



Care for tomorrow

Sustainability report 2024

Highlights 2024

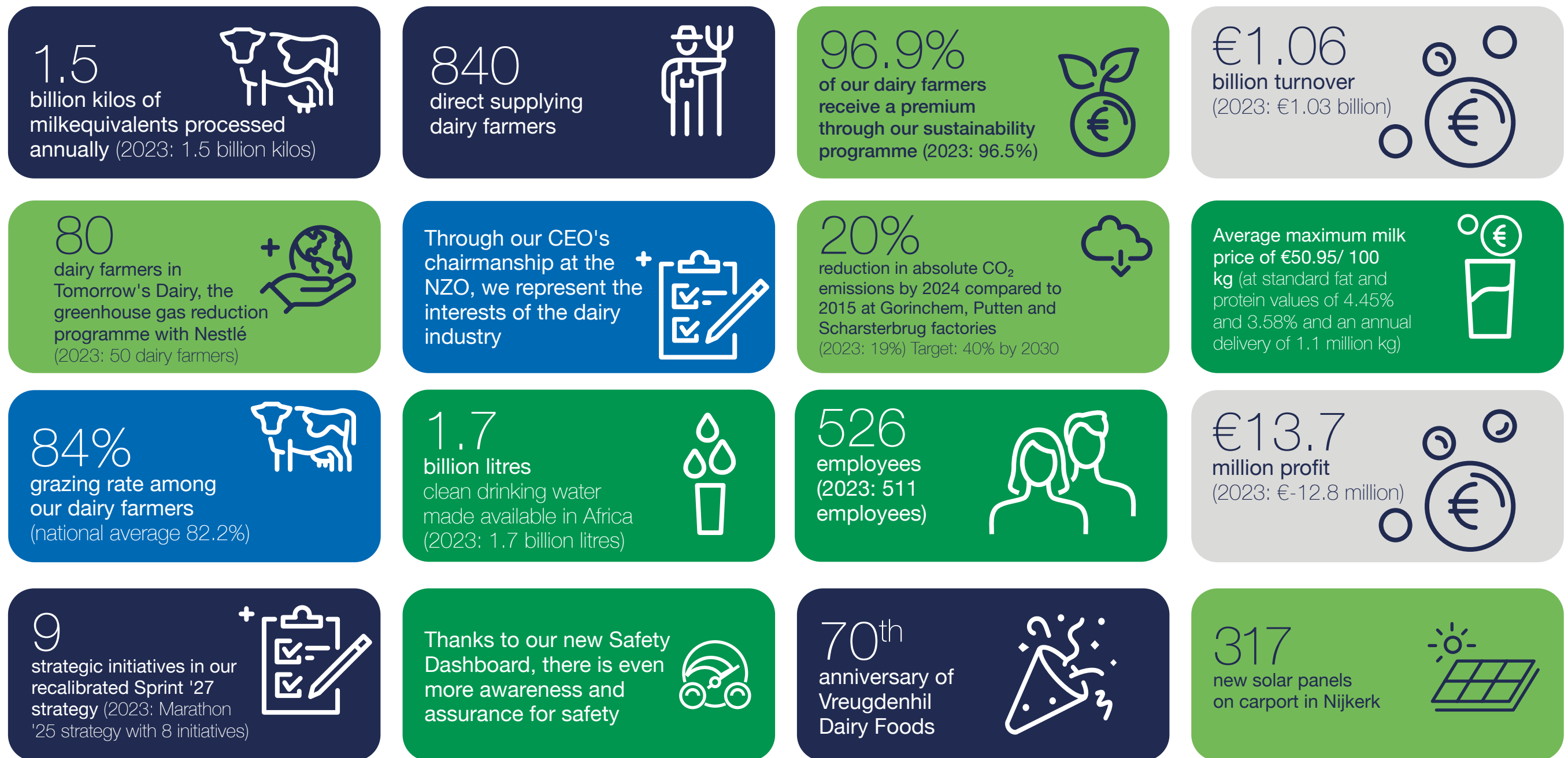


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Building a future-proof food chain together



The world around us is changing at an unprecedented pace. Climate change, geopolitical tensions, resource scarcity, and labour shortages are all creating a more complex business environment. At the same time, global demand for reliable and nutritious food is steadily increasing. This dynamic presents both a responsibility and an opportunity — a chance to make a meaningful difference together, as a chain.

At Vreugdenhil Dairy Foods, we believe that true progress comes through collaboration across the entire value chain. As a family-owned company, we've lived by that belief for over 70 years: step by step, working together with care – and always with an eye on tomorrow. In 2024, we celebrated our anniversary – a moment to reflect on what we've built, but more importantly, to look ahead.

We are proud of the progress we've made alongside our partners. The number of dairy farmers participating in Tomorrow's Dairy — our greenhouse gas reduction programme developed with Nestlé — nearly doubled last year. Today, 96.9% of our farmers receive a premium for their efforts in areas such as circular farming, animal welfare, and energy efficiency.

We also continue to make our production facilities more sustainable. Since 2015, we've reduced our CO₂ emissions by 20%, and in 2024, we installed another 317 solar panels at our headquarters in Nijkerk. Our ambition remains clear: a 40% reduction by 2030 – without compromising on quality or reliability.

Transparency took another step forward in 2024. We've begun aligning our reporting with the upcoming CSRD guidelines – not because it is mandatory yet, but because it reflects who we are: a stable, reliable family business committed to clarity in the choices we make.

Our strategy, Sprint '27, steers our daily efforts. With nine strategic initiatives, we are investing in innovation, chain collaboration, and the long-term strength of our company. We believe in the power of milk powder – not only as a high-quality product, but as part of the solution to global food challenges. Due to its high nutrient density, milk and dairy products are an important element in a sustainable diet. Dairy will continue to play a vital role in sustainable diets worldwide. As a natural source of essential nutrients, dairy supports health and nutrition at every stage of life. At Vreugdenhil Dairy Foods, we see it as our responsibility to help make those nutrients accessible to everyone — now and in the future.

That's why we remain committed to producing high-quality, nutrient-rich milk powders that respect animal welfare, minimise environmental impact, and contribute positively to society. Food that makes a difference should also be available and affordable. The challenges we face are real – but so are the opportunities: to grow, to innovate, and to build a more sustainable food system together.

Thanks to its favourable climate and efficient farming systems, Northwest Europe — and the Netherlands in particular — is one of the most suitable regions in the world for responsible dairy production. We aim to maintain and strengthen that position, in close partnership with our dairy farmers, suppliers, employees, and customers. Together, we make a difference for millions of consumers around the world. Today and certainly tomorrow.

This sustainability report not only highlights the steps we are taking – it shows the direction we are moving in. Toward a future-proof food chain, with care for people, animals, and the environment. And always with trust in collaboration. That forward-looking mindset is deeply rooted in our identity. Step by step, we keep building – together.

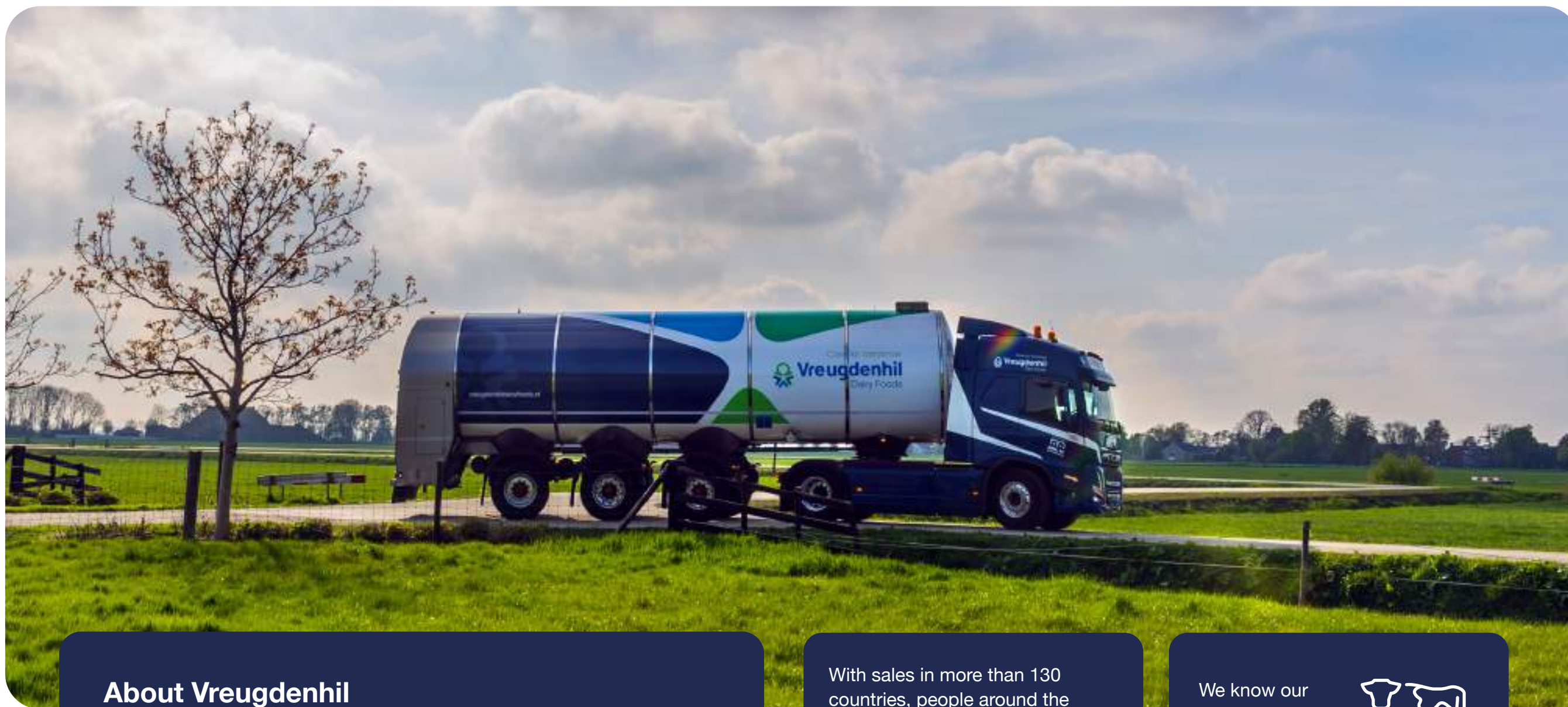
Care for tomorrow

Albert de Groot – CEO Vreugdenhil Dairy Foods

General

In the 'General' chapter, you will read what Vreugdenhil Dairy Foods does, what our value chain looks like and what topics are important to our company. We then explain our recalibrated strategy, followed by our approach in stakeholder dialogue, value creation and reporting. The second part of the chapter discusses the governance structure, including management structures, organisational structure and remuneration policy.





About Vreugdenhil

Vreugdenhil Dairy Foods is a Dutch family company founded in 1954. We specialise in nutritional and functional powders, mainly dairy-based. With our four production sites, we process one and a half billion kilos of milk into tasty and nutritious consumer products and ingredients every year. Thanks to our many years of experience, together with our dairy farmers, suppliers, employees and customers, we make a difference for millions of consumers worldwide. Today and certainly tomorrow.

With sales in more than 130 countries, people around the world enjoy the good and delicious dairy has to offer

We know our chain from grass to glass



Recalibrated strategy + Sprint '27 and renewed double materiality assessment



The reliable partner for affordable and responsibly produced dairy products: 'Care for tomorrow'

Market position

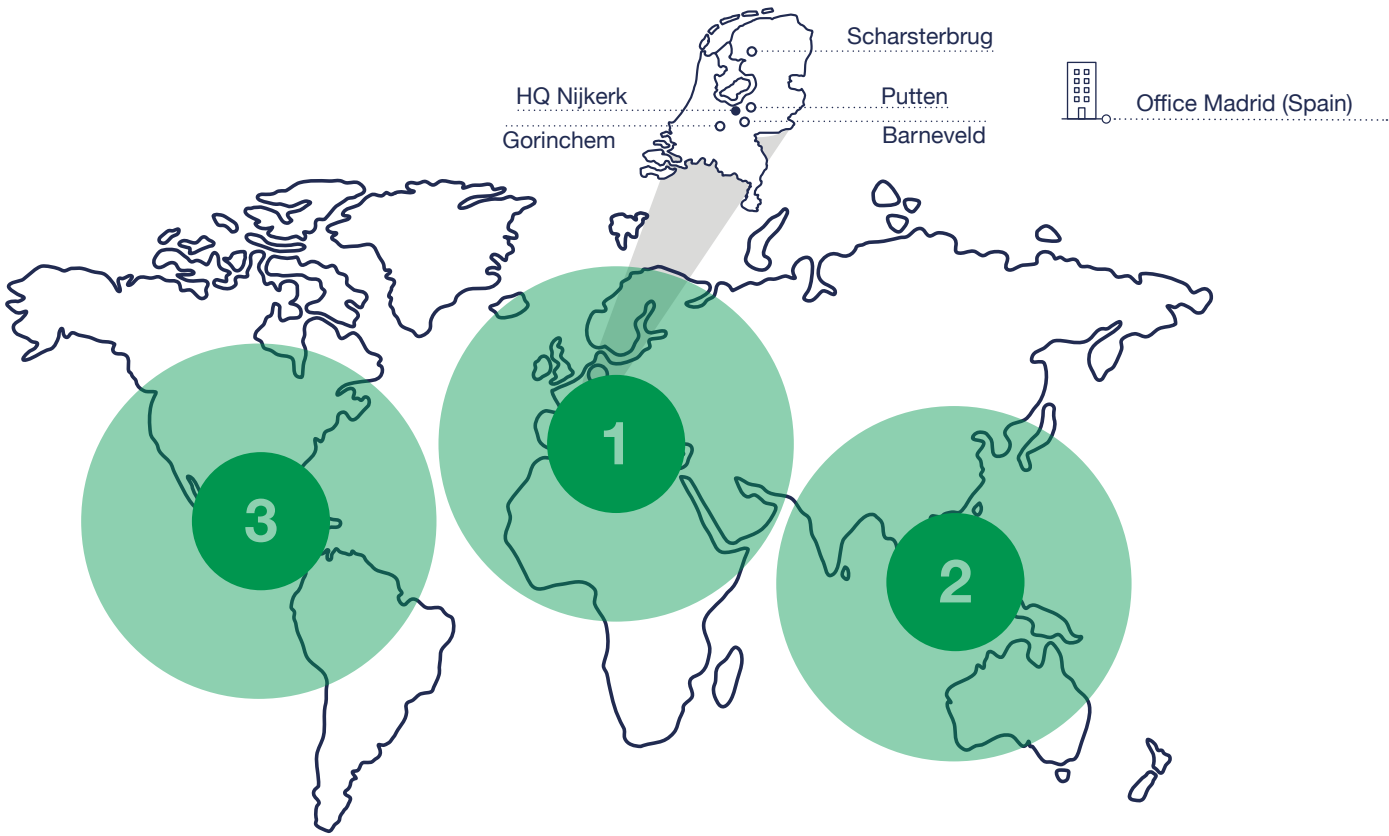
Vreugdenhil Dairy Foods operates in the global market for nutritional and functional powders. We produce powders in various compositions and packaging, divided into three main categories.

Our three main categories:

- Consumer Dairy** (milk powder for consumer use): Our milk powder is used worldwide for a delicious glass of milk, yoghurt, in coffee and tea or as a base when preparing a meal. It is healthy, nutritious and tasty, long-lasting and easily soluble in both hot and cold water.
- Industrial Dairy** (food industry ingredients): We produce flavourful dairy ingredients for the global food industry, including ice cream, yoghurt, biscuit and chocolate makers. Thanks to different types of powders and formulations, we can cater to diverse customer needs.
- Specialised Nutrition** (specific applications): We produce high-end powders with strict specifications, for example for infant nutrition (Early Life Nutrition), people with fragile health (Therapeutic Food and Medical Nutrition) or sports nutrition (Performance Nutrition).

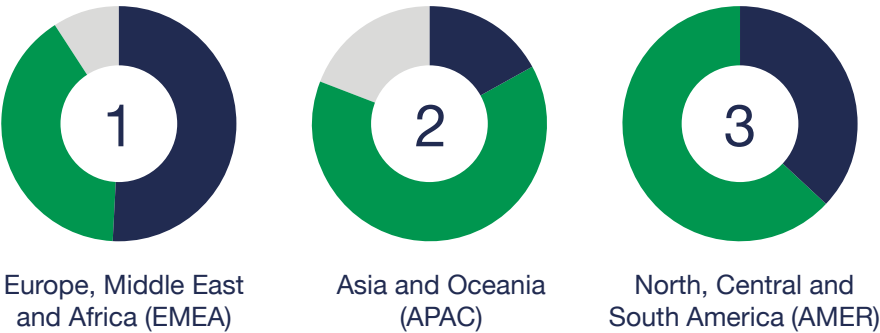
Our products are exported worldwide from the Netherlands, allowing people in more than 130 countries to enjoy the good and tasty that dairy has to offer. We see an increasing demand for our products in Northwest Europe, particularly due to our sustainability activities. The Netherlands has a leading position in efficiency, quality, food safety and sustainability. Our consumer milk powder goes mainly to Africa and the Middle East. Ingredients for the food industry are mainly sold in Europe. Specific applications find their way to Asia. Vreugdenhil's high quality standards and customer-oriented customisation ensure that we comply with national legislation and we can respond to regional food needs. This makes us a reliable partner for affordable and responsibly produced dairy products.

Our locations

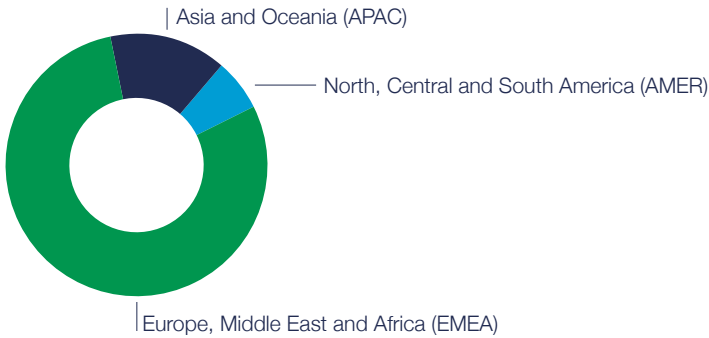


Global exports

Distribution of divisions by region



Distribution of volume across regions



The volumes in the infographic above are based on the region of final destination, not the region of Vreugdenhil's direct customer.

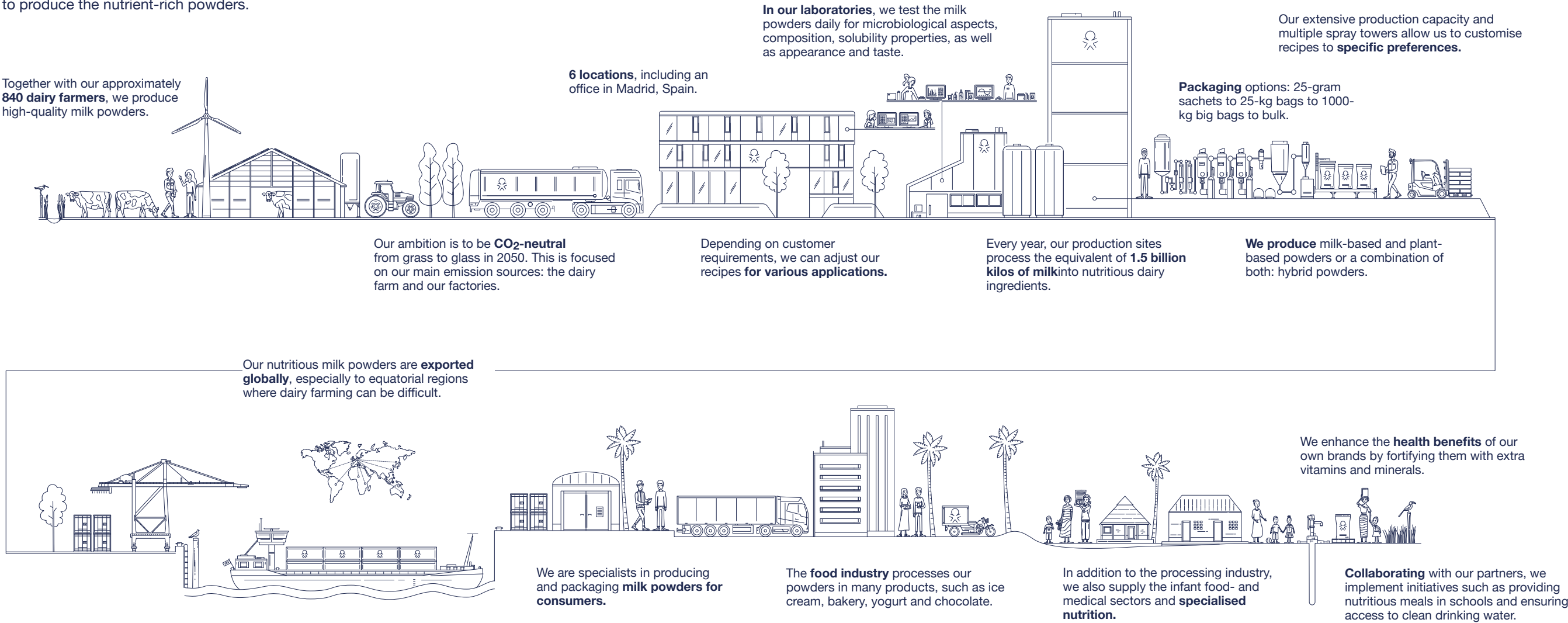
Value chain

Healthy food contributes to quality of life and dairy is an important part of this. Millions of people around the world enjoy Vreugdenhil's dairy and dairy ingredients every day. Our nutritious milk powders not only fit well in a healthy diet, they are also tasty and made from fresh milk.

Upstream, Vreugdenhil Dairy Foods' value chain consists primarily of our dairy farmers, other suppliers and transport. The suppliers supply raw materials such as dairy products, vitamins and minerals, vegetable oil, lecithin, lactose, industrial gases, cleaning agents and packaging materials. We also purchase various services, such as milk transport from the dairy farm to our factories and transport of our products between the factories and the customer.

Downstream in our value chain are the three groups of customers: packers of milk powder for consumer use, the food industry and producers of specific applications such as infant nutrition, sports nutrition or medical nutrition. Naturally, transport is also part of the downstream value chain.

This value chain shows all the steps we take together to produce the nutrient-rich powders.



Marathon '25 to Sprint '27

Our Marathon '25 strategy expired at the end of 2024. During 2024, we therefore shaped our recalibrated strategy: Sprint '27. The name of this recalibrated strategy reflects the urgency to accelerate action on key topics such as sustainability, innovation and efficiency. By sharpening our focus and accelerating implementation in these areas, we will remain relevant to our stakeholders and ensure our future resilience. This is perfectly in line with our new vision:
Vreugdenhil Dairy Foods: The reliable partner for affordable and responsibly produced dairy products. For our dairy farmers, suppliers, employees, customers and consumers. Care for tomorrow.
Our strategic initiatives contribute to this vision.

The reliable partner through collaboration

- Source for success focuses on ensuring a stable milk supply to continue supplying our customers with our nutritional dairy products.
- Explore emerging opportunities and Move to more value add support our overall vision by seizing market opportunities and stimulating continuous improvement in more effective and efficient work processes. In doing so, we ensure continuity and thus remain a reliable partner for our dairy farmers, employees and customers.

Strengthening our competitive position:

- Strengthen our market position, Blend excellent, Improve continuously and Innovate and develop are aimed at strengthening our competitive position in milk powders and milk powder blends, optimising and innovating with distinctive products and maintaining and increasing our volumes. We continue to grow in added value, quality and customisation and thus strengthen our position in the market. Through a varied product portfolio, we ensure that for every customer and consumer there is a (dairy) product that suits their needs.

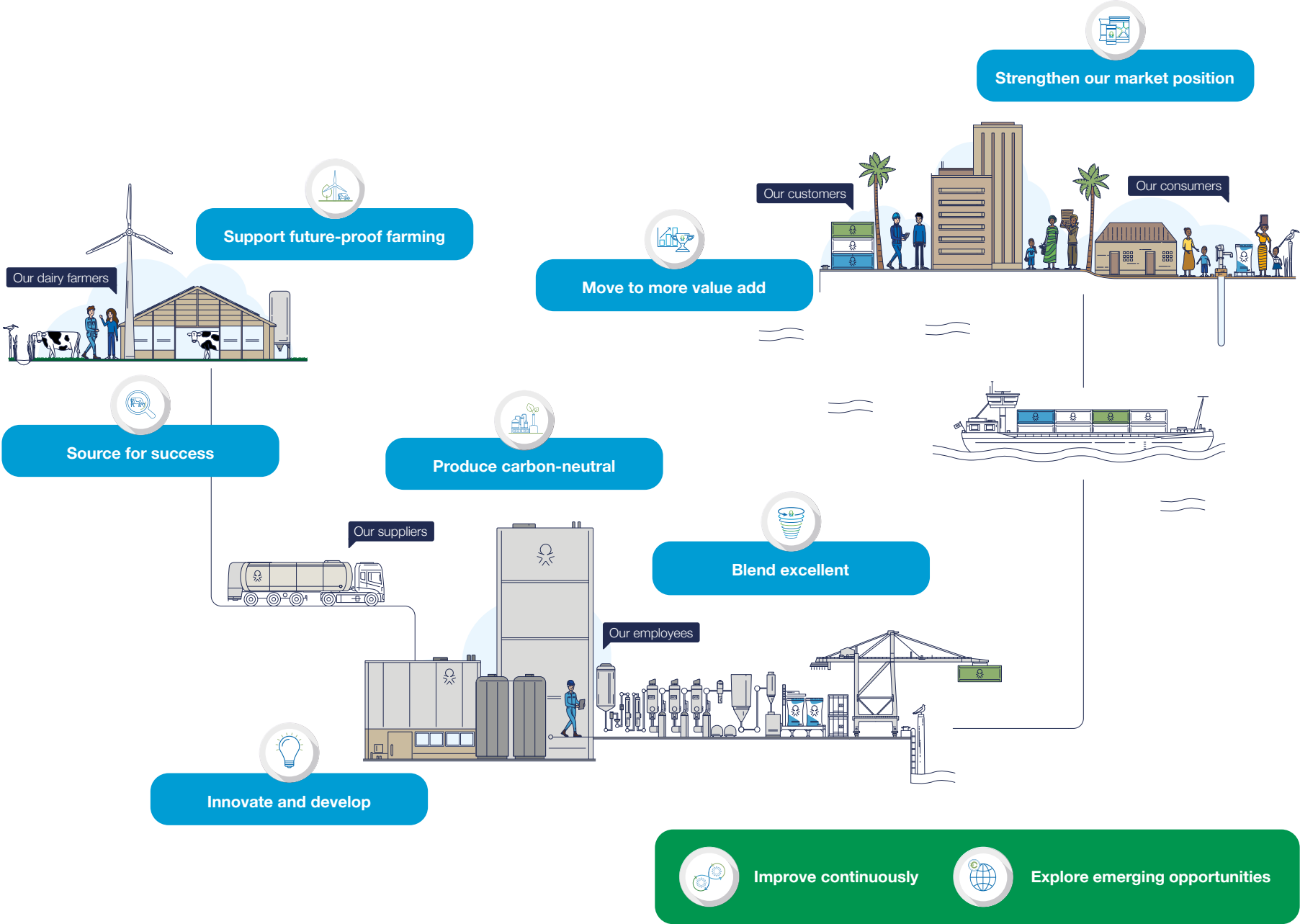
Minimising our environmental impact:

- Support future-proof farming and Produce carbon neutral focus on sustainability. Through these initiatives, we work with dairy farmers to develop future-proof farming practices and take measures to achieve carbon-neutral production sites.

We are confident that these initiatives will support us to be a future-proof company.

Sprint '27

The reliable partner for affordable and responsibly manufactured (dairy) products.



Material topics

The 19 material topics are shown on the following pages, sometimes duplicated if they are relevant in more than one place. Clicking on the topics leads to the appropriate place in this report, where the corresponding policies, actions and targets are explained. Five issues are described for each topic:

Strategic relevance

- An icon indicates whether the topic belongs to the Vreugdenhil strategy Sprint '27 and to which of the nine strategic initiatives.
- We consider topics without this icon as preconditions: this is the foundation for successful implementation of the strategy. This is what we are already actively working on and continue to pay attention to in order to improve them.



Impact, risks and opportunities

- For impact or double material topics, the impact of Vreugdenhil and its chain on the topic is described.
- For financially or doubly material topics, the risk and/or likelihood of the topic on Vreugdenhil is.

Environment

Greenhouse gas emissions

Actual ☒ Potential ☐

Impact

Reducing greenhouse gas emissions in dairy farming through targeted measures on rumen and intestinal fermentation, manure storage, energy use and feed production. Reducing atmospheric carbon with carbon sequestration through active soil management.

Risk

Higher costs for reducing emissions in dairy farming

Opportunity

To be a frontrunner in the dairy industry through our experience and knowledge in emission reduction in dairy farming.

Impact material

Financial material

☒ Double material

Time horizon

- (one of the following)
- Actual topics, where the impact, risk or opportunity is already occurring, and
 - Potential topics, where the impact, risk or opportunity does not (yet) occur. These may be coming in the future. Or it may have already happened in the past, where they are now covered by own measures or through laws and regulations and can only occur occasionally.

Type of materiality

- (one of the following)
- Impact material (the impact of Vreugdenhil and its chain on the topic),
 - Financially material (the (financial) risks and opportunities of the topic on Vreugdenhil), or
 - Double material (both impact and financially material).

Chapter

- ☒ General
- ☒ Environment
- ☒ Social
- ☒ Governance

Sustainable dairy farming

A line-art illustration depicting a sustainable dairy farm. In the foreground, two cows are grazing on grass. To their right, a farmer and a woman are standing and talking; the farmer is holding a clipboard. Behind them is a large, modern barn with a cow standing in its open doorway. To the left of the barn, a tall wind turbine stands prominently. The entire scene is set against a dark blue background with a white cloud-like shape at the top left containing the text 'Sustainable dairy farming'.



Biodiversity and ecosystems

Impact

Strengthen biodiversity on and around the dairy farm, through deployment of permanent pasture, species rich grassland, meadow bird management and landscape elements such as hedgerows and puddles. Promote a good nitrogen balance on the dairy farm to reduce impact on surrounding ecosystems, by rewarding with a premium programme.

Actual

☒

Potential

● Impact material

Financial material

Double material

Governance	Animal health and welfare	<div> <div>Actual</div> <div></div> <div>Potential</div> </div>
	<p>Impact</p> <p>Contributing to the health and welfare of cows and calves through good care, including appropriate nutrition, careful use of antibiotics and attention to the five freedoms.</p>	

Governance

Political engagement and lobby

Actual

Potential

Impact

Looking after the interests of the dairy sector and influencing political decision-making on social and environmental issues in the dairy sector. We do this by actively participating in sector-wide cooperative associations such as NZO, EDA, FNLI and VNO-NCW. We monitor political developments and remain open to various perspectives in the social and political dialogue about the dairy sector.

Impact material

Financial material

Double material

Social

Training and development of dairy farmers *

Actueel ☒ **Potentieel**

Impact
Collaborate and regularly check with dairy farmers and knowledge partners about targeted training and joint initiatives in line with our strategy. In doing so, we avoid uncertainty and development in directions not fitting us.

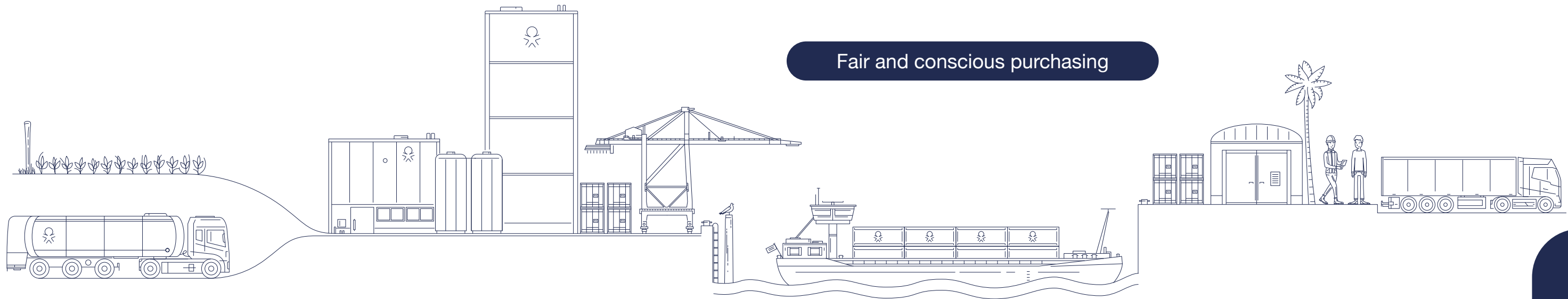
● Impact material ● Financial material ● Double material

	Actual	Potential
Farmer resilience and equal opportunities		
Impact	Strengthen the income security of dairy farms and support them in sustainable development through transparent contracts, stable milk prices and cooperation. In doing so, we treat dairy farmers of varying scale and locations equally and maintain a fair competitive environment.	
Risk	Price volatility and insufficient attention to environmental challenges due to lack of financial resources.	
Opportunity	Sustainable collaboration with suppliers and creating the opportunity for innovation.	

