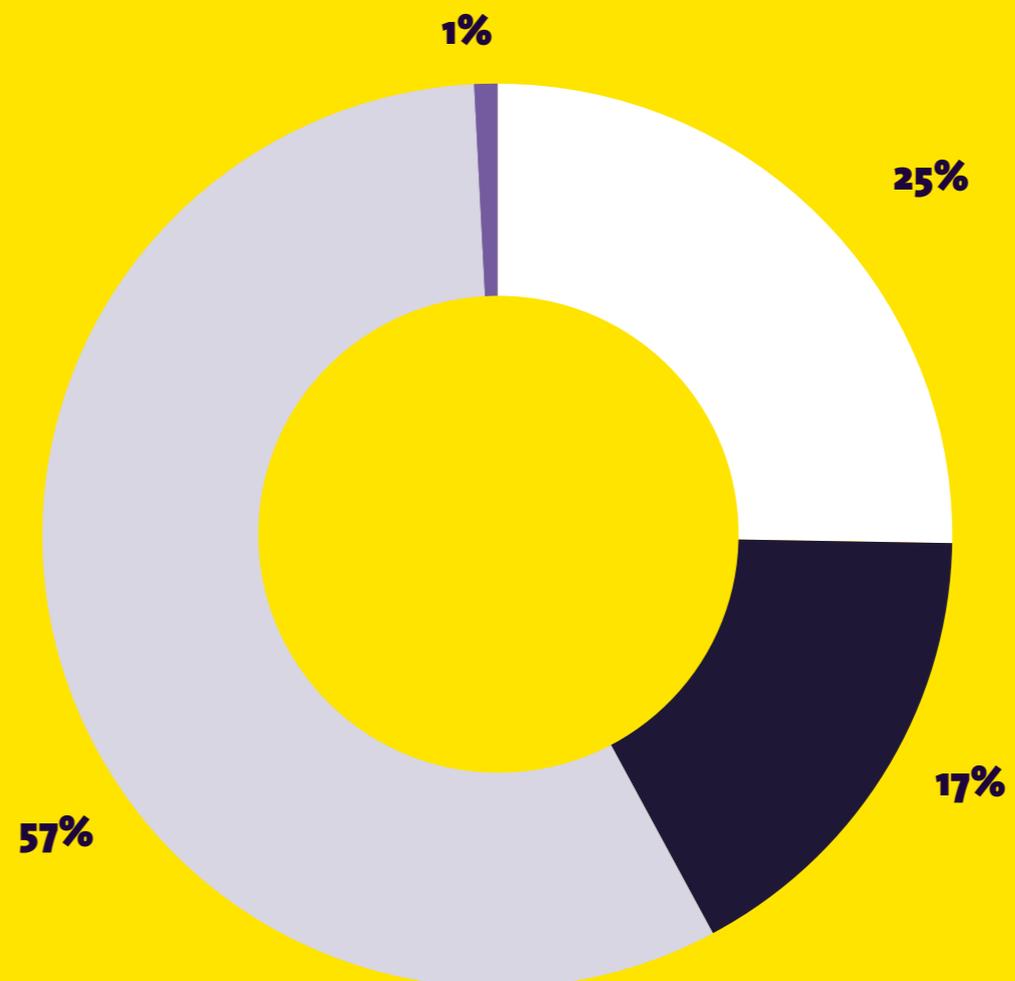
A small percentage of electricity is generated by our solar panels in several factories. This is planned to be increased to approx. 20% in the coming years.



Source of green electricity 2021.



