Shaping a tasty future sustainably

Vandemoortele
About this report

NAME OF THE ORGANISATION
Vandemoortele Group

LOCATION OF HEADQUARTERS
The Company’s registered head office is located at Ottergemsesteenweg-Zuid 816, 9000 Ghent.

OWNERSHIP AND LEGAL FORM
The Vandemoortele Group is understood to mean the operational holding company Vandemoortele NV, as well as the companies which are consolidated in the International Financial Reporting Standard (IFRS) consolidated annual accounts of Vandemoortele NV.

The scope of the consolidation of the Group Vandemoortele includes Vandemoortele NV and 37 subsidiaries which are fully consolidated. The consolidation includes Vandemoortele Europe NV and its branches.

SCOPE
This fourth sustainability report complements the annual report 2020 with non-financial information. It is valid for the whole Vandemoortele Group.

REPORTING PERIOD
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Reporting period: 1 January 2020 – 31 December 2020

The sustainability report is also accessible online at www.vandemoortele.com, where our previous three reports are also available. The previous edition was published on 20 March 2020.

We will continue to publish reports on an annual basis.

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GRI ACCORDANCE
Vandemoortele has reported according to the GRI guidelines. This report has been prepared in accordance with GRI Standards, Core option.

The GRI content index can be found on page 64-67.

“At Vandemoortele we care about the future. We create tasty, sustainable foods and inspire moments of happiness. Our greatest drives are creating long-term value for our shareholders, reducing our negative impacts and contributing to a positive balance for people, planet and society.”
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“Sustainability is not an isolated goal. It is a mission that permeates our company.”

Jean Vandemoortele – Chairman of the Board
Yvon Guérin – CEO

The COVID-19 pandemic unexpectedly turned 2020 into a horror year for many businesses. How do you look back on it?

Yvon Guérin: “COVID-19 was quite a challenge for Vandemoortele. Our main concern was providing our associates with safe working conditions: face masks, disinfectants, enough room for social distancing... By taking drastic safety measures, we were able to prevent any outbreaks in our plants and offices. Our people were never at risk. However, the crisis did have an impact on our turnover. The closing of the Foodservice Channel reduced the demand for several of our products and, as a consequence, our profitability was affected.”

Jean Vandemoortele: “The crisis has made it clear that many of the world’s challenges, like climate change, health issues and reliable food chains, are interconnected. It doesn’t take much to upset the balance. People and businesses are starting to realise that a more sustainable approach is the best way to prevent environmental and societal problems. Running our business sustainably was already important to us, but it has now become a major focus point. Since working together is the best way to tackle big challenges, our partners and stakeholders will be critical to our success. No doctor or scientist could have developed a COVID-19 vaccine on their own.”

In what ways is sustainability important to Vandemoortele?

Jean Vandemoortele: “When it comes to health and climate issues, the food industry is on the front line. Many existing farming and food processing methods are closely linked with ecological problems. As an international food company, we have a responsibility to make the food chain more sustainable. Vandemoortele adheres to the European Farm to Fork Strategy: we contribute to fairer, healthier and more environmentally-friendly food systems.”

“Additionally, a robust sustainability strategy is fast becoming a licence to operate. Consumers increasingly demand ‘honest’, sustainable food, and our customers and suppliers want to get an insight into which steps we are taking. Even job applicants look at potential employers with a critical eye and prefer sustainable companies.”

“As the Vandemoortele board gradually transitions from the 4th to the 5th generation, sustainability has become a key topic. The family has always felt a responsibility to make a positive contribution to society, and the younger generation is boosting this ambition. We aim to be an industry leader among our peers, not only where our products are concerned, but also as a sustainable company. Our goal is to reconcile tasty, enjoyable food with responsible food and a sustainable business.”

What were your most important sustainability achievements in 2020?

Yvon Guérin: “Despite the pandemic, 2020 was a significant year for Vandemoortele as regards sustainability. Firstly, we achieved more than 80% of our sustainability goals for the period 2015-2020: a feat to be proud of. Among other things, we took big steps in our sourcing strategy: we switched to barn eggs for our complete product portfolio, used 99% certified FSC/PEFC for all paper and cardboard packaging and delineated stricter sustainability conditions for our suppliers.”

“2020 was also an important year for the integration of sustainability in our organisation. Sustainability is partly an attitude, and people are the key to every change. In 2020, we started raising awareness about the challenges at every level in our company. As a result, our sustainability approach no longer consists of ad hoc projects but works bottom up, guided by a clear agenda and a well-structured platform. Our associates are proud to work at Vandemoortele and that is partly because of our sustainability strategy.”

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For 2021-2025, Vandemoortele has prepared a new sustainability strategy. What are your major aims?

Yvon Guérin: “The new strategy focuses on three main pillars: balanced nutrition, protecting nature and enhancing lives.”

“The term ‘balanced nutrition’ refers to the health and nutrition profile of our portfolio. Taste is our main unique selling proposition. We try to make our margarines and whole-wheat bread not only as tasty, but also as healthy as possible. For our indulgence products like croissants or donuts, our aim is to produce tasty products; at the same time improving their nutrition profile substantially. In 2020, we developed our own Clean Label to address our customers’ expectations and concerns. It’s a label that clearly states which ingredients we use and allows for more transparency. We avoid or replace food additives like preservatives wherever possible.”

“All our products are the result of a continuous quest towards a balance between taste, nutrition and sustainability. In the context of ‘protecting nature’, we help tackle the big ecological challenges of today and tomorrow. We do this by continuously improving the way we source our ingredients, by reducing our carbon emissions, by banning food waste and through a focus on circular packaging. We will use the next two years – until 2022 – to set science-based carbon emissions reduction targets: targets that are in line with the Paris Agreement on Climate Change.”

“By aiming to ‘enhance lives’, we commit ourselves to invest even more in our people and offer them plenty of opportunities to develop themselves. A company stands or falls with the efforts of its associates. Coaching our people and helping them to build collaborative and effective teams is therefore crucial to our success.”

Becoming more sustainable is no easy task. What are Vandemoortele’s biggest challenges and goals for the future?

Yvon Guérin: “Improving the nutrition profile of our products will require a lot of time and attention. This demands a lot of research, because ingredients like fat or sugar influence both the taste and the texture of a product, and we don’t want to compromise on the taste or the quality of our foods. A second focal point will be the further reduction of our carbon footprint.”

“Our short-term goals for 2021 centre on further embedding sustainability in our business and rolling out the new strategy within the company. Sustainability is not an isolated goal to reach: we want it to become a part of our DNA, a mission that benefits both the company and wider society and permeates all our plants and offices. Efficient internal and external communications will embed the steps we take to achieve our sustainable goals and allow us to capitalise on the efforts of previous years. We are also following the sustainability trends very closely, so we can anticipate new legislation and align our goals accordingly.”

"From our own perspective, sustainability offers plenty of opportunities."

Jean Vandemoortele: “In the long term, we know sustainability is here to stay. Both customers and consumers now attach so much importance to sustainable entrepreneurship that it has become crucial to our credibility as a food company.”

“From our own perspective, sustainability offers plenty of opportunities to align economic profitability with social responsibility. Our aim is no longer just to rank above average, but to become a leader among peers. Our associates will play a crucial role in that process. To this end, we will clearly communicate our sustainability approach from headquarters to all our plants and offices. Our greatest aim is that all our associates become ambassadors of our sustainable journey.”

Key milestones 2020

- REDUCTION OF FOOD WASTE
  -33% in bakery products (BP) (compared to 2017)
  -12% in margarines, culinary oils and fats (MCOF) (compared to 2017)

- CLEAN LABEL
  74% for bakery products
  22% for margarines, culinary oils and fats

- RENEWABLE ELECTRICITY
  100% of all paper and cardboard packaging materials are recycled or certified sustainable

- NEW PLASTICS ECONOMY
  99% of all paper and cardboard packaging materials are recycled or certified sustainable
  20% less foreign body complaints resulting in an increased food safety (compared to 2017)

- LANDSCAPE PROJECT
  +1,000 days without severe accident at work

- PALM OIL BUYERS SCORECARD
  100% CAGE-FREE EGGS
  100% FREE-RANGE EGGS

- ECONOMY GLOBAL PLASTICS
  100% CAGE-FREE EGGS
  100% FREE-RANGE EGGS

- SUSTAINABILITY AT VANDemoortele
  Launch learning management system focused on the development of our people

- OUR STRATEGY
  in Indonesia to tackle local social and environmental problems

- BALANCED NUTRITION
  100% of our products (BP)

- PROTECTING NATURE
  -33% in bakery products (BP) (compared to 2017)

- ENHANCING LIVES
  -12% in margarines, culinary oils and fats (MCOF) (compared to 2017)

- PERFORMANCES & TARGETS
  - REDUCTION OF FOOD WASTE
  - CLEAN LABEL
  - RENEWABLE ELECTRICITY
  - NEW PLASTICS ECONOMY
  - PALM OIL BUYERS SCORECARD
  - ECONOMY GLOBAL PLASTICS
  - SUSTAINABILITY AT VANDemoortele
  - OUR STRATEGY
  - BALANCED NUTRITION
  - PROTECTING NATURE
  - ENHANCING LIVES
  - PERFORMANCES & TARGETS
This is Vandemoortele

Our activities
Vandemoortele is a Belgian family food business. We are passionate food people and have been since 1899. Today, we are the European market leader in our core categories, having grown steadily through organic growth and acquisitions.

We have 22 commercial offices in the EU and commercial organisations in the UK, the US & China.

We have 31 production sites all over Europe.

We export from Europe to 95 countries worldwide.

Two business lines
We operate across two main business lines:

Bakery Products
Margarines, Culinary Oils and Fats

Our Bakery Products include
Bread | Viennoiserie/pastry | Savoury products | Sweet treats | Patisserie

They are marketed among
Artisanal bakeries, food service, industry, retail

Our Margarines, Culinary Oils and Fats include
Margarines & butter | Deep frying oils / fats | Culinary oils | Mayonnaise & dressings | Vegetable based creams | Dough improvers

They are marketed among
Artisanal bakeries, industrial bakeries, food service, retail - private brands, retail - consumer brands

Our supply chain
Vandemoortele believes that daily fare should be a daily pleasure. Great taste is built on high quality ingredients, processing expertise and true craftsmanship. To ensure that our products are both tasty and sustainable, we consider the impact of every step in our supply chain, from sourcing commodities to delivering delicious masterpieces.

Commodities
To manufacture our products, we source raw materials like palm oil, wheat, cocoa and eggs. We ask all our suppliers to sign our supplier code of conduct. Per commodity, we take our sustainability efforts further by adhering to separate sourcing charters. Ensuring clear traceability enables us to monitor where our raw materials come from and how they are produced.

Packaging
High quality packaging protects the quality and freshness of our products and prevents food waste. To reduce the impact of our packaging materials, we ban all unnecessary packaging and aim for a minimum pack weight. By taking several actions, we contribute to circular packaging.

Production
Our products are manufactured in 31 production sites spread across Europe. Safety and operational efficiency are high priorities for us. We aim for zero food loss and minimise our energy intensity to shrink our carbon footprint. The electricity that we use in our production sites and offices is 100% renewable.

Logistics
Our products are distributed and sold all over the world, especially in Europe. We distribute our products through a logistics network that specialises in the transportation of refrigerated and frozen goods. To reduce our transport emissions, we rely on the latest engine technologies, innovative truck designs and efficient loading techniques.

Consumption
The quality and taste of Vandemoortele products is our trademark. At the same time, we aim for natural, authentic food products with a good nutritional balance. We offer plant-based alternatives and strive to be a leader in food safety. Day after day, we invest in research and product development to raise the bar ever higher in terms of food quality and safety.

Retail
We supply our products mainly to industrial and professional users and retailers. Because many of our customers no longer bake from scratch, we deliver products at various convenience levels: raw, pre-proved and ready to serve. This approach combines good quality with optimal flexibility. Our customers sell the products to end-consumers as finished, fresh products.

End of life
We advocate the circular economy and aim for an optimal balance between preservation and sustainable packaging in order to minimise waste.
Our mission, vision and values

Our mission

We believe people’s everyday food should be an everyday enjoyment. From breakfast to dinner, from healthy lunches to moments of indulgence.

Our vision

As a leading food company in Europe, we build our product categories, offering the best in taste, quality and service. Our great taste is built on high quality ingredients, expertise and craftsmanship. Innovation is our key ingredient. We watch and analyse consumer behaviour and trends, and listen to our customers’ needs. Ever since we were founded, we have been investing resolutely in research and development to improve our products or create new ones and we will continue to do that in the long term.

Our values

Everyone at Vandemoortele lives by three corporate values: ambition, respect and cooperation. They are at the core of our culture.

Ambition

Our ambition is to deliver the Vandemoortele promise: best taste, best quality, best service. We take ownership of the company’s goals and we are committed to delivering outstanding performance. We are passionate and energised.