Impact material
 Financial material
 ● Double material

General	Sustainable partnerships	
	Actual	Potential
General	<p>Impact</p> <p>Jointly address social, and environmental issues in the dairy sector, such as improved farming practices, reduced greenhouse gas emissions and biodiversity conservation. Depending on available time, resources and market valuation, the intensity of cooperation varies from farm to farm.</p>	
	<p>Risiko</p> <p>Dependence on partners, potential disputes over sustainability targets, and reputational risk if partners fail to meet agreed sustainability promises.</p>	
	<p>Kans</p> <p>Improving sustainability performance and promoting positive environmental and social impact.</p>	





Environment

Greenhouse gas emissions

Actual ☒ Potential ☐

Impact
Reduce greenhouse gas emissions caused by the use of fossil fuels when transporting raw materials to the factory and finished products to customers, with efficient logistics and cleaner transport solutions.

Risk
Higher costs from reducing emissions in the transport sector

Impact material

Financial material

● Double material

Environment

Climate adaptation

Actual ☒ Potential ☐

Impact
Collaborate and share knowledge on climate adaptation that will enable raw material and service providers to better prepare for changing conditions, thereby strengthening the resilience of the chain as a whole.

Risk
Lower production of commodities due to water stress, for example.

Opportunity
Certain crops grow better due to more CO₂ in the atmosphere and/or higher temperatures, leading to more production.

Impact material

Financial material

● Double material

Environment

Biodiversity and ecosystems

Actual ☒ Potential ☐

Impact
Procure raw materials from sustainably managed sources, reducing risks of deforestation and biodiversity loss for commodities such as palm oil, paper and wood.

● Impact material

Financial material

Double material

Environment

Resource use and circular economy

Actual ☒ Potential ☐

Impact
Efficient use of raw materials needed to make milk powder, such as milk, whey powder, lactose, sugar, vitamins and minerals. Preserving the value of products, materials and other resources, including the use of minimal packaging while maintaining product safety and quality.

● Impact material

Financial material

Double material

Social

Human rights in the value chain

Actual ☒ Potential ☐

Impact
Applying due diligence to employees of suppliers (of cocoa and palm oil, for example) with regard to attention to human rights, safe working conditions, combating child and forced labour and access to adequate housing, food, water and sanitation.

● Impact material

Financial material

Double material

Governance

Fair and ethical business conduct

Actual ☒ Potential ☐

Impact
Encourage responsible behaviour by employees and management in working with each other and with external stakeholders through a strong corporate culture that focuses on sustainability, ethics and transparency.

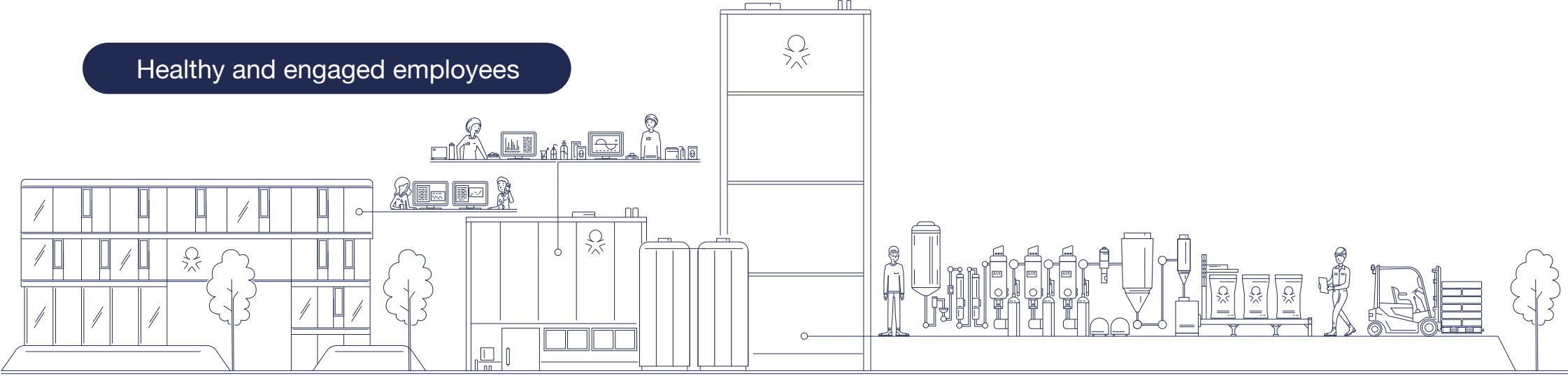
Risk
Reputational damage, legal consequences in case of non-compliance with laws and regulations and financial risks in case of incidents.

Opportunities
Improved transparency, enhanced corporate reputation, compliance opportunities and sustainable growth through ethical business practices.

Impact material

Financial material

● Double material



Working conditions

Actual ☐ Potential

Impact

Encouraging employment and offering positive working conditions to our employees. This includes aspects such as job security, working hours, fair wages, labour rights and collective bargaining.

Risk

Poor working conditions can lead to dissatisfaction, health problems and employees turnover, which can disrupt business operations and damage our reputation.

Opportunity

Satisfied and motivated employees have positive effects on productivity and business success.

Impact material Financial material ☒ Double material

Health and safety of employees

Actual ☐ Potential

Impact

Encourage the physical and mental health and safety of its employees. We create a safe working environment, promote a good work-life balance, encourage healthy consumption and habits, prevent accidents and take measures against violence and harassment.

Risk

Occupational accidents with injuries and financial liability, employee health problems and absenteeism, compliance fines and legal consequences.

Opportunity

Employee satisfaction, productivity and positive reputation.

Impact material Financial material ☒ Double material

Equal treatment and opportunities for all

Actual ☐ Potential

Impact

Encourage diversity and inclusion by providing equal opportunities and salaries for men/women and opposing discrimination based on gender, racial or ethnic origin, nationality, religion, disability, age or sexual orientation.

☒ Impact material Financial material Double material

Training and development

Actual ☐ Potential

Impact

Encourage employee development, growth and opportunities by offering training and education. For the production process, workplace safety and food safety, well-trained employees are essential.

☒ Impact material Financial material Double material



Environmentally friendly factories and offices

Environment

Greenhouse gas emissions

Actual ☐ Potential ☐

Impact
Reduce greenhouse gas emissions in the production process of milk powder by using green electricity and reducing the use natural gas.

Risk
Increased cost from reducing emissions in factories.

Opportunity
To be a front runner in the dairy industry through our experience and knowledge of emission reduction in our factories.

Impact material

Financial material

☒ Double material

Environment

Climate adaptation

Actual ☐ Potential ☐

Impact
Paying attention to climate adaptation and actively collaborating within the food sector, enabling our factory sites to better respond to physical climate risks and increasing the resilience of our processes.

Risk
Increased costs due to water scarcity during periods of drought or extra cooling during a heat wave.

Impact material

Financial material

☒ Double material

Environment

Air, soil and water quality

Actual ☐ Potential ☐

Impact
Apply preventive environmental management to reduce emissions to air (such as powder, odour and noise) and to water (in the form of heat) during the production of milk powder. Although contamination of water or soil from leaks is rare, it requires constant care and vigilance.

☒ Impact material

Financial material

Double material

Environment

Water

Actual ☐ Potential ☐

Impact
Conscious use of water, by critically considering which source is needed for which application and reducing where possible. Use of water in the milk powder production process is necessary for cooling and cleaning, among other things. As water is extracted from milk, our net water consumption is negative: more water is discharged than taken in.

☒ Impact material

Financial material

Double material

Environment

Resource use and circular economy

Actual ☐ Potential ☐

Impact
Applying targeted waste and recycling measures to reduce waste from the production process and promote circularity.

☒ Impact material

Financial material

Double material

Governance

Political engagement and lobby

Actual ☐ Potential ☐

Impact
Looking after the interests of the dairy sector and influencing political decision-making on social and environmental issues in the dairy sector. We do this by actively participating in sector-wide cooperative associations such as NZO, EDA, FNLI and VNO-NCW. We monitor political developments and remain open to various perspectives in the social and political dialogue about the dairy sector. This promotes balanced interest representation, helps create a level playing field and supports the preservation of the dairy sector's export position.

☒ Impact material

Financial material

Double material

≡

15

Nutritious and tasty products



Environment

Climate adaptation

Actual ☐ Potential ☐

Impact
Collaborate and share knowledge on climate adaptation, enabling customers and consumers to better prepare for changing conditions and we thereby strengthen the resilience of the chain as a whole.

Risk
Extreme weather conditions that make it unable for our consumers to live where they are currently living or reduce their financial ability to buy our products.

Opportunity
Shifts in consumer behaviour and customer demand to contribute to climate transition.

Impact material Financial material ● Double material

Social

Product quality and safety

Actual ☐ Potential ☐

Impact
Ensuring food safety and consistent product quality to meet our customers' expectations. In doing so, we comply with the strict standards and regulations within the food industry. In addition, we maintain consumer confidence by providing transparent information.

Risk
Reputational damage in health problems, legal problems due to non-compliance with rules and financial penalties.

Opportunity
Strengthened reputation and customer loyalty.

Impact material Financial material ● Double material

Social

Affordable and healthy nutrition

Actual ☐ Potential ☐

Impact
Provision of healthy and affordable food and new products that can combat malnutrition, hunger and poverty e.g. through nutrient enrichment.

Risk
Reputational and legal risks if it does not comply with laws and regulations.

Opportunity
Tap into new markets through affordability or certain specifications of products that make them available to certain groups.

Impact material Financial material ● Double material

Social

Protein transition

Actual ☐ Potential ☐

Impact
We mainly focus on the production of milk powders because of the high nutritional value and protein quality of dairy products. At the same time, we respond to growing consumer demand for plant-based alternatives with product development and distribution activities, especially within the European market.

Risk
Sales decline and cost increase due to conversion to plant-based raw materials.

Opportunity
With declining milk production in the Netherlands, we will keep our factories in production if we have alternative raw materials. In addition, we can tap new markets due to increasing demand for plant-based.

Impact material Financial material ● Double material

General

Sustainable partnerships

Actual ☐ Potential ☐

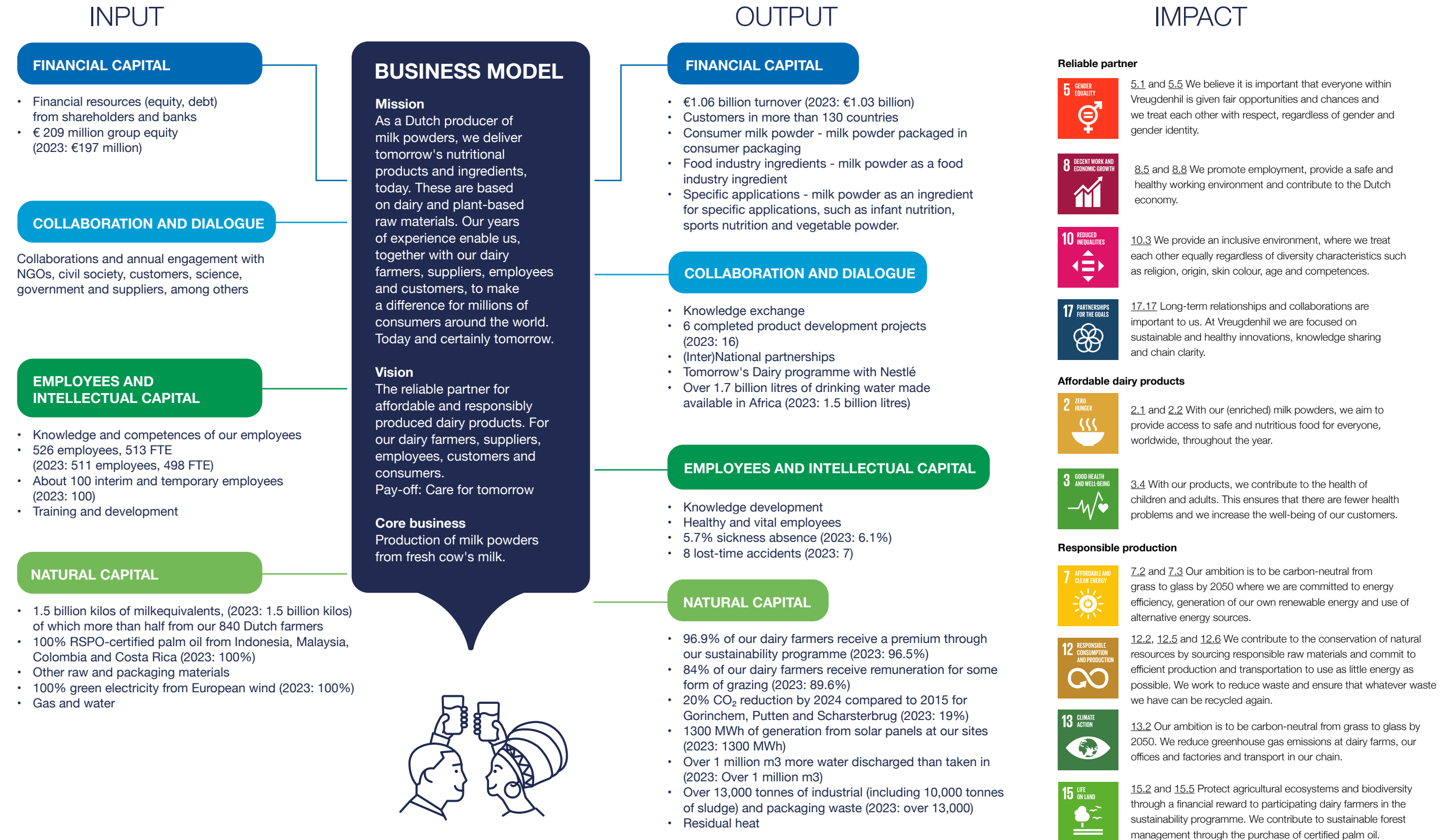
Impact
Jointly address social, and environmental issues in the dairy chain such as improved farming practices, reduced greenhouse gas emissions and product development. Depending on available time, resources and market value, the intensity of cooperation varies from farm to farm.

Risk
Dependence on partners, potential disputes over sustainability targets, and reputational risk if partners fail to meet agreed sustainability promises.

Opportunity
Improving sustainability performance and promoting positive environmental and social impact.

Impact material Financial material ● Double material

Value creation model



Principles of sustainability statements

Vreugdenhil produces an annual report containing the past year's results (1 January-31 December), after which the report is approved by the Board of Directors on 20 June 2025.

In preparing this report and selecting and collecting sustainability data, Vreugdenhil uses the Global Reporting Initiative (GRI) standards as a starting point. The appendices contain the GRI table referring to where in the report the various GRI standards can be found. In addition, the Corporate Sustainability Reporting Directive (CSRD), and the related European Sustainability Reporting Standards (ESRS) of April 2024 were consulted for writing the sustainability statements. The annexes contain the ESRS table referring to the various requirements and their place in this report. In the coming years, we will adapt our organisation and our reporting with the ambition to fully comply with CSRD. If the Omnibus proposal is adopted, Vreugdenhil will no longer fall within the scope of CSRD. Nevertheless, we maintain our ambition to voluntarily report on our sustainability activities using the ESRS.

Vreugdenhil addresses in this report the 19 topics identified as material and additional information that meets the information needs of Vreugdenhil's stakeholders. The principle of double materiality has been used to determine, define and delineate the material topics, as defined in the ESRS draft standards.

For each topic in this report, it is indicated for which locations within Vreugdenhil Holding and/or which parts of the chain are reported. The location in Spain is included in the financial figures but is out of scope for non-financial data in 2024. In the coming years, this data will be expanded, with the aim of reporting at the consolidated level of Vreugdenhil Holding.

The option to omit information related to intellectual property, knowledge or results of innovation is not used.

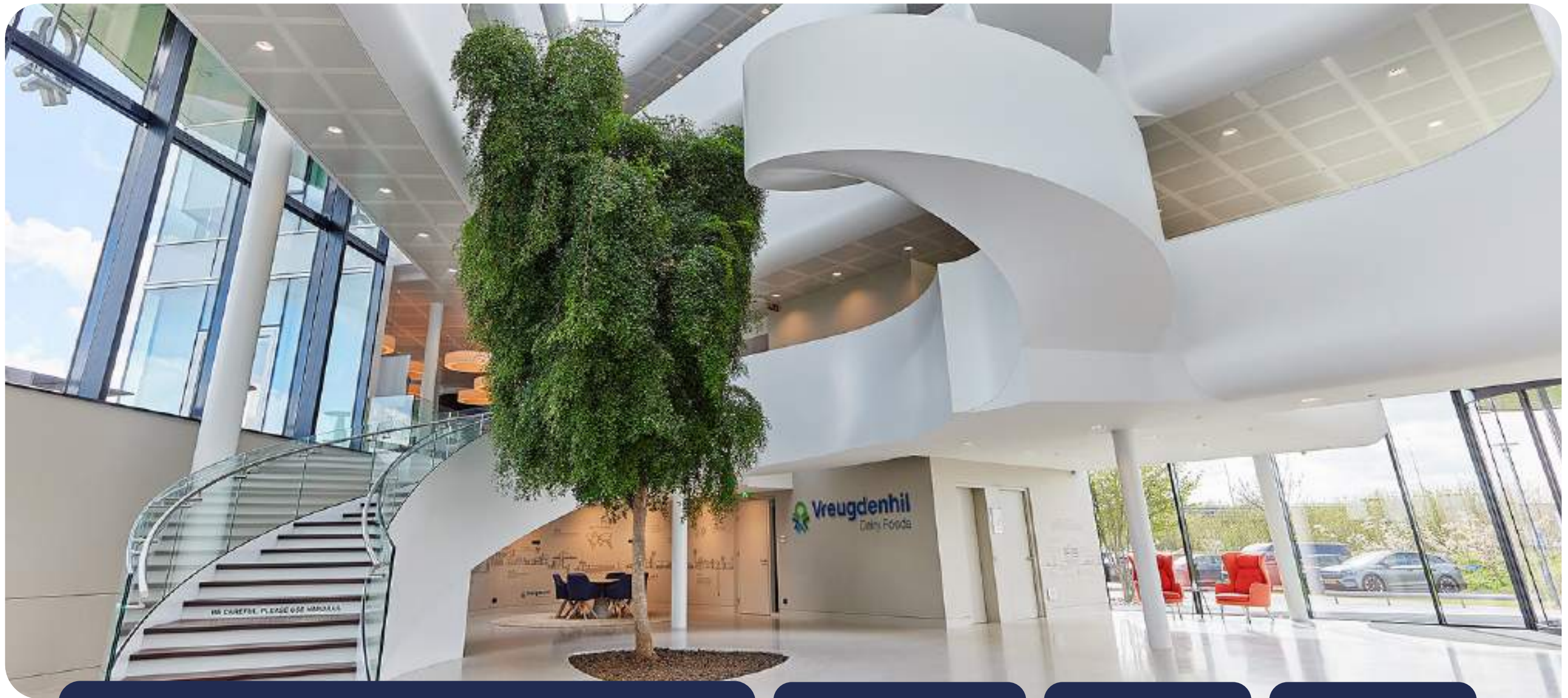
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

SDG 12: Ensure sustainable consumption and production patterns.

Goal 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and integrate sustainability information into their reporting cycle.

By releasing a sustainability report already since 2012 and working to expand it annually, Vreugdenhil ensures greater transparency in terms of non-financial information in the dairy chain.





Board

Vreugdenhil has various management structures within its organisation. This chapter explains, among others, the Board of Directors, the Management Team and the Supervisory Board.

1/3^e

of our
Supervisory
Board is female



Employee
profit scheme
in employment
conditions
Vreugdenhil



3rd

generation of
family business
active for
Vreugdenhil



Management structures

Vreugdenhil Holding BV heads a group of companies managed by an Executive Board supervised by a Supervisory Board, according to the so-called two-tier model.

Board of Directors

The Board of Directors (also known as 'the Board') consists of three people. The Board is collectively responsible for managing the company. The Board consisted of Jan Vreugdenhil (Chairman), Arie Santinge (CFO) and Albert de Groot (CEO). All are executive directors. The first two are statutory directors and registered as directors at the Chamber of Commerce.

The board should consist of at least one person. Directors are appointed by the General Meeting of Shareholders (Article 272 Book 2 of the Dutch Civil Code does not apply), which also determines the number of directors. A director can also be suspended by the General Meeting of Shareholders.

The board has periodic consultations with Vreugdenhil's Central Works Council (COR). It represents the interests of the more than 500 employees within the group and can advise the board in various areas.

To mitigate risks, Vreugdenhil Dairy Foods uses a mitigation model. Here, the board has ownership, responsibility and accountability for assessing and mitigating risks. Several departments group-wide have an internal control function. These conduct reviews of key processes, projects and systems on Vreugdenhil Dairy Foods' strategic priorities and report on them.

Management team

The Executive Board is advised in its decision-making by a central management team (MT). Besides the CEO and CFO, this included the following people in 2024: Commercial Director Gerben van Schaik (Commercial), COO Peter Beemsterboer (Supply Chain/ Operations), HR Director Gerrit Jan van Schaik (Human Resources/ Communications), QA Director Sicco Roukema (Quality Assurance/ Sustainability), Business Development Director Patrick Besten, Milk Supply Director Marjolein de Kreij and IT Director Roger van der Meer.

The management team (MT) meets about once a month in full employeessing and weekly in an operational setting. The operational management team (OMT) consists of Supply chain/ Operations, Commercial, Business development, Finance, and (periodically) the CEO; depending on the topic, other MT members or officers may join. Progress on the Sprint '27 strategy is secured through an additional monthly MT meeting, in which progress reports on the strategic initiatives are discussed and actions are set out where necessary. The responsibility for achieving the sustainability targets within the strategic initiatives lies with the MT.

The Sustainability Manager coordinates the setting and achievement of sustainability targets. To discuss progress and emerging themes, there is a Sustainability Steering Group. In it, the COO, CFO, HR Director, QA Director, Milk Supply Director and Sustainability Manager participate. In July 2024, the frequency of the meetings changed from once a quarter to monthly. Seven meetings took place in 2024. In these consultations, various new legislation was discussed, including the Corporate Sustainability Reporting Directive around sustainability reporting. In addition, the steering committee talks about strategic issues to determine the way forward, such as decisions on which sustainability certifications we want to have as an organisation. It also discusses how we as an organisation want to play a role in topics such as mono-digestion and renewable diesel. Annually, we also reflect on all achievements, actions and unsuccessful topics of the past year as a starting point for our annual external sustainability report.


Since 2023, the progress of sustainability targets has been discussed quarterly in the full MT rather than separately in the Sustainability Steering Group. In this way, sustainability is given an even more central place within the organisation.

Supervisory Board

Since 7 October 2021, there has been a three-member Supervisory Board of Vreugdenhil Holding B.V. (also known as 'the Board'): Arnout Traas (chairman), Geert van Iwaarden and José Matthijsse.


The Supervisory Board consists of a minimum of three people. New members are nominated by the Supervisory Board and appointed by the General Meeting of Shareholders, taking into account the independence requirement.

Management team




Jan Vreugdenhil
Chairman
46 years, male

Over 20 years of experience, third generation in the family business, GemZu Boar



Arie Santinge
Chief Financial Officer (CFO)
62 years, male


Nearly 40 years of experience, including over 10 years in dairy. Registered accountant with NBA



Albert de Groot
Chief Executive Officer (CEO)
56 years, male


Over 30 years' experience. Chairman Dutch Dairy Organisation (NZO), general board member VNO-NCW, vice president European Dairy Association (EDA).

Supervisory Board




Arnout Traas
Chairman
66 years, male

Experience: CFO listed, internationally operating cattle feed company
Current: supervisory director of stock market fund Heijmans and aaff-accountants and consultants.



Geert van Iwaarden
58 years, male

Registered controller 2023: CFO at a family brewery
From 2024: CFO at an international caterer



José Matthijsse
53 years, female

President and general manager Europe at a manufacturer of packaging machines and applications

The Supervisory Board acts as the employer of the directors, supervises the board and advises the board on request and on its own initiative. In addition, important decisions of Vreugdenhil are submitted to the Board for approval.

The Board has two committees: the Audit Committee (oversees, in particular, risk management and control systems, annual and half-yearly financial reporting, company financing and pensions) chaired by Geert van Iwaarden and the Selection and Appointment Committee chaired by José Matthijssse. The Executive Board has periodic meetings with the Supervisory Board, with Mt members joining regularly. This amounts to six to eight meetings a year. Various topics around sustainability, continuity and the company's financial affairs come up annually. Discussions are held on:

- Climate change and the energy transition;
- Nitrogen, the role of dairy farming and the impact on milk supply;
- Diversity of employees;
- Strategy, progress, adjustment and quarterly results
- Enterprise risk management
- Investment plan/budget, (operating) budget and cash flow forecast
- Financial statements (audit) and management letter with the auditor.

The Supervisory Board oversees risk mitigation with respect to compliance with Vreugdenhil Dairy Foods' policies, processes and controls, facilitating the implementation of risk management practices and encouraging continuous improvements in internal controls

The quarterly reports - as discussed in the MT and with Jan Vreugdenhil - and their applicable strategic goals are shared with the members of the Supervisory Board on a quarterly basis. Conversely, the Board produces an annual report describing the activities of the past year.

Balanced composition

The composition of the Supervisory Board meets the statutory target for a balanced distribution of seats between women and men, with a minimum of 1/3rd of the members being of the opposite sex. For the Executive Board (3 men), this is not yet the case. In 2024, the ratio in the MT was 11% women/ 89% men. Diversity is explicitly the company's focus. The policy aims to do justice to the diversity requirements mentioned in the law and the Dutch Corporate Governance Code in future vacancies. We therefore aim for at least 1/3rd women on the Executive Board and the MT.

Remuneration scheme

Vreugdenhil has a profit-sharing scheme for employees covered by the Vreugdenhil Employment Conditions Regulations (AVR). This amounts to a profit distribution of a fixed percentage over salary when a (financial) result is achieved. This is not linked to progress on the strategy and sustainability targets. The strategy and associated targets are discussed periodically in the MT meeting. At least once a year, the strategy is reviewed and refined. This is done partly on the basis of the results of internal stakeholder discussions.

The shareholders receive a management fee. This is set once and goes up annually with the indexation of the Dairy CLA. The supervisory directors receive a fee for their services. This was set in 2023 for a period of two years and will be redetermined in 2025.

5 GENDER EQUALITY



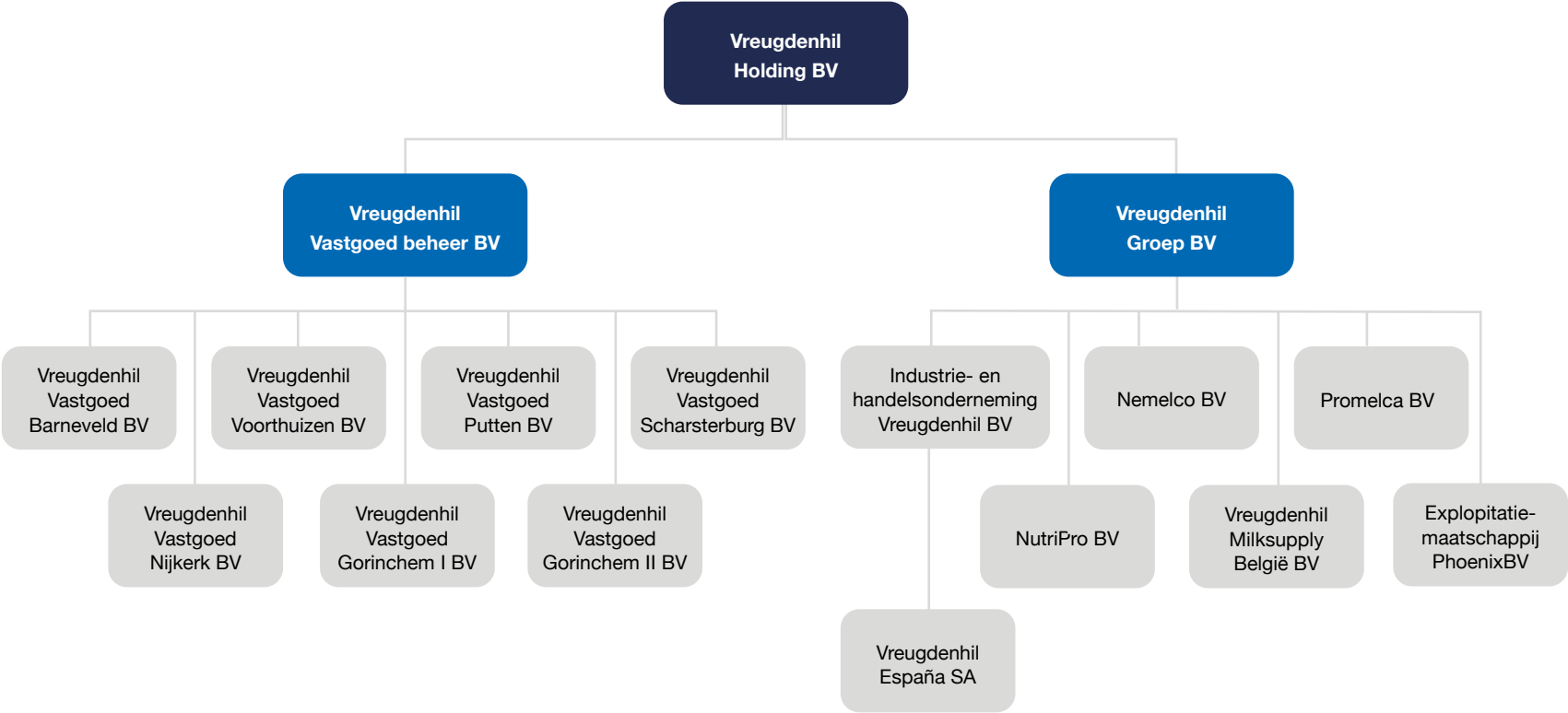
SDG 5: Achieve gender equality and empowerment for all women and girls.

Goal 5.5: Ensure the full and effective participation of women and for equal leadership opportunities at all levels of decision-making in political, economic and public life.

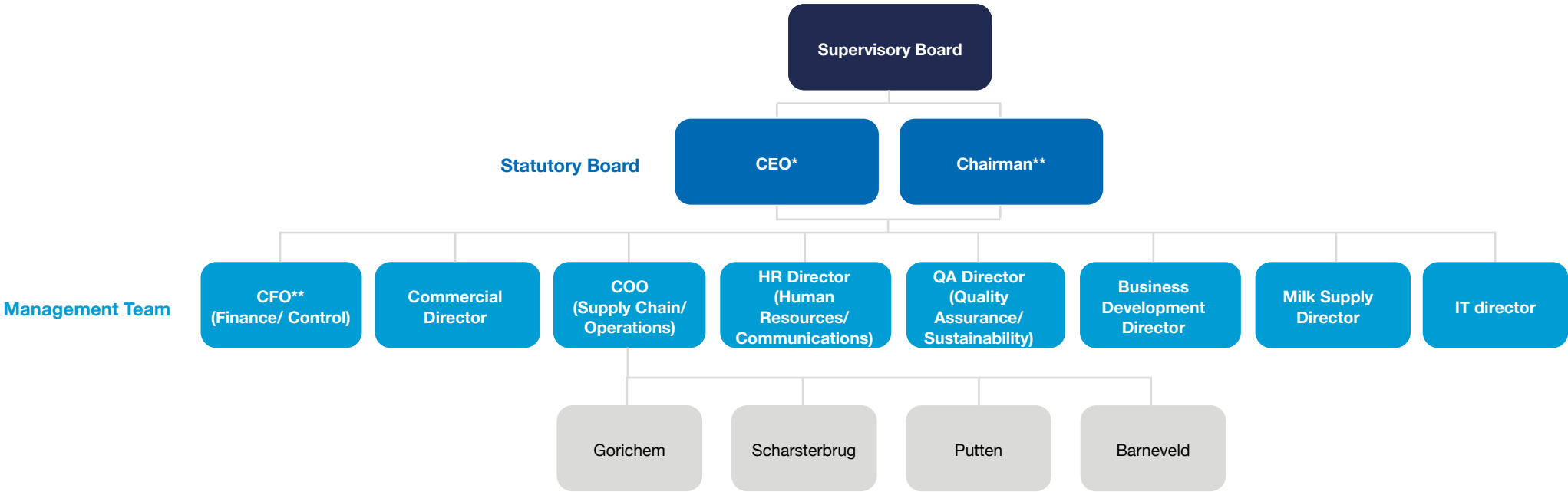
Through women's participation and responsibilities at various levels, including within the MT and SB, Vreugdenhil contributes to equal opportunities and more leadership positions for women.



The legal structure (as at 31 December 2024)



The organisational structure (as at 31 December 2024)



*Take a seat in Executive Board and Management Team.

** Take a seat in Executive Board.



Stakeholder engagement

Our dairy farmers, suppliers, employees and customers play a central role in implementing our strategy. Our broad management team is in close contact with all our stakeholders, keeping our organisation well-informed about their input and about the industry. At the end of 2024, we reviewed our stakeholder analysis. In doing so, the management team assessed the influence and importance of more than 40 stakeholders. An effective stakeholder approach is essential to stay sharp on whether we have the right interactions with all relevant stakeholders. In 2025, the management team focuses on identifying and, where necessary, implementing improvements in our stakeholder strategy.

We work with stakeholders such as industry associations, civil society organisations, governments and local residents

Dairy farmers and suppliers provide the essential raw materials and services for our products



As many as 72% of our customers consider us to be their supplier of choice



Employee representatives from each site are present on the Works Council (OR)



Dairy farmers

The high-quality milk supplied by our dairy farmers is the main raw material of our nutrient-rich milk powders. We are proud to work with Dutch and Belgian dairy farmers, who are leaders in quality, and we are happy to contribute to further innovation within the sector. We actively invest in a personal relationship with the dairy farmers. Our district advisers aim to speak to each dairy farmer personally at least once a year, for instance through a company visit. In case of questions or emergencies, a member of our team can be reached 24/7. Every year, we organise supplier meetings at various locations in the Netherlands to discuss Vreugdenhil's strategy and developments. The active and open relationship we have with our dairy farmers allows them to raise opportunities and possible problems within the sector. It also allows us to support our dairy farmers through, for example, knowledge development, lobbying and incentive schemes.