- Biomass
- Unspecified
- Hydro
- Wind



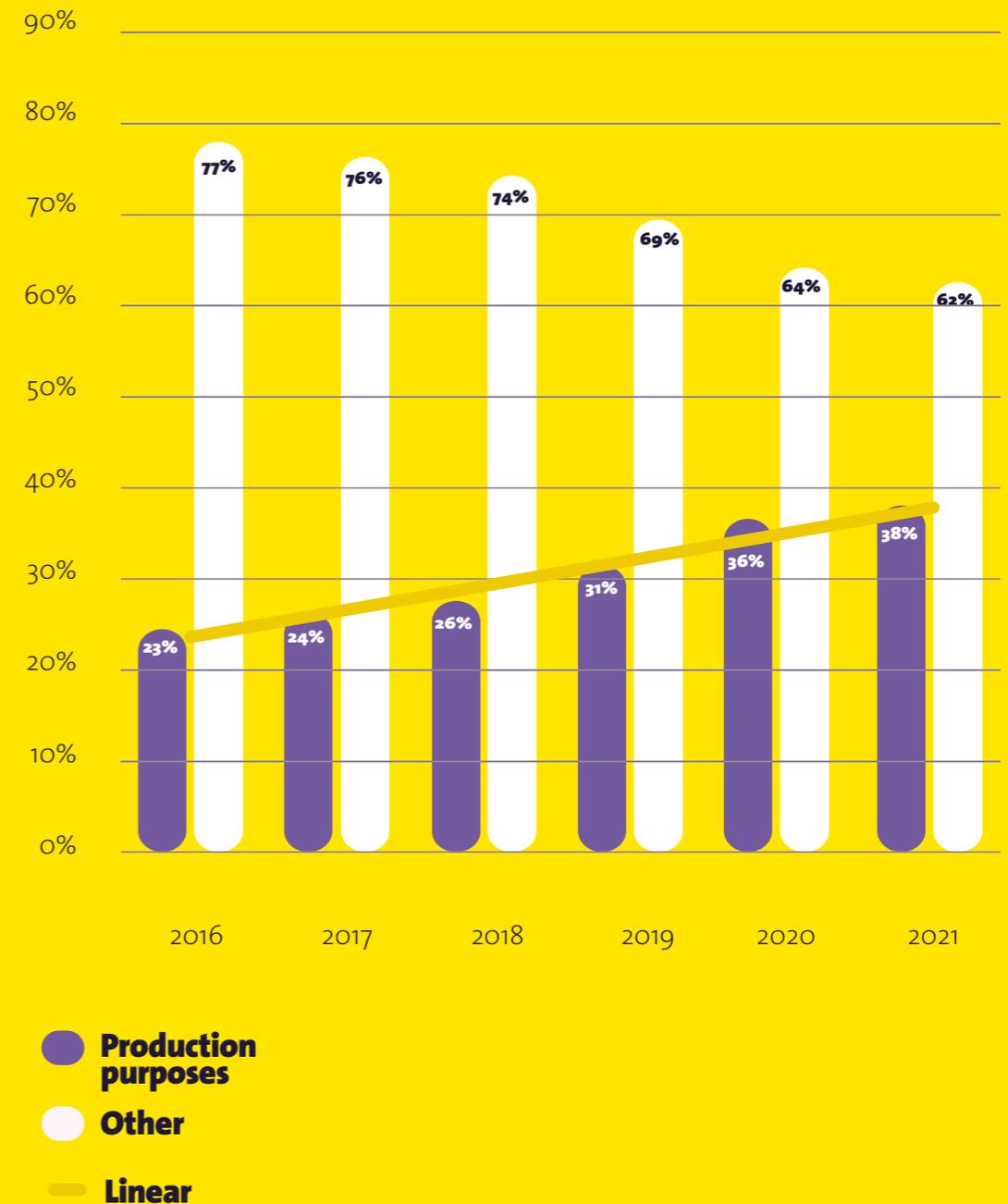
Electricity usage.

Electricity use for production is increasing relative to other users. Energy use in production is very much related to the technology and processes used. A study was performed to make a roadmap towards less energy intensive processes and possible switch from natural gas to green electricity. This requires large investments, which will be planned together with upgrades of the plants in the coming 10 years.

We started up a project which aims to cover our roofs with solar panels. Find further information on the project:

www.zeelandia.com/news/solar-panels-on-every-roof

In parallel with the solar panels project the contracts for electricity have been reviewed. They will be transferred to green electricity, to be completed by the end of 2023.



Total waste.