Respect

Respect is the foundation of our actions and our external and internal relationships. We act with integrity and respect for others and for our environment.

Cooperation

We work in a spirit of cooperation in our teams and with our partners. We are open-minded and value each individual contribution. We share our experience and enjoy working together. We are approachable and engaged.

Our COVID-19 response

The COVID-19 pandemic shows us how vulnerable we are. At the same time, it demonstrates that we can move mountains through cooperation. Sustainable relationships are more important today than ever before. Governments all over the globe are unanimous that both the medical and the food sector are of paramount importance to humankind during the COVID-19 pandemic. At Vandemoortele, we feel socially responsible to keep our activities going in order to guarantee a secure food supply. We have carefully assembled the Vandemoortele Covid Taskforce Team, staffed with members of our central HSE, Operations and HR services. We have been monitoring the situation on an ongoing basis, in line with the information and guidance provided by official authorities.

At the start of the pandemic we immediately took action in order to guarantee a safe working environment for our associates. We paid a lot of attention to effective communication about the precautionary measures that we took in our workplaces. Our adequate approach and our clear communications were highly appreciated by our associates, as shown by the high score of our Associate Engagement Survey on this topic (8.8 on 10).

The Covid-19 crisis has raised a number of questions from both customers and consumers about the hygiene and safety of bake-off and unpackaged products in supermarkets. We have defined a toolkit of recommendations for the retailers to ensure hygiene and safety in their bake-off corners. To reassure consumers, we have developed a bake-off support kit that retailers can display in the bakery corner.

Key figures

Finance

- Total equity & liabilities: €1,000.7 mio

Associates

- Permanent associates: 4,037
- Staff: 648
- Support: 1,024
- Worker: 2,365

- 83.95% of our associates are covered by collective bargaining agreements
- 91.58% of our associates work full-time

80 nationalities

31 production sites

31

1,024
2,365
1400
1200
1000
800
600
400
200
100
50
0
Austria
Italy
UK
United States
Spain
Netherlands
Czech Republic
Belgium
Hungary
Slovakia
France
Poland
Germany
Austrian
Hungarian
Czech
Italian
British
American
Spanish
Dutch
Associated

Associates by region
Looking back, how do you see the development of the new sustainability strategy?

“The development of the new strategy is a milestone for Vandemoortele. It was a challenging process, as we started the exercise in the month of April, in the midst of the COVID-19 crisis and the first lockdown in Belgium, where our headquarters are located. During our discussions we had to set aside the short-term challenges related to the pandemic in order to focus on our 2025 sustainability targets. During interviews with our Board of Directors, the Executive Committee and the senior management, it soon became clear that we wanted to raise the bar compared to our previous strategy. The bold ambition to become a leader among our peers was expressed, stretching us to define commitments and targets to achieve this ambition. We organised internal workshops and consulted our stakeholders through a survey and a series of interviews. These initiatives yielded valuable input about our impacts and the way our sustainability approach is perceived by the outside world. Our stakeholders’ recommendations helped us make decisions and were sometimes crucial for our target setting.”

What achievement or milestone are you particularly proud of?

“Despite the critical situation caused by the pandemic, we were able to move from sustainability as a stand-alone programme to a fully-fledged sustainability platform that is integrated step by step into our overall strategy. During the first period (2015 to 2020) the greatest challenge was laying the foundations to structure sustainability within our organisation, which was a success. Currently, we are focusing our efforts on the incorporation of sustainability in our business. By including sustainability goals in the terms and conditions for our senior managers’ financial bonus, for instance, we show that we are walking the talk.”

What do you want to achieve in 2021?

“At a minimum, we want to clearly convey our 2025 commitments and targets to all our stakeholders. Our aim is to inspire and engage as many people as possible to take our sustainability journey together with us. Then we would like to see our new corporate story, ‘Shaping a tasty future sustainably’, communicated to all our stakeholders and translated into our products and brands, so that we make what we stand for even more tangible. When our customers and end consumers decide to buy a Vandemoortele product not only because it’s tasty, but also because it’s a sustainable choice, we will be very happy.”
Shaping a tasty future sustainably

The thriving companies of the future are businesses that are on the road to sustainability today. At Vandemoortele we believe that sustainability is an important driver for business performance. We even see it as the only right way to create long-term value for all our stakeholders.

As a food company, we are at the forefront of the worldwide transformation to another, more sustainable food supply. We want to make a difference in the food chain by reducing our negative impacts to the greatest possible extent and by maximising our positive contributions wherever possible. By doing so, we want to contribute to a world where everyone can lead a good life, with tasty, pleasant moments, within the planetary boundaries.

The seeds of sustainability at Vandemoortele were already sown when our family-owned company was founded in 1899. By combining entrepreneurship with careful stewardship, we invest in the success of the next generations and create added value in the long term. In 2020, we took a big step towards this ambition by launching a new sustainability strategy for the period 2021-2025, building on the achievements of our previous strategy.

Today we are putting sustainability at the heart of our business. This approach includes our production processes, our working and management standards, our company culture, our attitudes inside and outside the company, and, not least, our brands and products.

Business success should not be at the expense of people’s wellbeing and the environment. We take our responsibility from product design, to our operations and sourcing, to the way people consume and dispose of our products. And we choose to do more than we legally need to do. Our ambition is to set the trend and to become a leader among peers. We realise that there is still a way to go, but we are proud to be shaping a future that is both tasty and sustainable.
Stakeholder consultation

We used the input from our stakeholders to create, approve and improve our sustainability strategy. This is how we proceeded.

We conducted desk research, analysed the European Farm to Fork strategy and did a target benchmarking with customers and competitors. Together with our Board members and senior managers we identified relevant topics, that were further assessed during thematic workshops with staff members from different departments.

The first draft of our sustainability strategy was then broadly discussed internally at the different company levels. Associates were asked to complete a questionnaire. During an extensive consultation with interviews and an online survey we asked external stakeholders a series of questions. A selection of 100 stakeholders, experts, NGOs, customers and suppliers were invited to rate the proposed strategic topics and to give their opinion on our level of ambition, commitments and targets. Our stakeholders also had the chance to communicate their view on possible partnerships or actions to achieve the ambitions that have been formulated.

The main concerns and recommendations of our stakeholders and how we responded to them can be found in the annex on page 68-70.

Materiality analysis

All the remarks and suggestions we received provided critical feedback and gave us a better understanding of the concerns of our stakeholders. We used this input to further develop our sustainability strategy and set up our materiality matrix. This matrix identifies and prioritises the issues that are most important to our organisation and our stakeholder. An issue is a material topic to Vandemoortele if it impacts our business significantly in terms of growth, cost or risk, and at the same time our stakeholders expect us to take action on it. These are also the topics we report on in this and coming reports.

Responsible sourcing, health and nutrition, climate, sustainable packaging and product transparency are our top material issues. We give them a lot of attention in our commitments and strategy, and also in this report. We see good governance and supply chain practices as overall themes. Good governance is intertwined with all our material topics. We address supply chain practices in several commitments like responsible resourcing and supplier relationships.
Our contribution to the Sustainable Development Goals

Our sustainability strategy aligns with the SDGs and the specific underlying targets. The SDGs are one and indivisible, that’s why we contribute to them as a whole. While we support all the SDGs, we focus on those that we have the biggest impact on:

- **1. No poverty:** We offer our associates a meaningful job where they can flourish and make a difference (4.4). We provide our people with the knowledge and skills needed to contribute to the sustainable development (4.7).
- **2. Zero hunger:** We provide tasty and balanced nutrition with ingredients from sustainable food systems (2.1) and ensure fair incomes of small-scale food producers (2.3).
- **3. Good health and wellbeing:** We promote good health by offering nutritious products. We contribute to well-being by inspiring tasty moments and by stimulating health at work (3.4).
- **4. Quality education:** We contribute to the sustainable management and efficient use of natural resources (12.2). We give a lot of attention to the sustainable management and efficient use of natural resources (12.2). We promote education and life-long learning as the building blocks for personal development, the achievement of employment and decent work for all people, including young people and persons with disabilities, and pay equally for equal work (8.5). We protect labour rights and promote safe working places for all our associates (9.8).
- **5. Gender equality:** We strive to decouple economic growth from environmental degradation by reducing our negative impacts (8.4). We offer employment and decent work for all people, including young people and persons with disabilities, and pay equally for equal work (8.5). We protect labour rights and promote safe working places for all our associates (9.8).
- **6. Peace and justice:** We apply responsible business practices and grow in a responsible way throughout their full life cycle (12.4). We manage all our wastes in a responsible way throughout their full life cycle (12.4). Through prevention, recycling and reuse we prevent the generation of waste (12.5). We protect natural habitats and help to stop the loss of biodiversity (12.5).
- **7. Affordable and clean energy:** We work to increase the share of renewable energy in the global energy mix (7.2) and we contribute to energy efficiency (7.3).
- **8. Decent work:** We strive to achieve economic growth from environmental degradation by reducing our negative impacts (8.4). We offer employment and decent work for all people, including young people and persons with disabilities, and pay equally for equal work (8.5). We protect labour rights and promote safe working places for all our associates (9.8).
- **9. Industry, innovation and infrastructure:** We promote sustainable development (4.7).
- **10. Reduced inequalities:** We promote the sustainable management and efficient use of natural resources (12.2). We contribute to energy efficiency (7.3).
- **11. Sustainable cities and communities:** We strive to decouple economic growth from environmental degradation by reducing our negative impacts (8.4). We offer employment and decent work for all people, including young people and persons with disabilities, and pay equally for equal work (8.5). We protect labour rights and promote safe working places for all our associates (9.8).
- **12. Responsible consumption and production:** We contribute to the sustainable management of forests and help to stop deforestation and to restore degraded forests (15.2). We protect natural habitats and help to stop the loss of biodiversity (12.5).
- **13. Climate action:** We integrate climate change measures into our strategy and action plans (13.2).
- **14. Life below water:** We contribute to the sustainable management of forests and help to stop deforestation and to restore degraded forests (15.2). We protect natural habitats and help to stop the loss of biodiversity (12.5).
- **15. Life on land:** We contribute to the sustainable management of forests and help to stop deforestation and to restore degraded forests (15.2). We protect natural habitats and help to stop the loss of biodiversity (12.5).
- **16. Responsible consumption and production:** We contribute to the sustainable management of forests and help to stop deforestation and to restore degraded forests (15.2). We protect natural habitats and help to stop the loss of biodiversity (12.5).
- **17. Partnerships for the goals:** We participate in partnerships that mobilize and share expertise, technology, and we provide financial resources to support the achievement of the SDGs in developing countries (17.6).

How we embed sustainability in our organisation

In order to implement our sustainability strategy and to keep on track in terms of reaching our goals, we cooperate based on the following governance structure.

**The Sustainability Team:** this team has the responsibility to monitor the progress of the goals and commitments and to draw up and monitor action plans. The team meets twice a year to share its progress, discuss bottlenecks and inspire each other. In 2020, the Sustainability Team gave key input for the new strategy.

For each commitment we have a Project Leader and a multidisciplinary project team. The Project Leaders lead the team meetings and manage the actions in order to achieve the targets. They report on progress to the Group Sustainability Manager, Aurélie Comhaire, on a regular basis. The Project Leaders are also the internal contact point for questions about the commitments and support for the related actions.

The role of the Group Sustainability Manager is to coordinate and monitor the annual sustainability plan, focused on the daily implementation of the five-year strategy. In addition, she supports the sustainability project teams. The Group Sustainability Manager is also responsible for communicating the sustainability strategy within and outside the organisation.

**Corporate governance model**

**Sponsor Marc Croonen, Chief Human Resources, Sustainability, EHS and Communication, is a sounding board for the Project Leaders. The sponsor gives direction to the projects and facilitates decision-making and aligns with the management teams and the Executive Committee.**

**Alignment with the Board and management:** the Sponsor and the Group Sustainability Manager report to the Executive Committee and to our management teams four times a year. They report to the Board of Directors once a year, and additionally in the case of specific milestones. This approach ensures bottom-up alignment and vice versa and puts sustainability high on the agenda.

**Associate empowerment**

The achievement of our new sustainability goals depends very much on the involvement of our people. At the start of our sustainability journey internal communication is focused on sharing information, we will move towards awareness and engagement in the coming years. We will set up an awareness campaign in order to instil our new sustainability narrative, so that associates align and link their own activities and efforts to the bigger picture.

**International implementation**

The Vandemoortele Sustainability Team draw up the global sustainability strategy, empowering production sites to implement it locally. We encourage every site to set up a local sustainability programme, focusing on key local impacts and challenges. In the coming years, every country will choose a sustainability ambassador, who will be the local ambassador of our sustainability strategy. We will start with a pilot project in Spain in 2021 and will roll out this approach to the other countries from 2022 onwards.
The quality and taste of the Vandemoortele products are our trademarks. We produce food that tastes good and brings people together at delicious and pleasant moments with family and friends. At the same time, the guarantee of clean and safe food products with a good nutritional balance is paramount. We are continuously improving our products to make them tasty in a more sustainable way, at the same time enabling people to make well-informed food choices. We continuously invest in research and product development in order to become a better and safer food producer.