During the summer we had our quality meetings again. These are two meetings where our quality jubilees are put in the spotlight for their fine achievements. The meetings included a tour of our factory (one in Gorinchem and one in Scharsterbrug). A total of 180 people attended these. Besides the individual visits, the quality meetings and the broad supplier meetings (700 attendees), there are five sounding board groups with dairy farmers. During these meetings, we discuss developments in the sector and the purchasing conditions for the new year. We also celebrated our 70th anniversary in 2024 with all our dairy farmers and RMO drivers at a party evening in Nieuwegein. In 1954, Vreugdenhil was founded as a Dutch family business in Driebergen. In 70 years, Vreugdenhil Dairy Foods has grown from a local company to an internationally operating dairy company.

There are many challenges in the dairy sector, such as climate targets, derogation reduction and uncertainty around nitrogen policy. In addition, as a dairy farmer you also have to deal with external circumstances, which have a lot of impact, such as the bluetongue virus. All these challenges have an impact on the well-being of the dairy farmer and his/her family. We continue to work on this together to maintain future prospects for our dairy farmers.

As a dairy sector, we proactively address sustainability challenges through partnerships (Tomorrow's Dairy), our sustainability programme and the strategic initiative **Support future-proof farming**. Through the **Sustainable Dairy Chain (DZK)** we work together with dairy farmers on, for example, animal welfare, biodiversity and climate-neutral production. DZK is a joint initiative of the dairy industry and dairy farmers, in which they aim to make the Dutch dairy sector a global leader in sustainability. We are active in various working groups. The results of this cooperation are published regularly via sector reports on the DZK website.

From the MT, the Milk Supply Director is responsible for the above issues. Besides our Milk Supply employees, the CEO and Board Chairman also have regular contact with the dairy farmers.



SDG 12: Ensure sustainable consumption and production patterns.

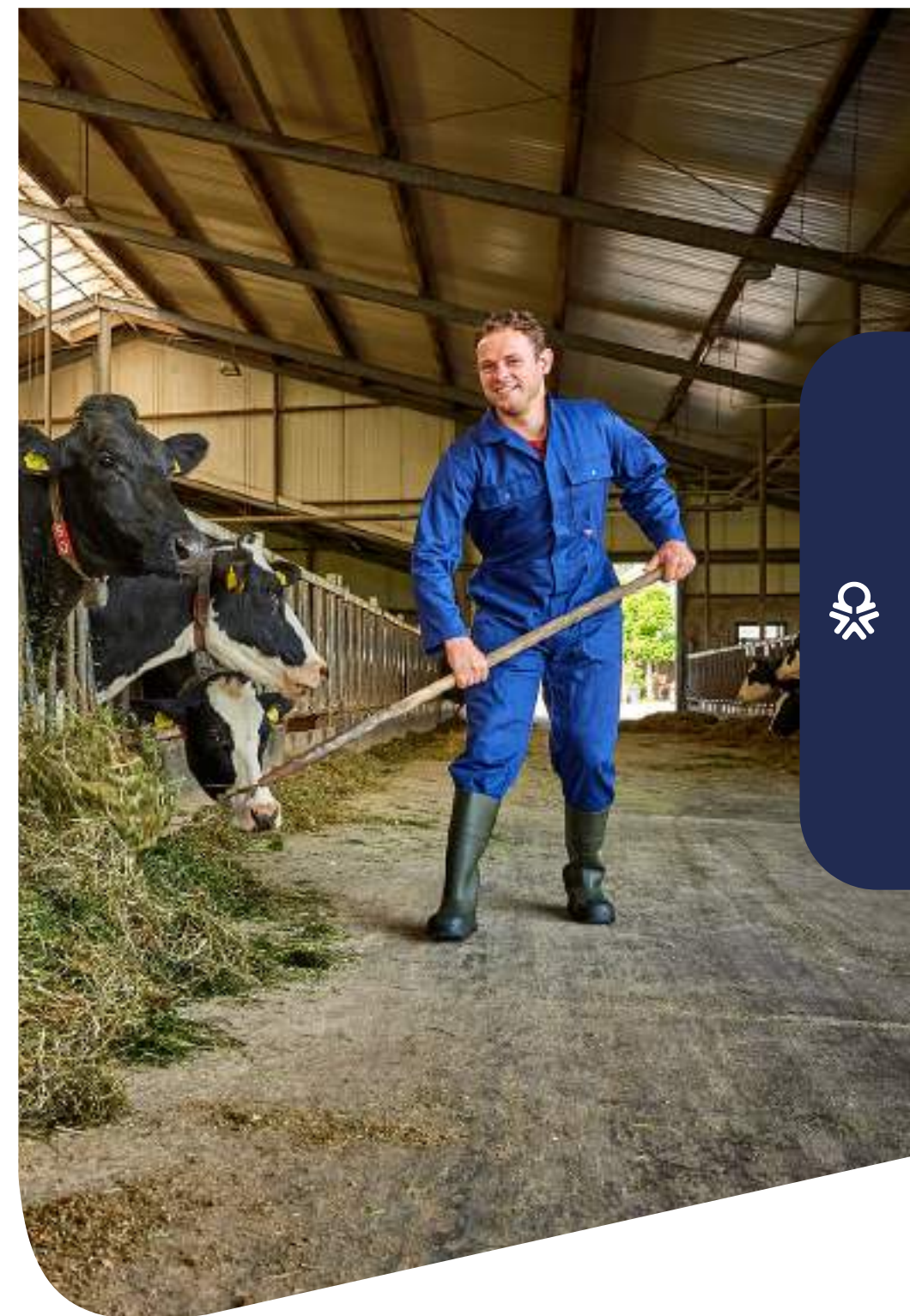
Goal 12.2: Achieve sustainable management and efficient use of natural resources by 2030.

By collaborating with our dairy farmers and suppliers on the quality and sustainability of our raw materials, Vreugdenhil can contribute to the management of natural resources.

Suppliers

We cooperate with suppliers of dairy raw materials, vitamins, packaging, energy and logistics services. Our purchasing department maintains regular contact with these parties. Before a new supplier can supply to us, they must first be approved. This is done through our purchasing procedure. Depending on the type of raw material, we check, among other things, the validity of certificates such as organic and RSPO (Roundtable on Sustainable Palm Oil). All raw materials are checked for compliance with requirements such as Halal, Kosher, allergens and food safety certificates. In addition, sustainability increasingly comes into play, such as the safety of production facilities, the origin of raw materials, energy consumption and compliance with laws and regulations. We also look at the certification of high-risk raw materials. All documents we request from new suppliers are valid for three years. If they expire, the documents will be requested again. We also conduct annual supplier assessments of both raw materials and services. Based on these results, we take appropriate actions.

The COO is responsible for procurement policy. The Quality Assurance (QA) team does the evaluation and verification of the (sustainability) performance of suppliers, according to the applicable legal, regulatory requirements and internal ambitions. In 2025, a further professionalisation will be made in the sustainability policy towards suppliers.



Employees

Vreugdenhil wants to be a place where people enjoy working and can contribute to building a successful company. Employee representatives from each location are present in the Works Council (OR) and for the group in the Central Works Council (COR). Four times a year, consultation takes place between the Central Works Council (COR) and (a delegate on behalf of) the Vreugdenhil Dairy Foods board, with the HR Director usually also present. Twice a year, a delegate from the Supervisory Board attends. Through these representatives, employees can express their wishes and concerns. We also conduct an employee satisfaction survey (MTO) or a preventive medical examination (PMO) every two years. One result of the PMO in 2023 is that we additionally encourage sports and exercise among our employees, for instance by sponsoring the marathon skating team and organising sports clinics. Another MTO is planned for 2025.

Our employees can also join trade unions. Branch association NZO has regular consultations with unions, both during CAO negotiations and in the interim. The HR Director joins from Vreugdenhil as a representative of employers and discussion partner.

The board, together with the MT, is responsible for setting the strategy. A larger group of over 50 employees, the so-called ambassadors, is involved in the concretisation and implementation of the strategic initiatives. Progress on sustainability themes is communicated through various channels such as intranet (Vreugdenhil Plek) and Narrowcasting.

Besides job satisfaction, health, along with social and physical safety, is an important issue. Vreugdenhil makes every effort to provide all employees with a safe workplace. For every accident involving absenteeism the root cause is identified, measures are taken to prevent the accident from happening again and this is communicated to all branches. Through an internal and external confidential counsellor employees can raise grievances. They can also use the 'Report your concerns' functionality on the website to report, possibly anonymously, any matters that could be seen as undesirable or potentially suspicious. Employee welfare and safety in the factories is the responsibility of all employees. This is overseen at group level by the HR Director and the COO, respectively.

Customers

We value long-term relationships with our clients. By listening carefully and delivering tailor-made solutions, we create lasting partnerships. In our refocused strategy Sprint '27, we have defined several strategic initiatives to enable us to serve our customers even better in the future. In particular, these focus on developing products that are distinctive for our customers, innovating for specific applications and continuing to act in the consumer product market.

A large part of our volume is consumer products. We produce these products for brand owners, as well as for traders and repackers, who repack locally into smaller packages. We believe that with the extensive capabilities we have for producing customised consumer products, we can enable even more consumers worldwide to enjoy our milk powders. We have set ourselves the goal of growing the volume of our consumer products with the strategic initiative **Strengthen our market position** accordingly. Besides consumer products, we also produce ingredients. Ingredients for the food industry mainly find their way to producers of dairy products, bakery products, confectionery, chocolate and ice cream. We also have customers who focus on the production of specific applications such as infant nutrition, sports nutrition or medical nutrition.

We are increasingly talking to customers about sustainability. Many customers, like ourselves, set themselves the goal of reducing their carbon footprint. We explore with customers how we can strengthen each other to achieve sustainability goals. With our customer Nestlé, we already run the sustainability programme Tomorrow's Dairy as part of our strategic initiative Support future-proof farming. In cooperation with Nestlé, we support our livestock farmers to make their operations more sustainable. The ultimate goal is climate-neutral production by 2050. Many of our customers also have the ambition of climate-neutral production. With the strategic initiative, in cooperation with even more customers, we want to reduce our impact on the climate by emitting fewer greenhouse gases on dairy farms.

As mentioned earlier, our ambition is clear: we want to be the trusted partner for affordable and responsibly produced dairy products. In 2024, we conducted a customer survey with an independent international research agency for the second time. The survey aimed to gain insight into how customers value the relationship with us, how they perceive our developments in recent years and what future developments they expect from us. Once again, we are proud of the results! Our customers see Vreugdenhil as a reliable partner who is honest and transparent. They see our product quality, customer contact and service as our greatest qualities. As many as 72% of our customers already consider us to be their supplier of choice. In 2023, we organised an internal customer communication training programme to provide our customers with an even better service. This resulted in customers rating our communication as one of our strengths in the 2024 survey. Despite the high rating, we still see opportunities for improvement in innovation. In 2025, we will discuss the results with our customers and formulate concrete follow-up actions to respond even better to our customers' needs and thus be the reliable partner for affordable and responsibly produced dairy products.



We inform our customers and consumers about the health benefits of dairy through the knowledge page on our website . We also provide information on dairy and dairy ingredients in our brochures and during e.g. trade fairs and customer visits.

Our teams work daily to meet customer expectations. In doing so, we actively promote knowledge sharing, innovative solutions and transparent communication. From the MT, our Commercial Director is responsible for all customer contact, putting our sustainability goals on the agenda and initiating joint projects with customers.

Trade associations

We are members of the dairy trade associations in the Netherlands, Dutch Dairy Organisation (NZO) and Vereniging Gemeenschappelijk Zuivelsecretariaat (GemZu), and in Europe, European Dairy Association (EDA). Through the chairmanship of our CEO at NZO, we are closely involved in all activities. We are also members of the food industry trade associations, Federation for the Dutch Food Industry (FNLI), and for enterprising Netherlands, VNO-NCW. In 2024, we participated, among others, in NZO's Energy and Environment Working Group. This working group discusses developments in laws and regulations and exchanges experiences regarding energy and the environment. Within the FNLI Vreugdenhil participates in the Sustainability Committee where various sustainability themes are discussed. Vreugdenhil also participates in the Climate and Energy Expert Group. Here, among other things, we discuss Cluster6 developments. In the field of sustainable dairy, we also participate in the Theme-, Contact and Coordination Group of the Sustainable Dairy Chain (DZK) and the Executive Board of Stichting Weidegang.

Through these networks and organisations, Vreugdenhil stays abreast of all developments that are very important for us to realise our ambitions. It also helps us as a sector to properly represent our interests towards politicians. From the MT, the CEO, COO, Milk Supply Director and QA Director are involved. They participate in several committees and working groups of the aforementioned organisations.

Civil society organisations

With civil society organisations, we discuss various topics such as sustainable dairy farming (grazing, animal welfare, climate, nitrogen, phosphate, biodiversity, soil management), climate measures throughout the chain and clean drinking water projects. Since 2021, we have further strengthened our partnership with MVO Nederland through participation in the Large Companies Network and the Agrifood Network. In recent years, we have participated in two learning courses on the Corporate Sustainability Reporting Directive and Corporate Sustainability Due

Diligence Directive, among others, to exchange experiences and gain knowledge. In addition, various sustainability topics are discussed in the networks. In 2025, these topics remain important, we continue these discussions and actively participate in various networks.

Governments

We talk to the municipality, province and other companies in Barneveld, Putten, Gorinchem, Nijkerk and Scharsterbrug to look for alternative green energy sources (solar, wind, biomass, residual heat streams) and we are in close contact about our (environmental) permits. Our cooperation with companies and local authorities contributes to achieving our sustainable objectives.

Local residents

We aim to have a good relationship with the communities surrounding our factories and offices and have policies in place to involve them in our activities. Local residents can report nuisance or damage (anonymously) via the website or contact us directly. We consider it very important to be informed immediately of noise, odour and/or emissions nuisance. Once a report is received, we determine the damage and agree on and implement an appropriate action. We value open dialogue. We evaluate calamities together with the local residents concerned so that we can prevent similar incidents in the future

In addition, the company supports local initiatives and charities, often at the suggestion of employees or external parties. Our doors are always open to local residents who have ideas or need help, because we like to contribute to our surroundings and be there for them.

The relationship with local residents varies by location. In village centres such as Scharsterbrug and Putten, regular meetings are organised. At business parks such as Gorinchem and Barneveld, the focus is on cooperation with surrounding businesses and the municipality. Discussions are held about the impact the factory may have on the surrounding area. Local residents or surrounding businesses can then respond, raise any complaints and ask questions. Topics we discuss include sustainable energy (wind turbines, electricity grid, heat grid), labour market, mobility, development of industrial estates and cooperation with schools.



External verification of sustainability performance

We have our sustainability performance assessed by independent parties:

- In 2024, we again passed the EcoVadis assessment. EcoVadis is a collaborative platform that allows companies to evaluate their suppliers' sustainability performance across 220 sectors and 180 countries. At the beginning of 2024, we received an EcoVadis Silver Award. This award is given to companies with a score within 15% of all scores published by EcoVadis. With the score achieved by Vreugdenhil, we are even among the top 6%. This score reflects the quality of our sustainability management system. This assessment will not be repeated in 2025, because for now we have a good idea of the possible improvements.
- Since 2016, our sites in Gorinchem and Scharsterbrug have been undergoing regular audits according to SMETA (Sedex Members Ethical Trade Audit) 4 pillar. SMETA, an internationally recognised standard for working conditions, environment and business ethics, builds on existing standards, including the internationally recognised Ethical Trading Initiative (ETI) code of conduct. With a three-year cycle of SMETA audits, we implement improvements based on the findings. We successfully completed the last audit in 2022 and the next audit will take place in 2025.
- Various aspects of our sustainability programme for dairy farmers are carefully monitored by recognised bodies. As Vreugdenhil, we have certified our dairy farmers and milk transport according to the quality mark of Stichting Weidegang. Qlip carries out checks on grazing and the sustainable barn, while the Animal Health Service (GD) ensures the absence of the animal diseases IBR (Infectious Bovine Rhinotracheitis) and BVD (Bovine Virus Diarrhoea). The CRV (Coöperatie Rundveeverbetering) monitors the average lifespan per dairy farmer. Moreover, our organic livestock farmers and our production sites in Gorinchem and Putten are certified organic according to Skal.
- All our production sites are certified according to the internationally recognised food safety standard FSSC 22000.
- All our production sites are Kosher certified by Chief Rabbinate of Holland, and Halal certified by Halal Quality Control. Gorinchem is OU Kosher certified for some milk powders.
- Our production sites in Barneveld and Scharsterbrug, as well as the head office in Nijkerk, are certified to the internationally recognised standard for labour-related health and safety, ISO45001. From 2025, all our production sites will gradually switch to NTA 8620.
- The production site in Scharsterbrug is RSPO-certified. The plan is to do the same for the Gorinchem site in 2025.

- We are working within the Sustainable Agriculture Initiative (SAI) Platform with our clients on more sustainable agriculture. The SAI Platform brings together more than 120 companies and organisations that are global leaders in sustainable agriculture. There is a working group for companies in the dairy sector. Here we work jointly on themes such as carbon reduction, regenerative agriculture and animal welfare. In addition, the Sustainable Dairy Partnership (SDP) reporting hub has been developed, allowing us to inform customers about sustainability progress with one unified portal. This avoids sending individual questionnaires. In early 2025, we will have the SDP stage 3 verification by an independent third party, proving that we have secured our systems.

These certifications highlight our commitment to high-quality production processes and ethical standards. Our sustainability targets and results are not audited at this time. We will do so when the CSRD comes into force for us.

17 PARTNERSHIPS FOR THE GOALS



SDG 17: Strengthen implementation resources and revitalise global partnerships for sustainable development.

Goal 17.17: Encourage and promote effective public, public-private and civil society partnerships, building on the experience and network of partnerships.

By seeking cooperation with chain parties, civil society organisations, governments and networking organisations, Vreugdenhil works to accelerate sustainable development in the dairy chain.

Memberships and initiatives

We are members of various industry associations and (international) initiatives such as:

- Dairy Sustainability Framework (DSF)
- Sustainable Dairy Chain (DZK)
- EcoVadis (terminated at the end of 2024)
- Eucolait
- European Dairy Association (EDA)
- Fascinating
- FBNet (Stichting Familiebedrijven Nederland)
- Dutch Food Industry Federation (FNLI)
- GemZu (Dutch Dairy industry Association)
- IFCN Dairy Research Centre
- International Dairy Federation (IDF)
- Made Blue
- MVO Netherlands
- Dutch Dairy Organisation (NZO)
- Roundtable on Sustainable Palm Oil (RSPO)
- Sustainable Agriculture Initiative (SAI) Platform - Dairy working group & Sustainable Dairy Partnership (SDP) reporting hub
- SEDEX (Platform for ethical trade chains)
- The Protein Community
- Association of Dutch Manufacturers of Infant and Dietary Foods (VNFKD)
- VNO-NCW
- ZuivelNL (supply chain organisation of the dairy sector)

Environment

This 'Environment' chapter describes what Vreugdenhil Dairy Foods is doing for the various environmental topics. It starts with a chapter on climate change, describing Vreugdenhil's impact on this, the challenges it poses and how we deal with them. This is followed by chapters on pollution, water, biodiversity and ecosystems and raw materials and circular economy. Each chapter addresses the main impacts, risks and opportunities within the topic, explaining our policy and actions taken or to be taken. In doing so, we formulate clear objectives to reduce our impact and promote sustainable solutions.





Climate change

Climate change is a central sustainability topic for Vreugdenhil, both from our intrinsic motivation and from expectations of society and stakeholders. The double materiality analysis confirmed greenhouse gas emissions and climate adaptation as material topics for Vreugdenhil. Vreugdenhil's ambition is to be climate neutral in 2050 across the entire chain; from grass to glass. The implementation of various initiatives rests with the Milk Supply Director and the COO.

80

participating dairy farmers in the Tomorrow's Dairy programme (2023: 50)



20%

reduction in absolute CO₂ emissions in 2024 compared to 2015 at the factories in Gorinchem, Putten and Scharsterbrug.



534

tonnes of CO₂ saved with the HVO (hydrogenated vegetable oil) pilot for our RMO transport



A climate risk analysis has identified our main risks for dairy farming, sourcing other raw materials, own production and sales

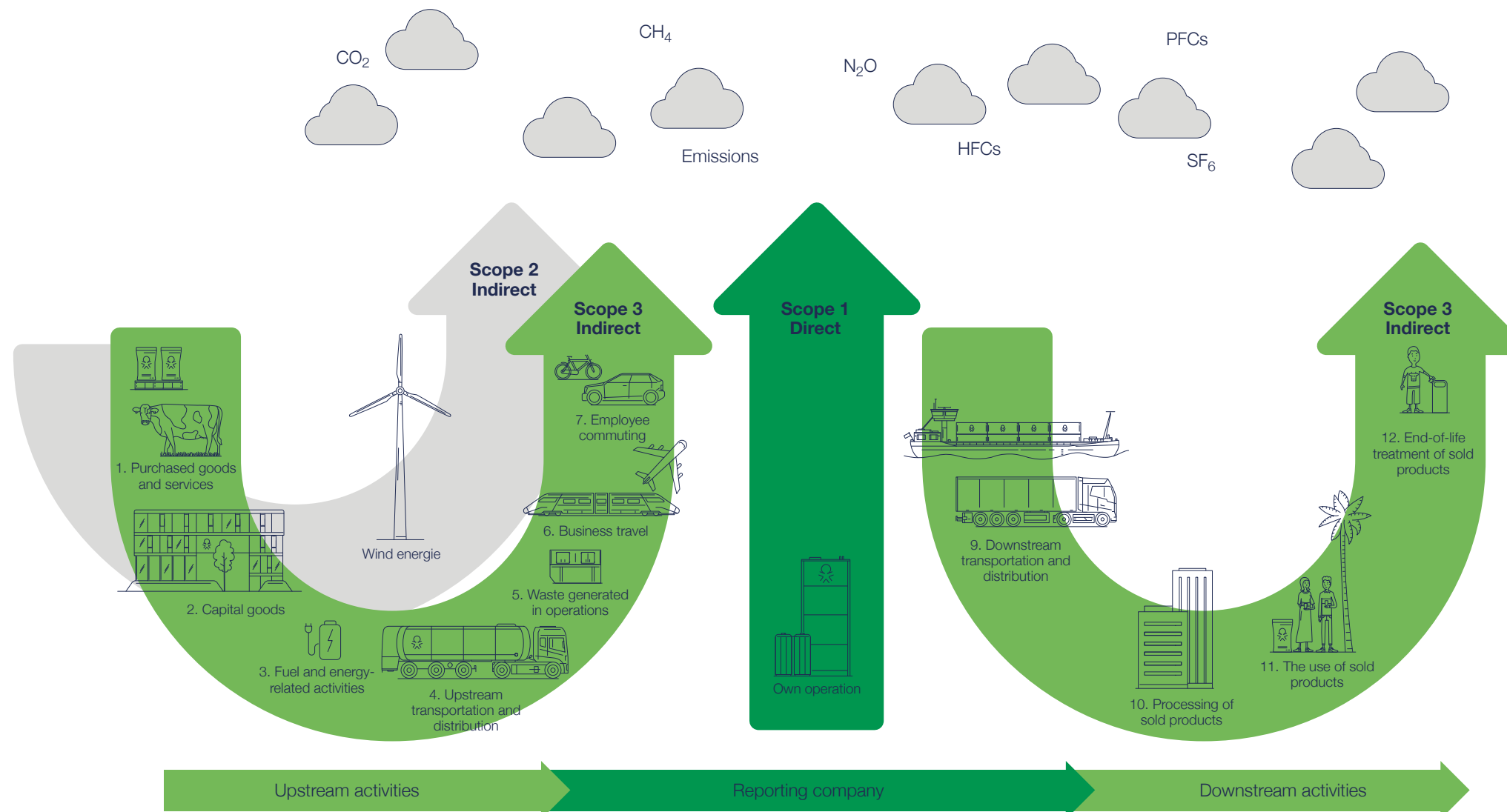
Mitigation transition plan





We feel responsible to contribute to limiting the global temperature increase to a maximum of 1.5°C as stipulated in the Paris Climate Agreement. In our climate transition plan, we have largely clarified where our climate impact is, what our ambitions are and what measures we have planned to reduce our scope 1, 2 and 3 greenhouse gas emissions. This is reflected in the following chapters for each part of the chain. We continue to work continuously to gain more insight and adjust our plans.

Vreugdenhil's scope 1, 2 and 3 emissions are defined as follows:

- Scope 1: direct greenhouse gas emissions from Vreugdenhil's four production sites and offices through the use of natural gas.
- Scope 2: indirect greenhouse gas emissions from purchased energy, generated outside the company and consumed by our company, such as electricity or heat.

- Scope 3: all indirect greenhouse gas emissions that take place in the value chain, such as during the production of raw materials, transport or when the consumer prepares the product. From the [Greenhouse Gas Protocol](#), there are fifteen categories within scope 3. Of these, 11 are relevant to Vreugdenhil; these are listed in the figure. Upstream leased assets, downstream leased assets, franchise and investments are not present at Vreugdenhil and are therefore not included in the footprint calculation



Definition	Target	Result 2024
<p>Dairy farming</p> <p>Greenhouse gases are generated at various points on the dairy farm and in the supply and disposal chain. The main sources are rumen and intestinal fermentation, resources, own feed production, manure storage and use of fuels and electricity.</p>	<div><div></div><div>50% reduction of CO₂eq/kg milk among dairy farmers participating in Tomorrow's Dairy in 2030 compared to 2018</div></div> <div><div></div><div>Number of Tomorrow's Dairy participants grows to over 200 by 2030</div></div>	<div><div></div><div>20% (Estimated) reduction of CO₂eq/kg milk among dairy farmers participating in Tomorrow's Dairy compared to 2018 (2023: 15%)</div></div> <div><div></div><div>80 participants Tomorrow's Dairy (2023: 50)</div></div>
<p>Dairy farmers are one of the most important stakeholders in our value chain. Our more than 850 Dutch and Belgian dairy farmers supply the quality milk needed for our nutrient-rich milk powders. We buy an additional part of the milk we process from other dairy producers.</p> <p>Greenhouse gases are created at various points on the dairy farm and in the supply and disposal chain; through rumen and intestinal fermentation, manure storage, energy sources, own feed production and supply sources. These five points can be seen in the figure. The KringloopWijzer™ distinguishes these five sources of climate emissions, the data for which are recorded on a dairy farm. In particular, rumen and intestinal fermentation (42%), supply sources (26%) and feed production (17%) contribute significantly to the climate footprint of milk. Mitigation measures for reducing greenhouse gas emissions in dairy farming act on the five sources mentioned.</p> <p>As a player in the dairy sector, we are aware of the impact of our main raw material, milk, on the environment. The organic process in cows results in unavoidable emissions of greenhouse gases. At the same time, we recognise the potential in our sector to offset these emissions by, for example, sequestering greenhouse gases in the soil. While we aim to reduce our own emissions, we also look at opportunities for offsetting within our value chain. Currently, we do not yet monitor greenhouse gas removals in our own operations and in the value chain. Among dairy farmers, greenhouse gases are sequestered in the soil. However, there is no generally recognised calculation model for this yet. We want to achieve the target of a 50% reduction by 2030 compared to 2018 by, among other things, all measures described in this chapter. Achieving this target will take us halfway to our long-term vision of achieving a net zero emissions value chain by 2050. To achieve the second part of our ambition, further research into opportunities in reduction and offsetting is needed and we will shape our approach based on this.</p>	<div><div>Policy</div><div>Actions</div></div> <p>Most greenhouse gas emissions in our value chain occur on the farm, mainly through methane emissions from cows. Since 2018, the greenhouse gas module, also known as climate module, has been embedded in the KringloopWijzer™. This module provides all dairy farmers with a detailed insight into the amount of greenhouse gases emitted per kilogram of milk on their farms. To determine the company-specific reward in our sustainability programme, we use the results of the KringloopWijzer™. In 2024, four out of twelve points in the sustainability programme could be earned with lower greenhouse gas emissions. This equals a maximum reward of €0.20/100 kg of milk. With this, we want to encourage dairy farmers to further reduce greenhouse gas emissions on their farms.</p> <p>With our Tomorrow's Dairy programme in partnership with Nestlé, we are striving for sustainable dairy farming. In collaboration with Nestlé, this programme is being designed with the principles of regenerative agriculture and CO2 reduction at its core. Regenerative agriculture focuses on restoring soil, improving soil quality, protecting water supplies and promoting biodiversity. This ensures that dairy farmers are resilient to extreme weather conditions, such as prolonged drought, allowing them to sustainably make a living. In cooperation with external consultants, Wageningen University & Research, chain partners and dairy farmers, we are exploring how these principles can be practically applied. At the individual level, dairy farms can take measures to significantly reduce CO₂-equivalents per kilogram of milk, with the aim of halving the average emissions of participating dairy farmers. To make these reductions possible, Nestlé and Vreugdenhil are jointly investing €54 million over the next few years.</p> <p>In 2024, we worked with stakeholders and dairy farmers on a new compensation model. This will start from 1 January 2025. In 2024, reimbursement was mainly on costs. From 2025, there will be monthly compensation on results, which can amount to a maximum of €5,00</p>	<div><div>Policy</div><div>Actions</div></div> <p>per 100kg of milk. The valuable guidance by means of a farm-specific business plan, workshops and advice at the kitchen table have been an essential part of the programme from the beginning and will also be maintained in the new remuneration system.</p> <p>In 2025, we will continue to reward all our dairy farmers in our sustainability programme for reducing greenhouse gas emissions, according to the modified procurement conditions as described above. In 2024, we organised workshops for all dairy farmers to share knowledge on what measures you can take as a dairy farmer to reduce greenhouse gas emissions. In addition to the workshops from the Tomorrow's Dairy programme, 9 workshops were organised. Dairy farmers could attend these workshops voluntarily and free of charge and gained insight on the measures they can take on the farm to reduce CO₂.</p> <p>The Tomorrow's Dairy programme began with a pilot of 17 dairy farmers, followed by annual connections of new groups of dairy farmers, with the aim of reaching a total of over 200 dairy farmers by 2030. By 2023, 33 new dairy farmers were connected in the so-called 'upscale' group. In 2024, we expanded the programme again by 30 dairy farmers. Around 70 dairy farmers will join in 2025, making a total of almost 150 participants. We look forward to scaling this up in the coming years with our partner Nestlé and exploring with other customers what we can achieve with our other dairy farmers.</p> <p>Together with an external agricultural consultant, dairy farmers develop a reduction plan with measures to further reduce emissions from their farms. These measures are specifically aimed at reducing greenhouse gas emissions, taking into account the unique conditions on each farm and</p>

based on accepted and scientifically based effects. Factors such as soil type, feed system and measures already taken are taken into account when developing reduction plans. The scientific basis for these measures is provided by Wageningen University & Research. Different types of measures have emerged in the reduction plans, these can be found in the figure.

So in 2024, a new group of dairy farmers started the Tomorrow's Dairy programme. Here the main focus has been on grass/clover and Bovaer. On top of that, the focus within the programme is on investments that have an effect on CO₂eq reduction. There has also been financial support in feed supply streams to purchase alternatives with a lower footprint.

To complement the aforementioned approach, a public-private partnership (PPP) called Low Carbon Dairy has been launched between the Ministry of Agriculture, Nature and Food Quality, Wageningen University & Research, and a number of key chain parties in the dairy sector, including Cono, Unilever, Nestlé and Vreugdenhil. The main aim of this collaboration is to jointly research issues relevant to this group, resulting in the development of a widely applicable approach. This approach includes:

- Developing an approach to reducing greenhouse gases, including an analysis of the feasibility and consequences of aiming for a 50% reduction.
- Gathering lessons and advice on monitoring and accountability.
- Facilitating international exchange of insights, communication and sharing of results.

This public-private partnership allows stakeholders to pool their knowledge and resources to develop effective solutions to reduce greenhouse gas emissions in the dairy chain.

13 CLIMATE ACTION

SDG 13: Take urgent action to combat climate change and its impacts.