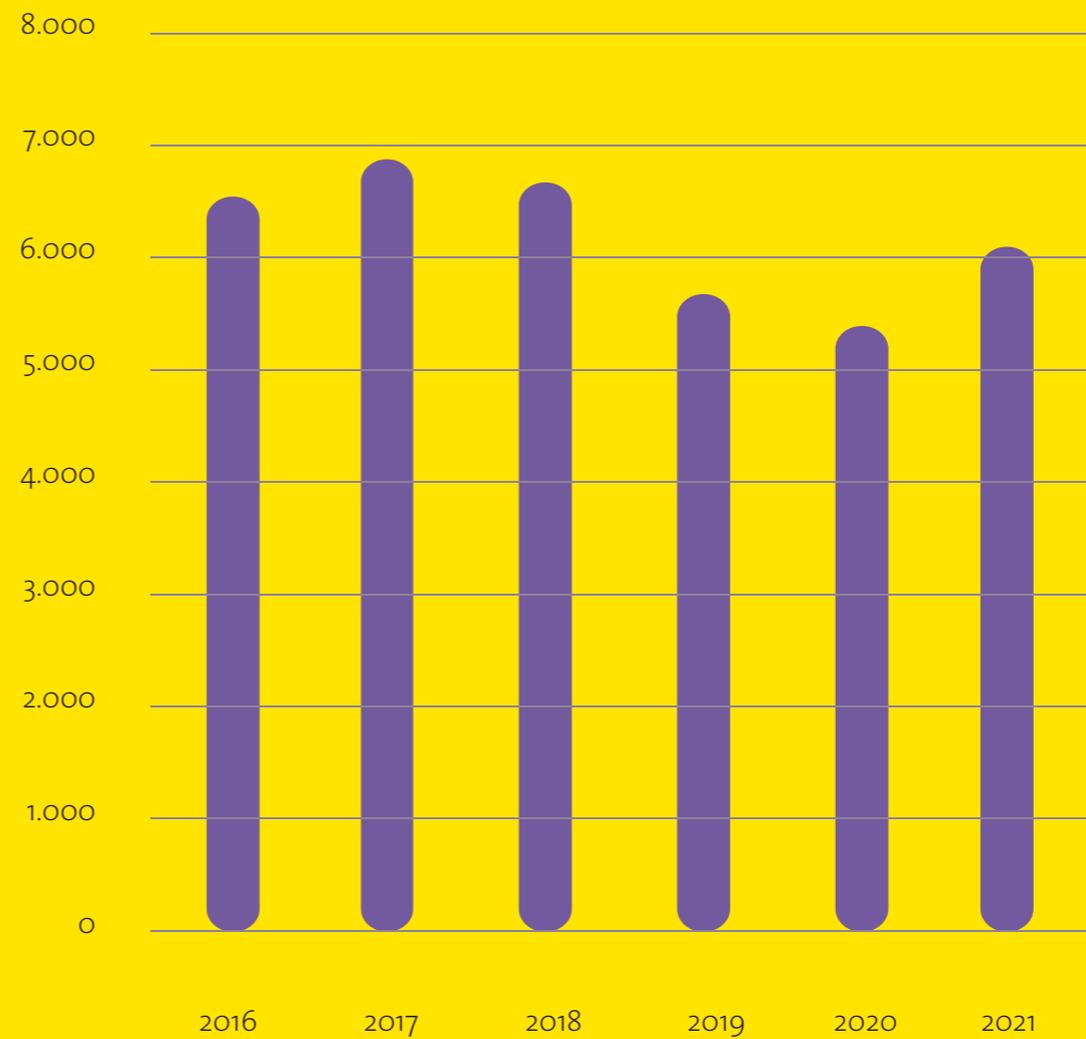
The cause of the increased waste volume is the higher volume of sorted non-food waste. Sorted non-food waste is generated in the production and consists mainly of packaging materials originating from the raw material purchased: plastic and paper bags, wooden pallets, and plastic containers. Sorting non-food waste will enable reuse of the materials and thus supports the circular economy. In 2021 the volume of unsorted waste again dropped, from 992 to 834 ton, or from 18% to 14% of total waste. Our objective for 2023 is to reduce it to below 10%.



Commercial waste in MTS/year.