Balanced nutrition

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- Improving the nutrition profile of our products
- Offering Clean Label products
- Offering plant-based alternatives
- Being a leader in food safety

GOAL 1

Balanced nutrition

- Improving nutrition profile
- Clean Label products
- Plant-based products
- Leader in food safety
Improving the nutrition profile of our products

Why we care
Our people work hard to improve the nutrition profile of our food products every day. We make frequently used products, such as bread and spreads, as healthy as possible. We follow the recommendations of food experts and the World Health Organization to reduce the amount of sugar, salt and saturated fats and increase our use of fibre and unsaturated fats (UFA). Whole grain bread is a source of fibre, fat spreads can be naturally high in omega-3 or in unsaturated fatty acids. Eating more nutritious food helps people tackle common health problems like obesity or cardiovascular disease.

For our indulgence products, like donuts and croissants, our first priority is to create enjoyable and tasty food. Nevertheless, we do strive to improve their nutrition profile, for example by using less salt and sugar. In 2020, we formulated KPIs to set clear targets for the coming years. By 2025, we want to reduce the amount of sugar in pastry, sweet treats and patisserie by 10% compared to 2019.

Health claims
The European Commission rightly monitors all health claims made by food companies to safeguard the health of residents in the European Union (EU). Whenever we claim a health benefit for one of our products, we refer to the EU-approved list of health claims to support our assertion.

In the last few years, we have made significant progress towards a more nutritious portfolio. Many of our bread spreads are a source of vitamins, minerals and omega 3. Spreads with omega 3 contribute to the maintenance of normal cholesterol levels. One of our margarine wrappers was even declared the healthiest product in the cooking margarine market. The product contains the lowest level of saturated fat compared to other wrappers, contains only 0.5% salt and is lactose-free and vegan. Our Croustico bread contains oats, which helps lower cholesterol levels. Since healthier products are often more expensive to produce, we aim for a good balance between price and nutrition profile to make our products accessible for everyone.

In the coming years, we will increase and improve our communication about our health claims. Products like wholegrain bread can claim active health benefits. Indulgence products like donuts have a different place in a balanced diet. While improving their nutrition profile, we also want to be transparent about their composition and provide customers and consumers with genuine claims and clear product information.

Partnerships
At Vandemoortele, we believe the best way to improve our products is through collaboration and partnerships. That is why we continue to expand our know-how through bilateral research projects carried out together with several scientific institutes. One of the products that we are researching is sourdough bread, a promising nutritional treasure. We have been collaborating with Ghent University in the Vandemoortele Center for Lipid Science and Technology since 2012. Together we carry out specific scientific projects for our margarines, culinary oils and fats (MCOF) business line.

Our R&D department also focuses on the design of healthier products. In collaboration with the Catholic University of Leuven (KU Leuven) we have conducted research into sugar reduction. We established all the roles that sugar plays in our products, like the sweet taste, volume, crispiness... and used this know-how to launch a pilot case: a croissant that contains less sugar. We will apply the know-how that we acquired during this research in customers’ projects in a next step.

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Essential: bread with benefits
All over the world, consumers are reappraising the wholesome benefits of bread. ‘Wholegrain’ and ‘rich in fibre’ are stated as important drivers for healthier bakery products.

In 2020, we launched our new bread range Essential by Banquet d’Or®, with crunchy bread products that are full of seeds and grains and a source of fibre, protein and minerals. All Essential products – the Wholegrain Range, the Fit Range, the Spelt Range and the White range – bear the Vandemoortele Clean Label and are plant-based. We will further expand the Essential range in 2021.

NutriScore
The NutriScore is an easy to understand nutritional label that informs consumers about the nutritional value of food. To improve the NutriScore of our margarines and cooking fats, we can reduce the amount of saturated fat or the amount of salt. Our bakery departments mainly focus on reducing the amount of salt and sugar.

Taking into account our product range, the use of the NutriScore is a little ambiguous. The label shows the nutritional value of 100 grammes of product, but for products like margarine, that amount should be much smaller. However, we still do strive to improve the scores of our products by optimising their composition. By 2025, we aim to improve the NutriScore of 7% of our spreading and cooking margarines.
Offering Clean Label products

Why we care

Nowadays, people are becoming more and more conscious about what they eat. They are looking for healthier, more trustworthy products with recognisable and simple ingredients and a clear, understandable composition. At Vandemoortele, we respectfully respond to this demand by keeping our food products as natural and authentic as possible. We want to help people make balanced choices and eat foods that contain few additives and preservatives.

Clean Label

We continuously look for cleaner food solutions without compromising on taste, quality and food safety. Wherever possible, we choose naturally occurring ingredients and eliminate less desirable additives unless they are necessary for safety or functional reasons.

Due to changes in consumers' expectations, our customers increasingly demand clean, preferably plant-based products. In 2020, we therefore developed our own Clean Label: a straightforward label that provides clear information about which ingredients we use. The Clean Label is much more than a name tag. It is an authentic commitment to our customers to be transparent and to keep improving our food solutions so that they can meet changing consumer demands. In 2020, we put a lot of effort into the alignment of our Clean Label position and the delineation of our definition. Cleaner and more transparent food is also one of our areas of focus for long-term research.

Our Clean Label definition

The Vandemoortele Clean Label will be granted to products containing:

- no artificial colorants;
- no preservatives;
- no hydrogenated oils or fats;
- no high fructose corn syrup;
- no chemically modified starch.

If additions are needed for functional reasons, we only use natural flavours and a small number of well-tested additives: natural carotenes (E160ai-ii), ascorbic acid (E300), citric acid (E330), emulsifiers (E322, E471, E481) and raising agents (E450i, E500ii). In time, we hope to be able to remove more additives from the list. We also use an extensive checklist to determine which new ingredients we can or cannot use. For more information, check our list of Frequently Asked Questions about Clean Label.

Our aims

In our bakery products (BP), nearly 74% of our products are now labelled ‘clean’. In the next five years, we want to increase the number of bakery products with a Clean Label by 9 vol%. In margarines, culinary oils and fats (MCOF) we aim for a 5% increase, from 22 vol% to 27%. In all our products, we aim for a good balance between tasty, healthy and sustainable.

TARGET 2025

83% Clean Label BP products (vol%)

27% Clean Label MCOF products (vol%)

STATUS 2020

74%

22%
Offering plant-based alternatives

Why we care
Moving towards a more plant-based diet, with fruit, vegetables, whole grains, nuts, seeds, vegetable oils and other plant-based products, can reduce many health risks, from heart disease to diabetes and certain types of cancer.

With consumers’ demands changing rapidly, we are adding more plant-based products to our portfolio. It is another way for Vandemoortele to help people make nutritious choices.

Need for legislation
Vandemoortele already markets many plant-based, vegetarian and vegan products. Most of our margarines are plant-based and contain less saturated fat than butter. Our plant-based bakery products are sometimes supplemented with butter, eggs or milk for optimal taste. We try to limit our use of these ingredients, for example by looking at plant-based alternatives for milk powder. We are also creating bakery products with margarine, although we walk a fine line there. Margarine tends to change the taste, and a good taste remains paramount for our product range.

Currently there is no EU legislation about putting a claim about vegan, vegetarian and plant-based ingredients on food products. Our current claims for vegan and vegetarian products are based on the definition of the European Vegetarian Association. Pending official EU legislation, we have decided to delineate our own definition in order to be able to communicate clearly and openly to our customers. Our position on this topic will be taking shape in early 2021.

“In order to match our ambitions, Vandemoortele invests a lot in innovation and product development via its dedicated R&D centre. Our marketing, R&D and sustainability teams work closely together to set new targets and KPIs. They continually improve the design of our products to make them more natural and authentic. The changes we make are better for the environment, improve the nutrition profile of our products and meet consumer demands for more transparency and ‘cleaner’ food products. They contribute to a balanced nutrition while still meeting our standards in terms of product quality and taste.”

Eddy Van Blanken - Group Marketing Director
Being a leader in food safety

Why we care
Food production and retail distribution are key elements in people’s health and safety. Being part of the food chain we take the responsibility to bring safe products to the market. Our main ambition is to be a leader in food safety, always aiming higher than any legal requirement.

Standards and policies

Global Food Safety Initiative
To become a leader in food safety, our Quality Department has grown bigger in the last few years. We follow the standards of the Global Food Safety Initiative (GFSI), a worldwide organisation to determine, standardise and implement food safety norms. All of our production sites are GFSI certified by either the International Featured Standard or the British Retail Consortium (BRC) Global Standards. We monitor these standards with two Key Performance Indicators (KPIs). Firstly, we are committed to switching all our production sites to a system of unannounced GFSI certification by 2025, meaning that certification bodies can conduct an audit any day. This raises the alertness and awareness of our associates, ensuring that they monitor quality systems meticulously. In 2020, 88% of our operation sites had already switched to unannounced GFSI certification, so we are well on track to reach this target.

Secondly, we want to make sure that we buy ingredients we can trust. This means that our partners have to meet the same quality standards as our own facilities. In 2025 all of our ingredient, raw material and food contact packaging suppliers, traders and logistics partners have to be compliant with the fundamental GFSI principles. In 2020, this was the case for 93% of them. To identify partners who are not yet compliant, we use a centralised list of our suppliers as a guideline. They are encouraged to start the certification process. In the meantime, we audit high risk suppliers by checking their quality systems, manufacturing processes, general order and the cleanliness on site. Low risk suppliers are given a questionnaire to check if their quality systems are sufficient.

Foreign body policy
We are committed to reducing food safety related complaints by 40% compared to 2016. For each new complaint, we seek to prevent it from happening again via a deep root cause analysis. This leads to subsequent corrective and preventive actions. In 2020, we already received 30% fewer food complaints relating to foreign materials, allergens and microbiological or chemical hazards. COVID-19 measurements may have influenced this number.

In the last few years, we launched several programmes to improve food safety. Today, we are reaping the rewards of our work. In 2017, we drafted a foreign body policy, the results of which are becoming clear today. The policy defines a protocol for operation facilities to prevent pieces of plastic, metal, insects, extraneous matter or other foreign objects ending up in food products. Over the years, this protocol has been rolled out at all production sites, resulting in 20% fewer complaints relating to foreign bodies in food products in 2020 compared to 2017.

Food defence and fraud
Committing to food safety also means striving for food defence and zero food fraud. Food defence entails the protection of our facilities against internal and external sabotage, causing contaminations or even a food safety crisis. We equip our facilities with security cameras, fences, secured entrance gates and other safety systems. We commit to zero food fraud by being honest and transparent about our products and ingredients. In 2020, we counted zero incidents concerning food defence and food fraud and we are determined to keep it that way.
Food has a big impact on the ecological footprint of our society. How our food is cultivated, sourced and produced affects our soils, our natural habitats and water systems, our climate and air. The current food system challenges the limits of our planet through deforestation and degradation of soil and biodiversity. Vandemoortele is aware of its ecological responsibility as a food company. We want to do business in a way that allows us to sustain our activities for years to come.

That’s why we contribute to tackling the big ecological challenges of today and tomorrow. We do this by continuously improving the way we source our ingredients, by striving to reduce our carbon emissions to zero, by banning food waste and through a focus on circular packaging in order to minimise the use of single plastics.
Sourcing responsibly

Why we care
Our ingredients are the basis of our tasty and qualitative products. But taste, quality and sustainability go hand in hand for Vandemoortele. We feel responsible for what happens in our whole supply chain. We want to deliver tasty food that is at the same time good for our consumers and for the planet, is respectful to local farmers and does not put animal welfare at risk.

That’s why we commit to source our commodities as sustainably as possible. We make conscious decisions on how we source our basic ingredients. Below, we describe how we proceed, ingredient by ingredient.

Palm oil
Palm oil plays a significant role in the taste and structure of food products. Moreover, it has a high yield per hectare compared to other vegetal oils. That’s why we use palm oil in both our business lines (bakery products on the one hand and margarines, culinary oils and fats on the other hand) and we will continue using it. But we commit to contribute to a more sustainable palm oil industry and strive to reduce the ecological and social risks linked to palm oil sourcing.

This is a priority for us, as the palm oil industry has been subject to significant criticism over the last few years. Not only does the sourcing of palm have negative impacts like deforestation, decline of biodiversity and exploitation of local farmers, but the supply chain of palm oil is also very complex, making it less transparent for buyers.

These are our most important actions and targets:

Certified palm oil
Vandemoortele joined the RSPO (Roundtable on Sustainable Palm Oil) in 2009. Since 2015, we have been committed to sourcing 100% certified sustainable palm oil for consumer and professional brands. At first, we did this by buying credits from RSPO-certified growers, crushers and independent smallholders. We decided last year to switch up a gear: by 2025 we want all palm oil in our brands to be RSPO certified palm oil, at least at the level of the mass balance supply chain model. In 2020, we reached 26%.