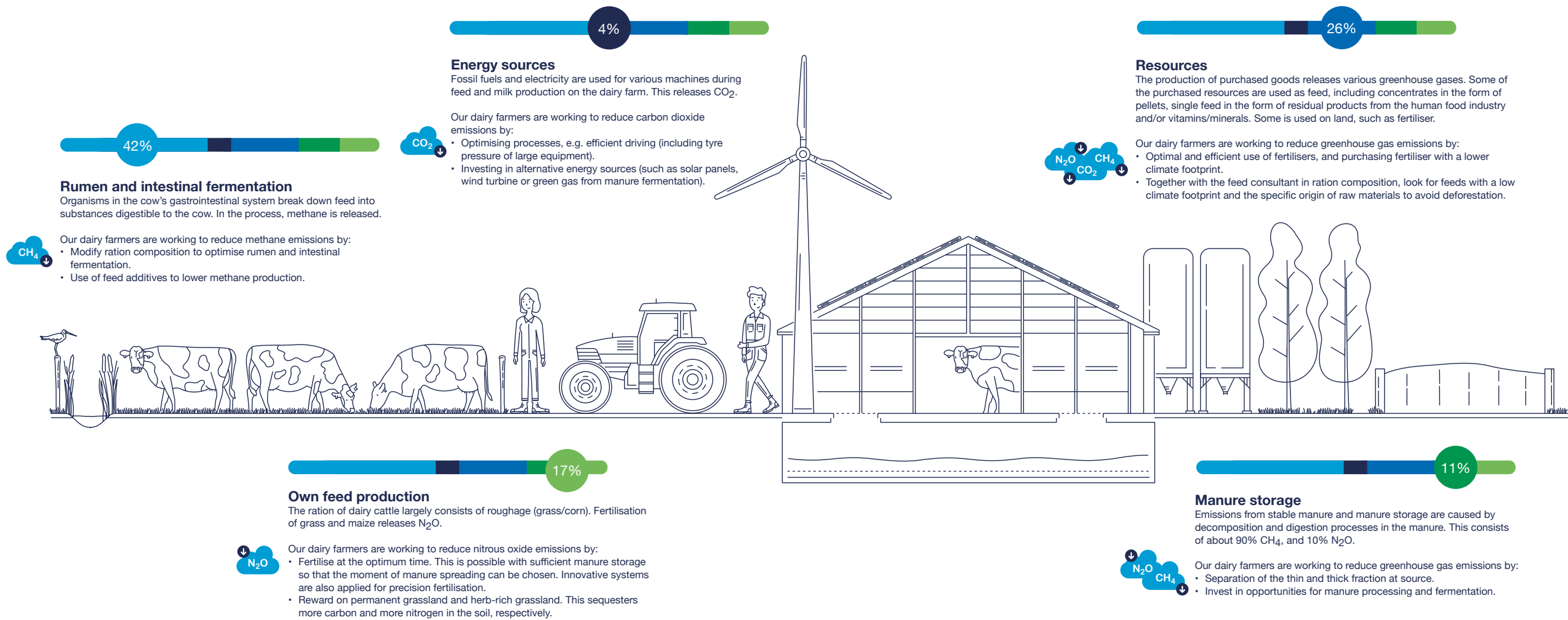
Goal 13.2: Integrate climate change action into national policies, strategies and planning.

By setting climate mitigation in policies and targets for different parts of our value chain and by implementing concrete actions, Vreugdenhil is helping to counter climate change.



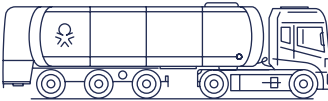
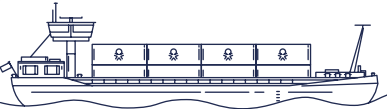
Greenhouse gas emissions in dairy farming

Greenhouse gases are created at various points on the dairy farm and in the supply and disposal chain: carbon dioxide (CO₂), methane (CH₄) and nitrous oxide or nitrous oxide (N₂O). The Kringloopwijzer™ provides insight into the amount of greenhouse gases emitted per kilogram of milk on our suppliers' dairy farms. It distinguishes between five sources of climate emissions. With the Dairy Sustainability Programme and the 'Future-proof farming' programme, Vreugdenhil Dairy Foods is committed to reducing emissions in dairy farming. Dairy farmers receive a premium on the milk price and, as a chain partner, we support them with tailor-made advice and practical workshops.



Share of emissions from different sources



Definition	Target	Result 2024
<div>Transport Upstream: Greenhouse gases are released by burning fossil fuels in road and sea transport to get our raw materials to factories</div> <div>Downstream: Greenhouse gases are released by burning fossil fuels in road and sea transport to get our finished products to customers</div>	<div>Reduced emissions from our RMO transport every year</div> <div>Transport of finished products to the port by water as much as possible</div>	<div>Total km RMO: 3.7 million km (2023: 3.2 million km). This increase is due to an increased amount of dairy farmers for which we have to drive further distances.</div> <div>% transport to the port by water: Gorinchem: 93% (2023: 92%) Scharsterbrug: 97% (2023: 89%) Barneveld: 81% (2023: 82%)</div>

Our transport consists of various components both upstream and downstream:

- Upstream
The milk transport truck (RMO) that transports milk between dairy farmers and our factories. Besides the milk, there is also transport for the other raw materials to our factories. Not all our finished products are sold directly, so there is also transport between our factories and external warehouses for temporary storage of the product.
- Downstream
This is all the transport that takes place to transport our sold products. These products are transported both at nationally and internationally via road, rail and sea transport.

Both upstream and downstream transporters mainly use fossil fuels in transportation. This accounts for most of the GHG emissions from transportation.

Policy

Actions

Our RMO transporters drove 3.7 million kilometres in 2024 to bring milk from our dairy farmers to our factories. We try to minimise fuel use and greenhouse gas emissions by smart planning and by using more fuel-efficient trucks. We also work together with other milk processors to collect and transport the milk to the various dairy processing factories as optimally and consciously as possible, thus optimising the number of kilometres driven.

We transport our finished products going to other continents by water as much as possible. We mainly plan the route from the production site to the port via inland vessels because of the lower CO₂ emissions. Because, inland vessels have on average 85% lower CO₂ emissions per tonne kilometre than road (container) transport. In addition, active efforts are made to make transport by sea as effective as possible, with full containers, and a minimum number of intermediate destinations.

The policy for our carriers for both RMO and other transport (up- and downstream) thus includes reducing our carbon emissions from transport. We expect the carrier to transport products as economically and sustainably as possible. This can be done by, among other things:

- New equipment to be purchased should be arranged to load as much cargo as possible without exceeding the total weight permitted by law;
- The material must meet the latest CO₂ emission requirements;
- Additional initiatives that reduce CO₂ emissions are welcomed by Vreugdenhil and encouraged if possible.

We also ask our RMO and downstream transporters to report on various issues, including actions taken to reduce CO₂ emissions, kilometres driven, fuel used, type of engines in the fleet and total CO₂ emissions. Sustainability performance is discussed annually between Vreugdenhil and the transporter. We are jointly responsible for identifying chain optimisation opportunities that can lead to improvements in service, quality and sustainability.

Policy

Actions

Upstream
The skimming capacity in Scharsterbrug was increased in 2024. With this expansion, milk from the northern part of the Netherlands can be transported directly to the factory for skimming and drying. We expected a reduction in RMO trips as a result. Unfortunately, we don't see this reflected in the kilometres, because in 2024 we had more farmers for whom we had to drive separately or drive further. We do see it reflected in our procurement data, which shows that we purchased less skimmed milk and more raw milk than in 2023.

In 2023, our own warehouse at our factories in Gorinchem was expanded. In 2024, the warehouse in Barneveld was also expanded. In Gorinchem, this involved an expansion of about 2,500 pallet spaces. In Barneveld, we gained 11,000 additional pallet spaces at our disposal. This warehouse is currently 85% occupied. These warehouse expansions mean fewer kilometres being driven to and from external locations. We expect this to save more than 600 trips by 2025. This will reduce our upstream transport in particular.

Since August 2023, we have been piloting Hydrogenated Vegetable Oil (HVO) at one of our RMO transporters. This is a biodiesel fuel produced from renewable sources such as vegetable oils, animal fats and waste oils. The use of HVO in trucks results in CO₂ savings of 90%. By deploying the entire pilot from August 2023 to April 2024, we saved 534 tonnes of CO₂ during this period. The pilot revealed that the transition to HVO did not cause any problems for the trucks, but there were logistical challenges in converting our RMO carriers. This mainly involved the fact that many of our transporters do not have their own fuel tanks on their premises. This would require them to refuel for HVO somewhere else than normal, as HVO is only available at a few locations in the Netherlands. Therefore, the pilot has not been extended. We do keep this measure in mind should it become more applicable to our logistics in the future.



Downstream

For the transport of our sold milk powders, we requested the CO₂ emissions of the transports we booked for 2024 from our carriers. In order to monitor the results of our sustainability efforts and set concrete targets, we felt it was important to first map out the CO₂ emissions from these. The results of this can be found in the chapter indicators.

For transport within Europe, we use rail transport whenever possible and short sea for destinations involving longer distances. It has become our standard to look at these options first over road transport. As a result, we drive fewer road kilometres and reduce CO₂ emissions.

We also have regular discussions with transporters of our end products about the use of electric transport and/or alternative fuels, including HVO. Based on the measurements from 2024, targets will be set for this in 2025. Research into the impact of fixed delivery days per region in the Netherlands, Belgium and Germany is also ongoing. With this, we hope to cluster shipments and thus save kilometres and transport movements. A decision on fixed delivery days will be made in 2025.



Definition	Target	Result 2024
Factories Greenhouse gases are released through the combustion of natural gas for the process of milk powder production at our factories	 40% reduction of absolute CO ₂ emissions in 2030 compared to 2015 at the factories in Gorinchem, Putten and Scharsterbrug	 20% reduction of absolute CO ₂ emissions compared to 2015 at the factories in Gorinchem, Putten and Scharsterbrug (2023: 19%)

At production sites, producing and blending milk powders creates various emissions, such as CO₂ from burning natural gas (scope 1) and from generating fossil electricity (scope 2). At Vreugdenhil, we feel responsible for our emissions and therefore we have strong ambitions to reduce emissions from our factories. Our goal is to be carbon-neutral in the entire chain by 2050, including our factories and offices. The interim target is to achieve 40% reduction by 2030 compared to 2015. Based on the reduction already achieved by the dairy sector between 1990 and 2015, the NZO has calculated that the 40% reduction from 2015 is in line with the Dutch target of 55% compared to 1990. Thus, this target is in line with the European Climate Act.

The production process of liquid dairy into milk powder has eight main steps. In this process, milk is processed using steam, ice water, hot air and compressed air, for which electricity and gas are consumed. The figure gives an overview of the steps within our factories. It shows how much energy, of the main energy source, is relatively used at each step. In most processes, electricity is additionally used for pumps and controls, among other things. For reducing emissions in our production, the trias energetica is the starting point:

1. Minimising energy use, e.g. by improving energy efficiency, increasing employee awareness and improved energy monitoring
2. Using renewable energy, e.g. through electrification and procurement of green electricity
3. Efficient use of fossil fuels, e.g. by using residual heat with heat pumps

We apply the described steps of the milk powder production process at three of our production sites: Gorinchem, Scharsterbrug and Putten. In Barneveld, there is a different process without drying; in addition, the entire factory operates electrically. We also have an office in Nijkerk and one in Madrid, Spain. The office in Nijkerk is gas-free and uses only electricity.

Our office in Nijkerk has been climate-neutral for several years and is even among the most sustainable office buildings in the Netherlands. It was designed with environmental friendliness and a pleasant working climate

in mind. The building has achieved the highest level of sustainability, namely the 5-star (outstanding) BREEAM-NL New Build Completion Certificate. We are also enormously proud of our factory in Barneveld, which is the first to produce entirely climate-neutrally in 2022.




With the **strategic initiative Produce carbon neutral**, carbon reduction and energy transition remains an integral part of Vreugdenhil's policy. For investments and modifications, the impact on energy consumption and emissions is monitored through the involvement of energy coordinators and teams. Close involvement is ensured through review of the CAPEX agenda and investment requests in the approval process.

Energy reduction starts with awareness and a targeted focus on using energy resources efficiently in our factories. We achieve this through toolbox training to operators and investment in measurement and visualisation technologies at all four production sites. Both actions are crucial to positively influence the behaviour of our employees. Furthermore, we monitor energy use at our production sites on a daily basis and discuss energy performance internally on a weekly basis, aimed at continuously improving energy efficiency and saving energy.

For our factories, there are two locked-in emissions. Locked-in emissions refer to greenhouse gas emissions that are in fact unavoidable due to existing infrastructure and operational practices. Our existing infrastructure may jeopardise the achievement of our short-term scope 1 and 2 targets. The evaporators and steam boilers currently run on gas. To make these factories gas-free, replacement is required. Typically, this is done at the end of the equipment's lifetime from sustainable and economic considerations. Alternative technologies are increasingly available, but often require, for example, an upgraded connection to the electricity grid. We actively investigate where this is possible and the investment is financially viable.

We also use refrigerants in our refrigeration and air-conditioning. Synthetic refrigerants have a major impact on climate change if they leak. With proper maintenance, we can keep leakage to a minimum. An alternative are natural refrigerants that have no or a very low greenhouse effect in case of leakage. Replacing the existing refrigerants is not always easy, as there is not yet a well-performing alternative for all installations. We will keep a close eye on developments for new installations and potential renewable energy sources to not miss any opportunities.



7 AFFORDABLE AND CLEAN ENERGY

SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all.

Target 7.3: Double the overall rate of improvement in energy efficiency by 2023.

By working on process optimisation and heat recovery at its production sites, Vreugdenhil contributes to improving energy efficiency.

Policy

Actions

Energy

Our factories and offices have been using only 100% green electricity for several years now, partly generated via solar panels on our roofs. We try to expand our own generation as much as possible. For example, we completed a solar carport above the car parks at the headquarters by the end of 2024 (expected output: 140 MWh). Orientations and studies are ongoing for other locations and options, which we constantly update and add to.

Vreugdenhil foresees that renewable energy procurement will only be part of the solution. Therefore, studies into own energy production or generation are also set up in 2024 to reduce our gas consumption and increase electrification. The aim is to ensure flexibility and independence from specific energy sources in addition to eliminating carbon emissions. These studies focus on wind projects, solar heating, hydrogen and biogas. The windmill project and biogas research have been discarded as possibilities for Vreugdenhil, due to community objections and high premiums on biogas.

Initiatives are also being launched for other energy sources with partners, consultants and suppliers. These include the burning of iron powder and the direct use of solar heat without interim conversion to electricity. We see that at present the current state of technology and national infrastructure are insufficient to fully enable the transition at our sites. Therefore, we also support the activities of Cluster 6, with which we have close contact with governments and energy operators. Cluster 6 consists of nine sectors with companies with a CO₂ reduction task, spread throughout the Netherlands, so they do not fall into one of the five large industry clusters.

The fast pace of developments surrounding energy demands alertness and attention across the board. Investments and infrastructure for the alternative energy sources are costly. Vreugdenhil's commitment is to be forward-thinking in its selection by having correctly researched and considered the various options.

Besides changing our energy mix, we are working with a factory transition plan as an investment programme to make our production process as sustainable as possible in the longer term. We are integrating the concrete components into the regular investment agenda for the coming years. We reserve the budget separately so that it does not come under pressure from other investments. This working method ensures financial planning and approval on separate programme items. Both the investment agenda and energy transition feature prominently on the agendas of the Executive Board and the Supervisory Board.

Gorinchem

In Gorinchem, three projects were delivered last year and approval was given on two other projects to be delivered in 2025. In addition, two proposals have been developed that will be submitted for approval in early 2025 and are expected to be realised in 2025. The main focus of those projects is on residual heat reuse. A large-scale storage and the installations for using residual heat is also planned. Concepts for this have already been developed. Besides working out and realising the projects, we continued to work on increasing the electrical connection. Due to a delay in completion, the final decision to lay the cable falls in 2025. This connection will be used to connect an E-boiler and heat pumps, among other things, but is large enough for the entire sustainability of the factory. The biggest challenge around enlarging the connection is the associated costs. Partly through collaboration with Cluster6, we hope that the government will provide more support to industries for these costs. We have conducted in-depth research on reduction and compensation options. These results will be taken into account in the final decision to increase our connection to the energy net.

Scharsterbrug

In Scharsterbrug, we are working on process optimisation. The factories available residual heat has been mapped and a strategy has been drawn up with the steps to be taken to achieve carbon-neutral production by 2050. From the elaborated projects, it was concluded that priority in Scharsterbrug should be to increase the electrical connection. The route study will be completed in 2025 on which the realisation can be commissioned the same year. For this location, the high cost of the connection will also weigh heavily in the decision-making process. Electrification of a large part of the steam production is expected to be realised simultaneously with the enlargement of the electrical connection. Follow-up projects, in particular for the reuse of residual heat, will be worked out further afterwards as these depend on the larger electric connection. Also for Scharsterbrug, the electrical connection is sufficient to completely eliminate CO₂ emissions.

Putten

After the initial savings in Putten, we conducted an initial inventory of residual heat streams. These streams will be further investigated in 2025 and should lead to a plan of action for collecting, upgrading and returning residual heat. In addition, the strategy for CO₂ reduction until 2050 will be worked out in more detail for this location. The Putten location faces grid congestion, limiting sustainability opportunities in the coming years.



SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all.

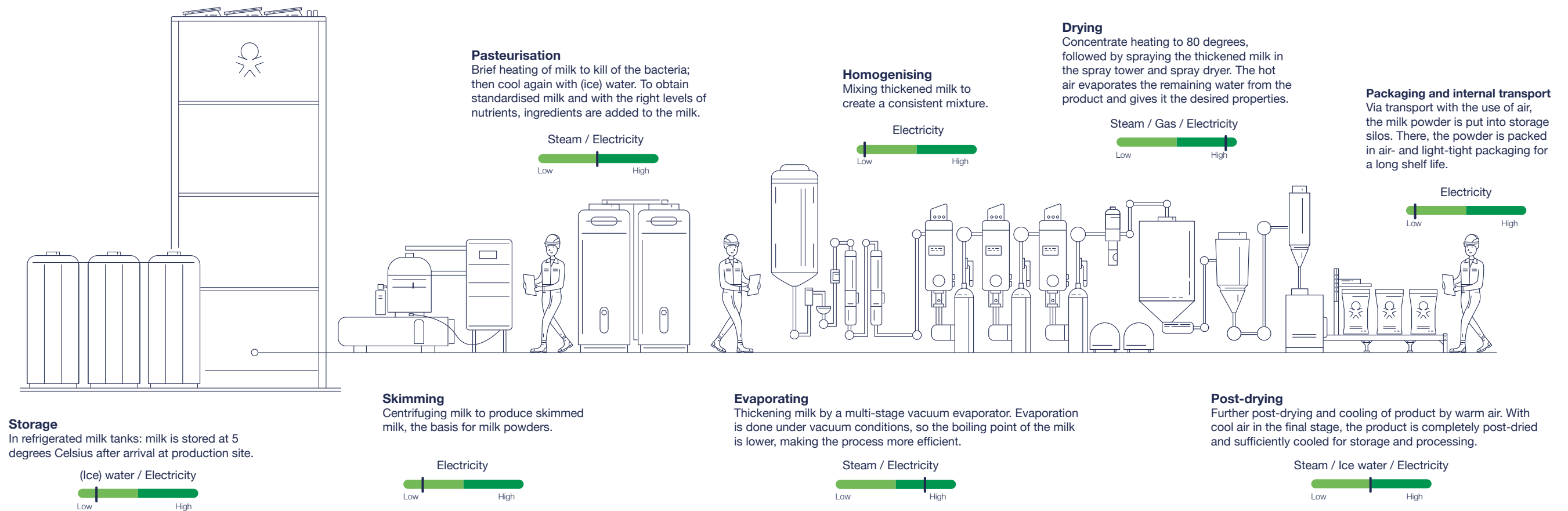
Target 7.2: Significantly increase the share of renewable energy in the global energy mix by 2030.



By buying green electricity, working with our dairy farmers to generate energy with solar panels, among other things, and by investigating whether we can produce more green energy ourselves, Vreugdenhil contributes to an increasing share of renewable energy.



Emissions from our production process

The production process of liquid dairy into milk powder has eight main steps. In this process, milk is processed using steam, ice water, hot air and compressed air, for which electricity and gas are consumed. In addition to the main source of energy, electricity is additionally used in most processes for such things as pumps and controls.



Definition	Target	Result 2024
<p>Climate adaptation</p> <p>Climate change could cause changes in temperature and precipitation with associated consequences and impact on our supply chain</p>	<div><p>Conduct a climate risk analysis in 2024 for our chain focusing on dairy farming, procurement of other raw materials, own production and sales</p></div>	<div><p>Complete climate risk analysis carried out including approval of the MT</p></div>

Vreugdenhil conducted a climate risk assessment in 2024. Our approach to identifying and assessing transition and physical climate risks is in line with the requirements of European reporting standard ESRS E1 Climate Change of July 2024.

To identify climate risks, we considered two primary risk categories: physical risks and transition risks. To identify physical and transition risks, we used multiple climate scenarios, defined as Shared Socio-economic Pathways (SSP) in the IPCC Sixth Assessment Report (AR6), namely: SSP1-1.9 and SSP5-8.5. These are a low emissions scenario, according to the 1.5°C global warming target in 2050 set by the Paris Climate Agreement, and a high emissions scenario (four degrees warming or more by 2100).

Climate-related physical risks can be acute, resulting from specific events, or chronic, arising from long-term changes in climate patterns.

Transition risks are risks related to the transition to a low-carbon future.

The climate risk analysis focuses on the following parts of our chain: dairy farming, production of other raw materials, own production and sale of our products. Based on literature research and market knowledge, we see the main climate risks here. In these parts of the chain, there is a chance of the acute physical risks: heat wave, drought and flooding and the chronic physical risks: water stress and heat stress. In addition, we see the various transition risks in terms of laws and regulations, including increasing pricing of GHG emissions, increased reporting requirements

for emissions and obligations and regulations for existing products and services. Other transition risks include the cost of transitioning to lower-emission technology (technology), changing customer behaviour (market) and shifts in consumer preferences (reputation). Of all these risks, the severity is shown in the tables on the next page for the short term (2025), medium term (2026-2030) and long term (beyond 2030). This is based on the combination of scale (how severe is the negative impact), scope (how wide are the negative impacts noticeable) and irreversibility (to what extent can the negative impacts be mitigated). In 2025, how we deal with these risks will be determined by making it part of our risk management.



Physical climate risks and their impact on Vreugdenhil

Risk severity legend: (white) has no to little impact, (light blue) has some impact and (blue) has significant impact.

Risk	Scope	Low emission scenario			High emission scenario			Substantiation
		Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term	
Changing temperature	Procurement of raw materials							Higher air temperatures inhibit the growth of raw materials, which can reduce yields
Heat stress	Dairy farming							Greater risk for disease spread and shifts in pathogen composition.
Heatwave	Dairy farming							Extreme heat waves affect the physiology of dairy cows and result in a loss of milk production, which subsequently affects Vreugdenhil's milk procurement
	Own production							This extreme temperature rise increases the energy (costs) required to cool dairy products, as well as offices and other work areas.
Sea level rise	Sales of products							Shipping is sensitive to sea level rise due to location of ports
Water stress	Dairy farming							The biggest risk in NL is caused by a reduction in forage yield, which affects milk production.
	Procurement of raw materials							The production of raw materials is inhibited by water shortage in cultivation, water stress will reduce availability.
Drought	Dairy farming							Possible water scarcity due to increasing drought, with a negative impact on milk production. In addition, the price of water may be increased, increasing the cost price of milk
	Sale of products							An increase in drought causes a decrease in water levels in waterways, making transport over water impossible or more difficult. Because we transport our products all over the world, we will experience impacts more quickly, but we can also look for alternatives more quickly through, for example, alternative transport routes.
	Own production							Water scarcity may mean that less water is available for processing milk in our production sites and the price of water will increase which negatively affects the cost price of our products. With increasing water scarcity in a high-emission scenario and over time, the impact on our operations gradually increases.
Heavy precipitation	Dairy farming							Weather extremes are increasing, resulting in years of extreme soil wetting, delay in sowing and harvesting and reduced grass growth.
Flooding	Own production							Over time, the risk of flooding will increase, which could jeopardise Vreugdenhil's production continuity.
	Sale of products							Flooding increases in frequency and severity. Over the years, especially in the high emission scenario, the impact on our business operations will increase as products cannot be sold to existing customers.

Transition risk due to climate change and its impact on Vreugdenhil

Risk	Scope	Short-term	Medium-term	Long-term	Substantiation
Increasing pricing of greenhouse gas emissions	Dairy farming				Dairy production is expected to become more expensive due to the new Agri ETS. As it will take time to implement Agri ETS, the impact of the new regulations is expected to be long-term. In the long term, emissions are expected to become more predictable. Therefore, in the long term, we expect dairy farms, and as a result Vreugdenhil, to have higher costs to produce dairy products.
	Own production				We already face higher energy taxes in 2025. Costs will only go up more with the new ETS system for fuel combustion from 2027.
Increased reporting obligations for emissions	Own production and Dairy farming				Already in the short term, the reporting requirements mean that more manpower and budget is needed for the required reporting. In the long term, the expectation is that the reporting requirement will only increase as climate change becomes a bigger problem.
Obligations and regulation of existing production processes: Land use regulation	Dairy farming				The results of new regulations on land use, both in Europe and nationally, are expected to be felt by dairy farmers within a year.
Cost of transition to lower-emission technology	Own production				Due to rising fuel prices, declining availability, societal challenges (e.g. available energy mix and the overloading of the electricity grid) and existing laws and regulations, Vreugdenhil is already feeling the short-term impact (e.g. lack of a weighted electricity grid in regions of production sites), which will require short-term investments. Where in the long term, the availability of fossil fuels has declined to the extent that Vreugdenhil has to invest in a production process without fossil fuels.
Changing customer behaviour	Own production and Dairy farming				Already, dairy's climate footprint is a major concern for customers. For now, this plays primarily in Europe and other Western markets. This customer demand is expected to grow globally.
Shifts in consumer preferences: Changes in dietary guidelines and trends	Own production and Dairy farming				As climate change becomes clearer in the long term, we expect changes in dietary patterns in the long term.

Indicators

Climate change

Energy consumption and mix

We use non-renewable energy through consumption of natural gas and renewable energy through consumption of purchased electricity and self-generated electricity. The purchased electricity comes from European wind. Self-generated electricity comes from solar panels on our rooftops. The table below shows our total energy consumption and energy sources of the factories and offices in 2024.

Energy consumption and mix	2022	2023	2024
Fuel consumption of natural gas (MWh)	369,290	385,396	380,523
Fuel consumption of diesel (MWh)	0	0	394
Total non-renewable energy consumption (MWh)	369,290	385,396	380,917
Percentage of non-renewable sources in total energy consumption (%)	85	85	85
Consumption of purchased electricity, heat, steam or cooling from renewable sources (MWh)	65,214	67,381	68,294
Consumption of self-generated non-fuel renewable energy (MWh)	1367	1229	1170
Total renewable energy consumption (MWh)	66,581	68,610	69,464
Percentage of renewable sources in total energy consumption (%)	15	15	15
Total energy consumption (MWh)	435,871	454,006	450,381
Energy consumption intensity: Total energy consumption per net turnover (MWh/'000 €)	0.35	0.44	0.42
Energy consumption intensity: Total energy consumption per tonne of product	1.72	1.72	1.73

With the transition to a new system, we have a better understanding of the data. As a result, some minor adjustments have been made in the 2022 and 2023 values compared to last year. In 2024, we see a decrease compared to 2023. This shows that our activities are having an effect, as we did have an increase in production.

Energy production

There are solar panels on the roofs of our head office in Nijkerk and our production sites in Gorinchem, Barneveld and Scharsterbrug. In 2024, the solar panels generated almost 1,300 MWh of green power, which is enough power for more than 450 households per year.

	# panels 2024	Generation (MWh)	Return (MWh)	Use on own premises (MWh)
Scharsterbrug	1572	423	0	423
Gorinchem	1284	314	0	314
Barneveld	1800	504	102	403
Nijkerk	173	35	5	30
Total		1277	107	1170

Greenhouse gas emissions

The table below shows scope 1 and 2 data. The base year value was calculated by extrapolating the emissions from the tower in Gorinchem and the factory in Putten, both of which were not yet operating in 2015, to 2015.

Scope 1 en 2	Retrospectief					Goals
	2015	2023	2024	2025	2030	
Scope 1						
Gross Scope 1 greenhouse gas emissions (ktCO ₂ eq)	76	80	79	69	47	
Percentage Scope 1 greenhouse gas emissions under regulated emissions trading schemes (%)	68	68	69	65	0	
Scope 2						
Gross Scope 2 greenhouse gas emissions (location-based) (ktCO ₂ eq)	26	31	22	n.v.t.	n.v.t.	
Gross Scope 2 greenhouse gas emissions (market-based) (ktCO ₂ eq)	26	0	0	0	0	

We see a slight decrease in scope 1 GHG emissions from 2024, despite an increase in production volume at the factories with GHG emissions. This shows that the reduction measures implemented are already giving results. The decrease in location-based scope 2 emissions is due to the sustainability of the electricity mix in the Netherlands and therefore the reduction in the emission factor of electricity. The market-based scope 2 emissions are 0 by purchasing green electricity. The aim is to continue to do so.

In the following table, we report part of scope 3. Over 2024, we report emissions from:

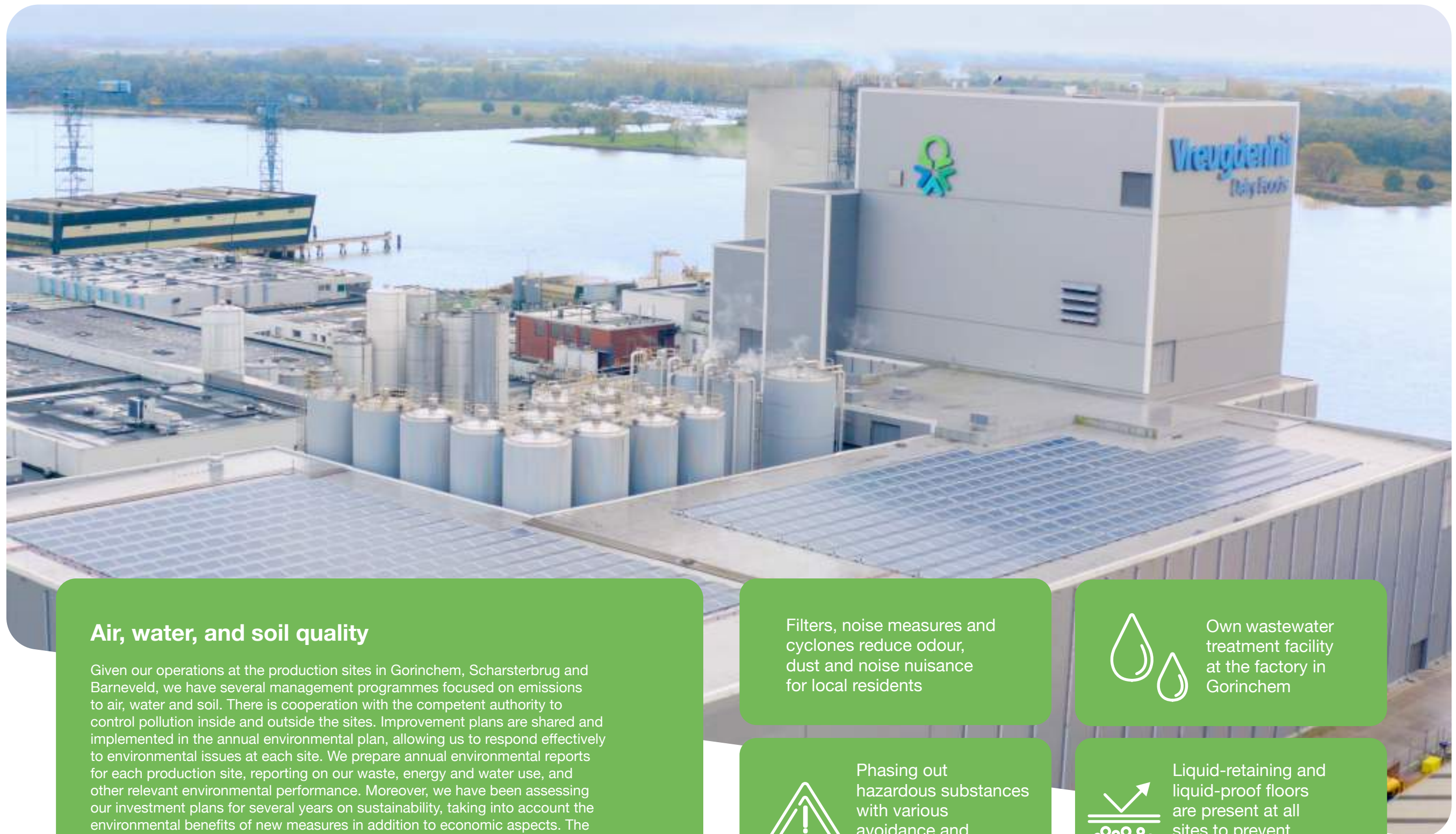
- Procurement of raw materials and upstream transport;
- Business travel;
- Commuting;
- Downstream transport and distribution.

For these topics, we had sufficient data to calculate what our footprint is. The other topics as described in the chapter transition plan will be tackled in the coming years. The transport footprints below have been determined based on the kilometres travelled by the transport purchased by Vreugdenhil. For business travel, hotel stays are also included in the calculation. For the purchase of raw materials, the footprint has been determined based on exact quantities of purchased raw materials. Once we have been able to calculate our entire scope 3 footprint, we will determine the targets based on that analysis.

Scope 3	2024 (kton CO ₂ eq)
Procurement of raw materials and transport (categories 3.1 and 3.4)	1938,51
Business travel (category 3.6)	0,37
Employee commuting (category 3.7)	0,78
Downstream transport and distribution (category 3.9)	14,20
Total	1953,86

At present, we do not finance our own projects to reduce greenhouse gas emissions outside our value chain by purchasing carbon credits. While we are aware that there are initiatives in our chain that do this, we currently have no direct involvement in them. Our focus is on reducing emissions in our value chain first, before looking at carbon credits outside the chain.

For investments, greenhouse gas emissions are considered in decision-making. Here, no financial value is yet placed on greenhouse gases, which means we do not apply internal carbon pricing schemes.



Air, water, and soil quality

Given our operations at the production sites in Gorinchem, Scharsterbrug and Barneveld, we have several management programmes focused on emissions to air, water and soil. There is cooperation with the competent authority to control pollution inside and outside the sites. Improvement plans are shared and implemented in the annual environmental plan, allowing us to respond effectively to environmental issues at each site. We prepare annual environmental reports for each production site, reporting on our waste, energy and water use, and other relevant environmental performance. Moreover, we have been assessing our investment plans for several years on sustainability, taking into account the environmental benefits of new measures in addition to economic aspects. The responsibility for reducing pollution at the factories lies with the COO.