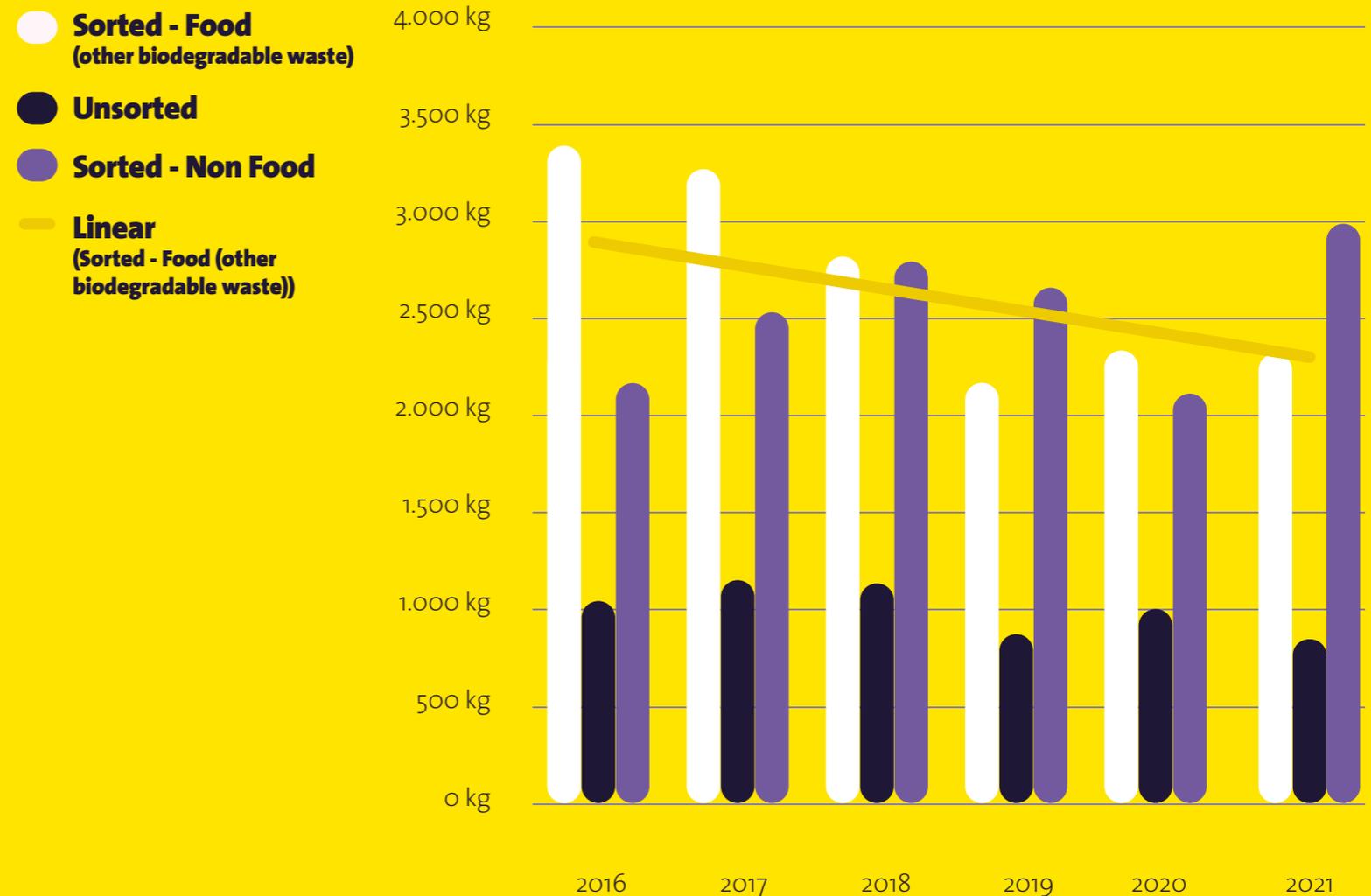
Waste volumes increased in 2021.

86% of our Commercial Waste is sorted. We aim to achieve 90% by 2023.



Composition of commercial waste.

