



# The *next* *generation* of food

# Flora Food Group is a branded food champion with a new name, a rich heritage and scale.

We are well-positioned to deliver the next generation of delicious, natural and nutritious food. We have both the expertise and iconic brands to lead the way.

A passionate community of Flora Foodies and extensive manufacturing, innovation and distribution capabilities help us provide excellent value for customers and consumers.

Our portfolio offers consumers a compelling choice: our products are healthier, more affordable and more sustainable than their dairy equivalents.

We are aligned with worldwide megatrends and the change the food system needs.

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“Our iconic brands fuel *growth* opportunities across four expanding categories”

## Welcome from our Group CEO

The year 2024 marked a defining moment for our company as we embraced our new identity as Flora Food Group, reflecting a comprehensive transformation journey that has positioned us to drive sustainable growth over the long term.

### Financial performance and strategic progress

Our performance this year demonstrates the strength of our strategy, delivering an inflection in our volumes alongside healthy EBITDA growth. This financial discipline, coupled with our strong cash generation and scale, provides us the flexibility to continue driving our competitiveness and investment in our brands and innovation.

Our portfolio of iconic brands continues to offer consumers compelling choice across four vast and growing categories – dairy-alternatives to butters and spreads, creams, culinary and cheeses – in the 100+ markets where we operate. The stabilisation and growth in our spreads business, alongside ongoing momentum in our newer categories, demonstrates the progress we are making in delivering the next generation of delicious, natural, nutritious food, which is more affordable and more sustainable.

### Innovation, growth and collaboration

Leveraging our 150+ years of heritage and deep R&D expertise, we continued to strengthen our innovation capabilities in 2024. Our groundbreaking paper packaging innovation earned the prestigious World Sustainability Award, demonstrating our commitment to sustainable solutions. We hosted the second Future of Food conference in Wageningen, bringing together industry leaders to accelerate development in sustainable food.

The acquisition of our Kansas Creams facility, set to open later in 2025, underscores our commitment to growing our business in North America.

The strategic investment in our USA facility represents a significant step in our growth strategy, allowing us to service the USA and American markets locally and accelerate our creams, culinary and cheese agenda. This capability enhancement, combined with our disciplined promotion strategies and targeted innovations, positions us well despite the cautious consumer environment and competitive backdrop we face in many of our markets.

### Recognition through purpose

The passion and dedication of our Flora Foodies worldwide drove excellent progress and widespread recognition throughout this pivotal year. Our strong culture continues to attract talented individuals committed to our mission, and we achieved the highest entry score in the Access to Nutrition initiative (ATNi) index, validating our commitment to delivering nutritious, sustainable food choices.

### Looking ahead

Worldwide megatrends – including population growth, increasing demand for dairy alternatives, product innovation and climate action – will, I believe, continue to drive demand for our products. We are uniquely positioned to capture value from these trends, with our portfolio of delicious and affordable products that give consumers the ability to enjoy the foods they love, while offering better health outcomes compared to dairy equivalents.

As we look forward, I’m energised by the opportunities ahead. The fundamentals across our categories remain healthy, the opportunity in front of us is vast and, while the path forward may not be linear across all categories and markets, our agility and focus on executional excellence will drive sustainable growth.

**David J Haines**, Group CEO, Flora Food Group

At a glance

We are Flora Food Group, a branded food champion delivering the *next generation of food.*

### Driven by our purpose

To deliver the next generation of *delicious, natural, nutritious* food; more affordable, more sustainable.

### Values-led

*Performance* | Results Matter  
*Care* | Kindness Wins  
*Passion* | Love. Work. Live.

### New company name



Connecting our rich heritage and purpose.

### Offering compelling choice

Our iconic brands offer consumers choice across four vast and different growing categories.

 Butters and spreads	 Creams
 Culinary	 Cheeses





# At a glance continued

## A branded food champion

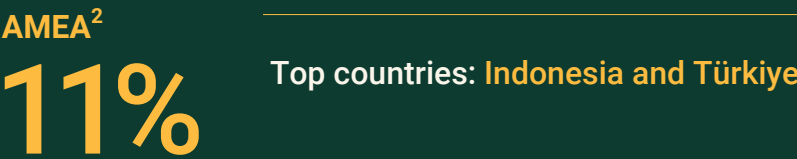
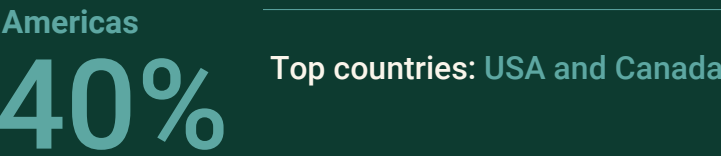
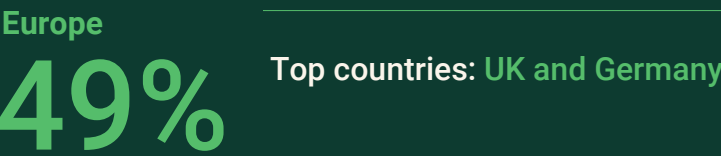


## A multi-channel operator



<sup>1</sup> As at 31 December 2024. One manufacturing site was acquired during the 2024 financial year and another is operated by Unilever. Therefore only 13 manufacturing sites fall within the scope of the Sustainability Information Statement in this report.  
<sup>2</sup> Asia-Pacific, Middle East and Africa.