Filters, noise measures and cyclones reduce odour, dust and noise nuisance for local residents









Own wastewater treatment facility at the factory in Gorinchem



Phasing out hazardous substances with various avoidance and reduction programmes



Liquid-retaining and liquid-proof floors are present at all sites to prevent contamination to soil

Definition	Target	Result 2024
<div><h3>Emissions to air</h3><p>During the production of milk powder, there may be emissions to the air. This can be residual powder particles, but can also cause odour and noise pollution</p></div>	<div><div>Dust: Remain below the set dust emission norm and no powder detectable off site</div><div>Odour: minimising the impact of odour on the environment</div><div>Noise: <ul style="list-style-type: none">No complaints received about noise pollution from the surrounding area.Taking new decibel measurements in 2025</div></div>	<div><div>0 complaints from the immediate area (2023: 1x). Air emission measurements at Scharsterbrug and Gorinchem sites below the norm (Putten and Barneveld not measured) (2023: under the norm)</div><div>1 complaint from the immediate environment about odour (2023: 1x)</div><div>2 complaints from the immediate area about noise (2023: 4x)</div></div>

General policy air, water and quality

With the preparations for CSRD, all points where contamination can occur and its control measures were highlighted within our organisation. This showed that almost all contamination issues are well secured at Vreugdenhil's Gorinchem, Scharsterbrug and Barneveld production sites. At the production location in Putten, the contamination management programmes are still being worked on. This will also include the requirements from CSRD. The topic of substances of (very) high concern requires extra attention in the coming years in connection with the implementation of the avoidance and reduction programme at all factories. The first steps for this have already been taken in 2024.

Policy

Actions

Dust

Vreugdenhil produces dairy-related powders. Although in principle these are substances that are not harmful to humans and the environment, they are dust-sensitive. Total dust (consisting of fine and coarse dust) is emitted by processing, storing and loading dust-sensitive substances. Various measures are taken to limit this emission. The dust emissions are mainly caused by residual particles of powders in the drying air from the spray dryers (drying towers). By applying filters, cyclones and wet scrubbers, powder emissions are reduced.

At the factories in Gorinchem and Scharsterbrug, we meet the norms laid down in the licence. These standards are achieved through presence, correct maintenance and proper cleaning of the technical components, such as cyclones, bag filters or wet scrubbers. Every year, an accredited company measures air emissions at the various powder towers. This confirms whether the operation of the installations is correct and there are no excessive dust emissions. In Barneveld, the emission of milk powder

particles is negligible because the production process here is different. In Putten, there are no complaints about dust emissions and, in addition, there have been no observations of powder outside our premises.

Odour

Milk powder can give off odour in the surrounding area, mainly through the outlets of the powder towers. To minimise potential odour nuisance, the factories in Gorinchem and Scharsterbrug have several control measures in place. Firstly, there are filter installations at the outlets of the powder towers, with regular cleaning ensuring that dust and odour emissions are minimised. In Barneveld, odour emissions are negligible. In Putten, there are no complaints about odour emissions.

The Gorinchem site uses an in-house wastewater treatment plant (WWTP), where biological processes can sometimes cause odour. To prevent odour nuisance, a carbon filter is used, with displacement air from the sludge collection trucks passing through this filter. This filter is regularly maintained to ensure proper operation. Control of odour is followed up within the 'Odour Management Plan', which is reviewed annually.

Noise

Noise at a milk powder factory can be caused by various factors within the production process. Large installations, such as spray dryers and evaporators, cooling installations and ventilation and extraction systems produce noise continuously. In addition, transport movements play a role, such as trucks loading and unloading and internal forklifts in use. For new installations and projects, we evaluate the effect on the overall noise of the factory and whether we are still within our norms. Taking noise-reducing measures, such as insulation of installations and optimisation of logistical processes, can help prevent annoyance for local residents.

Policy

Actions

Dust

For the Egron (drying) towers in Gorinchem, work is being done to improve results by increasing the cleaning standard of the cyclones, as well as ideal operation (airflow). Technical modifications to Egron 1's cooling cyclone are also being considered. This focus will give Gorinchem more certainty of achieving the 10 mg/nm3 on the eight outlets of the various cyclones.

Odour

In Scharsterbrug, extended emission pipes have been installed at the powder towers' outlets in collaboration with the province, which allows the exhaust to be released vertically higher into the atmosphere. This not only helps reduce dust emissions, but also limits any odour emissions. Thanks to modifications to the drying towers' exhaust outlets, there have been no more complaints about odour nuisance from the surrounding area.

In the first quarter of 2025, surface aeration at the Gorinchem WWTP will be replaced by bubble aeration at the bottom. With the bubble aeration, there is no dispersion of aerosols above the bin that can cause odour dispersion. In addition, one mixer is placed on one of the sludge bins, which keeps the sludge moving, so the odour concentration is not increased during the emptying of the sludge bins. Sludge is a residual product from wastewater treatment and consists of a combination of dirt particles and bacteria, these bacteria are needed to clean the water. The biggest gain is faster emptying by the sludge collection truck, a time reduction of 15 minutes. The moment of high odour concentration is thus considerably shortened. In addition, the sludge bin is emptied better, so no old sludge remains in the bin. In 2025, the measures taken will be evaluated within the odour management plan and the realisation of a second mixer on the second sludge bin will be considered. So far, it has been noted that the odour load has decreased, in addition, no new complaints from the surrounding area have been reported.

Noise

In both Gorinchem and Scharsterbrug, we have noise reports in the context of compliance with the Environmental Permit. The report showed that noise is being exceeded at a number of government-appointed zoning points. Based on the noise model, noise must be reduced; a multi-year plan has been written for this. This includes the installation of silencers, casing or replacing equipment with quieter ones. The total investment amount for this is heading towards one million euros.

Gorinchem

A large number of improvements have now been made in Gorinchem. In 2024, a silencer was installed on the wet scrubber. In early 2025, the point aerators at the WWTP will be replaced by low-noise compressors and bubble aeration. We regularly report our progress to the environmental institutions.




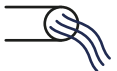
Scharsterbrug


In 2024, the Scharsterbrug site has again modified a number of sources. For instance, a noise-shielding wall was installed near the Cabero drycoolers. This wall is absorbent on the inside. In addition, the frequency of cleaning dampers has been adjusted. Another noise measurement will be carried out in early 2025 to complete the review and confirm the decrease in dB.

Putten and Barneveld

In Putten, a noise report has been drawn up and the norms set by the Environmental Service are met. In case of changes in operations, we check this against the licensed situation. In Barneveld, noise emissions are negligible.



Definition	Target	Result 2024
<div>Emissions to water<p>Water is used in the production process for milk powders to cool and clean, among other things. In the process, it can become respectively hot or contaminated</p></div> <div><div>Policy</div><div>Actions</div><p>Within our organisation, we have policies to carefully control emissions to water and keep them within applicable permit requirements. Although our production mainly involves emissions of harmless substances such as food residues and cleaning agents, we take our responsibility seriously. The policies that the sites have for this vary widely because the factories operate differently and are located in different places in the Netherlands.</p><p>Gorinchem In Gorinchem, the process water used is processed by the company's own wastewater treatment plant (WWTP), after which it is discharged into the Merwede. The WWTP operators have completed the Extended Technique Waste Water Treatment (UTAZ) course and the processing of water is laid down in the 'water processing policy' procedure. This is aimed at ensuring that:</p><ul style="list-style-type: none">• Only wastewater streams are treated at the wastewater treatment plant that can be effectively treated there;• The efficient functioning of the WWTP will not be disrupted;• Clean rainwater is drained to surface water;• The discharged water meets the permit requirements.<p>In the daily monitoring meeting within management, the functioning of the WWTP is discussed.</p></div>	<div><div> Staying below the temperature norm for cooling water</div><div> Staying below the set water discharge norm</div><p>Scharsterbrug In Scharsterbrug, used water is processed in various ways. The clean process water is reused wherever possible. Part of the process water, such as condensate water, is discharged to surface water. If the process water is contaminated, it goes to the sewer via an equalisation tank (pre-treatment). Cooling water is taken from surface water and returned to the surface water. Rainwater is returned to the surface water as much as possible, according to the permit. Potentially polluted rainwater is disposed of via the sewer system.</p><p>Putten and Barneveld In Putten, rainwater goes to the clean rainwater sewer. An equalisation tank will be installed in 2025 to capture peaks in the sewage. All process water is discharged to the sewer in Putten, except for a very limited amount of clean cooling water. This negligible amount of clean cooling water is discharged to surface water.</p><p>Barneveld has no emissions to water as it has a production process that does not use water and therefore the site does not discharge anything to surface water.</p></div>	<div><div> 1 discharge above temperature standard (2023: 3x)</div><div> 35% reduction in number of sewer discharges with excessive pollution compared to 2023</div><div><div>Policy</div><div>Actions</div><p>Vreugdenhil records and analyses environmental incidents to learn from them and prevent future occurrences. Learning points from incidents are shared within the factories. In 2025, a project will be started internally to gain more insight into the peaks of pollution unit figures. It looks at where and when the peaks are and how they can be prevented.</p><p>For the factory in Gorinchem, specific consideration is given to the WWTP. It is of sufficient capacity and ensures that discharge requirements are not exceeded. In 2025, research will take place into possibilities to reduce the number of pollution units that go to the WWTP with the process water. This is expected to save raw materials (milk) and reduce the load on the WWTP.</p></div></div>

Definition	Target	Result 2024
<div>Emissions to soil In case of leakage on site or in the factory, contamination may occur in the soil</div>	<div>No emission to soil</div>	<div>No soil emission observed</div>

Policy

Actions

Soil contamination is not a major issue for Vreugdenhil. Therefore, to our knowledge, no current emissions to soil take place at our sites. Nevertheless, potential risks of incidents remain. Therefore, various management measures do exist.

To monitor that emissions remain zero, we have analyses carried out annually, in Gorinchem, with a set of parameters determined in consultation with the government. These are measured with the well pipes present within the facility.



Pollution is prevented at all sites by applying certified liquid-proof or liquid-retaining floors. Monthly and weekly environmental checks are conducted, during which attention is paid to deviations. Discharges must be prevented and, if they do occur, properly reported and cleaned up.

Policy

Actions

There is a potential risk of soil contamination from the Gorinchem WWTP so we continue to monitor this closely. A trend analysis of the results of the measurements over the past five years shows the following picture: the measured values do not show a clear increase or decrease, which raises the question whether the measurements at this stage can demonstrate causality between the WWTP and measured values. After all, elevated values have also been shown at the reference tubes, which means there may be effects that are not related to the WWTP. It was also investigated whether there is a relationship between the composition of the wastewater and that in the soil. Again, no relationship could be detected. It was decided to continue the periodic measurements for the time being in order to draw definitive conclusions in due course.



Definition	Target	Result 2024
Hazardous substances Various substances of (very) high concern are used in the factories, e.g. lubricants for equipment	 <div>Phasing out substances of (very) high concern at the factories</div>	 <div>Started mapping the substances present and their emissions</div>

Policy

Actions

For the production process to run smoothly, certain points require substances marked as hazardous to humans and the environment, such as lubricants. Out of protection for our employees and the environment, we take this issue very seriously within Vreugdenhil.

Vreugdenhil ensures the proper storage and use of hazardous substances. To this end, storage is used according to the corresponding PGS regulation. In addition, Highly Hazardous Substances have been mapped at the sites and are reduced annually according to the Avoidance and Reduction Programme. Documentation of this will be maintained more strictly because from 2025 it will become a mandatory topic in the electronic environmental annual report(e-MJV).

Policy

Actions

By 2024, having an ARIE (Additional Risk Inventory and Evaluation) system is mandatory for the chemicals at the factories in Gorinchem and Scharsterbrug. A notification was made in 2023. Documentation and monitoring of having a safety management system, setting up and developing scenarios and updating emergency plans is going well. In addition, new chemistry tanks were built and current chemistry tanks were improved based on Hazard and Operability Analysis (HAZOP). The factory in Gorinchem established an avoidance and reduction programme in 2024. This programme looked at the use of substances of (very) high concern and emissions from substances of (very) high concern to air, water and waste. During the inventory phase, the total emissions were found to be less than 1kg. For the substances emitted and used, cost-effective reduction methods were looked at. This showed that there are opportunities to phase out or reduce a number of substances of (very) high concern.

By 2024, hazardous substances have been mapped in Putten and by 2025, substances of (very) high concern will be further reduced. In Barneveld, control takes place with continuous monitoring. Management plans are drawn up for adjustments where potential contamination may occur.

Indicators

Air, water and soil quality

The table on the right shows the emissions to air, water and soil. This is for the factories in Gorinchem and Scharsterbrug. In Barneveld and Nijkerk, emissions are negligible and at location Putten we do not yet have available data.

The values increased compared to 2023 for both air, and surface water. For the air topic, the causes are higher production volume at these two factories and a different product portfolio which resulted in higher emissions.

The wastewater treatment plant (WWTP) at our Gorinchem production site cleans wastewater before it is discharged into the Merwede. In 2024, there were two reasons for an increase in pollution figures. First, there have been a number of calamities in which milk has been fed to the WWTP. This may be due to rejects, malfunctions and suchlike, this has increased the pollution load for the WWTP. To handle this water flow, ferric chloride is added, causing suspended solids to clump together into larger flakes that settle more easily or can be removed through filtration, resulting in clean water. This has increased the chloride value. Secondly, the plant's installations have been cleaned more frequently through CIP, the effluent from this is neutralised in the WWTP using hydrochloric acid, again this has increased the chloride value. Finally, the skimming capacity of Scharsterbrug was expanded in 2024. The start-up and adjustment of this caused more discharges, which increased the TOC. The changed product portfolio caused more frequent cleaning of the installations and thus more discharges, which increased the TOC and nitrogen values.

		Total 2022 (kg)	Total 2023 (kg)	Total 2024 (kg)
Air	NMVOS	1	0	0
	NOx/NO2	29.044	30.164	30.521
	Fine dust (PM10)	5.395	6.734	7.330
	Total dust	5.993	7.482	8.144
Surface water	Chlorides	350.932	364.156	472.168
	Total phosphorus	238	165	275
	Total organic carbon (TOC)	60.192	71.524	89.477
	Total nitrogen	33.871	40.030	49.544
Soil	Not applicable	0	0	0



Water

Water is an important aspect within our production process, we use it throughout the process. What type of water is used where, varies by location. In Scharsterbrug, tap water is used in the production process, for Cleaning in Place (CIP), in the laboratory and for sanitary use. In addition, surface water from the Scharsterrijn river is used for cooling. In Gorinchem, there are various water flows: surface water from the Merwede is used as cooling water, spring water is used as cooling and fire-fighting water, tap water is mainly used for CIP and water from milk (condensate) is used for rinsing and cleaning. At the factory in Putten, they have their own spring water which is used for CIP and process water, among other things. To reduce the consumption of spring water, condensate water is also used for cleaning. The factory in Barneveld does not use water in the process. Responsibility for reducing water at the factories lies with the COO.



Efficiency measures and the reuse of water, within our process, ensure water savings at our production sites

Definition

Water

Water is used from various sources in the milk powder production process for cooling and cleaning, among other things

At Scharsterbrug, the goal is to reduce relative water consumption (m3/tonne of product) by 2% annually. In 2024, the site produced more cream, making it necessary to apply CIP more frequently. As a result, the production and m3 of water consumption increased and thus the 2024 target was not achieved.

The other sites do not have exact targets on annual water savings. However, the subject is also an issue at the other sites and the technical teams in Gorinchem are investigating where water can be saved. The Putten site will start setting up a mass balance in 2025 to gain insight into water consumption and then be able to manage it.

Policy

Actions

For the control of water flows, we work according to established policies and work instructions, in which permit requirements are followed. Adjustments are made when necessary, such as when factories have excess water consumption.

For each production site, we prepare an annual environmental report in which we report on, among other things, our waste, energy and water consumption. For several years now, we have also assessed our investment plans for sustainability, paying particular attention to the environmental benefits of new measures. To manage our water consumption effectively, we maintain close contact with the relevant authorities and bodies. All improvement plans and initiatives related to water management are integrated into our annual environmental plan at factory level, allowing us to work with a target for further optimisation.

Target



Reduce relative tap water consumption (m³/tonne of product) within the production process at the factories in Gorinchem and Scharsterbrug.

Policy

Actions

At the factories in Scharsterbrug and Gorinchem, water saving is discussed in various consultations. In the technology consultation and energy consultation, various measures and ideas to save water are discussed. Water saving remains a hot topic and is monitored weekly in the weekly targets.

In 2025, loss analyses and improvement potential will be carried out in Gorinchem by the technology department. Based on this, we can look further at possible actions for water savings. In Scharsterbrug, a new CIP plant will be commissioned in 2025 and this will provide water savings. In addition, the site will create more awareness among employees to save water.

Indicators

Water

The table on the right shows the figures of our water withdrawals, discharges and consumption. Water intake is all the water withdrawn from spring water, tap water and surface water. Water discharges is all the water discharged to surface water and the sewer. Water consumption is calculated by taking the total intake minus the total discharge, then you are left with the total consumption (water "used" and thus cannot be discharged back). Our factories' water consumption is a negative value, meaning we discharge more than we consume. This information is for the factories in Gorinchem and Scharsterbrug. In Barneveld, Nijkerk and Putten, water consumption is negligible. This data is tracked monthly by the controllers based on invoices and checking the water meter.

Due to an administrative error in 2023, incorrect figures were reported regarding the intake of surface water. This has been corrected in the current 2024 report. The data in this table is accurate and will be used going forward.

Result 2024



Compared to 2023, consumption is 4.3% higher in 2024

Water intake, discharge and consumption			
	2022	2023	2024
Intake of spring water ('000 m ³)	Not yet reported	Not yet reported	157
Tap water intake ('000 m ³)	791	794	820
Surface water intake ('000 m ³)	Not yet reported	9,214	9,253
Total water withdrawals ('000 m³)	791 (excluding spring and surface water)	10,008 (excluding spring water)	10,231
Water discharge surface water ('000 m ³)	Not yet reported	11,054	11,090
Water discharge sewer ('000 m ³)	Not yet reported	200	218
Total water discharge ('000 m³)	Not yet reported	11,254	11,307
Total water consumption ('000 m³)	Not yet reported	-1,246	-1,077
Water intensity (m ³ /'000€)	Not yet reported	-1.17	-1.02
Water intensity (m ³ /tonne product)	Not yet reported	-4.79	-4.14

Biodiversity and ecosystems

The impact on biodiversity and ecosystems in Vreugdenhil's chain is mainly in dairy farming and the cultivation of raw materials. Vreugdenhil has no factories or offices in protected nature reserves or other areas of high biodiversity value. Through the Sustainable Dairy Chain, we work together with dairy companies and dairy farmers to create a Dutch dairy sector that is responsible and future-proof. By sharing knowledge, offering tools to gain more insight and stimulating sustainability with a sustainability premium, we are working with our dairy farmers on sustainability. The Milk Supply Director is responsible for this cooperation. For the various other raw materials with a risk for biodiversity and ecosystems, such as palm oil and soy lecithin, we are working on responsible sourcing. The QA Director, COO and Commercial Director are jointly responsible for this.



All the palm oil used in our factories is 100% RSPO certified



Getting started in 2025 with a biodiversity strategy for our dairy farmers

Definition	Target	Result 2024
<div>Dairy farming</div> <div>Biodiversity can be encouraged with the acreage of livestock farmers.</div>	<div></div> <div>75% of our livestock farmers take biodiversity measures</div>	<div></div> <div>71% (2023: 67,1%)</div>

Policy

Actions

Our dairy farmers live with and for nature. For cow feed, they are largely dependent on the climate and soil fertility of the land. They also want to keep this optimal in the long term, which is why sustainable land management is important. Within the Sustainable Dairy Chain, the following topics are central; outdoor grazing, biodiversity and environment, climate-responsible dairy and the continuous improvement of animal welfare. For biodiversity and environment in dairy farming, the focus is on sustainable feed, environmental conditions and biodiversity conservation.

Sustainable animal feed

Dairy farmers use 100% responsible soy from 2015 (RTRS or equivalent). Vreugdenhil has included GMP+ MI103 with the scope 'Responsible dairy cattle feed' in its quality systems from 1 January 2015. Cattle feed suppliers that comply with the GMP+ MI103 will appear on a white list of companies allowed to supply our dairy farmers. The GMP+ MI103 includes the condition that all purchased soy must be certified according to the RTRS criteria or equivalent. Here, both Segregation, Mass Balance and Book & Claim are accepted as models.

Producing within environmental constraints


Vreugdenhil emphasises the importance of sustainability in dairy farming by asking all dairy farmers to fill in the KringloopWijzer™. This tool provides valuable insight into their operations, allowing them to better manage healthy soil and use minerals more efficiently. This approach can lead to significant savings in fertiliser and roughage. By focusing on aspects such as increasing protein from own land, we aim for a more land-bound dairy industry. This approach helps reduce dependence on raw materials for feed from other regions, which in turn has a positive impact on conserving biodiversity elsewhere. Within the sustainability programme, Vreugdenhil rewarded in 2024 on the following indicators from the KringloopWijzer™ : Greenhouse gases and Percentage of protein from own land. In total, this could yield a maximum premium of €0.25/100 kg of milk.

Preserving biodiversity

Many dairy farmers engage in agricultural nature management through various measures such as meadow bird management, ditch edge management and the creation or protection of landscape elements. As part of our sustainability programme, dairy farmers can receive rewards for their commitment to biodiversity.

15

LIFE ON LAND



SDG 15: Protect, restore and promote the sustainable use of terrestrial ecosystems, sustainably manage forests and woodlands, combat desertification, stop and reverse land degradation and halt biodiversity loss.

Target 15.5: Take urgent and decisive action to curb the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect endangered species and prevent their extinction.

By rewarding our dairy farmers and working as a sector to have a positive impact on biodiversity, Vreugdenhil contributes to biodiversity restoration.

Policy

Actions

In 2024, the new purchasing conditions for 2025 were determined with our dairy farmers. Here, from 2025, rewards will be given on effort to increase biodiversity, e.g. meadow bird management or maintaining landscape elements, permanent grassland and herb-rich grassland. This will come in addition to the indicators of Greenhouse gases and Percentage of protein from own land mentioned above. This could then total a maximum premium of €0.45/100 kg of milk.

In 2025, Vreugdenhil will start working on a biodiversity strategy focused on dairy farming. We will do this by participating in a Community of Practice (CoP) on biodiversity of MVO Nederland. During this CoP, we will work on building up our knowledge on biodiversity and how we, as a company, can work on this strategically. By early 2026, we will have a biodiversity strategy that we can use to make a bigger contribution to maintaining and improving biodiversity in the Netherlands.

Definition	Target	Result 2024
Procurement of raw materials Production of palm oil can cause land-use change, such as deforestation.	 100% RSPO palm oil procurement	 100% RSPO palm oil purchased (2023: 100%)
Raw materials for our packaging made from paper, cardboard and wood may come from forests that are not sustainably managed	 100% FSC cardboard and paper (in our bags and boxes)	 100% FSC cardboard and paper purchased (2023: 100%)

Also in 2024, all palm oil in our milk powders was fully certified sustainable. This palm oil was sourced according to the guidelines of the Roundtable on Sustainable Palm Oil (RSPO), using the mass balance or segregated system. This means that producers in countries such as Indonesia, Malaysia, Colombia and Costa Rica have been assessed on criteria such as preventing deforestation, responsible use of plant protection products and ensuring good working conditions. RSPO-certified palm oil is processed in our fat-filled powders, replacing milk fat with vegetable fat, without loss of nutritional value. This results in lower costs and makes our products more accessible to a wider audience.

Policy

Actions

As part of our commitment to International Corporate Social Responsibility (CSR), we have committed to 'due diligence'. This implies that we have become more aware of human rights and environmental risks arising from our business activities, both directly and indirectly. Due diligence is an ongoing process, where we continuously assess these risks and implement appropriate measures to mitigate them, according to applicable legal and regulatory requirements.

Policy

Actions


A comprehensive risk assessment was carried out in 2023 to identify commodities at high risk of deforestation. It will be repeated once every three years. The assessment was based on detailed information from Sedex and insights from external experts. It included a thorough analysis of the origin of the raw materials, the supply chains involved and the potential environmental impact. From the initial inventory, soy lecithin, palm oil, and cardboard and paper emerged as high-risk raw materials. These raw materials were identified based on their production processes, geographical origin and degree of involvement in deforestation activities. The findings of this risk assessment serve as a basis for further measures and strategies to reduce the impact on deforestation.

ProTerra-certified soy lecithin was procured until 2023. However, due to limited availability and consequent extreme pricing, procurement of ProTerra-certified soy has been discontinued. High prices and limited availability make it a risk to our operations.

The cardboard we use for our packaging is fully certified by the FSC (Forest Stewardship Council). This international organisation is committed to sustainable forest management and the conservation of forests worldwide. This includes responsible logging, the welfare of workers and local communities, and transparent decision-making. In 2024, we have purchased only FSC-certified bags. We are currently working on projects to make both bags and cardboard thinner, without losing quality.

15

LIFE ON LAND



SDG 15: Protect, restore and promote the sustainable use of terrestrial ecosystems, sustainably manage forests and woodlands, combat desertification, stop and reverse land degradation and halt biodiversity loss.

Goal 15.2: Promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and increase afforestation and reforestation globally in a sustainable manner.

By mapping which raw materials are at risk of deforestation and buying these raw materials certified, Vreugdenhil works hard to prevent deforestation in the value chain and manage forests sustainably.



Resource use and circular economy

Our raw materials are at the heart of our products and play a crucial role in our drive towards a more circular economy. With a focus on sustainability and efficiency, we mainly focus on making our packaging more sustainable and minimising our waste. These efforts fall under the responsibility of our COO.

12%

plastic waste
reduced compared
to 2023



New wrapping film with
30% PCR (post-consumer
recycled plastic)

Definition	Target	Result 2024
<div>Resource use and circular economy In order to safely transport our products to customers, packaging material is needed.</div> <div>Waste may be generated during milk powder production</div> <div><div>Policy</div><div>Actions</div></div> <div>Packaging The focus on sustainable packaging in society, among our customers and the government, is growing. Our main packaging materials, including tin, plastic and paper, play an essential role in ensuring the quality and food safety of our products. In cooperation with our customers and suppliers, we strive to make these materials more sustainable, while maintaining the highest quality standards. Primary packaging, according to current legislation, must still be of virgin material for food safety reasons. Secondary or tertiary packaging, think of plastic pallets, is already currently produced from recycled material as much as possible.</div> <div>Waste Our waste policy ensures responsible disposal of waste materials, in accordance with applicable laws and regulations. In our factories, every employee contributes to the correct separation of waste. The facility department is responsible for the disposal of waste, while the administration department ensures its documentation. The process and documentation are monitored by the Safety, Health, Environment (SHE) department. We work with approved collectors, either directly or through an intermediary. These also take care of our waste registration.</div>	<div><div></div><div>The aim is to launch two new projects around sustainable packaging every year</div></div> <div><div></div><div>Minimise quantity of waste and grow on Lansink's ladder for waste treatment</div></div> <div><div>Policy</div><div>Actions</div></div> <div>Packaging As the 2023 projects still required a lot of attention, we continued to focus on the same two core initiatives in 2024: increasing the recyclability of sachets by rolling out the new film, and reducing paper consumption by testing alternative bags.</div> <div>After successful testing with a 30% Post Consumer Recyclate (PCR) stretch wrapping film in 2023, we switched to this in 2024. By better tuning our machines for the new films, the project has also resulted in a 50% material reduction for the wrapping film we use for our outgoing pallets, compared to 2023. This makes it a successful project that has enabled us to save material and use more recycle.</div> <div>We started the project to improve the sustainability of our 25 kg bags in 2024. This involves working on reducing the layers of paper and making the (plastic) liners thinner. These efforts not only lead to material savings, but also to more efficient production and transport. This project will continue into 2025.</div> <div>As packaging is essential to keep our products of high-quality and food-safe, we also want to work on recycling in developing economies. This is why we launched a project in Indonesia in 2024, offsetting part of the plastic we put on the market by buying plastic credits. We continue to focus on making our packaging more sustainable, but see this as an important intermediate step to also boost the recycling industry.</div> <div>Waste Over the years, there have been many actions at the factories in Gorinchem and Scharsterbrug to improve waste separation. For example, clearer instructions have been given to the employees involved by having a colour system, for example. This colour system provides clear explanations to all employees on where to put what waste.</div>	<div><div></div><div>Project started to reduce layers of paper and make thinner (plastic) liners in 25kg bags</div></div> <div><div></div><div>Not applicable, project for 2025</div></div> <div>Within our factories, we separate category 2 and 3 materials, paper and cardboard, plastic, cans and residual waste, among others. In addition, construction and demolition waste is disposed of separately, while scrap iron and stainless steel are disposed of in special containers. Pallets are partly reused and partly disposed of. In 2025, the waste streams will be further described and improvements will be considered.</div> <div>In Barneveld, waste is well separated and by 2024 the data is well understood and discussed periodically. The site had a target of reducing category 2 and 3 waste in 2023. In 2023, the category 3 target had not been achieved. However, in 2024, by paying a lot of attention to these issues, the amount of category 2 and 3 was reduced by 29% and 50% respectively. Putten separates waste and will start a project in 2025 to re-process still good products wet, which will reduce the amount of category 3 waste that has to be sent for incineration.</div>

SDG 12: Ensure sustainable consumption and production patterns.
SDG 12.5: By 2030, significantly reduce waste generation through prevention, reduction, recycling and reuse.
By using as many of the elements of dairy as possible in our products, reducing our packaging wherever possible and increasingly separating waste from our process, Vreugdenhil is working to prevent waste and maximise circular waste disposal.

Indicators

Resource use and circular economy

Material inflow

We use various raw materials to make our products. The table below shows the quantities of our ingredients and packaging.

Materials inflow (kton)	2022 (kton)	2023 (kton)	2024 (kton)
Dairy	1406	1515	1501
Non-dairy	44	46	57
Renewable packaging	6	6	6
Fossil packaging	11	8	9
Total	1467	1575	1572

Material outflow

Our main product, milk powder, is consumed by the end customer. Furthermore, various packaging streams come from our production process. Almost all our renewable and fossil packaging is technically recyclable. We continuously work to reduce and make our packaging more sustainable.

Waste

The table on the right shows our waste figures. This is for the factories in Gorinchem, Scharsterbrug and Barneveld. In Nijkerk the waste is negligible and at the factory in Putten the data is not yet available.

Type waste	Destination	Quantity 2022 (tonnes)	Quantity 2023 (tonnes)	Quantity 2024 (tonnes)
Non-hazardous				
Category 3 material	Livestock feed	1344	1601	1731
Subtotal cattle feed		1344	1601	1731
Paper and cardboard	Recycling	455	576	513
Metal	Recycling	334	272	302
Plastic	Recycling	148	155	137
Wood	Recycling	0	21	21
Construction and demolition waste	Recycling	39	8	2
Mineral substances	Recycling	10	0	0
Recycling sub-total		986	1032	975
Liquid digestion waste (incl. sludge)	Energy recovery	9.832	10.162	10.108
Category 2 material	Energy recovery	514	265	244
Residual waste	Energy recovery	84	185	197
Grease and oil mixtures	Energy recovery	34	0	30
Subtotal energy recovery		10.464	10.612	10.579
Rubble and soil	Unknown	0	120	42
Subtotal unknown		0	120	42
Dangerous				
Chemical waste	Energy recovery	116	6	5
Subtotal hazardous		116	6	5
Total waste		12.915	13.374	13.333



Social

This 'Social' chapter details what Vreugdenhil is doing on various social issues. It starts with a chapter on our own workforce. Here we describe, among other things, safety, working conditions, equal opportunities and development. Next, we discuss the employees in our chain in dairy farming and for the purchase of other raw materials. Finally, we turn to our customers and consumers, discussing product safety and quality, affordable and healthy food and the protein transition.





Own workforce

At Vreugdenhil, we strive to create an environment where people can work safely, enjoyably and in good health to build a successful business. We take various initiatives to promote the vitality and health of our employees. We believe that creating a pleasant and safe working environment is a joint responsibility of all employees. This is actively managed by our HR Director and CEO.

ISO45001 certificate
for safe working
environment at two
factories and head
office




21%
of our
employees are
women



526
employees are covered
by the Dairy CLA or its
derivative AVR



Large amount of opportunities
for development in the form of
coaching, workplace learning,
courses and training

Definition	Target	Result 2024
Health and safety As an employer, Vreugdenhil influences the physical and mental health and safety of its employees.	 Zero accidents with absenteeism for all factories	 8 accidents with absenteeism (2023: 7)
	 Absenteeism to be 1% below industry average in the Netherlands	 5.7% absenteeism, which puts us 0.2% lower than industry NL (2023: 6.1%, 0.3% higher than industry NL)

Safe working environment
Safety is a top priority for Vreugdenhil. The safety of our employees at factory sites and office locations is and always will be a topic with focus in order to prevent accidents as much as possible.

Policy

Actions

At all sites, we make our employees aware of the importance of physical safety on a daily basis. We continuously investigate and invest in the factories whether and how to work more safely. A safety meeting is held every six weeks with the factories safety managers. Through internal communication channels, we regularly pay attention to safety and all our employees attend mandatory safety training courses. We also organise information meetings to emphasise safe working practices.