Traceability
Within our supply chain more than 1,000 mills deliver palm oil to us, and each mill has different plantations delivering them the raw materials. Full traceability is therefore a complex exercise and an ambitious goal to pursue. In 2020, we could already trace 99.4% of our palm oil to the right mill where it came from. By 2025, we aim for 100% traceability to the mill. To aim even higher, we want to be able to trace 75% of our palm oil to the plantation by 2025. In 2020, we reached 45% based on the input of our suppliers.

Dialogue with suppliers
In 2020, we carried out our first EPI (Engagement Policy Implementation) survey, provided by Earthworm Foundation. The survey covered various topics, from traceability and transformation on the ground to grievance mechanisms. It served as a starting point for a positive dialogue with our palm oil suppliers.

Grievances management
Every now and then, we receive a grievance that is linked to our supply chain. Until 2020, we handled such complaints ad hoc. In 2021 we will draw up a grievance policy, so we can deal with grievances in a structured way. We will also draft an action plan for every relevant complaint. By 2025, we want to reach 100% verified palm grievances with an action plan.

NDPE policy
We require of all our key palm oil suppliers to have an NDPE (No-deforestation, No-peat and No-exploitation) policy. This policy forms a base line for a sustainable palm supply chain and describes the commitments we need to take as an industry. Since 2017, 100% of our key palm oil suppliers have such a policy.

Read more about how we contribute to a more sustainable palm oil industry in our latest Palm Oil Progress Report.

Vandemoortele wants to reduce the ecological and social risks linked to palm oil sourcing.

**TARGET 2025**
- 100% physically sustainable certified palm*
- 100% palm traceable to mill
- 75% palm traceable to plantation
- 100% key palm oil suppliers have NDPE policy
- 100% verified palm grievances have an action plan

**STATUS 2020**
- 26% Certified palm oil
- 99.4% palm oil traceable to mill
- 45% palm oil traceable to plantation
- 100% key palm oil suppliers have NDPE policy
- 100% verified palm grievances have an action plan

*We set a more ambitious goal to aim for 100% physically sustainable certified palm in our consumer and professional brands, without buying credits, as was the case in the previous strategy.
Soy

We buy animal-based products like milk and eggs from animals fed with soy. But the cultivation of soy has several negative impacts, such as deforestation and the displacement of small farmers and indigenous peoples. Although soy-related challenges remained under the surface initially, we are, because we don’t process soy directly, now fully committed to tackle them.

Vandemoortele has been a member of the Round Table on Responsible Soy (RTRS) since 2011. This organisation ensures that soy, either as a raw material or as a by-product, originates from a process that is environmentally correct, socially adequate and economically viable. By purchasing RTRS credits we promote and support responsible soy production and soy supply and we balance the impact of soy used in our products.

For our own consumer and professional brands, we've been using 100% RTRS-certified soy since 2017. Now we are expanding this ambition to our full portfolio. Our commitment is 100% RTRS-certified soy in all our products by 2025, for both direct and indirect use.

Wheat

Flour is an important ingredient in our business: we use it in almost all of our bakery products. We’ve been focussing on its quality up to now, but in 2021 we will work out a Sourcing Charter for wheat and flour.

We will first define our commitments and targets that are necessary to achieve responsible sourcing of wheat and flour. A dedicated project team will draw inspiration from our business unit in France. A European or worldwide certificate for sustainable flour does not yet exist, but in France Vandemoortele collaborates with the Filière CRC® (Culture Raisonnée Contrôlée), an organisation that provides certification to ensure the traceability and the sustainability of wheat. Most of the products under our consumer and professional brands that we produce in France are already CRC-certified.

Eggs

We believe that it is our responsibility to supply our customers with eggs from hens that are living in optimal conditions. In 2015, we set ourselves a clear goal: since the end of 2020, we no longer buy cage eggs, only cage-free eggs. As our efforts increased, we realised we could reach this goal sooner. Since January 2020, we use 100% cage-free eggs, also known as barn eggs, in all of our products. The hens are no longer locked in cages and are free to walk around in their barn.

Barn egg production, while not perfect, eliminates the inherent animal welfare disadvantages of cage egg production, such as high stress levels for the hens. A well-managed barn that provides protection and enrichment for the animals is a welfare-friendlier alternative for large-scale egg production. For eggs used in sauces like mayonnaise, we aim even higher: since 2016 we only use 100% free-range eggs, which means the hens have free access to the outdoors.

Cocoa

Vandemoortele loves to deliver tasty products with chocolate, but not at the expense of the environment or the well-being of workers. That is why we joined UTZ (meaning ‘good coffee’ in the local Mayan language) in 2013, an international certification programme and label for coffee and cocoa.

In 2018, UTZ merged with the Rainforest Alliance. Together, they help farmers to improve their productivity, efficiency and food quality without sacrificing the environment or the interests of their local community. They also provide a supply chain model for sustainably sourced cocoa: the Mass Balance Certification.

By 2025, we want to use 100% UTZ/Rainforest Alliance cocoa with Mass Balance Certification in our consumer and professional brands. We are also committed to developing a Sourcing Charter on sustainable cocoa, in which we explain all social and environmental challenges and our commitments on how to tackle these. This will help us work towards a better future for our planet and the next generations.
Striving for zero carbon emissions

Why we care
We acknowledge the adverse effects of climate change on biodiversity and humankind. Faced with increasing environmental pressure, we are committed to reducing our greenhouse gas emissions by lowering our energy intensity and moving from cooling agents with Global Warming Potential (GWP) to natural ones. We continuously monitor the emissions from our manufacturing processes and reduce them to an absolute minimum. Shrink the carbon footprint of the raw materials and transportation that we use is a bigger challenge, but we continue to make progress.

In 2020, we calculated the company carbon footprint of the entire Vandemoortele company for the first time. Although the high-level calculation needs some finetuning, the main results are clear. Our company wide CO2-eq emissions amount to approximately two million tonnes per year. Roughly 4% comes directly from our plants and offices, mainly from the use of electricity, heating (natural gas) and our company-owned vehicles (these are the Scope 1 and the Scope 2 emissions). The lion’s share, approximately 96%, is related to the raw materials that we purchase and from goods transport (the so-called Scope 3 emissions). 86% of the Scope 3 emissions come from the ingredients and raw materials while the remaining 14% mainly originates from packaging and transport.

Electricity and heat
In 2020, the electricity that we used in our plants and offices throughout Europe was 100% from renewable sources with a Guarantee of Origin (GO), mostly hydro, windmills and solar power systems. To further reduce our energy consumption and CO2 emissions, we increased our cooling efficiency, invested in LED lights, drew up a smart energy schedule (e.g. in order to manage peaks in power usage) and took many more actions. All these initiatives led to a 58% reduction in our carbon footprint by comparison with 2015. We also aim to reduce the amount of natural gas that we use for operating our ovens and for heating our offices and plants.

Every Vandemoortele site reports its energy reduction actions and progress twice a year. With all the efforts we have made, we have now reached a point where we are close to attaining our best results. The next step is to diversify the sources of green energy we use. By 2025, our aim is for at least 50% of the renewable energy that we purchase to be documented with a European Guarantee of Origin. The other half will be covered by direct (on-site) and virtual (off-site) Power Purchase Agreements on green electricity.

To further improve energy efficiency in our manufacturing processes, considerable attention was paid to energy demand management and process optimisation (OPEX). By doing so energy consumption was even better aligned with production volumes and production regimes. We adapted process parameters, set-up new procedures, launched programmes to change people’s behaviour... Our action plan on energy reduction consists of over 170 individual actions. Due to a shift in market demand and a number of large investments in pre-proofed and pre-baked bread, our energy intensity went up by 1.8% between 2015 and 2020. The trend was reversed in 2017 and, since then, we have once again continued to reduce our energy intensity.

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Science Based Targets
Vandemoortele made a highly ambitious commitment to further decarbonise its activities by collaborating in the Science Based Targets initiative. Science Based Targets (SBT) are greenhouse gas emission reduction targets that are in line with the level of decarbonisation required to meet the goals of the United Nations Paris Agreement on Climate Change. These goals, which have been signed by 175 parties (including the European Commission), aim to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C. After signing the commitment to the SBT initiative in 2021, we have two years to prepare our action plan.

The Science Based Targets initiative (SBTi) is a collaboration between the CDP global disclosure system, the United Nations Global Compact, the World Resources Institute (WRI) and the World Wildlife Fund (WWF) and is one of the ‘We Mean Business Coalition’ commitments. The initiative champions science-based target setting as a powerful way of driving ambitious climate action and boosting companies’ competitive advantage in the transition to the low-carbon economy.
Transportation

We distribute our products through a joint logistics network with nv Metro and Panalog sa. Metro specialises in the transportation of refrigerated and frozen goods. Every day it sends shipments to countries throughout Europe and Great Britain. Panalog specialises in the storage and distribution of frozen products in France and has a network that covers the whole French territory.

Reducing emissions from our outbound product transportation is a big challenge. Metro has been monitoring and reducing CO₂ emissions for almost twenty years. In 2020, Panalog signed the Objectif CO₂, committing to a three-year action plan to reduce its CO₂ emissions. Our main goals for the period 2015-2020 were:

• to measure, report and reduce our carbon emissions;
• to develop guidelines for the transport companies we work with.

In five years, we cut our transport emissions by 7%. We achieved this result mainly by using more biofuel and introducing trucks with EU6-engines, coupled with adding AdBlue to backfiring mechanisms, to reduce pollutants from vehicle exhausts. We are also trying promising modifications like OptiCruise, a technique that allows trucks to store energy when they drive downhill and use that energy when they go uphill again.

Our target for 2025 is to reduce our carbon emissions from transportation by 15% compared to 2020. However, with the technologies available today, we cannot significantly improve the performance of our trucks. We therefore focus on other options to reduce our carbon footprint, such as:

• New engine technologies. The current electric engines are not strong enough to power combination trucks that weigh 44 tonnes, and their action radius is limited to 300 or 400 kilometres. However, if the technology is further improved, it may become a viable option. In the short term, hydrogen engines are a more promising choice: they allow trucks to drive more sustainably and present fewer technical challenges. We collaborate closely with our customers and external transport companies to monitor their demands and to make sure our investments will lead to long-term sustainability improvements.

• Multimodal transportation. In 2021, we will start exploring the potential of truck transport in combination with rail transport. This is a big challenge, for several reasons: many of our products are transported in refrigerated containers, and our customers generally demand just-in-time delivery, with practically no room for delays. A first experiment with rail freight transport in 2021 should give us more insight into the possibilities and the practical demands.

• More aerodynamic truck designs to reduce the fuel consumption.

• More efficient loading techniques, to reduce the number of transport journeys. By combining our own loads with suitable products from other companies, we avoid empty kilometres. Our product innovation BAKE’UP® results in space-saving storage and lower CO₂-emissions during transport.

• Raising awareness. Part of our new sustainability strategy is to incorporate sustainability in corporate training packages, to ensure key stakeholders are aware of the importance of sustainable entrepreneurship and of the impact their own behaviour can have. We already see the positive effects of the yearly EcoDrive course our drivers take to refresh their skills in sustainable driving. Repeatedly taking this course has allowed them to reduce the fuel consumption of their trucks by more than 10%.

Water consumption

In 2020, we used 14% more water than in our reference year 2015. This is mainly due to new legal demands with regard to food safety regulations, resulting in more frequently cleaning work places with water. We have launched several initiatives to decrease water use, such as the automatisation of cooling towers and investments in new cleaning techniques and utensils.

Planting trees with impact

As part of our effort to strive for zero carbon emissions, Vandemoortele joined forces with Go Forest, a CO2logic partner that executes reforestation and agroforestry projects in Peru, Congo, Benin, Zambia, Armenia, Belgium and France. Go Forest makes sure the right tree species grow in the right place. The organisation also supports local populations in their livelihoods and creates extra jobs.

In 2020, we bought tree seeds for every associate of our Food Experience Center. Most seeds came from areas such as the primary Amazonian rainforest; others originated from trees in reforestation parcels that have already reached a productive age. Our 500 shoots started growing in a nursery at the end of 2020. In June 2021, the young trees will be planted as a part of a reforestation project in the Amazon in Peru.

At the time of planting, the trees will be registered on the online tool Real Trees. Through that tool, Vandemoortele will be able to monitor how every individual tree is growing and send its associates pictures of their own unique tree. After one year, we will know how much CO₂ our trees have already taken from the air.