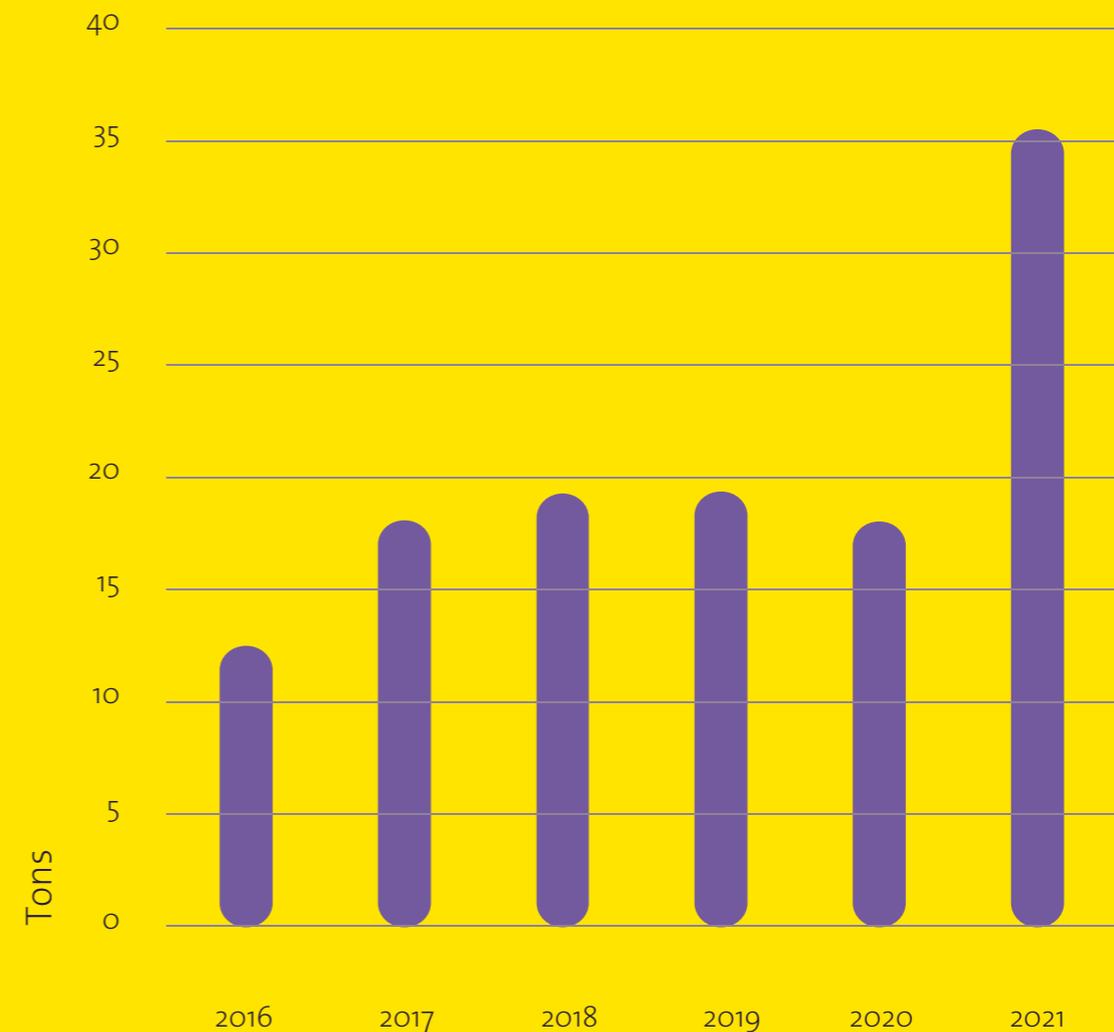
Food waste is generated in our factories and warehouses (mainly obsolete raw materials and final products). Food waste decreased in 2021 after a peak in 2020 but is still above the 2019 level and our target of 1%. This 1%, is better than the industry standard level, however every kg saved contributes to reducing our environmental footprint and costs.



Hazardous waste.

A very small category is hazardous waste that is treated separately: mineral oils, tube luminescent lamps, batteries. The hazardous waste was high in 2021 due to clean-up after the fire in the Brazilian plant. Without this one-off issue, the hazardous waste levels were slightly lower than 2020.

MTS = 1000 kg



keep **exploring.**



Royal Zeelandia Group

Fonteine 2 | 4301 AG Zierikzee | The Netherlands | CSR@zeelandia.com | www.zeelandia.com