Since the end of 2024, all Vreugdenhil sites have been working with a new Safety Dashboard. The Safety Dashboard is an accessible and effective safety management tool that makes it easy to report incidents - such as dangerous situations, (near) accidents and environmental-related situations. This new tool increases awareness among colleagues, making them feel more involved. This is a step towards an even safer working environment. In addition, this tool maps out more precisely where critical points are and how we can act better focused on safety.

All employees and temporary workers at the factories in Gorinchem, Scharsterbrug and Barneveld and at the head office in Nijkerk, are covered by a safety management system. Putten has started setting up a safety system, as described in the section on safe working environment. As a result, about 95% of our employees are now covered by a safety management system. The factories in Scharsterbrug and Barneveld and the head office in Nijkerk are ISO45001 certified.

From 2025, all sites will gradually switch to NTA 8620. This change will ensure better alignment with the ARIE scheme and will therefore specifically address the handling of hazardous substances. We realise that

this removes external certification for other safety topics. We have secured this through our knowledge and experience of ISO45001 and because other safety topics will still be checked by external and internal audits, but without certification.

Policy

Actions

Gorinchem
Several initiatives have been implemented in Gorinchem, including the launch of a behavioural campaign on safety. This campaign drives compliance with basic safety rules under the banner 'This is how we work at Vreugdenhil, of course!' As a kick-off, all employees from all departments went through a safety themed escape room. A playful way of training, which confronted them with risks and the time pressure of a (fake)bomb.

Besides the escape room, toolboxes were organised covering various topics, including internal transport and proper use of personal protective equipment (PPE). Work was also done to fully revise the EVD (explosion safety document) and a plan of action was drawn up for implementation. Gorinchem has also created a safety plan for safe access to roofs, implementation has started for several roof areas. Other in-depth RI&Es (Risk Inventory and Evaluation) were carried out on noise levels in the factory, welding fumes, vibrations and machine safety. In addition, work was carried out on tower safety analysis focused on explosion and fire risks in and around powder towers. In 2025, this analysis will be followed up in the form of an action plan. Meanwhile, modifications are already being implemented at the powder towers by the project team.

In 2025, further steps will be taken with the electrical policy, the re-implementation of the work permit system and the safety campaign will take more shape. Within the campaign, there will be a large-scale Last Minute Risk Analysis training, all managers will be trained and tested as safety leaders, and the safety observation initiative has been launched, with all managers and the SHE department conducting several safety observations in the factory every week.

The previous target was for Gorinchem to also be ISO 45001 certified by 2023. Gorinchem made the choice to focus in 2023 and 2024 on the legal obligations of ARIE regulation (Additional Risk Inventory and Evaluation) and the roll-out of a large-scale safety campaign. Given the number of accidents, there was a greater need at the site to focus safety policy on the legal ARIE obligations and increasing safety culture on the work floor.

Scharsterbrug
Several improvement projects were organised on confined spaces, work permits and working with chemicals.

Putten and Barneveld
In Putten, safety has been improved by conducting various safety checks and addressing actions from these immediately. Safety rounds with employees have been started to raise safety awareness and resolve safety issues within an appropriate timeframe.

In addition, several new procedures have been implemented in preparation for a safety management system in Putten in 2024. Follow-up steps will be taken in 2025, including starting internal audits. Putten's RI&E was made and reviewed in 2024. From this, the highest priorities have been addressed and the risk has been significantly reduced. Resolving points from the RI&E will have continuous attention in 2025.

A safety game was launched in Barneveld in 2024 with the aim of raising awareness of reporting dangerous situations. This resulted in higher safety awareness and an increase in the number of reports of dangerous situations. In addition, a number of points from the RI&E were picked up and improved in 2024.

Nijkerk

At our headquarters in Nijkerk, we worked on making our visitors more visible. To prevent sneaking in, all visitors now wear a badge so that they are recognised as visitors. In addition, through toolbox meetings in various departmental consultations, Nijkerk's RI&E was explained. The aim of these meetings is to ensure that the employees are properly involved in safety.

Indicators

Safe working environment

The table below shows the number of accidents for all sites. In 2024, there were eight lost-time accidents within Vreugdenhil. None of the accidents resulted in permanent injuries and none of the accidents were notifiable. We see a slight increase in both the total number of accidents, accidents with absence and days of absence. Our target remains zero accidents with absenteeism. Even more important is to learn from the accidents, near-accidents and dangerous situations that took place so that we can prevent them in the future.

Accidents	2022	2023	2024
Accidents total (#)	58	44	49
Lost time accidents (#)	8	7	8
Total absence days (#)	192	25	84
Fatal accidents (#)	0	0	0

Staying vital and having fun at work

We find it very important to have sustainably employable and vital employees within Vreugdenhil. This means, employees who enjoy working with us and are healthy now and in the future.

Policy Actions

- We want to create a culture where sustainable employability and vitality of our employees are key. We aim to provide an environment where employees can work with pleasure and satisfaction, while being encouraged to be as fit and healthy as possible. With a preventive policy, we invest in their health and well-being and create a working environment in which employees feel comfortable and can develop themselves. The preventive policy involves identifying possible causes of absenteeism and taking measures to counteract absenteeism. This is done through:
- Risk inventory and evaluation (RI&E) and the plan of action in this area
 - Periodic medical examination (PMO)
 - Employee satisfaction survey (MTO)
 - Individual interviews with employees in the form of absence interviews and evaluation and performance interviews
 - Signalling by experts (health and safety service in the form of preventive interview)

Our human rights policy and code of conduct states that we treat each other with respect for people's fundamental dignity and their human rights. We do this in accordance with various international standards, including the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work, the United Nations Guiding Principles on Business and Human Rights and the Universal Declaration of Human Rights. Specifically, this means that no human trafficking, forced and child labour takes place in our organisation and we do not discriminate or harass. By promoting a healthy work-life balance, having a home working arrangement, paying fair wages and putting employee health and safety first, we ensure an attractive workplace for our employees.



Policy

Actions

Based on the results of an earlier PMO (Preventive Medical Examination), it was determined, in consultation with the COR, which topics it would be desirable to offer workshops to employees. A survey at the various locations was then used to ask employees which workshops they were interested in. As a result, several workshops were held in 2024, including healthy eating and quitting smoking. Workshops such as "From workload to work happiness" and "Sleep and relaxation" will be added in early 2025.

We have several programmes aimed at promoting the vitality and health of our employees. Through internal channels, we regularly share messages on important topics such as 'Exercise, Smoking, Alcohol, Nutrition and Relaxation'. Fresh fruit is always available at all our locations and we organise weekly boot camp training sessions in Nijkerk, which employees, including those from other locations, can actively participate in. In 2024, various activities such as bootcamp and a football tournament are organised in Gorinchem. We also encourage our employees to participate in various sports events. These include a run in Nijkerk with various distances but also various ice-skating clinics spread throughout the country. Vreugdenhil Dairy Foods has become a proud sponsor of the women's marathon ice-skating team in the top division in 2023. Together with VGR Sport, we are the main sponsors of the skating team. Playing sports gives energy and a shared sports experience creates connection. Vitality and a healthy working environment are of paramount importance at Vreugdenhil. In this way, we want to encourage a healthy lifestyle and create a positive working environment in which vitality is central.

To support our employees in challenging (private) situations, we have made various forms of help available. From 2024, employees who provide informal care can make use of a special external coach, who can assist them with organisational tasks, answer questions, think along with them about possibilities and offer a listening ear. Seven employees made use of this possibility. Four of these involved informal care for a parent or parent-in-law and three for a partner.

We also offer our employees free access to financial advice from an independent external adviser in special situations. This was used several times in 2024. To make use of these services, employees can express their interest to the confidential advisor, in case they do not want to discuss this directly with their manager. Our aim is to create a supportive and caring environment in which our employees feel supported, both professionally and personally.

Meanwhile, we have also agreed at collective bargaining level that employees can use independent financial advice once every three years. Collective agreements on this are being made with an external party that will offer this for the entire sector. The aim is for this to be operational around 1 April 2025.

Indicators

Staying vital and happy at work

What we see throughout the Netherlands and also within the dairy industry is that in recent years, absenteeism is significantly higher than in the past. Unfortunately, this trend is also noticeable within Vreugdenhil. However, compared to 2023, sick leave has fallen from 6.1% to 5.7%. This puts us below the CBS annual figure for the food industry of 5.9%. Our goal remains to be 1% below the average sick leave of the industry in the Netherlands.

In 2024, 3 reports were made to the internal confidential advisor (2023: 4) and no employees used the external confidential counsellor (2023:1). In addition, 4 employees used counselling sessions with the internal confidant (2023: 2), some multiple counselling sessions. It is very important that all reports are taken seriously and the confidentiality of reporters is handled carefully. The reports were about bullying, discrimination and not feeling heard. As far as we know, these reports have been dealt with to the satisfaction of the reporter. It is good to see that our employees know how to find the confidential advisor.

There have been no serious human rights issues and incidents related to our employees.





SDG 10: Reduce inequality within and between countries.

Goal 10.3: Ensure equal opportunities and eliminate inequalities, including by removing discriminatory laws, policies and practices and by promoting the appropriate legislation, policies and actions in this regard.

By laying down desirable manners and equal opportunities in our organisational policy and translating this into practice in regulations and training, Vreugdenhil works to counter discrimination and inequality.



Definition	Target	Result 2024
Terms and conditions of employment As an employer, Vreugdenhil has an impact on employment in the Netherlands and on the terms and conditions of employment of its employees.	 Competitive and fair terms of employment (complying with occupational health and safety standards) to retain employees and attract new ones	 New collective agreement agreed upon for the period from 1 April 2024 to 1 April 2025

Policy

Actions

The basis for employment conditions are the Collective Labour Agreement (CLA) and the Employment Conditions Regulation Vreugdenhil (AVR). For some of our factories, we are mandatorily covered by the scope of the dairy CLA. To create unity within Vreugdenhil, we have chosen to follow the dairy CLA not only for certain factories, but for all locations. This stems from our overarching vision of 'One Vreugdenhil'. For positions that exceed the CAO, we drafted an Employment Conditions Regulation Vreugdenhil (AVR) in consultation with the COR several years ago. Thanks to both the CAO and the AVR, we ensure not only that we comply with legislation, but also that our employees are fairly remunerated, that working hours and rosters comply with occupational health and safety standards, that remuneration is based on job evaluation and that, as a result, there is as much gender equality as possible.

All paid employees are covered by social protection programmes in case of loss of income due to illness, unemployment, accident and disability due to work, pregnancy and retirement. In addition, all employees in our workforce, whether employed or not, are paid a living wage, from which employees can support themselves and their families. We follow the Dairy Collective Labour Agreement in this regard.

At Vreugdenhil, we value the involvement of our employees in decision-making. This happens in various ways, both directly and indirectly. For example, our union members have influence on the outcomes of collective bargaining negotiations. We also have three works councils (OR) from which representatives participate in the Central Works Council (COR). Depending on the subject, matters are discussed in local works councils or in the COR, where requests for advice or consent can take place. An example of participation from the COR is their active participation in the selection of an external company for the employee satisfaction survey to be held in 2025. In addition, both the OR and the COR can also submit their own proposals. Furthermore, employees can express their opinions directly by participating in, for example, employee satisfaction surveys on satisfaction or health.

Within our organisation, there are also various consultation forms such as departmental and work meetings, performance appraisals and the interactive communication channel Plek, in which employees can influence decision-making. Besides these more formal avenues, Vreugdenhil is known for its informal culture, in which employees have a lot of freedom to take initiatives and express themselves. All this contributes to an environment where everyone feels heard and can contribute to the further development and growth of our company.

Employees and external stakeholders have the option of reporting abuses in the organisation or in the chain (anonymously) via our [website](#). This function has not been used in the past year. Our employees can also contact an internal or external confidant if they wish to report, for example, circumstances at work or behaviour of colleagues. They can approach these confidants by mail, telephone or come in person; all these ways are used. The confidants offer a listening ear and, depending on the wishes of the employee concerned, help think about possible follow-up steps or solutions. The mediators report annually on the numbers and types of reports to the MT and the COR, guaranteeing privacy and anonymity. In this way, we ensure that potential concerns or problems are addressed quickly and discreetly, and that employees feel safe within our organisation.

Policy

Actions

The NZO, together with the unions FNV, CNV and De Unie, concluded a new Dairy CLA for the period from 1 April 2024 to 1 April 2025. Salaries were increased by 2% from 1 April and a further 1% from 1 July 2024. Other changes resulting from the CLA negotiations include an increase in the end-of-the-year bonus from 4 to 5%, and agreements on financial talks (as mentioned earlier in this report) and the Early Retirement Scheme. Negotiations for the new CLA, effective from 1 April 2025, will start at the end of February 2025.

A new employee satisfaction survey (MTO) is planned for 2025. With this survey, we want to map out how employees experience our organisation, what they are satisfied with and where possible areas for improvement lie. The MTO is an important instrument to actively listen to employees and forms the basis for further development of our employees policy. By investing in an open feedback culture and paying structural attention to job satisfaction and engagement, we strive for an organisation in which everyone feels heard and valued.

In 2024, preparations were made to start structured exit interviews from early 2025. Departing employees will receive a questionnaire prior to the interview asking about their work experience and reason for leaving. This approach provides valuable insights that help us make targeted improvements in the organisation. We also find it important that employees leave the organisation with a positive feeling; the exit interviews play an important role in this as well.

8





DECENT WORK AND ECONOMIC GROWTH



SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Goal 8.8: Protect labour rights and promote safe and healthy working environments for all workers, including migrant workers, especially women migrants, and those in precarious working conditions.

By paying attention to safety, vitality, workplace happiness and the presence of a comprehensive collective bargaining agreement and code of conduct, Vreugdenhil works to create a healthy working environment for our 500-plus employees.

Definition	Target	Result 2024
Equal treatment and opportunities As an employer, Vreugdenhil is influential in promoting diversity and inclusion.	 Equal opportunities and treatment for all regardless of gender and sex, origin, religion, (minimum legal) age, sexual orientation, appearance and health.	 1 report to confidential advisers about unequal treatment and opportunities.
Equal treatment also means fair remuneration. Here, employees receive remuneration commensurate with their position, responsibilities, experience and performance, which is transparent, objective and non-discriminatory.	 No wage discrimination based on gender and sex, origin, religion, (minimum legal) age, sexual orientation, appearance and health.	 Everyone with the same job/job rating class has the same salary scale with fixed annual increments (CLA) and semi-fixed annual increments (AVR).

At Vreugdenhil, we strive for an inclusive culture where there is equal opportunity and treatment for all, regardless of gender and sex, origin, religion, (minimum legal) age, sexual orientation, appearance and health.

Policy

Actions

Our salary structure is based on job evaluation and translated into salary scales. As a result, everyone with the same job/function rating class, has the same salary scale with fixed annual increments (CLA) and semi-fixed annual increments (AVR).

To ensure that when new vacancies arise, our own employees first have the opportunity to grow within the organisation, vacancies are only published internally for the first few weeks. We also aim for both men and women to be involved in the selection process. We also have an internal confidential advisor (female) and an external confidential advisor (male). This allows employees to decide who they want to talk to about sensitive issues.

With our external communication, we want to show that everyone is welcome at Vreugdenhil. We do this by using appropriate texts and visual materials that convey the message of inclusiveness and diversity. By taking these steps, we work towards an environment where everyone feels valued and respected, regardless of background, identity or beliefs.

Policy

Actions

We consider it very important to continue taking action to ensure equal treatment and opportunities for our (potential new) employees. We therefore actively apply our policy and tighten it where necessary. This tightening can be initiated from different places in the organisation. The external confidential advisor can also alert us to anonymous reports on this subject which require us to take action as a company.

The average hourly wage of male employees and female employees in 2024 gives an unadjusted wage gap (hourly wage male - hourly wage female)/ hourly wage male*100%) between men and women of -1.76%. The negative number means that the average hourly wage of women was higher than that of men in 2024. We see here a change from 2023, where the unadjusted wage gap was 3.74%, i.e. men earned more on average than women. This change has probably come as more women have entered higher positions. Since this is an unadjusted pay gap, equal positions, job years and other experience have not been taken into account.

In 2024, the annual total remuneration ratio within Vreugdenhil was 8.5. This is the ratio of the best-paid person to the median annual total remuneration for all employees (excluding the best-paid person). The median annual total remuneration is determined over the employees on a payroll and the best-paid person is determined from the management contract of the board members.



5 GENDER EQUALITY



SDG 5: Achieve gender equality and empowerment for all women and girls.

Goal 5.1: End all forms of discrimination against women and girls everywhere.

By paying more attention to inclusiveness and working with a confidant, Vreugdenhil gains more insight into the presence of discrimination against women, among other things, and the targeted approach to preventing it.

Definition	Target	Result 2024
<p>Training and development</p> <p>As an employer, Vreugdenhil influences the training and development of its employees. Well-trained employees are necessary for the production process, workplace safety and food safety. It is also important for employees' development, growth and opportunities that they can regularly attend training and education throughout their careers.</p>	<div><p>Learning organisation and employees, constantly adapting to changing circumstances</p></div> <div><p>100% of employees who must have a legally required training/valid certificate meet this requirement.</p></div>	<p>Facilitate and encourage employee development, by including:</p> <ul style="list-style-type: none">• offering (collective) training courses• subject during (annual) conversations• Vreugdenhil Academy offering development opportunities• Lots of room to take initiative for individual training/coaching <p>Vreugdenhil Academy implementation to better understand how many people use training, so that we can also report and steer more on this from 2025.</p>

At Vreugdenhil, we know each other and rely on each other's expertise. We celebrate successes and learn from each other. We strongly believe in the power of continuous development. Our training platform, the Vreugdenhil Academy, offers a range of courses, training and education designed to improve skills, acquire new competences and keep up with an ever-changing (professional) environment.

Policy

Actions

Our training policy is aimed at promoting a culture of continuous improvement and growth and thereby supporting the achievement of our corporate strategy. We offer a wide range of training and development opportunities that contribute to the personal and professional growth of our employees. By investing in our employees' development, we strive to achieve both their personal and professional goals, ultimately contributing to Vreugdenhil's success.

We work hard to make sure our employees develop by offering, through the Vreugdenhil Academy,:

- E-learning modules, which every (new) employee is expected to pass during the first few weeks of employment and then repeat every few years. Examples include modules on personal safety and food safety.
- (Legally) Compulsory training, depending on the function/role within the organisation. Examples include the forklift certificate, BHV training and training on how to work with automated systems.
- Collective training courses, which initiated and given for groups within Vreugdenhil. These training courses are not mandatory for substantive job performance, but employees are expected to attend them. This is, for example, Leadership training for team leaders.
- Non-mandatory training, where it is relevant to the current and/or future job.

The training opportunities available to employees are almost unlimited, as long as it contributes to the development of our employees and the organisation. Besides the fact that participating in education and training can be very useful, we also strive to make learning as much fun as possible. In doing so, all employees have equal opportunities to participate in training. An exception to this may be long-term and/or expensive training for an employee who is (still) in temporary employment.

Policy

Actions

Training and development has a central role within the refocused strategic initiative **Improve continuously**. Giving employees structural opportunities to expand their knowledge and skills increases the learning capacity of the organisation as a whole. It enables teams to critically evaluate processes, identify improvement opportunities and come up with their own solutions. Moreover, a culture of learning and development stimulates the organisation's agility and innovativeness. Thus, investing in development not only contributes to individual growth, but also to the sustainable strengthening of our performance and quality.

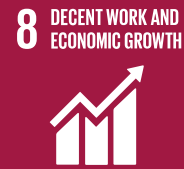
In 2024, an internal "GMP+" e-learning has been developed in the field of food safety. The Food Safety and Safe Working modules, are mandatory for all employees and contribute to the right level of knowledge among employees around our certifications. In addition to these mandatory training courses for all employees, we have defined who must attend mandatory training courses around internal transport and other safety training (e.g. BHV, Atex and hazardous substances). The successful completion of these training courses is also recorded in our learning management system, the Vreugdenhil Academy.

Besides mandatory training courses, we encourage employees to develop professionally and personally. Some examples are:

- Training programme for (new) trainee operators. In cooperation with the HAS Green Academy, ROVC and LSBL, we have developed a fully customised training course. Of these, the first group started in 2024 and they complete the course in early 2025. In one year, through classroom training and practical assignments, operators are prepared to join Vreugdenhil as fully-fledged operators. The content of the training has been determined by internal content experts and thus matches the operator's day-to-day practice as closely as possible.
- Customer communication: As a follow-up to the customer survey, we developed a training programme for all employees who have customer contact, regardless of their function. In four training days, participants learn how to communicate with customers by mail and telephone in an unambiguous way that matches Vreugdenhil's brand values. An evaluation will take place in 2025 and the further follow-up of this course will be developed and put in place.
- Basic dairy knowledge: To give all employees the opportunity to gain more knowledge about dairy, the dairy sector and our processes, we annually offer the "basic dairy knowledge" training. This training is offered by the HAS Green Academy and very enthusiastically received by employees. Employees who are not present on the production floor every day are thus given the opportunity to broaden their (dairy) knowledge. By 2024, several training courses have been given.
- (Un)desired behaviour: Over the past year, workshops have been held at various locations on the topic of '(un)desired behaviour'. An interactive session (with actors) addresses the topic of (un)desired behaviour and how to recognise and deal with it. In Q2 of 2025, we will roll out an e-learning module for all employees and managers with which we want to raise awareness around the topic of "manners".

To further encourage employees to develop themselves, from Q2 of 2024 we will have a wide range of classroom training courses that employees can sign up for. Examples of trainings delivered in 2024 include Time Management, Giving Feedback, Addressing and Influencing, and Excel. For 2025, the agenda includes the following training courses (yet to be developed): Leadership training, Project management, Compliance training and an e-learning Digital security.

All our employees in paid employment have performance and/or career development interviews at least annually. Employees have the opportunity to take various mandatory and voluntary training courses during working hours. In consultation with the manager, this is requested and approved by HR. Now, we do not keep track of how many training hours are spent by employees. In the coming years, we will set up a limited registration for this; the new learning management system (LMS) also provides possibilities for this. The aim is that from the summer of 2025, (almost) all training will be registered via the LMS, so that a reasonable estimate can be made of the number of training hours.



SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Goal 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including young people and persons with disabilities, as well as equal pay for work and equal value.

By paying attention to diversity of our employees and the type of work they do, Vreugdenhil contributes to a fair, safe and pleasant working environment.



Indicators

Our employees

Employees in paid employment

The table on the right shows information on the contract type, age, collective agreement and gender distribution of our employees. There are no significant changes in these numbers compared to 2023. However, we do see that we hired a number of new employees in 2024, increasing the total number of employees from 511 to 526.

It is not allowed by law to include medical data in personnel files or to ask employees for it. Therefore, we do not record how many of our employees have disabilities. All paid employees are represented at site level by employees through the works council. All paid employees are allowed to take family-related leave, as agreed in the Dairy CLA, or the law.

Temporary workers

On average, 90.8 FTE temporary workers worked in 2024 across the various sites. They are mainly deployed in the factories as forklift drivers, project managers, operators and within technical services. Temporary workers working for us have the same terms of employment as stated in the Dairy CLA, which also apply to employees in our employ. We apply the so-called hirer's remuneration.

Employees in paid employment						
Average 2024 (Jan-Dec)	Woman	Man	Other	Not disclosed	Total	%
Total employees (#)	112	414	0	0	526	
%	21%	79%				
Permanent employees (#)	97	375	0	0	471	90%
%	21%	80%				
Temporary employees (#)	16	40	0	0	55	10%
%	29%	73%				
No guaranteed hours employees (#)	0	0	0	0	0	0%
%						
Full-time employees (#)	50	372	0	0	422	80%
%	12%	88%				
Part-time employees (#)	63	42	0	0	105	20%
%	60%	40%				
Employees <30 years of age (#)	26	49	0	0	75	14%
%	35%	65%				
Employees 30-50 years (#)	63	211	0	0	274	52%
%	23%	77%				
Employees > 50 years (#)	24	154	0	0	178	34%
%	13%	87%				
Employees under terms and conditions of employment (#)	48	112	0	0	160	30%
%	30%	70%				
Employees under collective labour agreement (#)	64	302	0	0	366	70%
%	17%	83%				





Employees in the value chain


Our close cooperation with dairy farmers, suppliers of other raw materials, packaging and services, such as transport, plays a crucial role in ensuring the welfare of employees in our value chain. This is established as a policy and in the management system with the Supplier Code. The Milk Supply Director is responsible for activities with dairy farmers. The QA Director, COO, and Commercial Director are jointly responsible for sustainable procurement

Through sector initiatives, we pay attention to safety on dairy farms



All raw material suppliers sign our Supplier Code.



Definition	Target	Result 2024
<p>Future security and equal opportunities for dairy farmers</p> <p>As a buyer of milk, Vreugdenhil has an impact on livelihood security and equal opportunities for dairy farmers. In addition, Vreugdenhil can have a positive impact on working conditions such as safety on the farm.</p>	<div><div></div><div>Raise awareness of farmyard safety among dairy farmers at least four times a year</div></div> <div><div></div><div>Conduct a satisfaction survey in 2024</div></div>	<div><div></div><div>Not applicable, target for 2025.</div></div> <div><div></div><div>Completed and analysed.</div></div>

We greatly appreciate the passion that all our dairy farmers put into their businesses every day. That is why we find it very important to be actively present for our dairy farmers and support them where necessary. For instance, we support sector initiatives, every dairy farmer has a direct contact point within Vreugdenhil, and we have sounding board groups to discuss developments in the sector. Knowledge development and paying attention to topics such as climate, soil, safety, and animal welfare are therefore reoccurring topics during meetings.

Team Milk Supply, led by the Milk Supply Director, is responsible for all the initiatives below and is the point of contact for the welfare of our dairy farmers.

Policy

Actions

Contact and safety

Our dairy farmers provide our most important raw material and therefore their welfare is essential to us. We have six regional advisers who regularly visit our dairy farmers' farms. Besides supporting our regional advisers, we are also sponsor of www.zorgomboerentuinder.nl, an initiative focusing on the welfare of farmers and horticulturists. This way, we stay well informed about what is going on within the farms and we can support them where necessary. Furthermore, we organise annual sounding board groups and supplier meetings to have an open dialogue about developments in the sector and how we can support each other.

All our dairy farmers have to comply with our purchasing conditions and therefore with the Milk Quality Chain Manual (KKM) prepared by Qlip. These relate in particular to milk quality and safety. The KKM also addresses safety on the farm for people and animals, animal welfare and sustainability. Incidentally, according to Dutch law, anyone with employees is obliged to carry out an RI&E (risk inventory and evaluation), which includes most dairy farmers by virtue of employing employees. In addition, through our partnership with the NZO, we are involved in the

Boerveilig programme. Through this programme, dairy farmers gain insight into the risks, experiences and can use all kinds of tools to improve this.

Education about dairy farming is very important to us, which is why we support collective educational initiatives such as ZuivelNL. Various teaching materials are available at www.zuivelonline.nl that can be used free of charge by schools and dairy farmers. In addition, we sponsor local initiatives such as www.kombijdeboer.nl, to strengthen the connection between farmers and society. [Our website](#) also contains material for this purpose. Dairy farmers who organise activities on their farms, including for schools, receive a promotion point with financial appreciation.

Milk price and premium programmes

The maximum milk price paid to dairy farmers during 2024 saw an increase of almost 5 cents per kg of milk compared to 2023. This brought the average maximum milk price for 2024 to €50.95/ 100 kg (at standard fat and protein values of 4.45% and 3.58% and an annual delivery of 1.1 million kg).

To encourage sustainability among our nearly 840 dairy farmers, we have a premium for sustainability performance. With this premium, Vreugdenhil also provides opportunities to increase income for the dairy farmer. The topics in our sustainability programme also contribute to the goals of the Sustainable Dairy Chain (DZK) and thus to making the dairy sector more sustainable.

Policy

Actions

Contact and safety



In 2024, our Milk Supply department interacted with all our dairy farmers and RMO drivers on more than 20 different occasions. Among other things, to provide support, get feedback from our focus groups, celebrate successes, etc. In 2025, more attention will be paid to safety on the farm during these different contact moments to achieve the 2025 goal.

A satisfaction survey took place in 2024. One of the aims of this survey was to identify how satisfied dairy farmers are with the various channels for contacting us. A quarter of the dairy farmers completed the 2024 satisfaction survey. This showed that dairy farmers greatly appreciate the short lines of communication. They also see Vreugdenhil as a reliable and solid party. Innovation and sustainability were not the associations dairy farmers have with Vreugdenhil, so more will be communicated about this in the future. People also asked whether more could be done with product experience. This was therefore the main topic during our supplier meetings last November.

Milk price and premium programmes

In 2024, the sustainability programme consisted of eight components for which dairy farmers can earn a total of 12 points. If dairy farmers achieved at least 5 points, they would receive a reward of €0.05/100 kg of milk for each point. When achieving all 12 points, the premium thus rises to €0.60/100 kg of milk. In 2024, 96.9% of dairy farmers received a sustainability premium, compared to 96.5% in 2023. We use different tools to reward in the sustainability programme, which at the same time support the dairy farmer. By using tools such as the KringloopWijzer™, the KoeMonitor and the KalfOK score, dairy farmers gain insight into where they stand in terms of on-farm recycling and animal welfare. We also reward outdoor grazing via a premium of € 1.50/100 kg milk. Our regional advisers are available to dairy farmers with questions about these premiums. Every year, we monitor developments and evaluate the programme together with the dairy farmers.

In a collaboration between Vreugdenhil Dairy Foods and Nestlé, among others, about 80 dairy farmers are now working on greenhouse gas reduction in the [Tomorrow's Dairy programme](#) (formerly Low Carbon Farming). This group spent four times a whole day on reflecting on the activities carried out, sharing knowledge and looking ahead to upcoming activities. In 2025, the programme will scale up with new dairy farmers and with a new remuneration system to start from 1 January 2025.

Definition	Target	Result 2024
<h3>Human rights in the chain</h3> <p>Vreugdenhil has responsibilities to employees of suppliers (of cocoa and palm oil, for example) regarding human rights, child labour, forced labour, adequate housing, water and sanitation, privacy, food, land and security.</p>	 <p>100% of our raw material and packaging suppliers have signed the Supplier Code of Conduct.</p>	 <p>100% (2023: 100%)</p>

In line with our previously mentioned commitment to International Corporate Social Responsibility (IMVO), in addition to biodiversity, we also focus on human rights in the chain.

Policy

Actions

All our suppliers must comply with our [Supplier code](#) , which includes guidelines on business integrity, environment, communities, workers and animal welfare. We are committed to doing business with respect for the fundamental dignity of people and their human rights, according to international standards such as the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work, the United Nations Guiding Principles on Business and Human Rights, and the Universal Declaration of Human Rights.

In 2024, all our raw material and packaging suppliers have signed the code. As we mainly work with European suppliers, many risks are covered by laws and regulations. To ensure compliance, the Supplier Code is re-signed every three years, and we regularly discuss sustainability during visits and introductions. Since the beginning of 2024, we have been using an updated version that better reflects emerging legislation and international agreements. In addition, supplier audits focus on the great importance of a safe and healthy working environment and assess compliance with the requirements we set. We value feedback from employees in our value chain and encourage them to report any issues to our buyers. Employees in our value chain also have the opportunity to report issues through [our website](#), so that we can proactively respond to any concerns and issues. If negative impacts are identified, we work with suppliers to take remedial action or source raw materials from alternative sources.

We ensure expertise in sustainable agricultural practices by using certified systems such as RSPO and Rainforest Alliance. By participating in global initiatives, we contribute to improving conditions for all stakeholders in our value chain. We aim to increase our understanding of the impact and effectiveness of these systems by building knowledge.

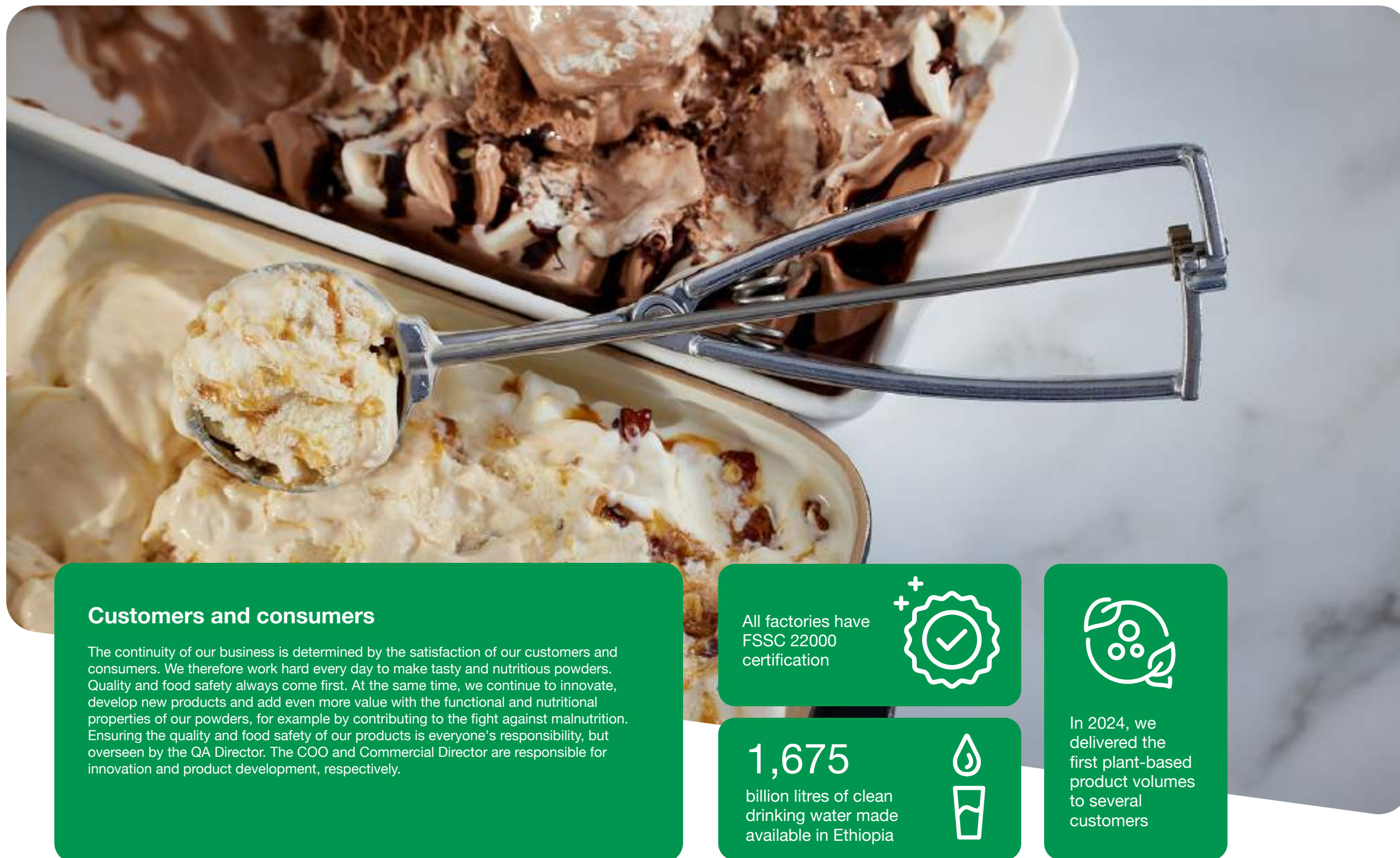
Our procurement department works with multiple suppliers, allowing us to be flexible in case of any problems. Raw materials from risk countries are purchased through European suppliers, who are responsible for quality assurance and compliance with standards. During audits, we check how they guarantee this adequately. Responsibility for responsible sourcing lies with the QA Director, Commercial Director, and COO.