BAKE’UP®, tasty products with a lower carbon footprint

BAKE’UP® is Vandemoorteles patented technology to produce tasty products with a lower carbon footprint. Our unique approach makes it possible to save up to 60% in storage, logistics costs and transport emissions. How? BAKE’UP® products are up to 60% smaller than regular, pre-proofed products and rise in the customer’s oven. This saves space in trucks and freezers. The pastries are pre-glazed and don’t need proofing or defrosting: frozen products are ready in 20 minutes. This not only saves space in trucks and freezers. The pastries are pre-glazed and don’t need proofing or defrosting: frozen products are ready in 20 minutes. This not only saves space and lower CO₂-emissions during transport.

% reduction CO₂-eq/tonne transport & mobility

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<tbody>
<tr>
<td>-15%</td>
<td>-7%</td>
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</tbody>
</table>

Metro and Panalog are our logistics partners.

% reduction of water usage (excl. water ingredient)

<table>
<thead>
<tr>
<th>TARGET 2025</th>
<th>STATUS 2020</th>
<th>Baseline 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>-15%</td>
<td>+14%</td>
<td>-5%</td>
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BAKE’UP® is Vandemoorteles patented technology to produce tasty products with a lower carbon footprint. Our unique approach makes it possible to save up to 60% in storage, logistics costs and transport emissions. How? BAKE’UP® products are up to 60% smaller than regular, pre-proofed products and rise in the customer’s oven. This saves space in trucks and freezers. The pastries are pre-glazed and don’t need proofing or defrosting: frozen products are ready in 20 minutes. This not only saves space in trucks and freezers; the technology also reduces food waste. BAKE’UP® pastry products have a slightly higher manufacturing cost, which makes them most beneficial when exported. For local markets, they are still advantageous in terms of energy consumption, since they take up less storage space in the freezers.
Striving for zero food waste

Why we care

Roughly one third of the food produced for human consumption worldwide is actually wasted. This happens for a variety of reasons: bad weather conditions, processing problems, poor production planning, confusion about labels and food safety. Because high quantities of food are lost or wasted, our food supply chains need to produce more, increasing their impact on climate change and other environmental issues. Food waste is responsible for 8% of the global greenhouse gas emissions and generates a huge economic, environmental and social cost. By optimising our operational efficiency and valorising our remaining waste, we commit to waste as little food as possible.

Operational efficiency

Among our first sustainability targets, a specific goal was to reduce food losses at the manufacturing level, for example by technical issues, overproduction or quality defects. Between 2017 and 2020, we achieved a food loss reduction of 12% in margarines, culinary oils and fats (MCOF) and 33% in bakery products (BP).

We made a lot of effort to optimise our operational efficiency and the quality of our products. In bakery, we pool our efforts in the Make & Bake Program: we experiment with different temperatures, make sure our lines operate smoothly, where possible reuse excess quantities of dough... We also improved the quality of our products to minimise waste, for example by making sure that baguettes are exactly the right size to fit in a box. For many MCOF products, we have already attained the maximum operational efficiency: there are hardly any technical possibilities left to further reduce our (very limited) food waste.

Valorising food waste

Apart from continuing to reduce food losses, we also strive to valorise our remaining waste into high value products that contribute back to the food supply chain. We collaborate with food banks, awareness organisations, research institutes and companies that specialise in food waste valorisation. Our main guideline is Moerman’s Ladder, which ranks food donations higher than, for example, the use of food waste in animal feed or for sustainable energy. This is our approach:

- Edible leftovers and B quality products, like croissants with a tip torn off, are donated regularly to food banks and similar organisations. One of them is Foodsavers in Ghent, an organisation that provides better access to fresh, healthy and convenient food for people in poverty. In Spain, for example, we collaborate with the well-known food banks Cáritas and Bancos de Alimentos.
- Edible food waste that cannot be donated is partly reworked into animal feed, like bread crumbs. We are investigating various options in Bread2Be, a collaboration project coordinated by University College Ghent.
- Part of our edible food waste is reworked into animal feed.
- Not all food waste can be reused. This occurs mainly when too many different streams are mingled, for example in sugar-coated donuts or croissants filled with chocolate. We are currently researching the possibilities of turning food waste from bakery products into bioplastics.

Reduction to zero food waste

From 2021 to 2025, we will try to reduce our food waste to zero. In addition to operational efficiency and valorising food waste, we will focus on raising awareness: our associates need to realise how important food waste reduction is.

On the governance level, we need to establish a clear definition of the term ‘food waste’. Especially now that we are aiming for zero food waste, it is important to know how to define it. Do we count all food waste or do we leave out the minimal amounts that simply cannot be avoided by any human or technical means? Like any food processing company, we lose tiny amounts of food, for example by switching a production line to a different product. Avoiding this is not in any way attainable. But apart from that, we are taking all conceivable measures to reduce food waste as much as possible.

21 tonnes of food donations in Spain

Since 2013, Vandemoortele Iberica is working on sustainable solutions for the valorisation of their food waste. This resulted in close cooperation with two Spanish Food Banks:

The Christian foodbank Cáritas, founded in 1947, promotes charitable actions linked to the Spanish Church. It fights poverty and assists victims of war and natural disasters. Banco de Alimentos is a non-political and non-religious foodbank, founded in 1996. It fights hunger, poverty and food waste and distributes food to people in need. Vandemoortele believes that donating food has a positive social impact and contributes to the fight against climate change. In 2020, we gave away 21 tonnes of bakery products, margarines, fats and oils to food banks in Spain.
Contributing to circular packaging

Why we care
Vandemoortele packages its products to preserve them and protect them against damage, mould, light, oxygen, humidity, bacteria and viruses. This way, we guarantee the food quality and prevent food waste. Recently, however, packaging and plastic pollution in particular have become an important issue of societal concern. Retailers, professional users and consumers increasingly attach importance to minimal and sustainable packaging.

Out of concern for the climate and the preservation of natural resources, we advocate the circular economy, which keeps materials in the cycle for as long as possible. We strive for an optimal balance between preservation, to guarantee the quality of our products and avoid food waste, and sustainable packaging. To facilitate recyclability of our packages, we increase the amount of recycled content in packaging materials and improve their recyclability.

Researching new innovations
The R&D department of Vandemoortele is closely working with packaging suppliers to innovate on packaging material. We also contribute to various research programmes and projects that aim to make packaging more circular. As an associate member of HolyGrail 2.0, an international project of the New Plastics Economy initiative, we research the opportunities of digital water marks to enable smart sorting of different types of plastic waste. A more efficient sorting process has the potential to increase both the recyclability and the amount of recycled content in packaging materials.

In 2019, we also joined Circopack, a project initiated by different partners including PackFood (a consortium of Flemish research centres and 53 companies), spearhead cluster Flanders’ FOOD and SensNet, a network of food processing companies, ingredient suppliers and packaging producers. Circopack aims to improve the circularity of packaging by developing an online tool that analyses packaging concepts in terms of specifications, recyclability, environmental impact and impact on food quality.

We set various targets concerning packaging, all formalised by our signing of the New Plastics Economy Global Commitment, led by the Ellen MacArthur Foundation in collaboration with the UN Environment Programme. This initiative strives for the responsible use of plastics. Our aims and commitments for 2025 include:

- Increase the amount of recycled content in the PET (polyethylene terephthalate) materials we use. We aim for minimum 25% of recycled PET (r-PET) in our packaging materials by 2025. One of our margarine bottles has been 100% r-PET for a while. Over the next few years, we hope to introduce r-PET in other product packages like bottles for sunflower oil. We are currently discussing these opportunities with our packaging suppliers. A number of research projects on recycled polypropylene (PP) and polyethylene (PE) are still at an early stage.

- Use only 100% recyclable, re-usable and compostable packages by 2025. This is possible by shifting towards more mono-material packaging. In 2020, we used 85% mono-material packages. In 2021, this should be 88%. We closely follow the trends on compostable packaging but do not have any short-term plans to develop such packaging ourselves.

- Use only 100% sustainable, certified FSC (Forest Stewardship Council) / PEFC (Programme for the Endorsement of Forest Certification) paper and cardboard already by 2021. We are well on track to reach this goal in 2020, more than 99% of our paper and cardboard was already certified. The corrugated boxes we used for secondary packaging in our Reims donuts factory were made of 1,650 tonnes of sustainable paper: 100% recycled, 100% FSC certified and 100% recyclable.

- Further reduce the volume of packaging materials we use. We ban all unnecessary packaging and aim for the minimum pack weight possible. But since we have already attained a very low level of packaging volume, the reduction potential of this action will be small. Nevertheless, we are currently exploring the possibilities of replacing high-density polyethylene (HDPE) cans for frying fat by newly developed BIBs (Bag-in-Box). While an HDPE can consist only of plastic, a BIB is made of a thin plastic bag inside a recycled and FSC-certified cardboard box. This reduces the amount of plastic from 130 grammes to 45 grammes: a reduction by 65%, which will save 58 tonnes of plastic on a yearly basis. To facilitate smart sorting, the plastic bag and the cardboard box are easy to detach.

Why we care

Researching new innovations

We strive for an optimal balance between food preservation and sustainable packaging.
Vandemoortele is dedicated to ensuring healthy, safe and inclusive workplaces. We encourage the development and personal growth of our people and appreciate the value of a diverse workforce. All our associates are given equal opportunities to flourish in their jobs and achieve their goals. We also cooperate constructively with our suppliers and reach out towards the local communities around our plants and offices to create a positive social impact.

**Enhancing lives**

- Offering an engaging professional journey
- Providing a diverse and inclusive workplace
- Ensuring a safe work environment
- Working together to create a positive social impact
Offering an engaging professional journey

Why we care

Vandemoortele is a truly people-driven company. We want our business to be a great place to work, offering our associates opportunities for their development and empowerment. When associates feel valued and involved, they are more motivated. This tends to improve their physical and mental health and helps ensure that our people thrive. An engaging work environment also instils a greater level of trust between associates and leadership, forming a solid foundation for cooperation, commitment and quality. This positive culture has a ripple effect on our profitability, team morale and associate retention.

Pillars of our work policy

Employability

Between 2017 and 2020, Vandemoortele developed a specific framework for employability, to be used as a starting point for various Human Resources (HR) actions and initiatives. Based on an extensive engagement survey among our associates, we defined three key areas of employability:

- **People for Growth**: by attracting and retaining the right people in the right place, we are able to grow as a company;
- **Growth for People**: we offer our associates plenty of opportunities to develop their careers and to flourish in their jobs;
- **Leaders for Growth**: the right leadership will make both our company and our people grow.

We will continue to use this framework from 2021 to 2025, paying extra attention to sustainable employability. Leadership, commercial and operational competences will be important focus points.

Training & development

We are convinced that the development of our associates is a social responsibility that leads to sustainable growth. All our associates are on a professional journey: to broaden or deepen their skills or knowledge, to support their team or to lead their co-workers. To foster all learning initiatives, we launched the **Vandemoortele Academy**: a dedicated training platform where associates can take intensive courses or short workshops.

To help our managers and associates assess their professional development, we have introduced several follow-up tools. Specific skills and competency matrices are being rolled out across our organisation, specifically in sales, marketing, operations, IT and the supply chain. We encourage people to make development plans and to engage in ongoing development conversations. We monitor the number of training hours that every associate receives.

Leadership

Having competent, performance- and people-oriented leaders is crucial to create a focus on growth and development. We promote listening, cooperation and genuine relationships. That is why Vandemoortele developed its own, unique **Leadership Model**. The model is based on our corporate values and on three pillars: performance, you and people. It aims to support our people as much as possible and to strengthen the ties between company levels and individuals.

In 2020 more than a hundred managers followed our ‘Leaders 4 Growth’ leadership programme. We have also translated the leadership model to the role of first line managers at production sites, so that they can follow the programme in 2021. Trainers and coaches across our organisation will help them build their leadership competencies. We especially encourage our first line managers to focus on interactions during ‘high impact moments’ like team meetings, one-2-ones and crisis situations.
Engagement score

To monitor work-related topics in even more depth, we use the Associate Engagement Survey (AES). With this tool, we score the engagement and happiness of our associates in relation to different topics: training and development, leadership, communication, inclusiveness and sustainability of the company. The tool also contains benchmark results from comparable companies. As the benchmark results evolve continuously, our target for most of the topics is to score at the level of or better than the external benchmark.

We have various sporting initiatives, weekly fruit baskets, discounts on gym memberships and quit smoking plans.

Health

The physical and mental wellbeing of our associates is at the heart of our concerns. To monitor their mental wellbeing, we organise regular ‘pulse checks’: short surveys in which we inquire about someone’s work load, stress levels, work aspirations, coaching by the manager ... We also require regular talks with a manager or supervisor, at least once a year, to keep track of people’s wellbeing and professional progress.

Where people’s physical health is concerned, we prefer to give local production sites and offices the freedom to start their own projects and inspire each other. This decentralised, bottom-up approach enables us to leverage local initiatives to the maximum and to adapt to the true needs of our people, regardless of where they are operating. For example, we have various sporting initiatives, weekly fruit baskets, discounts on gym memberships and quit smoking plans. Metro, Vandemoortele’s transport division, recently hired a physiotherapist to improve ergonomics on the floor. All health initiatives are registered on our new Health Platform, which is meant not only as a reporting tool, but also as a source of inspiration.