Policy

Actions

We conducted a risk assessment to identify commodities that pose a high risk of human rights violations, such as child and forced labour. This assessment was based on data from Sedex (a platform providing information on supply chain sustainability) and external experts. From the initial analysis, palm oil and cocoa emerged as high-risk commodities. All palm oil used in our milk powders in 2024 was 100% RSPO mass balance or segregated certified. In 2023, despite the higher costs, it was decided by the board to buy Rainforest Alliance-certified cocoa. Approval for RA certification is currently ongoing. Vreugdenhil continues to continuously gain knowledge about certification and its effectiveness so that we can continue to improve our efforts in IMVO and minimise our impact on the environment and society.

In addition to focusing on raw materials, we use Sedex to gain insight into risks at our suppliers. Using the data entered by companies themselves and the SMETA audits carried out, we can better assess where risks lie for employees in our value chain and take action accordingly. A procurement scan was carried out at the end of 2024, which revealed too limited focus on sustainable procurement. In 2025, sustainability will be integrated as a core part of the procurement policy and as a selection criterion for suppliers. Our employees are informed about progress and measures related to responsible procurement through our internal communication channels. We ensure that these measures do not adversely affect our business operations to ensure the continuity of our business.



Customers and consumers

The continuity of our business is determined by the satisfaction of our customers and consumers. We therefore work hard every day to make tasty and nutritious powders. Quality and food safety always come first. At the same time, we continue to innovate, develop new products and add even more value with the functional and nutritional properties of our powders, for example by contributing to the fight against malnutrition. Ensuring the quality and food safety of our products is everyone's responsibility, but overseen by the QA Director. The COO and Commercial Director are responsible for innovation and product development, respectively.

All factories have
FSSC 22000
certification









1,675

billion litres of clean
drinking water made
available in Ethiopia



In 2024, we
delivered the
first plant-based
product volumes
to several
customers

Definition	Target	Result 2024
Product quality and safety Food safety and compliance with strict standards and regulations in the food industry	 The goal of the food safety system is that we receive zero complaints of illness or injury.	 No cases of illness or injury caused by consuming our products have been received. The occasional complaints of illness were not caused by consumption of our products.
Ensuring product quality to keep our customers happy	 Maximum 0.20 product quality complaints per 1,000 tonnes of product.	 In 2024, we received 0.25 product quality complaints per 1,000 tonnes of product (2023: 0.22) With this, we did not achieve our target of a maximum of 0.20 product quality complaints per 1,000 tonnes of product. This is due to an increase in complaints around invoices and defects.
Maintaining consumer confidence through information	 Preventing the spread of inaccurate information on, for example, ingredients, on websites where our products are sold.	 Impacts, risks and opportunities defined

Policy

Actions

Food safety and quality
For Vreugdenhil Dairy Foods' management team, the food safety and quality of its products and services is one of the most important management responsibilities. The food safety and quality of our products determines our customer satisfaction and the success of our business now and in the future. To meet the requirements for food safety, product quality and quality of services, Vreugdenhil Dairy Foods has set up its management system according to the scheme of FSSC 22000 at all our factories. Requirements from Kosher, Halal, SKAL (organic), GMP+ and Milk Supply standards are part of the food safety management system To ensure ongoing food safety, all our employees attend mandatory food safety training. This also applies to employees at the head office and external employees working for us, such as temporary workers and cleaning employees.

Complaints
Complaints are registered and dealt with by authorised officers. The cause of complaints is investigated and corrective and preventive measures are taken. The development of complaints is monitored and if there are reoccurring complaints, additional measures are taken.

Information for consumers
To maintain quality for the long shelf life of milk powder, proper packaging is important. To ensure that packaging complies with legislation, lithos (cans), sachets (small portion packs) and planos (cartons) are checked. This is done by the quality department (QA) based on EU legislation (EU Regulation No 1169/2011 on the provision of food information to consumers).

The checks include:

- Whether the requirements for "Address + name" (Art. 9(1)) are met;
- Whether the complete list of ingredients is on it, on which fats and oils must be correctly listed;
- Whether the correct nutritional values are on it;
- Whether all mandatory allergens are listed;
- Whether the correct guidelines for use are on it.

Policy





Actions

Food safety and quality
In 2024, we worked on compliance on contaminants, such as Mineral Oil Saturated Hydrocarbons (MOSH) and Mineral Oil Aromatic Hydrocarbons (MOAH), in close cooperation with our suppliers. Intended standards have been shown to be task-setting for our plant-based oil suppliers. We will also continue to record and report the origin and provenance of our products in 2025, in line with certification for export destinations.

Complaints
In 2024, a team continued to work on reducing complaints. Measures to prevent damages resulted in a 20% reduction. In the area of invoices and defects, there is room for improvement. This will be the focus in 2025. Improvement projects have been started, with our Innovation and Technology departments, to improve product functionality to achieve trouble-free processing and optimal consumer experience. Furthermore, improvement measures in response to complaints are verified for effectiveness during the year.

We handle all quality complaints accurately and pay extra attention to complaints that occur more frequently. Our QA and Processing departments secure processes to reduce the recurrence of complaints.

Information for consumers
In terms of providing information to the customer, we observed that consumer packaging and industrial packaging (bagged goods) have different information on the packaging. When we sell in bulk, the customer gets the necessary information and not all information is on every bulk packaging. Nevertheless, not all bulk packaging is only used by food producers. Our 25kg bags are also used to scoop out smaller quantities at markets, for example ('scoop selling'). As a result, the consumer does not have all the information readily available that would be on a consumer pack. Therefore, in 2025, we will establish a process for the minimum requirements for among ingredients, nutritional values and allergens on packaging used for this type of sale. We will also check in 2025 whether the current policy adequately takes into account legislation on origin labelling and marketing claims. In addition, all packaging should be checked to ensure that the current policy is correctly implemented on all Vreugdenhil packaging.

Definition	Target	Result 2024
<p>Affordable and healthy nutrition</p> <p>Making healthy and affordable food available and make new products that can combat malnutrition, hunger and poverty e.g. through nutrient enrichment</p>	 <p>The aim is to develop good new products that match customer demand.</p>	 <p>Started with shaping the innovation strategy and improving the process to develop and innovate faster</p>
<p>Clean drinking water is essential to safely consume Vreugdenhil's (milk)powders without getting sick from them</p>	 <p>Making drinking water available where it is most needed, so that all our end-users can dissolve our milk powder in clean drinking water.</p>	 <p>In the past few years, we have already made 1.675 billion litres of clean drinking water accessible in Ethiopia(2023: 1.675 billion litres). This number has remained the same because we have now been working with Made Blue for more than 10 years and the projects guarantee 10 years of water.</p>

Policy

Actions

New Product Development

To ensure that we continue to develop as a company and keep providing our customers with customer-specific products, we have an NPD (New Product Development) programme. New Product Development falls into the portfolio of the Commercial Director. In New Product Development, we focus on three different themes:

1. Nutritious products, where we enrich milk powders with vitamins or minerals which are intended for specific target groups (students, the elderly);
2. Affordable alternatives to existing products so that we can provide more people with our products;
3. Products that are further processed in the bakery, chocolate and ice cream industries, offering our customers innovative solutions for their product range.

Counteracting malnutrition

In addition, Vreugdenhil contributes to fighting "hidden hunger". In various parts of the world, nearly 60 million children suffer from acute malnutrition. These vulnerable children are treated with specially produced food called 'Ready to Use Therapeutic Food' (RUTF) and 'Ready to use Supplementary Food' (RUSF), milk powder is an important component in this. These products contain a high concentration of carbohydrates, healthy fats, proteins, vitamins and minerals, making them very impactful in small doses. Besides these products, we also have our own enriched products to which extra vitamins and minerals have been added. These products go to the African market in particular. In 2024, 30% of our own products in the African market were enriched products. This is an increase of 13% compared to last year.

Clean drinking water

To use our product for a healthy diet, clean drinking water is essential. Water is often used for preparation and if contaminated it can lead to diseases. Vreugdenhil Dairy Foods has been a Made Blue ambassador since 2015, realising clean drinking water in countries such as Senegal and Ethiopia. Made Blue sets up water points and develops associated infrastructure such as sanitation and washing facilities, also at schools. A team of local people is trained to maintain the drinking water infrastructure, and coaches are trained to promote behavioural change regarding hygiene.

Policy

Actions

New Product Development

In 2024, we reviewed our strategy and an important pillar of this is **Innovate and develop**. Within this strategic initiative, we will further shape and accelerate our innovation strategy so that we can innovate more, distinctively and faster. We will focus on the decision-making process on one hand and on setting the right targets on the other. With this, we will further shape the innovation funnel and ensure the most efficient approach. This provides opportunities to better meet the demand for affordable, custom-made products for our customers.

Last year, we already saw this bearing fruit as we focused on the product groups with high microbiological requirements and **Fat Filled powders**. In Fat Filled powders, milk fat is replaced by plant-based fat, with no loss of nutritional value. These developments are in line with our strategic initiative Move to more value add. With this strategic initiative, we aim to get an even sharper picture of future customer needs and then convert

these needs into product developments that enable us and our customers to add value and make a difference in the market. For instance, we want to shorten our time-to-market of product introductions. We also especially want to develop those products that are distinctive for our customers. In 2024, we have made significant quality improvements in Fat Filled powders in terms of solubility and powder structure and improvements in process conditions. We did this with multifunctional project teams. We also work within external partnerships with competitor companies on products of the future. This concerns both dairy and plant-based products, but certainly also hybrid intermediate forms.

2 ZERO HUNGER



SDG 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture.

Goal 2.1: End hunger by 2030 and ensure access to safe, nutritious and sufficient food for all, especially the poor and those living in vulnerable situations, including children, all year round.

With our products for specific applications, Vreugdenhil provides the right nutrients for vulnerable target groups, including malnourished children and the elderly.

We also successfully completed new projects last year, including developing a skimmed milk powder substitute suitable for ice cream producers. Other key milestones included the development of a high-quality whole milk powder higher in fat, where heat stability and strict microbiological parameters make the product suitable for a customer-specific application. We also worked directly with the customer to turn a consumer product (Affordable Fortified Fat Filled powder) into an ingredient for various food products as well. These developments, accompanied by extensive testing and research, have resulted in satisfaction among our customers and contribute to our continuous innovation efforts.

To further expand our developments around innovation, we acquired a factory in Putten in February 2022. The first months of 2024 were dominated by repair work following the fire of November 2023. On the 1st of May, the first pilot productions started and from June 2024 we produce commercial product in Putten. New tanks were installed in the factory to standardise on fat. In addition, projects of protein standardisation and reverse osmosis have been started which will further increase the capacity of the factory and reduce the cost price. After the goat milk and organic season, the focus in autumn was on developing cream powders and lactose-free milk powders in particular. Lactose-free powders contribute to social inclusion for consumers with lactose intolerance. The start-up of production in Putten and the selection of the desired products are led by the Plant Director in close cooperation with the Business Development Director.



SDG 3: Ensure good health and promote well-being for all ages.

Target 3.4: By 2030, reduce premature deaths linked to non-communicable diseases by one-third through prevention and treatment, and promote mental health and well-being.

Through the nutrients in milk and the extra enrichment of our milk powders, Vreugdenhil contributes to increase the resistance of our consumers and thus reducing diseases.

Clean drinking water

A new drinking water project was launched in 2024. Together with World Vision and Made Blue Foundation, Vreugdenhil and Hoogwegt will build two new water points in Freetown, Sierra Leone and future-proof them along with five existing water points. To this end, Water Management Committees will be formed and trained and water kiosks will be built and stocked. With local sales of small packs and sachets of milk powder, among other things, the 'WASH facilities' will also generate income to invest in the maintenance and quality of the water points. At six schools, milk powder is used in the free school meals to increase nutritional value. This calcium boost will help children to develop physically and mentally. This combination of milk and water in one project is unique and will teach both us and the local government a lot about the possibilities of rolling this out in more places.





SDG 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture.

Target 2.2: Eliminate all forms of malnutrition by 2030, including meeting the internationally agreed targets on growth retardation and underweight in children under 5 by 2025; and also meeting the nutritional needs of adolescent girls, pregnant and lactating women and elderly persons.

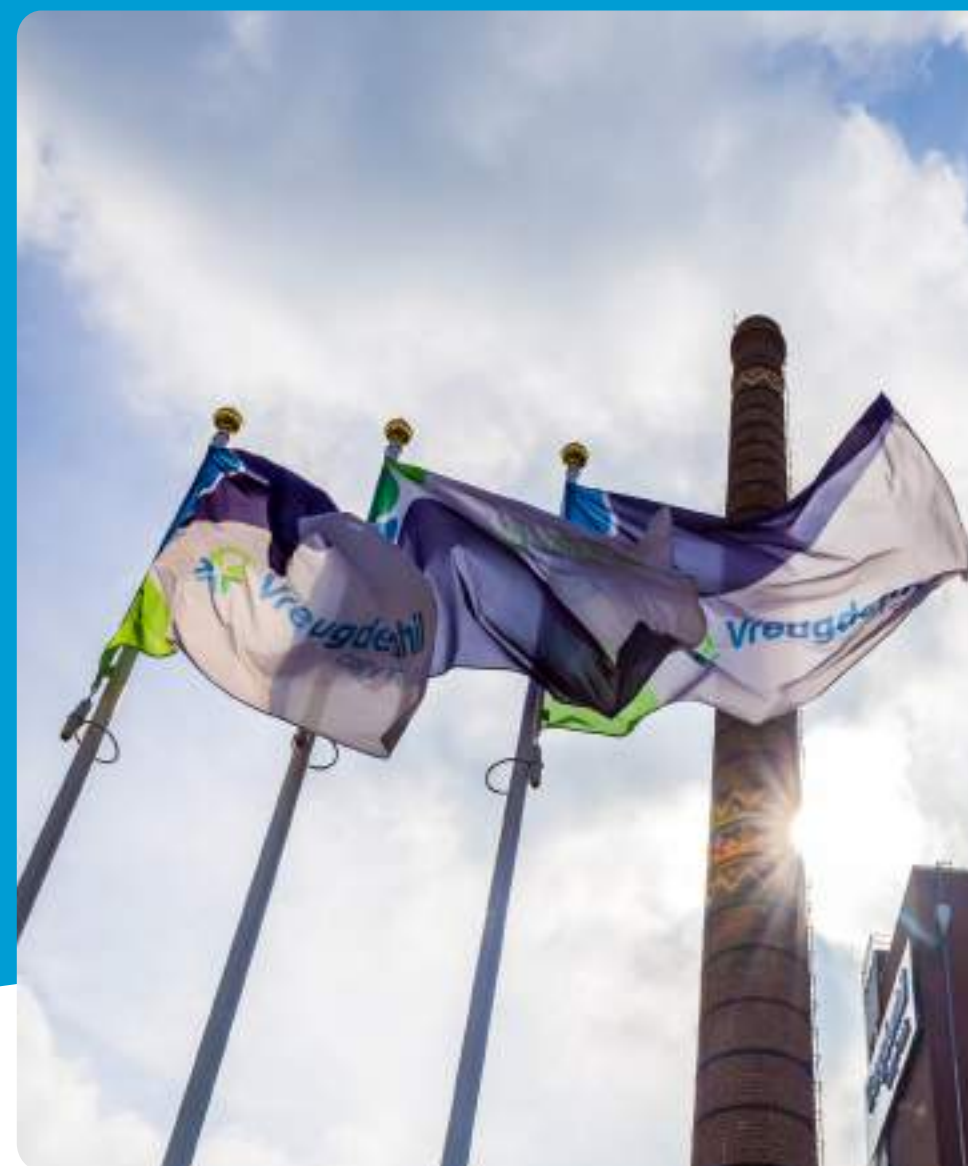
With our products for specific applications, Vreugdenhil provides the right nutrients for vulnerable target groups, including malnourished children and the elderly.



Definition	Target	Result 2024
<p>Protein transition</p> <p>Meeting growing consumer demand, mainly in Europe, for plant-based alternatives by developing plant-based products as alternatives to meat and dairy ingredients.</p>	<div><p>Business development of plant-based products through distribution activities, co-manufacturing and product development</p></div>	<div><p>Distribution business started by delivering plant-based products to various customers</p><p>Contacted several potential partners interested in co-manufacturing</p><p>Exploration launched to identify opportunities for hybrid products</p></div>
<div><div>Policy</div><div>Actions</div></div> <p>We see that consumers are increasingly adding plant-based products to their diet in addition to dairy. We innovate based on customer demand and have thus also enriched our range with plant-based products.</p> <p>In addition to distribution, expanding co-manufacturing collaborations is a key pillar within our recalibrated strategy Sprint '27. Our many years of experience as a specialist in spray drying enables us to help our customers produce high-quality plant-based powders. Conducting several pilot productions with plant-based powders provides us with valuable insights with which we can further develop. We aim to further increase our visibility as a co-manufacturing partner, establishing ourselves as a leading player in the industry.</p> <p>Another important part of our strategy is product development. Among other things, we are looking at product development of hybrid products, leveraging the qualities of both dairy and plant-based ingredients to create innovative and versatile products. Dairy powders with (partly) plant-based ingredients can be a good addition to our product range to continue to meet the growing global demand for nutritious, affordable and sustainable food.</p> <p>For several departments, the protein transition is a material topic from the CSRD. We are making our products more accessible to more consumers by expanding our range to include plant-based products. By doing so, Vreugdenhil contributes to the social inclusion of consumers worldwide. To do this successfully, it is essential to involve the entire chain.</p>	<div><div>Policy</div><div>Actions</div></div> <p>Through long-term cooperation with strong brand players in plant-based ingredients, we have made a substantial range expansion. In 2023, for instance, we signed distribution agreements with IFF for SuproPlus®, a premium range of soy-based powders, and with Cosun for Tendra®, a field bean-based protein isolate. These products are applicable in a wide variety of product applications.</p> <p>During our customer meetings, we have also been highlighting our plant-based product range since then. In 2024, we delivered the first plant-based product volumes to several customers. Given the ongoing requests, we expect to further expand these volumes at both existing and new customers in 2025.</p> <p>We believe in the power of chain cooperation. Besides our built-up network of partners with plant-based business activities, we have been affiliated with The Protein Community and the Fascinating partnership for some time. The Protein Community is a network focused on the application of plant-based ingredients in food. Fascinating is a testing and innovation programme that connects farmers, companies, knowledge institutes and the community to realise a circular farming system with a good income model for the farmer. These collaborations provide us with even more opportunities to exchange knowledge, further develop the market and expand our network. These achieved milestones and planned activities reflect our commitment to growth, innovation and creating value for our customers and partners. We look forward to achieving these goals and further strengthening our position as a market leader.</p>	

Governance

This 'Governance' chapter sets out what Vreugdenhil does for its business conduct, lobbying and animal welfare. The chapter starts with a description of our code of conduct outlining what we consider essential for good behaviour, including topics such as payment practices and corruption. The chapter then discusses our political commitment. Finally, this chapter also describes the welfare of cows and calves and grazing.





Business conduct

Good business conduct is very important to us at Vreugdenhil. That is why we have our own code of conduct and a Supplier Code of Conduct. Partly through these documents but also through embedding in our sustainability programme, our dairy farmers pay extra attention to animal welfare. Doing business and lobbying fairly and with integrity is the responsibility of the CEO. The activities surrounding animal welfare fall under the Milk Supply Director.



CEO Vreugdenhil board member at NZO and EDA





Supplier code and code of conduct available on our website



84% of our dairy farmers apply outdoor grazing

Definition	Target	Result 2024
<p>Fair and ethical business conduct</p> <p>Vreugdenhil's corporate culture influences responsible business practices and includes approaches and transparency regarding sustainability and ethical issues. It influences the behaviour of employees and management in their interactions with each other and with stakeholders</p>	<div><p>Our goal is to have no confirmed incidents of corruption or bribery.</p></div>	<div><p>In 2024, we achieved this target. There have also been no convictions, having to pay fines and/or public court cases. There have also been no incidents where employees have received sanctions or contracts have been terminated or amended. Nor have we had any lawsuits based on late payment, from both procurement and sales.</p></div>
<div><div>Policy</div><div>Actions</div></div> <p>Vreugdenhil, as a close-knit family business, embraces a business approach that focuses on both the present and future generations. We nurture long-term relationships with our suppliers, striving to build lasting partnerships. Sustainability is central to our business practices, and we strive to ensure that our suppliers and producers meet our 2030 reduction target and 2050 net-zero target. Major challenges include the strategic initiatives Support future-proof farming and Produce carbon-Neutral. Through close cooperation within our partnerships and with an integrated approach, we are committed to achieving our sustainability goals.</p> <p>As a milk powder manufacturer with customers worldwide, Vreugdenhil is committed to doing business with respect for integrity and honesty. We use the law and our own standards and values as the foundation for all our activities. <u>Our Code of Conduct</u> sets out what we consider essential for good conduct. Should cases occur where our employees do not act in line with this code, we offer an option for (anonymous) reporting via the contact page on our <u>website</u>. If there is a violation of laws, our Code of Conduct or our policy, we will start a dialogue with the external party or employee and, if necessary, our internal sanctions policy will come into force. In 2025, we will conduct compliance training for management, procurement and commercial functions to raise even more awareness around this issue.</p> <p>The Supplier Code and Code of Conduct are available on the <u>website</u>. Through the website, stakeholders can report undesirable behaviour anonymously. In 2024, we did not receive any reports.</p>	<p>In transactions of a certain size, where payments must be made before goods or services are received, we require a bank guarantee. In this way, we strive to ensure that our suppliers have the same business commitment as we do. In addition, the procurement department has the responsibility to co-approve requests starting from specific amounts. This involves checking that the procurement takes place in accordance with our Procurement Terms and Conditions and Supplier Code, and that multiple quotations have been requested if possible. These measures ensure that decision-making is based on objective criteria and is not influenced by personal interests.</p> <p>Once a purchase invoice is approved internally it is processed administratively and made payable on due date. If it is possible to realise a payment discount for earlier payment we make use of that option. The average payment period is 30 days. The main suppliers are our milk and energy suppliers. Our own dairy farmers are paid on the eighth working day of the month following the month of (milk) delivery. Milk we buy from other milk processors is invoiced to us weekly. Payment is made on the due date.</p> <div><div>Policy</div><div>Actions</div></div> <p>No anti-corruption and anti-bribery training was done in 2024. These will take place in 2025.</p> <p>We complied with the new law for SMEs in 2024, whereby they must be paid within 30 days. Previously, if the supplier had a longer payment period, it was applied.</p>	

Definition	Target	Result 2024
<p>Political engagement and lobbying</p> <p>Political involvement and lobbying aims to represent the interests of the company and the industry and thereby influence legislative and regulatory developments.</p>	<div><div>Strengthening the position of the dairy industry</div></div>	<div><div>CEO Vreugdenhil was chairman at NZO in 2024. From that position, he is the voice of the dairy industry towards politicians and regularly in contact with various interest groups.</div></div>

Policy

Actions

Our organisation is increasingly actively involved in political and policy developments, both nationally and in Brussels. We maintain structural contact with relevant players, such as members of the European Parliament, including the dairy (NZO), food (FNLI) and all-company (VNO-NCW) trade associations. Through the chairmanship in NZO of our CEO, Albert de Groot, and our involvement in EDA, we contribute to strengthening the position of the dairy industry, with specific focus on topics such as industrial policy, energy taxation (through Cluster 6), food safety, sustainability and export position. From our role in the industry associations, we also have regular one-to-one contact with political representatives, from agriculture and increasingly economic affairs, among others.

Policy





Actions

As our lobbying activities grow, so does the need for more structure, overview and internal coordination. With this in mind, we will start mapping out the people, roles and activities involved. With this, we aim to achieve effective advocacy for Vreugdenhil and for the dairy industry as a whole.

Members of the BoD and SB have had no place in politics in the past two years.

Vreugdenhil made no political (tinged) contributions in 2024.



Definition	Target	Result 2024
<p>Animal health and welfare</p> <p>Longevity is an indicator of cow health and care. In addition, longevity often has a positive impact on a farmer's finances.</p>	<div><p>By 2030, 90% of dairy farms will have at least a lifespan (cows when they leave the farm) of the average lifespan in 2018 (5 yr. 6 mo. 20 days.)</p></div>	<div><p>78% of livestock farmers have a longevity of the 2018 average or higher (2023: 81%). The average of 2024 was 6 years and 23 days (2023: 6 years, 1 month and 24 days). Reason for the lower longevity, both at Vreugdenhil and nationally, has to do with the effects of the Bluetongue virus, which has been the reason for large-scale cow dropouts. Vreugdenhil's result is comparable to the industry average of 6 years, 1 months and 4 days.</p></div>
<p>Full outdoor grazing means that dairy cows are outside for at least six hours a day and at least 120 days a year (or at least 720 hours a year, for at least 120 days). In the case of partial outdoor grazing, at least 25% of the cows must be grazing outside for at least 120 days a year.</p>	<div><p>Our target on outdoor grazing is in line with the national target of 81.2%, as set out in the 2012 Covenant on Outdoor Grazing.</p></div>	<div><p>84% of our dairy farmers apply outdoor grazing (2023: 86.9%). The reason for this decrease is that we have new dairy farmers who do not practice some form of outside grazing. Several grazing farms have also stopped (partly due to the livestock cessation scheme). Vreugdenhil's result is above the Dutch average of 82.8%.</p></div>

Policy

Actions

Dairy farmers pay great attention to the welfare of their animals, ensuring a healthy living environment 24/7. To promote continuous improvements in cows' welfare, our dairy farmers have been using the 'KoeKompas' for several years. This tool provides a comprehensive view of animal health and welfare. Together with the vet, the dairy farmer examines various aspects that influence the health and welfare of the cows. In this way, strengths and areas for improvement are identified. This gives dairy farmers more insight into potential risks on their farms and enables them to take preventive measures to reduce them. Within our sustainability programme, rewards are based on the results of 'KoeData'. This tool calculates a quarterly score based on farm data, regarding the animal health of cows on the farm. 'KoeKompas', 'KoeData' and 'KoeAlert' together form the 'KoeMonitor', which monitors animal health on the farm both physically and based on performance indicators.

Improving care for calves is also part of our sustainability programme. Dairy farmers use the KalfOK-score to monitor the welfare of calves. Twelve indicators give dairy farmers an insight into the quality of calf care and possible areas for improvement in calf rearing.

The outdoor grazing percentage is calculated by dividing the number of dairy farms with partial and complete outdoor grazing by the total number of dairy farms. Full-grazing means that dairy cows are outdoors for at least six hours a day and at least 120 days a year (or at least 720 hours a year, for at least 120 days). With partial outdoor grazing, at least 25% of the cows must receive outdoor grazing for at least 120 days a year. The reward for grazing has been high for several years. This makes it financially attractive to graze.

Policy

Actions

In 2024, dairy farmers could be rewarded within Vreugdenhil's sustainability programme for animal welfare for increased longevity, a sustainable barn, ' KoeData' and KalfOK, with a maximum premium of €0.25/100 kg milk for animal health/animal welfare. From 2024, IBR (Infectious Bovine Rhinotracheitis) and BVD (Bovine Virus Diarrhoea) have been removed from the programme, but participation in an IBR or BVD programme is guaranteed from the Keten Kwaliteit Melk (KKM). From 2025, the reward on the sustainable barn will be taken out and will shift more towards "biodiversity".

Financial information

This 'Financial Information' chapter contains information on Vreugdenhil's financial topics. The chapter starts with a retrospective on the results of 2024, and with that a look to the future. There is also an extensive chapter on our organisation and its risk management, including our main risks. The CFO is responsible for financial information and activities.



Developments and results

Result

2024 was a challenging year in all respects. Ongoing wars in Eastern Europe and the Middle East, a level of inflation (3.3% in 2024) that was lower than in 2023, but still higher than the desired level (max 2%), and after a generous increase in dairy wages in 2023 (8%), there was a further increase in 3 steps totalling 5.65% in 2024.

At the political level, following the November 2023 elections at the beginning of summer, a new cabinet was formed to find solutions for housing shortages, conservation of nature and reducing nitrogen/CO2 emissions from industry and agriculture. The uncertainty this brings to the dairy landscape is leading to dairy farmers taking the safe bet and shutting down their business(es). As a result, the competition for the dairy farmer increases and milk prices rise. For internationally operating companies like Vreugdenhil Dairy Foods, this puts additional pressure on its profit margins.

Nevertheless, the result showed improvement in many respects compared to 2023. Operating profit, EBITDA, revenue and net profit showed healthy growth/improvement. We are proud of that. Revenue rose from €1.03 billion to over €1.06 billion. Group profit after tax came to €13.7 million; which represented a strong recovery compared to a loss in 2023. Solvency - despite a balance sheet total that increased sharply as a result of price increases - was able to maintain itself at a level of 51%.

Investments

In total, over €15.5 million has been invested in the group in 2024. This is more than what has been the situation in recent years. This will increase further in the coming years given the investments in the desired energy transition.

Funding

To create room for future investments in the energy transition and to be able to leverage for purchasing advantages and/or enter into strategic alliances/acquisitions, a refinancing took place in 2024, converting (more expensive) long-term financing into broader (cheaper) short-term financing. This also involved an expansion in the number of banks financing our business from 2 to 3. The ING/ Deutsche Bank consortium was expanded with the Rabobank. The financing term is 5 years, with two options to extend for one additional year each.

Future

The war in Ukraine, the trade war between the United States and the rest of the world launched after the new president took office in the United States, as well as the still lingering nitrogen debate in the Netherlands, bring tensions and uncertainties, which will affect sales (volume/price) and the profitability of our business.

Investment levels will remain at the 2024 level. The workforce is not expected to increase further.

Compliance with the Dutch Corporate Governance Code

Vreugdenhil Holding B.V. applies the [Dutch Corporate Governance Code \(the Code\) as much as possible](#), although the Code only applies to listed companies. The principles and best practice provisions are mostly implemented in the articles of association and various regulations. We comply with best practice provision 2.7.4 which stipulates that transactions with conflicting interests carried out by members of the Executive Board and the Supervisory Board must be disclosed in the annual report. No such transactions took place in 2024

As part of the Risk Assessment Cycle, sites and their management teams continuously assess their risks throughout the year. As a fixed item on the agenda of the regular MT meetings, the identified risks were discussed, mitigating actions were set out, and newly identified risks were added in 2024. Global developments that could affect these were closely monitored and the results of the risk mitigation measures were discussed periodically. New financing, which was finalized in 2024, provides a basis for ensuring the continuity of Vreugdenhil Dairy Foods.

Financial policy

Vreugdenhil's financial policy, which is part of the group's overall policy and strategy, focuses on paying a market-based milk price to its dairy farmers and protecting the interests of providers of capital while maintaining the flexibility to grow and invest.



Organisation and risk management

At Vreugdenhil Dairy Foods, risk management is an integral part of business operations, supported by a governance system set up for that purpose. Risks are an essential element in assessing opportunities and defining strategies.

Risk profile

Vreugdenhil Dairy Foods is a predominantly one-product company operating in the Netherlands in the (milk) powder industry. Due to developments around the world, there is greater focus on ensuring food security in the EU. Vreugdenhil Dairy Foods is present in 3 countries - in addition to the Netherlands in Spain and Belgium - with a growing share of sales coming from emerging markets. An increasingly negative perception in society regarding nitrogen, CO₂, energy consumption, air pollution, manure surplus, meat and milk production for export, etc. may prompt legislators to implement further restrictive measures, such as reducing livestock and the number of dairy farmers but also higher (energy) taxes (on emissions). These changes are already noticeable within Vreugdenhil. For instance, we see a growing interest in other forms of protein, more customer control over their chain and higher costs for CO₂, among others. Vreugdenhil Dairy Foods has therefore undertaken business activities with other market players in the form of strategic partnerships for non-dairy-based alternative protein sources. We are also working to retain our current and attract new dairy farmers.