“Sustainability is becoming paramount for customers, suppliers, our associates and even job applicants at Vandemoortele. Especially for younger generations, it is a key issue today. Clearly communicating our sustainability narrative is therefore of huge importance. To explain our new sustainability strategy, we opt for a strong, simple message based on three goals: balanced nutrition, protecting nature and enhancing lives.”

Marc Croonen - Chief Human Resources, Sustainability, EHS and Communication
Providing a diverse and inclusive workplace

Why we care
A diverse and inclusive environment establishes a sense of belonging among people. When our associates feel more connected at work, they tend to work harder and produce higher quality results. By adopting diversity and inclusion practices, we enhance the wellbeing of our associates and at the same time improve our business results, innovation and decision-making. It also widens our talent pool because many job applicants consider diversity and equal opportunities when seeking employment.

Different backgrounds
Vandemoortele employs over 4,000 people from different backgrounds, plus hundreds of temporary workers. We hire people regardless of age, gender, disability, marriage or civil partnership, pregnancy or maternity, race, religion, political opinion or beliefs. This richness is something we cherish. For all our associates, we foster equal opportunities and healthy ambitions. In terms of gender diversity, we have made progress, but improvement is still required to meet our targets. We use the Associate Engagement Survey (AES) to score the inclusiveness of our company.

Equal opportunities
In 2019, we started a detailed study on equal pay within Vandemoortele to ensure that all groups, regardless of gender, age or nationality, are treated fairly. We take measures to close the gender pay gap where identified, ensure that women are sufficiently represented in selection procedures and make efforts to ensure women have the same career opportunities. As a result, the number of women in management positions has significantly increased between 2015 and 2020. In our four MCOF (margarines, culinary oils and fats) plants, for example, we now have four female site managers, where eight years ago there were only men.

For the period from 2021 to 2025 we have specifically included the KPI ‘Representation of women at senior leadership’. By 2025, the number of women in senior leadership positions should have increased from 23 to 40%.

When the boss is a woman
Gender equality is not only a matter of giving women equal opportunities. Businesses with genuine gender diversity, especially at senior level, perform better and see their profits increase, according to reports from the International Labour Organization (ILO).

Vandemoortele has always taken great care to ensure that women have the same career opportunities as men. As a result, all four sites of our MCOF division are now led by women. “The management does not seem to distinguish between men and women: our knowledge and experience were decisive”, says German site manager Chantal Mortier. From 2021, Vandemoortele will even raise the bar and set specific targets to increase the number of women at senior leadership level.

Associate Engagement Survey (AES) score (points)

<table>
<thead>
<tr>
<th>Inclusive workplace score AES</th>
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<tbody>
<tr>
<td>Status 2020</td>
<td>83</td>
</tr>
<tr>
<td>Target 2025</td>
<td>80</td>
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</tbody>
</table>

% representation women at senior leadership

<table>
<thead>
<tr>
<th></th>
<th>Status 2020</th>
<th>Target 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>% representation</td>
<td>23%</td>
<td>40%</td>
</tr>
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</table>
Ensuring a safe work environment

Why we care
Ensuring a safe and healthy working environment is a basic right for every associate, contractor and visitor, so that they can return home safely every day. Groupwide, we use a uniform approach to health & safety management and supportive tools to align efficient actions and related results.

Our safety programme
Our ‘I CARE, U2?’ safety programme is based on three pillars: basic safety rules, safety tools and soft skills training sessions. To support and empower our associates, we organise safety days and training sessions on specific safety topics and expected safe behaviour. The prime focus is to encourage all our associates, at all levels, to think about safety before they act. Our safety tools allow us to avoid risks and manage safety in the workplace.

Safety tools
Vandemoortele uses three important tools to manage safety:

- **Safety walks**: Periodic safety observation rounds by a multidisciplinary site team, during which behaviours and attitudes towards safety can be discussed and steered.
- **Safety toolboxes**: ‘On-the-job’ safety training sessions, given by leading hands. These intense team sessions focus on particular safety issues and promote safety measures.
- **Root cause analysis**: we involve our leading hands in every accident analysis and in the choice and implementation of corrective actions.

In 2021, the ‘I CARE, U2?’ programme will be further developed and even more focus will be put on continuous interaction and feedback at the workplace. We will show our associates how to address each other in relation to unsafe acts and how to show appreciation for safe behaviour. Studies have shown that people are more satisfied in their jobs when they can communicate freely and transparently. The progress that we make in this area will be measured through a new registration app that we are currently developing. This system will allow supervisors and management to get informed about potential hazards and to decide on effective and accepted corrective actions.

Fewer accidents
Every year, we measure our safety results by checking how many accidents occurred and how serious they were: our frequency and severity rate. In 2020, we aimed for less than 18 accidents with lost workdays per million work hours and zero accidents with lasting consequences.

We almost achieved our desired frequency rate, with 19.2 Lost Workday Cases per million work hours (own staff and temporary workers). Our severity rate is above target and is stabilising at around 0.98 lost days per 1,000 hours worked (own staff and temporary workers). A separate target is set on serious injury accidents (SIF). The company has reached a 1,000 day milestone without any such injury incurred. This type of accidents are managed by specific training and stringent application of formal work procedures. Both in bakery products and in MCOF, we achieved the European benchmark level for safety at work.

LOT0 procedure for production operators
In the food industry, minor servicing or cleaning interventions are among the hazards that can lead to severe injuries with machinery. That is why we have extended our ‘Lock Out Tag Out’ (LOT0) procedure to machine operators, to ensure that dangerous machines are properly stopped, isolated from power and tagged before the intervention is started. The implementation of the LOT0 procedure for operators has been one of our most important improvements as we strive for zero severe injuries. In 2020, all production and logistics sites implemented LOT0 and every staff member who intervenes on machinery received LOT0 training.
Challenges

COVID-19 turned 2020 into a very non-typical year. From the start of the crisis, we took extra care to protect our people. Our COVID-19 task force purchased protective equipment for the staff at all our locations, from disinfectants to gloves and face masks. We also created new contact tracing and emergency procedures and helped people implement them. As a result, we have had few workplace related infections and no outbreaks in any of our production sites.

Achievements

Since 2020, we pay extra attention to safety measures for temporary workers. We have implemented a specific programme of authorisation, so temporary workers can no longer perform non-routine – and therefore more dangerous – tasks unless they have the required skills and training.

A point for improvement is our Bird ratio of industrial accidents: the connection between the number of near misses, small incidents and the proportional risk of more serious injuries. To reduce the number of incidents, we take various steps to promote safe behaviour.

Two important concepts are ‘brain based safety’ and ‘Last Minute Risk Assessment’ (LMRA): we teach our associates to think before they act. For example, when a line is blocked, they learn not to overreact and try to restart it immediately, but to analyse the problem and take safety measures first.

We try to align safety and efficiency, to make sure that an increase in efficiency does not lead to a more hazardous workplace. Our safety ambassadors are there to coach and lead by example.

Our journey to the future

Over the past twenty years, Vandemoortele has evolved and developed a considered and pro-active leadership style, where our monitoring tools and our safety values drive continuous improvement. In 2021-2025, we want to further evolve towards a more generative leadership style, with autonomous teams who know how to look after themselves.

Factory of the Future Award

In February 2020, our margarine manufacturing plant in Izegem received the Factory of the Future Award for its efforts in terms of digitisation, talent recruitment, workplace safety and sustainable entrepreneurship.

The award highlights the importance of an engaging workplace if you want to meet future challenges and keep putting tasteful and sustainable products on the market.

Commitment

In Izegem, every production worker contributes to our product quality. We challenge our team members to find better solutions and follow the latest trends. When we buy new machines, we send our operators, workers and technicians to our suppliers so that they can see and hear for themselves how everything works. Our associates develop their skills and knowledge through training sessions and daily performance meetings. This stimulates cross-functional teamwork and better decision-making.

Vandemoortele Izegem is specifically praised for its thorough customer orientation and for achieving a good balance between manual and automated work. Our state-of-the-art technologies, in-house refrigerated transport solutions and energy-efficient production processes help our associates to achieve excellent product quality and bring finished goods to our customers just in time. The technologies also help us to reduce our ecological footprint.

European award

‘Factories of the Future’ is a public-private partnership for advanced manufacturing research and innovation. It is the European Union’s main programme for bringing about the next industrial revolution: materialising Factories 4.0. The research and innovation priorities of the partnership were identified in the Factories of the Future 2020 roadmap.
Why we care
Vandemoortele is committed to ensuring responsible conduct on ethical, social and environmental issues. We respect and protect our associates and conduct our business lawfully and with integrity. By working together with farmers, suppliers and local communities, we aim to tackle environmental and social problems that exist in the upstream supply chain. To measure our common progress, we ask our suppliers to adhere to our supplier code of conduct.

Supplier relationships
Cooperation is our key to success. By working together, we aim to have a positive impact on our community (farmers, suppliers, customers...) and on society as a whole. Our main community targets for 2025 are:

- include sustainability criteria and criteria for responsible sourcing in all our supplier screenings and audits;
- only work with critical suppliers that are verified according to our sustainability criteria;
- have all our key commodities participate in a project on the ground. In 2020, this was already the case for palm oil and soy.

We are well on the way to achieving our goals. To start with, we ask all our suppliers to sign our supplier code of conduct. Per commodity, we take it one step further and adhere to separate sourcing charters for palm oil, soy, cardboard, plastics... Some charters centre on socio-cultural aspects, others on environmental issues or both.

Code of conduct
In 2020, roughly 50% of all our new direct suppliers signed our supplier code of conduct, based on the principles of the United Nations Global Compact. The ‘missing’ suppliers, especially large companies, often have their own code of conduct, containing engagements that fulfil our requirements.

Our KPI for 2025 targets only critical suppliers. A critical supplier is a company that delivers ingredients or packaging that is used in a lot of finished products or a supplier with whom we have a long-term relationship or a partnership. By 2025, we want 100% of our critical suppliers to sign the Vandemoortele Supplier Code of Conduct.

Sustainability criteria
To build strong and sustainable relationships with our critical suppliers, we set the following steps: After the supplier has signed the supplier code of conduct, the next step is to screen their sustainability efforts. As of 2021, all our audits of critical suppliers will contain sustainability criteria. If a supplier does not meet the criteria, Vandemoortele will issue an action plan. Suppliers that do meet the criteria will be listed as preferred suppliers and partners.

In 2020, we aimed to incorporate sustainability criteria in existing audits and quality contracts for critical suppliers. But COVID-19 threw a spanner in the works and made it impossible to audit our suppliers. That is why this target was postponed to 2021.

Dialogue with suppliers
An important way to increase the sustainability of our supply chain is to make suppliers aware of the value of their own efforts. Dialogue and cooperation tend to be much more effective in this respect than monitoring or inspection. In 2020, we carried out our first EPI survey (Engagement Policy Implementation), provided by Earthworm Foundation. The survey covered various topics, from traceability to transformation on the ground. It served as a starting point for a positive dialogue with our palm oil suppliers.

Projects on the ground
By 2025, Vandemoortele will participate in at least one project on the ground for every key commodity (palm, soy, wheat, cacao and eggs). By setting up projects around the responsible sourcing of the commodities, we focus on creating a positive social impact for local communities and farmers in the upstream supply chain and beyond.

% suppliers accepted/signed our supplier code of conduct

<table>
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<th>% suppliers accepted/signed our supplier code of conduct</th>
<th>Status 2020</th>
<th>Target 2025</th>
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<tbody>
<tr>
<td>100% of critical suppliers signed our supplier code of conduct</td>
<td>100%</td>
<td>All Palm Suppliers (EPI)</td>
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<tr>
<td>50% of new direct suppliers</td>
<td>50%</td>
<td>100%</td>
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Palm
The Earthworm Foundation strives for a palm oil cycle that respects both people and the planet, and advises us on our corporate palm oil policy. Together with Earthworm and our suppliers, we seek to make a real difference on the ground, setting clear goals and taking concrete action. Since 2018, we have been contributing to Earthworm’s initiative in the Aceh Landscape in Sumatra, Indonesia. We are also a member of the Roundtable on Sustainable Palm Oil (RSPO).

Soy
Vandemoortele has been a member of the Round Table on Responsible Soy (RTRS) since 2011. This organisation assures that soy, either as raw material or as by-product, originates from a process that is environmentally correct, socially adequate and economically viable. Through investments in local social and environmental projects, RTRS supports thousands of people directly and indirectly.

We contribute to projects in The Cerrado, the second most biologically diverse region of Brazil after the Amazon tropical rainforest. Today, this savannah has lost 50% of its original area to agricultural expansion, primarily driven by the expansion of meat and soy production. We support projects in Maranhão and in Piauí, where we tackle deforestation, provide decent work, give access to education, ensure health and well-being and promote sustainable agriculture.

% key commodities participating in a project on the ground

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<th>Status 2020</th>
<th>Target 2025</th>
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<tr>
<td>PALM + SOY</td>
<td>100%</td>
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Towards a sustainable palm industry
Palm oil is a key commodity for Vandemoortele. To tackle social and environmental problems related to the industry, we support landscape projects on the ground. Landscapes are places where we collaborate to regenerate nature and improve people’s lives.

Since 2018, we have been contributing to Earthworm Foundation’s initiative in the Aceh Landscape in Sumatra, Indonesia. The area is one of the largest unbroken tracts of rainforest in Southeast Asia and a very biologically abundant place. The landscape project aims to reduce deforestation and demonstrate the feasibility of balancing commodity production, conservation and good social and labour practices. By supporting this locally embedded programme, we are trying to create a positive impact that goes beyond our own supply chain.

Community
Vandemoortele subscribes to various economic, environmental and social initiatives that were developed by external partners. The overarching goal is to exchange knowledge, to support each other and to have a positive impact on society.

External assessments & ratings
Our main external partners are EcoVadis, Sedex and the World Wildlife Fund (WWF).

• EcoVadis is a business ratings platform for assessing corporate social responsibility and sustainable purchasing. The EcoVadis self-assessment tool helps companies to gain insight about their sustainability level. After an audit in 2020, Vandemoortele received a ‘bronze’ EcoVadis score. Our results for ‘Sustainable Procurement’ and ‘Environment’ were better than average, our scores for ‘Labour’ and ‘Ethics’ a little below average. Among other things, we lack supporting documentation on the coverage of our ethics actions and regarding a whistleblower procedure to report ethics issues. We will tackle these issues in order to upgrade to a ‘silver’ status. In the next few years, we will use the EcoVadis assessment tool as a management tool to define our priorities and to decide which steps we will take next.

• Sedex, short for Supplier Ethical Data Exchange, is a not-for-profit organisation dedicated to improving responsible and ethical business practices in global supply chains. The web-based Sedex tool helps companies manage data on ethical performance in their supply chain. With the tool, we monitor and assess our social, environmental and business ethics risks. Sixteen of our twenty-seven production sites are now registered in Sedex: a good starting point to build on. In the long term, our use of the Sedex tool should have a positive impact on our whole supply chain.

• The WWF Palm Oil Buyers Scorecard assesses the progress of companies on the commitments and actions necessary to be a responsible palm oil user. In 2020, we were assessed to be ‘well on the path’. For 2025 we have set clear targets for fully traceable, deforestation-free and exploitation-free palm oil, as well as for certified sustainable palm oil.

Memberships & activities
Vandemoortele is a member of various industry associations, national or international advocacy organisations and other initiatives. All our memberships are meant to reinforce each other and to help us have a positive impact on society. They are listed in the first chapter of this report.

Charity
Vandemoortele supports numerous charities. Most of them have a specific link with sustainable food, with our sustainability strategy, with a customer or a supplier or with an international organisation. We also support local initiatives such as sports events, in the context of our various health goals.

In 2020 we continued our existing efforts at group level for youth organisations Habbekrats and YouthStart. We donated €25,000 to support scientific research into COVID-19 and we planted a tree for every associate of our employees. We continue to support local initiatives, such as SOS Kinderdorfer, foodbanks in Germany, Italy, Belgium and Spain and a Learn and Discover Technology Centre in The Netherlands, where children from 8 to 12 years old can learn more about the possibilities of various technologies.

Our main aim for 2021 is to draft a group charity policy that will help us select charities both at a group level and at local levels so that we can manage our efforts in a more structured way instead of making ad hoc choices.
## Performances and targets

<table>
<thead>
<tr>
<th>Target Sustainability Strategy 2021-2025</th>
<th>Level</th>
<th>Baseline</th>
<th>2017</th>
<th>2018</th>
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<th>2020</th>
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<tr>
<td><strong>Improving the Nutrition Profile of our Products</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>% salt reduction in bakery product</td>
<td>🔸 2019</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-15%</td>
<td></td>
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<tr>
<td>% sugar reduction in pastry, sweet treats &amp; patisserie</td>
<td>🔸 2019</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-10%</td>
<td></td>
</tr>
<tr>
<td>% increase in bread products with health or nutrition claim (num%)</td>
<td>🔸 2019</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>+10%</td>
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<tr>
<td>% increase in products with claims that are high in UA &amp; other claims with regard to spreading &amp; cooking (num%)</td>
<td>🔸 2019</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7%</td>
<td></td>
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<tr>
<td>Better Nutrition Score: % shift in spreading &amp; cooking (num%)</td>
<td>🔸 2019</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td><strong>Offering Clean Label Products</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% Clean Label/BP products (vols%)</td>
<td>🔸 2020</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>74%</td>
<td>83%</td>
<td></td>
</tr>
<tr>
<td>% Clean Label/MCOF products (vols%)</td>
<td>🔸 2020</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>22%</td>
<td>27%</td>
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<tr>
<td><strong>Being a Leader in Food Safety</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>% unannounced GFSI certification (Vandemoortele operations)</td>
<td>🔹</td>
<td>63%</td>
<td>67%</td>
<td>78%</td>
<td>88%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>% GFSI principles compliance (suppliers, traders &amp; logistics partners)</td>
<td>🔧</td>
<td>75%</td>
<td>75%</td>
<td>86%</td>
<td>93%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>% reduction food safety complaints</td>
<td>🔹 2016</td>
<td>-15%</td>
<td>-19%</td>
<td>-23%</td>
<td>-30%</td>
<td>-40%</td>
<td></td>
</tr>
<tr>
<td># incidents food defense &amp; food fraud</td>
<td>🔸</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>Sourcing Responsibly</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% sustainable certified soy (direct + indirect)</td>
<td>🔹</td>
<td>100% (bricks*)</td>
<td>100% (bricks*)</td>
<td>100% (bricks*)</td>
<td>-</td>
<td>100% (full portfolio)</td>
<td></td>
</tr>
<tr>
<td>% barn eggs (direct)</td>
<td>🔧</td>
<td>0%</td>
<td>55%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>% physically sustainable certified cocoa (consumer and professional brands)</td>
<td>🔸</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>% physically sustainable certified palm (consumer and professional brands)</td>
<td>🔹</td>
<td>100% (credits)</td>
<td>100% (credits)</td>
<td>100% (credits)</td>
<td>-</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>% palm traceable to mill</td>
<td>🔧</td>
<td>98.5%</td>
<td>98.5%</td>
<td>99.7%</td>
<td>99.4%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>% palm traceable to plantation</td>
<td>🔸</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>45%</td>
<td>75%</td>
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<tr>
<td>% key palm oil suppliers have NDPE policy</td>
<td>🔸</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>% verified palm grievances have an action plan</td>
<td>🔸</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td><strong>Striving for Zero Carbon Emissions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% reduction CO₂-eq/tonne (Scope 1 &amp; 2)</td>
<td>🔹 2015</td>
<td>-9%</td>
<td>-20.5%</td>
<td>-48%</td>
<td>-58.1%</td>
<td>-60%</td>
<td></td>
</tr>
<tr>
<td>% reduction CO₂-eq/tonne transport &amp; mobility (Scope 1 &amp; 3)</td>
<td>🔹 2020</td>
<td>-8%</td>
<td>-9%</td>
<td>-9%</td>
<td>-7%</td>
<td>-15%</td>
<td></td>
</tr>
<tr>
<td>* consumer and professional brands</td>
<td></td>
<td></td>
<td></td>
<td></td>
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### Status vs. Target

<table>
<thead>
<tr>
<th>Year</th>
<th>Status</th>
<th>Target</th>
<th>Status</th>
<th>Target</th>
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<tbody>
<tr>
<td>2017</td>
<td>🔹</td>
<td>🔹</td>
<td>🔹</td>
<td>🔹</td>
</tr>
<tr>
<td>2018</td>
<td>🔹</td>
<td>🔹</td>
<td>🔹</td>
<td>🔹</td>
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<tr>
<td>2019</td>
<td>🔹</td>
<td>🔹</td>
<td>🔹</td>
<td>🔹</td>
</tr>
<tr>
<td>2020</td>
<td>🔹</td>
<td>🔹</td>
<td>🔹</td>
<td>🔹</td>
</tr>
<tr>
<td>2025</td>
<td>🔹</td>
<td>🔹</td>
<td>🔹</td>
<td>🔹</td>
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</table>

### Target Sustainability Strategy 2021-2025

<table>
<thead>
<tr>
<th>Baseline</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2025</th>
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</thead>
<tbody>
<tr>
<td>% energy intensity reduction (energy amount/tonne) electricity &amp; gas</td>
<td>🔹</td>
<td>-</td>
<td>-</td>
<td>2020</td>
<td>+6.4%</td>
</tr>
<tr>
<td>% green electricity</td>
<td>🔶</td>
<td>50%</td>
<td>65%</td>
<td>85%</td>
<td>100%</td>
</tr>
<tr>
<td>50% Power Purchase Agreements green electricity</td>
<td>🔸</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>% reduction of water usage (Scope 1 &amp; 2, excluding water ingredient)</td>
<td>🔹</td>
<td>2020</td>
<td>+15%</td>
<td>+20%</td>
<td>+7.5%</td>
</tr>
<tr>
<td><strong>Striving for Zero Food Waste</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% reduction of scrap (total production of scrap + total rejected) (Food loss)</td>
<td>🔶 2017</td>
<td>-5%</td>
<td>-9.9%</td>
<td>-25%</td>
<td>-33%</td>
</tr>
<tr>
<td><strong>Contributing to Circular Packaging</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% r-PET</td>
<td>🔸</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>25%</td>
</tr>
<tr>
<td>% recyclable, re-usable, compostable</td>
<td>🔸</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>85%</td>
</tr>
<tr>
<td>% sustainable certified FSC/PEFC paper and cardboard</td>
<td>🔶</td>
<td>91%</td>
<td>93%</td>
<td>98.9%</td>
<td>99.6%</td>
</tr>
<tr>
<td><strong>Offering an Engaging Professional Journey</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Response rate Associate Engagement Survey (AES)</td>
<td>🔹</td>
<td>80%</td>
<td>83%</td>
<td>88%</td>
<td>-</td>
</tr>
<tr>
<td>Training &amp; development score AES</td>
<td>🔹</td>
<td>50</td>
<td>51</td>
<td>58</td>
<td>66</td>
</tr>
<tr>
<td>Sustainable-engagement score AES</td>
<td>🔹</td>
<td>73</td>
<td>76</td>
<td>77</td>
<td>80</td>
</tr>
<tr>
<td>Sustainability score AES</td>
<td>🔶</td>
<td>66</td>
<td>73</td>
<td>75</td>
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<tr>
<td><strong>Providing a Diverse and Inclusive Workplace</strong></td>
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<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Inclusive workplace score AES</td>
<td>🔸</td>
<td>-</td>
<td>77</td>
<td>80</td>
<td>83</td>
</tr>
<tr>
<td>Representation women at senior leadership</td>
<td>🔸</td>
<td>-</td>
<td>-</td>
<td>23%</td>
<td>40%</td>
</tr>
<tr>
<td><strong>Ensuring a Safe Work Environment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Severity rate (temps included)</td>
<td>🔹</td>
<td>0.98</td>
<td>1.33</td>
<td>0.84</td>
<td>0.84</td>
</tr>
<tr>
<td>Frequency rate of LWC &amp; LWC (temps included)</td>
<td>🔹</td>
<td>27.8</td>
<td>32.1</td>
<td>27</td>
<td>19.2</td>
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<tr>
<td><strong>Working Together to Create a Positive Social Impact</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% suppliers accepted/signed our supplier code of conduct</td>
<td>🔧</td>
<td>35%</td>
<td>41%</td>
<td>74%</td>
<td>50% of our direct suppliers</td>
</tr>
<tr>
<td>% critical suppliers verified according to our sustainability criteria</td>
<td>🔸</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>100%</td>
</tr>
<tr>
<td>% key commodities participating in a project on the ground</td>
<td>🔸</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>100%</td>
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</table>

* Increase compared to 2015-2020 strategy  
  * Same compared to 2015-2020 strategy  
  " New target
### General Disclosures

<table>
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<tr>
<th>Disclosure</th>
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<tr>
<td>102-1</td>
<td>Name of the organisation</td>
<td>2</td>
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<tr>
<td>102-2</td>
<td>Activities, brands, products and services</td>
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<tr>
<td>102-3</td>
<td>Location of headquarters</td>
<td>2</td>
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<tr>
<td>102-4</td>
<td>Location of operations</td>
<td>10</td>
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<tr>
<td>102-5</td>
<td>Ownership and legal form</td>
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<td>102-6</td>
<td>Markets served</td>
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<td>102-7</td>
<td>Scale of the organisation</td>
<td>10, 13</td>
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<td>102-8</td>
<td>Information on employees and other workers</td>
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<td>102-9</td>
<td>Supply chain</td>
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<td>102-10</td>
<td>Significant changes to the organisation and its supply chain</td>
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<td>102-11</td>
<td>Precautionary Principle of approach</td>
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<td>102-12</td>
<td>External initiatives</td>
<td>61</td>
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<tr>
<td>102-13</td>
<td>Membership of associations</td>
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### Strategy