Risk tolerance

We have related Vreugdenhil's risk appetite to three topics, namely reputation, financial and business continuity. All three topics received the full attention of MT, the Executive Board, and the Supervisory Board in various meetings. Management decisions are made in line with Vreugdenhil Dairy Foods' risk appetite. The level of risk Vreugdenhil Dairy Foods is willing to take depends on the type of objective it affects (related to reputation, finance or business continuity).

Reputation

Vreugdenhil Dairy Foods has a very good reputation of its brands and protection of its intellectual property rights. Reputation management is of paramount importance to Vreugdenhil Dairy Foods. We have made significant efforts to protect our brands, including the registration of trademarks and domain names. We aim to minimise the risks that could negatively affect our reputation, accepting that this may involve costs.

Financial

Vreugdenhil Dairy Foods pursues commercial opportunities to achieve growth, accepting uncertainties related to its strategic choices and the context of the individual markets in which it operates.

Business continuity

Vreugdenhil Dairy Foods makes the availability of its brands a priority and accepts only minimal disruptions in the supply chain. In addition, Vreugdenhil Dairy Foods continuously invests in future-proofing its organisation and ensuring its sustainability.

Internal control

Vreugdenhil Dairy Foods' internal control activities are aimed at providing: reasonable assurance regarding the accuracy of financial information, non-financial disclosures, compliance with applicable laws and internal policies and the effectiveness of internal processes. Given her size, Vreugdenhil Dairy Foods does not have an internal audit function, but operates on the basis of proper internal control measures appropriate to a family business. A great deal of attention is also paid to hedging risks (such as currency, raw materials and energy).

In operations, internal controls are defined at entity level (covering all mandatory standards and procedures) and at process level (process and control standards) for key processes, including financial reporting, IT and taxation.

Compliance with company policies is assessed periodically. Deviations from the defined standards are included in the global monitoring and follow-up processes, supporting management in addressing these deviations. The board is responsible for the definition and timely implementation of action to remedy any deficiencies identified as part of these assessments. The results are reported to the Board.

Vreugdenhil Dairy Foods' rules, policies and controls are periodically updated to reflect both business risks and the Company's readiness to mitigate them. This includes items from the auditor's management letter.

Processes

Vreugdenhil Dairy Foods' risk management activities seek to identify and appropriately address any significant threat to the achievement of the company's strategy and business objectives, its reputation and the continuity of its operations.

Vreugdenhil Dairy Foods' risk management system enables it to identify, assess, prioritise and manage risks on a continuous and systematic basis and record their implementation. Responsibility for mitigating, monitoring and reporting key risks is assigned to functional management team members who report on them in the MT meetings.

In 2023, we worked on our first Double Materiality Analysis to prepare for compliance with the requirements of the Corporate Sustainability Reporting Directive (CSRD). The risks identified as part of our risk management process were used as input for this assessment. Continuous Risk Management supports the achievement of business objectives, based on our Risk Assessment Cycle.

Risks (both global and local) are continuously identified, mitigated and monitored as part of business routines. Risk management is a regular item on the management team's periodic agenda. Vreugdenhil Dairy Foods' approach focuses on the risks the company inevitably faces in achieving its strategy. Consciously managing risks increases the likelihood of achieving our strategy and business objectives. A proactive approach ensures that risk management is part of our governance conversations and embedded in our processes. This benefits our decision-making and is essential for creating and maintaining long-term value.

It was therefore decided to broaden the scope of risk management. Using an "Incontrol" tool from EY, we will define risk management in a broad sense and assess it during the year. Broadly speaking, this means that we will also integrate the internal control framework, aimed at the system of administrative organisation and internal control in general, but also with regard to the full and timely payment of taxes and the identification of risks and control measures in the field of sustainability.

Main risks

The following is an explanation of the main risks for Vreugdenhil. The figure shows all 11 risks in the five categories for our risk management.



Risk	Category	Description of the risk	Impact for Vreugdenhil	Mitigation
Compliance risk	 Legislative risks	Changes in laws and regulations, such as import regulatory measures.	Our company has to comply with many legal provisions. New laws and regulations are added to this every year, e.g. Country-by-country reporting, CSRD, Pillar II, etc..	Vreugdenhil does not just focus on a limited range of products and/or customers or a specific region, but wants to serve customers worldwide with high-quality products.
Reputation risk	 Financial risks	The potential damage that a company can suffer as a result of, for example, negative publicity or customer/consumer dissatisfaction.	A quality issue or a change in the perception of customers or governments can have enormous (financial and/or recall) consequences for the reputation of our company and our market position.	Customer satisfaction surveys, compliance/testing against QA/QC/SHE rules.
Fraud risk	 Legislative risks	This involves possible fraud and/or theft of money and goods in the factories, external storage locations, during transport and at headquarters.	We recognise potential fraud risks. Fraud can lead to financial losses, reputational damage, operational disruptions, etc.	As part of prevention, we employ several control measures: - control of technical segregation of duties - graduated authorisations - closing money/commodity movements (mass balance) - KPIs - Codes of conduct - Whistleblowing schemes - third-party screening - investments in security of sites, premises, etc. - As complementary measures to this, we operate a careful personnel policy, an annual interview cycle and expect our management to set an example - There are so many control measures around the invoice approval process and invoice payments that we estimate fraud risk to be low there.
Product quality and safety	 Legislative risks	Vreugdenhil is a major producer of food products. These food products must meet the highest quality standards. Inferior quality or contamination of our finished products can pose a health hazard to our customers.	A quality issue or a change in the perception of customers or governments, could have huge (financial and/or, recall) consequences for our company's reputation and market position.	Production must meet the requirements set for it by food and consumer product authorities (HACCP, COKZ, NWWA, SKAL). This is tested periodically (with audits) to determine that the production process meets the requirements set. Every year, these programmes are evaluated and continuously improved throughout the organisation. Here, the risk and quality awareness of our employees is crucial. They are expected to comply with the management and quality measures, the Code of Conduct and applicable laws and regulations and, where necessary, point out to others the procedures to be followed. Where necessary, investments are made to further improve the quality of the production process.
Commodity price risk	 Market risks	In terms of procurement, Vreugdenhil is sensitive to the effect of market fluctuations in the prices of various energy commodities, including but not limited to: electricity, gas, emission rights and green certificates.	Higher costs for our commodities could lead to negative financial results.	For market prices, few forms of mitigation are possible. Fixed (long-term) price agreements are made for part of the annual consumption.
Cyber security	 Digital risks	In this age of digitalisation, the risk of failure of our automation environment - and hence shutdown of our factories and offices - is increasing.	Information security is considered an essential business asset, as the loss of data, failure of IT/OT systems, or unauthorised access to or manipulation of information can have serious consequences for the company's operations and continuity. Ensuring the confidentiality, integrity and availability of corporate data is essential to maintain competitive advantage and protect trade secrets. Unauthorised access to or loss of sensitive information can lead to financial losses and reputational damage.	To protect ourselves from this, we have a number of mitigation measures: - Implementing the NIS2 directive and complying with the AVG - Information security policy drafted and supplemented by tactical policy documents and operational work instructions - We work with external parties, such as FOX-IT, to carry out assessments on which we can define and follow up on appropriate actions. - We regularly send test phishing emails to employees to train them to recognise them and deal with them correctly. - Starting online course on cyber security in 2025
Raw material requirement	 Production risks	To meet its supply obligations, Vreugdenhil depends on available raw materials, such as milk.	Partly due to rising feed prices, higher production costs, declining amounts of available phosphate rights and the effects of climate change, but certainly also due to the nitrogen policy to be implemented, we see a declining trend in milk supply. The nitrogen issue is high on the political agenda, creating uncertainty about the future of dairy farming and the milk production to be realised.	New dairy farmers are most welcome and we have welcomed dozens of them in recent years. Also, in addition to producing milk-based powders, we are increasingly focusing on the production of plant-based powders. In addition, the procurement department will start working on a new sourcing approach for our other commodities in 2025. They always use multi-sourcing channels.

Risk	Category	Description of the risk	Impact for Vreugdenhil	Mitigation
Market and competition	<div><div></div>Market risks</div>	Vreugdenhil depends on market demand.	Vreugdenhil does a lot of business with oil-exporting countries. Production-limiting measures, as taken by OPEC countries, directly affect the amount of foreign exchange a country generates with which it can meet its payment obligations to (foreign) suppliers. It also affects Vreugdenhil's revenue and profit development. A stronger (becoming) euro against the local currency only reinforces this effect. Due to market uncertainty, neither sellers nor buyers enter into long-term contracts. It is mostly limited to delivery within two to three months.	This risk is closely monitored by Vreugdenhil. However, as an organisation, Vreugdenhil has limited influence on the development of this risk. The dairy market is dependent on the global market.
(Debtors) Credit risk	<div><div></div>Financial risks</div>	Credit risk is the risk of a loss arising because a counterparty is unwilling or unable to meet its obligations to Vreugdenhil.	A long-term non-paying counterparty causes financial losses for Vreugdenhil.	<p>Within Vreugdenhil, credit analysis and credit management are applied where the degree of assessment depends on the extent of credit risk arising in a transaction. We use credit insurer Coface for this purpose.</p> <p>Vreugdenhil supplies its products to hundreds of customers in over 130 countries worldwide. This means that the debtor risk, i.e. the risk that the debtor cannot fulfil its payment obligations to Vreugdenhil Dairy Foods, is spread. Vreugdenhil is not dependent on one or only a limited number of buyers. In addition, weekly monitoring of outstanding receivables takes place and adequate debtor monitoring procedures are in place, including letters of credit, prepayments, bank guarantees and delivery within the limits issued by the credit insurer.</p>
Liquidity risk/cash flow risk	<div><div></div>Financial risks</div>	A liquidity risk is the risk that Vreugdenhil Dairy Foods would be unable to obtain the necessary financial resources to meet its obligations on time.	To ensure continuity as a company, it is very important to have the right necessary financial resources. If this is not the case, it jeopardises the continuity of our organisation.	<p>To this end, Vreugdenhil regularly assesses expected cash flows over a period of several months.</p> <p>The aim is to have sufficient funds available at all times to meet liquidity needs. Financing facilities have been agreed with banks to meet 'the investment obligations' of Vreugdenhil.</p> <p>Covenant agreements with the bank are monitored periodically. It also contributes to a good liquidity management system and adequate liquidity planning. The financing agreement and the covenant agreements made therein are sufficient to meet Vreugdenhil's financing needs.</p>
Interest risk	<div><div></div>Market risks</div>	This refers to the probability that the assets invested in Vreugdenhil may lose value due to changing interest rates.	Changing interest rates will have an impact on Vreugdenhil's financing costs, this may affect the continuity of the business.	To manage interest rate risk, Vreugdenhil will enter into one or more interest rate swaps whereby the variable interest rate on a number of external loans will be swapped for a fixed interest rate for a significant portion of the loan amount.
Currency risk	<div><div></div>Market risks</div>	The currency risks are related to transaction risks. This concerns risks regarding future cash flows in foreign currencies, as well as balance sheet positions in foreign currencies.	<p>Vreugdenhil Dairy Foods is exposed to currency risk on purchases and sales, cash and cash equivalents, and other balance sheet positions denominated in a currency other than the euro.</p> <p>Currency risks exist at the end of 2024 mainly on account of balance sheet positions in US dollars.</p>	<p>The bulk of purchasing and sales transactions take place in euros. For foreign currency transactions, Vreugdenhil Dairy Foods applies a currency policy aimed at reducing currency risks by using forward exchange transactions and currency swaps.</p> <p>The combination of both types of derivatives minimises currency risks. Because the estimation of the correct delivery time of goods and the time of collection of receivables remains subject to change, currency positions are constantly monitored and open positions are hedged where necessary.</p>

Closing words

This 2024 results report has been compiled with great care and attention. As a company, we are proud of the steps we have taken, and the results we are achieving day in, day out.

We would like to thank everyone involved in our value chain, from dairy farmers and suppliers to customers, for the trust they have placed in us.

We thank all our employees for their hard work and tireless dedication over the past year.

If you want to know more, or want clarification on topics, we warmly invite you to contact us. Sustainability reports from previous years (2020, 2021, 2022 and 2023) are available on request. If you would like to view these, please contact us at www.vreugdenhildairyfoods.com/contact

Nijkerk, 20 June 2025

Arie Santinge (former CFO, stepped down on 15 May 2025)
Jan Vreugdenhil, Chairman
Albert de Groot, CEO



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Glossary

- BREEAM: instrument for integrally measuring the sustainability of new buildings, existing buildings, areas and demolition projects.
 - BVD: Bovine Viral Diarrhoea
 - (Central) Works Council ((C)OR): A works council (OR) consists of employees who consult with the employer on behalf of the staff. Vreugdenhil Dairy Foods has a Works Council per location and a Central Works Council (COR) at company level.
 - Cleaning in Place (CIP): Cleaning in Place is a technique whereby a production part (object) is cleaned automatically without the object or parts thereof having to be dismantled, moved or taken apart.
 - Dairy Sustainability Framework: The Dairy Sustainability Framework (DSF) provides a global framework for a holistic approach to sustainability across the dairy value chain. Vreugdenhil and the Sustainable Dairy Chain are members of the Dairy Sustainability Framework.
 - Due Diligence: Due diligence is a process whereby companies identify risks to people and the environment in their supply chains, prevent, address or stop these risks and communicate about them.
 - EDA: The European Dairy Association is the trade association for the European dairy industry.
 - Severity ratio of accidents with absence: (total number of days of absence due to accident) x 1,000 / total number of working hours
 - Frequency ratio of lost time accidents: (total number of lost time accidents) x 1,000,000 / total number of working hours
 - FNLI: The Federation of the Dutch Food Industry is the trade association for the Dutch food industry.
 - Global Reporting Initiative (GRI); is the international standard for reporting on sustainability and corporate social responsibility.
 - IBR: Infectious Bovine Rhinotracheitis
 - KalfOK score: the KalfOK score was developed on the initiative of LTO and NZO and gives farmers insight into the quality of young stock reared on the farm. Companies with a good score earn points in our sustainability program.
- KoeKompas: instrument for our dairy farmers to map animal welfare and health together with a vet. With a score on 7 components, the dairy farmer has starting points for improvements.
 - Kringloopwijzer™: The Kringloopwijzer™ gives dairy farmers insight into their environmental and climate performance, enabling them to manage the use of minerals even better. The calculation rules of this tool are scientifically substantiated.
 - MMC: Mobile Milk Collection, the transport of milk between the dairy farmers and the dairy processing factories.
 - NZO: the Dutch Dairy Organization is the branch organization for the Dutch dairy industry.
 - ProTerra: certification for the production and use of sustainable, non-genetically modified soy according to the international organization ProTerra Foundation.
 - Ready to Use Therapeutic Food (RUTF): Composite product with high energy and nutrient content for acutely malnourished children.
 - (Non-) Renewable energy: Renewable energy is energy from natural sources that are constantly replenished. This is energy from wind, hydropower, sun, soil, outdoor air heat and biomass. Fossil energy and nuclear energy are non-renewable energy because they come from sources that are not replenished.
 - RSPO: The Round Table on Sustainable Palm Oil is an organization that brings together stakeholders from 7 sectors of the palm oil industry to develop and implement global standards for sustainable palm oil.
 - Mass balance RSPO certified is palm oil from certified sources that is blended with regular palm oil throughout the supply chain
 - Segregated RSPO certified is palm oil from a single or several identifiable certified source(s) that is kept separate from regular palm oil throughout the supply chain.
 - SAI (Sustainable Agriculture Initiative) Platform: International food and beverage value chain initiative for sustainable agriculture.
 - Sedex: Data platform for creating sustainable companies and chains. Includes capabilities for storing, analyzing, sharing and reporting on sustainability activities and mapping and assessing sustainability risks.
- SDP (Sustainable Dairy Partnership) reporting hub: Online portal where progress on sustainable development among dairy farmers of dairy processors is shared with the chain. Developed by the Dairy Working Group within SAI Platform.
 - SDGs: At the end of 2015, the UN adopted a new global sustainable development agenda for 2030. This agenda contains 17 Sustainable Development Goals (SDGs).
 - SMETA: Sedex Members Ethical Trade Audit. An internationally recognized standard for working conditions.
 - Skal: Skal is an independent organization for monitoring organic production in the Netherlands.
 - Soy lecithin: the part of soy that is extracted from the fat fraction of soy and that Vreugdenhil uses to make milk powder dissolve better in water.
 - Sustainability: way of doing business with an eye for people, planet and profit.
 - Sustainability programme: title of our programme with which we want to encourage our dairy farmers to take improvement steps in the areas of the environment, animal welfare and animal health via a points system and accompanying premium.
 - Sustainable Dairy Chain (DZK): an initiative in which the dairy industry and dairy farmers work together to make the Dutch dairy sector a global leader in the field of sustainability.
 - VNO-NCW: VNO-NCW is an association of entrepreneurs, with sector organizations and companies as members. They represent companies of various sizes and across all sectors, such as listed companies, family businesses, small and medium-sized enterprises and young companies.
 - Vreugdenhil Employment Conditions Regulation (AVR): Supplementary employment conditions to the Collective Labor Agreement Dairy for employees of Vreugdenhil Dairy Foods in salary groups 9 and higher.
 - Waste water treatment plant (WWTP): Installation for the purification of waste water from organic and chemical waste.

GRI-table

Vreugdenhil has reported the information cited in this GRI content index for the period 1 January 2024 - 31 December 2024 with reference to the GRI Standard 2021.

GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE (NL)	Locatiion	Page number
GRI 2: General Disclosures 2021	2-1 Organisation details	General / About Vreugdenhil	6-7
	2-2 Entities included in the organization’s sustainability reporting	General / Principles of sustainability statements	18
	2-3 Reporting period, frequency and contact point	General / Principles of sustainability statements	18
		Closing words	84
	2-4 Restatements of information	n.a.	
	2-5 External assurance	General / External audit of sustainability performance	27
	2-6 Activities, value chain and other business relationships	General / About Vreugdenhil / Market position	7
		General / About Vreugdenhil / Value chain	8
		General / About Vreugdenhil / Value creation model	17
	2-7 Employees	Social / Own workforce / Indicators for our employees	65
	2-8 Workers who are not employees	Social / Own workforce / Indicators for our employees	65
	2-9 Governance structure and composition	General / Management structures	20-22
	2-10 Nomination and selection of the highest governance body	General / Management structures	20-22
	2-11 Chair of the highest governance body	General / Management structures	20-22
	2-12 Role of the highest governance body in overseeing the management of impacts	General / Management structures	20-22
	2-13 Delegation of responsibility for managing impacts	General / Management structures	20-22
	2-14 Role of the highest governance body in sustainability reporting	General / Principles of sustainability statements	20-22
	2-15 Conflicts of interest	Financial / Compliance with the Dutch Corporate Governance Code	80
	2-16 Communication of critical concerns	Social / Own workforce / Terms and conditions of employment	61
	2-17 Collective knowledge of the highest governance body	General / Management structures	20-21
	2-18 Evaluation of the performance of the highest governance body	General / Management structures	20-21
	2-19 Remuneration policies	General / Remuneration policy	21

	2-20 Process to determine remuneration	General / Remuneration policy	21
	2-21 Annual total compensation ratio	Social / Own workforce / equal treatment and opportunities	62
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	2-23 Policy commitments	Governance/ Business conduct / doing business with honesty and integrity	76
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	2-25 Processes to remediate negative impacts	General/ stakeholder engagement Social/ Employees in the value chain /Future security and equal opportunities for dairy farmers Social/ Employees in the value chain / Human rights in the chain	23-27 67 68
	2-26 Mechanisms for seeking advice and raising concerns	General / Stakeholder engagement Social / customers and consumers / complaints	23-27
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GRI 3: Material Topics 2021	3-1 Process to determine material topics	General / Double materiality assessment	10-16
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	3-3 Management of material topic: Climate change	Environment / Climate Change	29-41
	3-3 Management of material topic: Air, water, and soil quality	Environment / Air, water, and soil quality	42-47
	3-3 Management of material topic: Water	Environment/ Water	48-49
	3-3 Management of material topic: Biodiversity and ecosystems	Environment / Biodiversity and ecosystems	50-52
GRI 305: Emissions 2016	3-3 Mangement of material topic: Resource use and circular economy	Environmental / Resource use and circular economy	53-55
Social			
	3-3 Management of material topic: Own workforce	Social / Own workforce	57-65
	3-3 Management of material topic: Employees in the value chain	Social / Employees in the value chain	66-68
	3-3 Management of material topic: Customers and consumers	Social / Customers and consumers	69-73
Governance			
	3-3 Management of material topic: Business conduct	Governance / business conduct	75-78

ESRS-table

Vreugdenhil has consulted the European Sustainability Reporting Standards of 31 July 2024 in preparation for the upcoming CSRD legislation. This ESRS Index shows where the components reported so far for the period January 1, 2024 - December 31, 2024 appear in this report. In the coming years, this information will be further expanded to fully comply with all requirements

ESRS	General disclosure requirements	Location in report	Page-number
Basis for preparation			
BP-1	General basis for preparation of the sustainability statements	General / Principles of sustainability statements	18
BP-2	Disclosures in relation to specific circumstances	n.a.	
Governance			
GOV-1	The role of the administrative, management and supervisory bodies	General / Board	19-22
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	General / Board	19-22
GOV-3	Integration of sustainability-related performance in incentive schemes	General / Remuneration policy	21
GOV-4	Statement on sustainability due diligence		
GOV-5	Risk management and internal controls over sustainability reporting	Financial / Organisation and risk management	81-83
Strategy			
SBM-1	Market position, strategy, business model(s) and value chains	General / About Vreugdenhil	6- 9, 17
SBM-2	Interests and views of stakeholders	General / Stakeholder engagement	23-27
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	General / Double materiality assessment	10-17
Impact-, risico- en kansenmanagement			
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	General / Double materiality assessment	10-17
IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statements	Attachments / ESRS Table	89-96
MDR-P	Policies adopted to manage material sustainability matters	Refer to material topics	
MDR-A	Actions and resources in relation to material sustainability matters	Refer to material topics	

Measures and goals		
MDR-M	Metrics in relation to material sustainability matters	Refer to material topics
MDR-T	Tracking effectiveness of policies and actions through targets	Refer to material topics

ESRS	General disclosure requirements	Location in report	Page-number
Environment			
E1 Climate change: greenhousegas emissions, climate adaptation			
GOV-3	Integration of sustainability-related performance in incentive schemes	General / Remuneration policy	21
E1-1	Transition plan for climate change mitigation	Environment/ Climate change / Mitigation transition plan	30
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Environment/ Climate change / Dairy farming	31-33
		Environment/ Climate change / Transport	34-35
		Environment/ Climate change / Factories	36-38
IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	General / Double materiality assessment	10-17
E1-2	Policies related to climate change mitigation and adaptation	Environment/ Climate change / Dairy farming / Policy	31
		Environment/ Climate change / Transport / Policy	34
		Environment/ Climate change / Factories / Policy	36
		Environment/ Climate change / Climate adaptation	39
E1-3	Actions and resources in relation to climate change policies	Environment/ Climate change / Dairy farming/ Actions	31
		Environment/ Climate change / Transport/ Actions	34
		Environment/ Climate change / Factories / Actions	37
E1-4	Targets related to climate change mitigation and adaptation	Environment/ Climate change / Dairy farming / target	31
		Environment/ Climate change / Transport / target	34
		Environment/ Climate change / Factories / target	36
E1-5	Energy consumption and mix	Environment/ Climate change / Indicators climate change / Energy consumption mix	41
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	Environment/ Climate change / Indicators climate change / Greenhouse gas emissions	41
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	Based on the outcome of the DMA, considered not material and therefore not applicable.	
E1-8	Internal carbon pricing	Based on the outcome of the DMA, considered not material and therefore not applicable.	
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Use of phase-in provisions in accordance with Appendix C of ESRS 1.	

E2 Pollution: air, soil and water quality			
IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	General / Double materiality assessment	10-17
E2-1	Policies related to pollution	Environment / Air, water, and soil quality / Emissions to air / policy	43
		Environment / Air, water, and soil quality / Emissions to water/ policy	45
		Environment / Air, water, and soil quality / Emissions to soil/ policy	46
		Environment / Air, water, and soil quality / Hazardous substances/ policy	47
E2-2	Actions and resources related to pollution	Environment / Air, water, and soil quality / Emissions to air / actions	43
		Environment / Air, water, and soil quality / Emissions to water/ actions	45
		Environment / Air, water, and soil quality / Emissions to soil/ actions	46
		Environment / Air, water, and soil quality / Hazardous substances/ actions	47
E2-3	Targets related to pollution	Environment / Air, water, and soil quality / Emissions to air / target	43
		Environment / Air, water, and soil quality / Emissions to water/ target	45
		Environment / Air, water, and soil quality / Emissions to soil/ target	46
		Environment / Air, water, and soil quality / Hazardous substances/ target	47
E2-4	Pollution of air, water and soil	Environment / Air, water, and soil quality / Indicators air, water and soil quality	47
E2-5	Substances of concern and substances of very high concern	Environment / Air, water, and soil quality / Hazardous substances	47
E3 Water and marine resources: Water			
IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	General / Double materiality assessment	10-17
E3-1	Policies related to water and marine resources	Environment/ Water/ policy	49
E3-2	Actions and resources related to water and marine resources	Environment/ Water/ actions	49
E3-3	Targets related to water and marine resources	Environment/ Water/ target	49
E3-4	Water consumption	Environment/ Water/ Indicators water	49

E4 Biodiversiteit en ecosystemen			
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	Use of phase-in provisions in accordance with Appendix C of ESRS 1.	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	General / Double materiality assessment	10-17
IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	General / Double materiality assessment	10-17
E4-2	Policies related to biodiversity and ecosystems	Environment/ Biodiversity and ecosystems / Dairy farming / policy	51
		Environment/ Biodiversity and ecosystems / Procurement of raw materials / policy	52
E4-3	Actions and resources related to biodiversity and ecosystems	Environment/ Biodiversity and ecosystems / Dairy farming / actions	51
		Environment/ Biodiversity and ecosystems / Procurement of raw materials / actions	52
E4-4	Targets related to biodiversity and ecosystems	Environment/ Biodiversity and ecosystems / Dairy farming / target	51
		Environment/ Biodiversity and ecosystems / Procurement of raw materials / target	52
E4-5	Impact metrics related to biodiversity and ecosystems change	Environment/ Biodiversity and ecosystems / Dairy farming / Result 2024	51
		Environment/ Biodiversity and ecosystems / Procurement of raw materials / Result 2024	52
E5 Resource use and circular economy			
IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	General / Double materiality assessment	10-17
E5-1	Policies related to resource use and circular economy	Environment/ Resource use and circular economy/ Policy	54
E5-2	Actions and resources related to resource use and circular economy	Environment/ Resource use and circular economy/ Actions	54
E5-3	Targets related to resource use and circular economy	Environment/ Resource use and circular economy/ Targets	54
E5-4	Resource inflows	Environment/ Resource use and circular economy/ Inidcators resource use and circular economy/ material inflow	55
E5-5	Resource outflows	Environment/ Resource use and circular economy/ Inidcators resource use and circular economy/ material outflow	55
		Environment/ Resource use and circular economy/ Inidcators resource use and circular economy/ waste	

ESRS	General disclosure requirements	Location in report	Page-number
Social			
S1 Own workforce: Health and safety, terms and conditions of employment, equal treatment and opportunities , training and development			
SBM-2	Interests and views of stakeholders	General / Stakeholder engagement	23-27
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	General / Double materiality assessment	10-17
S1-1	Policies related to own workforce	Social / Own workforce / Health and safety / Safe working environment / Policy	58
		Social / Own workforce / Health and safety/ Staying vital and having fun at work / Policy	59
		Social / Own workforce / Terms and conditions of employment/ policy	61
		Social / Own workforce / Equal treatment and opportunities/ policy	62
		Social / Own workforce / Training and development/ policy	63
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	Social / Own workforce / Terms and conditions of employment/ policy	61
		General / Stakeholder engagement / employees	25
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	Social / Own workforce / Terms and conditions of employment/ policy	61
		General / Stakeholder engagement / employees	25
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Social / Own workforce / Health and safety / Safe working environment / Actions	58
		Social / Own workforce / Health and safety/ Staying vital and having fun at work / Actions	59
		Social / Own workforce / Terms and conditions of employment/ Actions	61
		Social / Own workforce / Equal treatment and opportunities/ Actions	62
		Social / Own workforce / Training and development/ Actions	63
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Social / Own workforce / Health and safety / Target	58
		Social / Own workforce / Terms and conditions of employment/ Target	61
		Social / Own workforce / Equal treatment and opportunities/ Target	62
		Social / Own workforce / Training and development/ Target	63
S1-6	Characteristics of the undertaking's employees	Social / Own workforce/ Indicators our employees	65
S1-7	Characteristics of non-employees in the undertaking's own workforce	Social / Own workforce/ Indicators our employees	65
S1-8	Collective bargaining coverage and social dialogue	Social / Own workforce/ Indicators our employees	65
S1-9	Diversity metrics	Social / Own workforce/ Indicators our employees	65
S1-10	Adequate wages	Social / Own workforce / Terms and conditions of employment/ policy	61
S1-11	Social protection	Social / Own workforce / Terms and conditions of employment/ policy	61
S1-12	Persons with disabilities	It is legally not permitted to include medical data in employee records or to ask employees about such information. Therefore, we do not register how many of our employees have a disability.	
S1-13	Training and skills development metrics	Social / Own workforce / Training and development/ Actions	63
S1-14	Health and safety metrics	Social / Own workforce / Health and safety/ Indicators Safe working environment	59
S1-15	Work-life balance metrics	Use of phase-in provisions in accordance with Appendix C of ESRS 1.	
S1-16	Remuneration metrics (pay gap and total remuneration)	Social / Own workforce / Equal treatment and opportunities/ actions	62
S1-17	Incidents, complaints and severe human rights impacts	Social / Own workforce / Health and safety/ Staying vital and having fun at work/ Indicators Staying vital and happy at work	60

S2 Workers in the value chain :Future security and equal opportunities for dairy farmers, and Human rights in the chain			
SBM-2	Interests and views of stakeholders	General / Stakeholder engagement	23-27
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	General / Double materiality assessment	10-17
S2-1	Policies related to value chain workers	Social/ Employees in the value chain / Future security and equal opportunities for dairy farmers / policy	67
		Social / Employees in the value chain / Human right in the chain / policy	68
S2-2	Processes for engaging with value chain workers about impacts	Social/ Employees in the value chain / Future security and equal opportunities for dairy farmers / Policy / Contact and safety	67
		Social/ Employees in the value chain / Future security and equal opportunities for dairy farmers / Actions / contact and safety	
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	Social/ Employees in the value chain / Future security and equal opportunities for dairy farmers / Policy / Contact and safety	67
		Social/ Employees in the value chain / Human rights in the chain / Policy	68
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	Social/ Employees in the value chain / Future security and equal opportunities for dairy farmers / Actions	67
		Social/ Employees in the value chain / Human rights in the chain / Actions	68
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Social/ Employees in the value chain / Future security and equal opportunities for dairy farmers / Target	67
		Social/ Employees in the value chain / Human rights in the chain / Target	68

S4 Consumers and end-users: Protein transition; Product quality and safety; Affordable and healthy food

SBM-2	Interests and views of stakeholders	General / Stakeholder engagement	23-27
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	General / Double materiality assessment	10-17
S4-1	Policies related to consumers and end-users	Social/ Customers and consumers / product quality and safety/ policy	70
		Social/ Customers and consumers / Affordable and healthy food / policy	71
		Social/ Customers and consumers/ Protein transition / policy	73
S4-2	Processes for engaging with consumers and end-users about impacts	Social/ Customers and consumers / product quality and safety/ complaints	70
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Social/ Customers and consumers / product quality and safety/ complaint	70
		Social/ Customers and consumers / product quality and safety/ food safety and quality	
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	Social/ Customers and consumers / product quality and safety/ Actions	70
		Social/ Customers and consumers / Affordable and healthy food / Actions	71-72
		Social/ Customers and consumers/ Protein transition / Actions	73
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Social/ Customers and consumers / product quality and safety/ Target	70
		Social/ Customers and consumers / Affordable and healthy food / Target	71
		Social/ Customers and consumers/ Protein transition / Target	73

Governance**G1 Business conduct: Doing business with honesty and integrity; Political engagement and lobbying; Animal health and welfare**

GOV-1	The role of the administrative, supervisory and management bodies	General / Board	19-22
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	General / Double materiality assessment	10-17
G1-1	Business conduct policies and corporate culture	Govenance/ Business conduct / Doing business with honesty and integrity/ policy	76
		Govenance/ Business conduct / Political engagement and lobbying / policy	77
		Govenance/ Business conduct / Animal health and welfare / policy	78
G1-2	Management of relationships with suppliers	Govenance/ Business conduct / Doing business with honesty and integrity/Actions	76
G1-3	Prevention and detection of corruption and bribery	Govenance/ Business conduct / Doing business with honesty and integrity/Actions	76
		Govenance/ Business conduct / Doing business with honesty and integrity / Target	
G1-4	Incidents of corruption or bribery	Govenance/ Business conduct / Doing business with honesty and integrity /	76
		Result 2024	
G1-5	Political influence and lobbying activities	Govenance/ Business conduct / Political engagement and lobbying / Policy	77
		Govenance/ Business conduct / Political engagement and lobbying / Actions	
G1-6	Payment practices	Govenance/ Business conduct / Doing business with honesty and integrity/Actions	76
		Govenance/ Business conduct / Doing business with honesty and integrity / Policy	