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<tr>
<td>102-14</td>
<td>Statement from senior decision-maker</td>
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### Ethics and Integrity

<table>
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<th>Description</th>
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<tbody>
<tr>
<td>102-16</td>
<td>Values, principles, standards and norms of behaviour</td>
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### Management Approach

<table>
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<th>Disclosure</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>102-18</td>
<td>Governance structure</td>
<td>21</td>
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</table>
## Material Topics, Boundaries, Management Approach and Indicators

**Disclosure** | **Description** | **Comments** | **Page**
--- | --- | --- | ---
**Environmental Performance**

### Material

103-1 | Management approach |  | 42, 44
301-1 | Materials used by weight of volume | Use of sustainable certified FSC/PEFC paper and cardboard | 44-45
301-2 | Recycled input materials used | Recycled material in packaging | 44-45

### Energy

103-1 | Management approach |  | 38
302-1 | Energy intensity | Energy intensity reduction | 38-39

### Water

103-1 | Management approach |  | 41
303-1 | Water consumption | Reduction in water usage (Scope 1 & 2, excluding water ingredient) | 41

### Emissions into the Air

103-1 | Management approach |  | 38, 40
305-1 | Direct (Scope 1) GHG emissions | Reduction CO₂ | 38
305-2 | Indirect (Scope 2) GHG emissions | Reduction CO₂ | 38
305-3 | Other indirect (Scope 3) GHG emissions | Reduction CO₂ in transportation | 40

### Effluents and Waste

103-1 | Management approach |  | 42
306-2 | Waste by type and disposal method | Reduction of food waste in both business lines | 42-43

### Environmental Compliance

103-1 | Management approach |  | 34, 58
308-1 | New suppliers that were screened using environmental criteria | Suppliers that signed our supplier code of conduct and critical suppliers assessed according to our sustainability criteria | 58-59
308-2 | Negative environmental impacts in the supply chain and actions taken | Responsible sourcing palm oil, soy, wheat, cocoa | 34-37

### Social Performance

### Occupational Health and Safety

103-1 | Management approach |  | 48-51, 54

### Disclosures and Description

<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Description</th>
<th>Comments</th>
<th>Page</th>
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<tbody>
<tr>
<td>403-2</td>
<td>Types of injury and rates of injury, occupational diseases, lost days, absenteeism and number of work-related fatalities</td>
<td>Frequency rate of Lost Workday Case and severity rates of accidents</td>
<td>54-55</td>
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<tr>
<td>Own indicator</td>
<td>Work-related topics monitored through the Associate Engagement Survey (AES)</td>
<td>Training and development score, sustainability engagement score and sustainability score</td>
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### Diversity and Equal Opportunities

103-1 | Management approach |  | 52
405-1 | Diversity of governance bodies and employees | The representation of women in senior leadership | 53
| Own indicator | Monitoring of level of inclusive workplace through the Associate Engagement Survey (AES) | Inclusive workplace score | 52 |

### Local Communities

103-1 | Management approach |  | 59-61
413-1 | Operations with local community engagement, impact assessments and development programs | Projects on the ground | 59-60

### Supplier Social Assessment

103-1 | Management approach |  | 34
414-2 | Negative social impacts in the supply chain and actions taken | Key palm oil suppliers with an NDPE (No-deforestation, No-peat and No-exploitation) policy, grievances management | 35

### Customer and Consumer Health and Safety

103-1 | Management approach |  | 23, 24, 26, 28, 30
416-1 | Assessment of the health and safety impacts of product and service categories | Standardisation and implementation of food safety norms by the standards of the Global Food Safety Initiative (GFSI) | 30-31
416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | Food safety complaints and incidents of food defense and food fraud | 31
FP6 | Percentage of total sales volume of consumer products, by product category, that are lowered in saturated fat, trans fats, sodium and added sugars | Reduce salt in our bakery products and sugar in our pastry, sweet treats and patisserie | 25
FP7 | Percentage of total sales volume of consumer products, by product category, that contain increased nutritious ingredients like fibre, vitamins, minerals, phytochemicals or functional food additives | Improving the nutritional profile of our products (increased number of health claims and shifting in NutriScore) | 24-25

### Marketing and Labeling

103-1 | Management approach |  | 26-27
| Own indicator | Clean Label products | Increase number of Clean Label products | 26-27

### Animal Welfare

103-1 | Management approach |  | 37
FP9 | Percentage and total of animals raised and/or processed, by species and breed type | Only buy cage-free eggs in all our products and free-range eggs in our sauces | 37
Results of the stakeholder consultation

While we were building our new sustainability strategy, we consulted various external stakeholders. We prepared our list starting from a number of active partners and added stakeholders who we believed could give relevant feedback. This resulted in four categories:

- **Customers**: a diverse spectrum of companies, including retail and food service companies;
- **Experts**: academic researchers, expert panels and research centres that are familiar with ongoing or completed Vandemoortele projects;
- **NGOs**: organisations that we cooperate with, but also organisations that ask relevant questions or provide us with relevant feedback;
- **Suppliers** of our key commodities and materials such as palm, fruit, plastics and cardboard.

From this list, we selected 100 stakeholders, assuring an equal representation of all the relevant parties per category. Twenty key stakeholders were asked for an interview; eighty others were invited to participate in a digital survey.

Detailed assessment

We interviewed 14 key stakeholders: two customers, three expert organisations, three NGOs and six suppliers. 34% of the stakeholders who received the digital survey responded. The highest response rate came from our suppliers, followed by NGOs, customers and experts.

During the consultation, we asked our stakeholders to rate the proposed strategic topics. Through open-ended questions, we also sought their opinions and expectations in relation to our draft strategy: our level of ambition, our commitments and our targets. We also asked for their views on possible partnerships or actions to achieve the ambitions that had been formulated.

The table below shows the stakeholders’ main concerns and how we responded to them.

<table>
<thead>
<tr>
<th>CONCERNS OF OUR STAKEHOLDERS</th>
<th>HOW WE RESPONDED</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Regarding sustainability at Vandemoortele</strong></td>
<td></td>
</tr>
<tr>
<td>Integrate sustainability in the Vandemoortele business, operations and communication.</td>
<td>Our material topics include all aspects of our business.</td>
</tr>
<tr>
<td>Make commitments and targets tangible.</td>
<td>To make our commitments more tangible, we formulated new targets on, e.g., using natural flavours and only a small number of safe additives.</td>
</tr>
<tr>
<td>Involvement of all actors within the supply chain. Relations with suppliers that are not compliant should be seen as an opportunity to improve their performance.</td>
<td>With regard to suppliers not meeting our sustainability standards, we engage in an action plan to push them to become more sustainable.</td>
</tr>
</tbody>
</table>

| Regarding our impacts                                                                            |                                                                                                                                               |
| Focus on the topics where Vandemoortele has impact. Some topics should be more explicitly presented in the strategy. | We added several topics which we believe Vandemoortele can have an impact:                                                                    |
| **Economic aspects**. We commit to incorporate our Sustainability Strategy in all facets of our business. Economic aspects are interwoven within our materiality topics, commitments and targets. |                                                                                                                                               |
| **Human rights and labour conditions**. Labour conditions and human rights are a part of our supplier code of conduct. We monitor the situation closely. |                                                                                                                                               |
| **Supplier engagement**. We build strong relationships with the suppliers of our key commodities and make them aware of the value of their own efforts. We focus on dialogue and cooperation instead of monitoring or inspection. |                                                                                                                                               |
| **Biodiversity**. By sourcing responsibly, we strive for zero-deforestation and thus try to maintain a habitat for as many species as possible. |                                                                                                                                               |
| **Animal welfare**. We believe that this topic belongs to responsible sourcing. We use 100% barn eggs in our products. |                                                                                                                                               |
| **Grievance procedures**. This topic was incorporated into our commitment to source palm oil responsibly. We monitor grievance-related activities and operations and work out a policy, procedure and action log to file complaints. |                                                                                                                                               |
The table below shows the stakeholders' main concerns and how we responded to them.

<table>
<thead>
<tr>
<th>CONCERNS OF OUR STAKEHOLDERS</th>
<th>HOW WE RESPONDED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regarding our objectives and ambitions</td>
<td></td>
</tr>
<tr>
<td>Demand for clearer and more transparent targets and commitments to make the ambition level of the ‘Balanced nutrition’ cluster more tangible.</td>
<td>We defined various targets to make this goal more concrete. We developed our own Clean Label for products containing, e.g., no artificial colorants, preservatives or no chemically modified starch.</td>
</tr>
<tr>
<td>Zero food waste seemed a no-brainer to our stakeholders, but they asked us to put clear targets on this: what is the scope of this target, what part of the supply chain do we consider and what time horizon do we have in mind?</td>
<td>We adjusted our strategy to meet these requirements.</td>
</tr>
<tr>
<td>Stakeholders recommended that we readjust our climate targets to the level of ambition of the Science Based Target initiative.</td>
<td>In 2020 we calculated the carbon footprint of the whole company for the first time. This way, we could formulate well thought-out targets to reduce our carbon emissions. We have also committed ourselves to the Science Based Target initiative.</td>
</tr>
<tr>
<td>Stakeholders suggested that we develop a smart packaging policy and consider setting an ambition to reduce the overall amount of packaging materials and to increase the percentage of recycled PET (r-PET).</td>
<td>At Vandemoortele, we focus on sustainability aspects of other types of packaging, e.g. the Forest Stewardship Council (FSC) label of cardboard or paper and we have a policy on the use of plastics (our sourcing charter). The question to formulate a more ambitious strategy for the percentage of r-PET was not taken into account, since we depend on access to subsequently recycled materials.</td>
</tr>
<tr>
<td>Demand to promote regenerative agriculture.</td>
<td>We are aware of this demand and contribute to it by supporting projects on the ground and providing technical support to local farmers. These initiatives demonstrate the feasibility of balancing commodity production, conservation and good social and labour practices.</td>
</tr>
</tbody>
</table>

### What’s new in the 2021-2025 strategy?

Our 2021-2025 Sustainability Strategy follows our former strategy for 2016-2020. Until 2019, we reported on our sustainability approach by dividing our targets into four overarching goals: responsible sourcing, eco-efficient production, commitment to people and products that you can trust. Our new 2021-2025 Sustainability Strategy is built on three new, well thought-out goals: balanced nutrition, protecting nature and enhancing lives. Each separate topic is phrased as a future-oriented commitment and mapped under one of the three new goals.

The detailed scorecard on page 62-63 details the mapping of the commitments and indicates the 2025 targets. In our new strategy we looked over our existing targets and formulated a set of extra targets to monitor the progress towards each of the targets set.

### Memberships & activities

We are currently a member of:

- **The Shift**, the Belgian meeting point for sustainability
- **Eton**, the forum for committed entrepreneurship
- **FEVIA**, the Belgian Food Industry Federation
- **IMACE**, the European Margarine Association
- **The Federation of Major Bakery’s in Belgium (FGBB)**
- **The International Association of Plant Bakers (AIBI)**
- **Flanders’ FOOD**, an innovation platform for a more sustainable agri-food industry
- **The Belgian Pledge 3.0**, a commitment by food companies concerning responsible advertising practices
- **The Earthworm Foundation**, a non-profit organisation that aims to improve the relationship between people and nature
- **The Roundtable on Sustainable Palm Oil (RSPO)**, that aims to transform markets to make sustainable palm the norm
- **The Belgian Alliance for Sustainable Palm Oil (BASP)**
- **The French Culture Raisonnée Contrôlée (CRC)** quality mark, for wheat that is grown with less negative impact on the environment and on people’s health

- **Alliance4Soy**, a market transformation organisation for sustainable soy
- **The Roundtable on Responsible Soy (RTRS)**, that aims to make sustainable soy the norm
- **The Rainforest Alliance/UTZ**, an organisation that strives to improve livelihoods for farmers and forest communities around the world
- **SBTi**, the Science Based Targets initiative for corporate climate action
- **HolyGrail 2.0**, an initiative that advocates the use of digital watermarks for accurate sorting and high quality recycling
- **The Ellen McArthur Foundation**, that develops and promotes the idea of a circular economy
- **The Global Commitment** of the New Plastics Economy
- **Recycling company Fost Plus**
- **Valipac**, a collective management organisation for commercial packaging
- **Valorlux**, an organisation for sorting and recycling packaging waste
- **Pack4Food**, a consortium of companies from the food and packaging industry and their suppliers
- **Various local initiatives and federations**
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