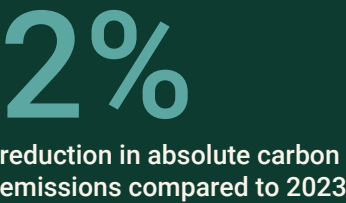
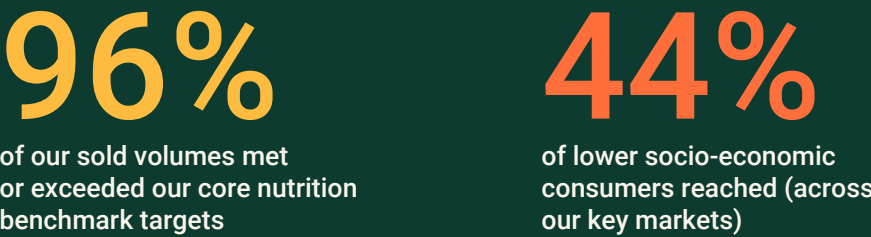
## Sales by region (regional NSV split)



## Financial highlights



## Non-financial highlights<sup>^</sup>



<sup>^</sup> See Appendix 3 at page 98 for details on how these metrics are defined and calculated.

# Our footprint

## Our presence

Championing the next generation of food, worldwide.


**100+**  
countries served by  
Flora Food Group

**38**  
offices

**1**  
state-of-the-art Food  
Science Centre

Group HQ:  
Amsterdam



 Manufacturing  
sites

Americas	_____	5
Europe	_____	7
AMEA	_____	3





Driven by our purpose

To deliver the next generation  
of *delicious, natural,*  
*nutritious* food; more  
affordable, more sustainable.

Our iconic brands offer  
compelling choice.



Delivering our purpose

# Compelling choice, *no compromise.*



## Delicious

Our products deliver exceptional taste without compromise. More consumers are discovering our brands through their outstanding flavour profiles. This year's successful ViolaLife Cream Cheese relaunch exemplifies how understanding consumer preferences and responding with innovative, delicious products drives our continued success.



## Natural

We use natural, simple and traceable ingredients for our products. As more consumers consider what goes into their food, we are well equipped to provide consumers compelling choice.

natural  
ingredients  
in our Flora  
Plant Butter



## Nutritious

Our products are low in saturated fat and contain no trans fats.\*\* Many of our brands, like Becel, Bertolli and BlueBand are formulated to support healthier diets.

✓ **96%**  
our products beat (or meet)  
our nutrition benchmark  
targets<sup>^</sup>



## More affordable

We offer multiple propositions across our range of iconic brands to ensure we provide an affordable choice for everyone. For example, BlueBand's new Choco Spread launch in Kenya, provides a tasty alternative with a variety of pack choices to ensure we reach consumers at all price points.

**44%**  
of lower socio-economic consumers  
reached (across our key markets)<sup>^</sup>



## More sustainable

Our products are better for the planet than conventional dairy equivalents, and we have robust policies and targets to ensure that our environmental impact is kept to a minimum. On average, compared to the dairy equivalent, our products have:

**70%**  
lower climate impact

**75%**  
less land required

**65%**  
less water used<sup>^^</sup>

6

\*\*no PHVO.

<sup>^</sup> See Appendix: 3 at page 98 for details on how these metrics are defined and calculated.

<sup>^^</sup>For more details on how we calculate comparative LCA (based on Quantis study 2024), see appendix 4.1, page 103.



# *Our* Strategy

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# Our strategy for growth

## Our strategy for growth

Through our purpose of creating the next generation of delicious, natural, nutritious food that's more affordable and more sustainable than dairy equivalents, we offer compelling choice that doesn't compromise on taste or quality.

Flora Food Group is aligned with global megatrends such as population growth, increasing concerns for animal welfare and evolving regulatory requirements. These factors are driving demand for more sustainable food solutions and creating significant opportunities for our business.

Our products provide this, using less land and producing lower carbon emissions than conventional dairy products.^

## Our ambition

We are committed to delivering sustainable, long-term growth that contributes to nourishing food, thriving people and a flourishing planet.

Our unique combination of iconic brands, well-invested infrastructure, industry-leading research and development (R&D) expertise and people-driven culture enables us to deliver for customers and drive growth through exceptional products, strengthen our brands, execute across multiple channels and strategically leverage our scale in a rapidly evolving global food system.

^ For more details on how we calculate comparative LCA (based on Quantis study 2024), see appendix 4.1, page 103.

## Our purpose

To deliver the next generation of delicious, natural and nutritious food; more affordable, more sustainable.  
Our iconic brands offer compelling choice.

[READ MORE ON PAGE 8](#)

*Delicious*

*Natural*

*Nutritious*

*More affordable*

*More sustainable*

## Our people & values

Performance

Care

Passion

## Our ambition

Sustainable long-term growth, contributing to *nourishing food, thriving people* and a *flourishing planet*

## What makes us unique

Iconic brands

Well-invested,  
end-to-end platform

Industry-leading R&D expertise

People and  
performance-driven culture

[READ MORE ON PAGE 12](#)

## Our growth enablers

Best-ever products  
in growing categories

Building and investing  
in iconic brands

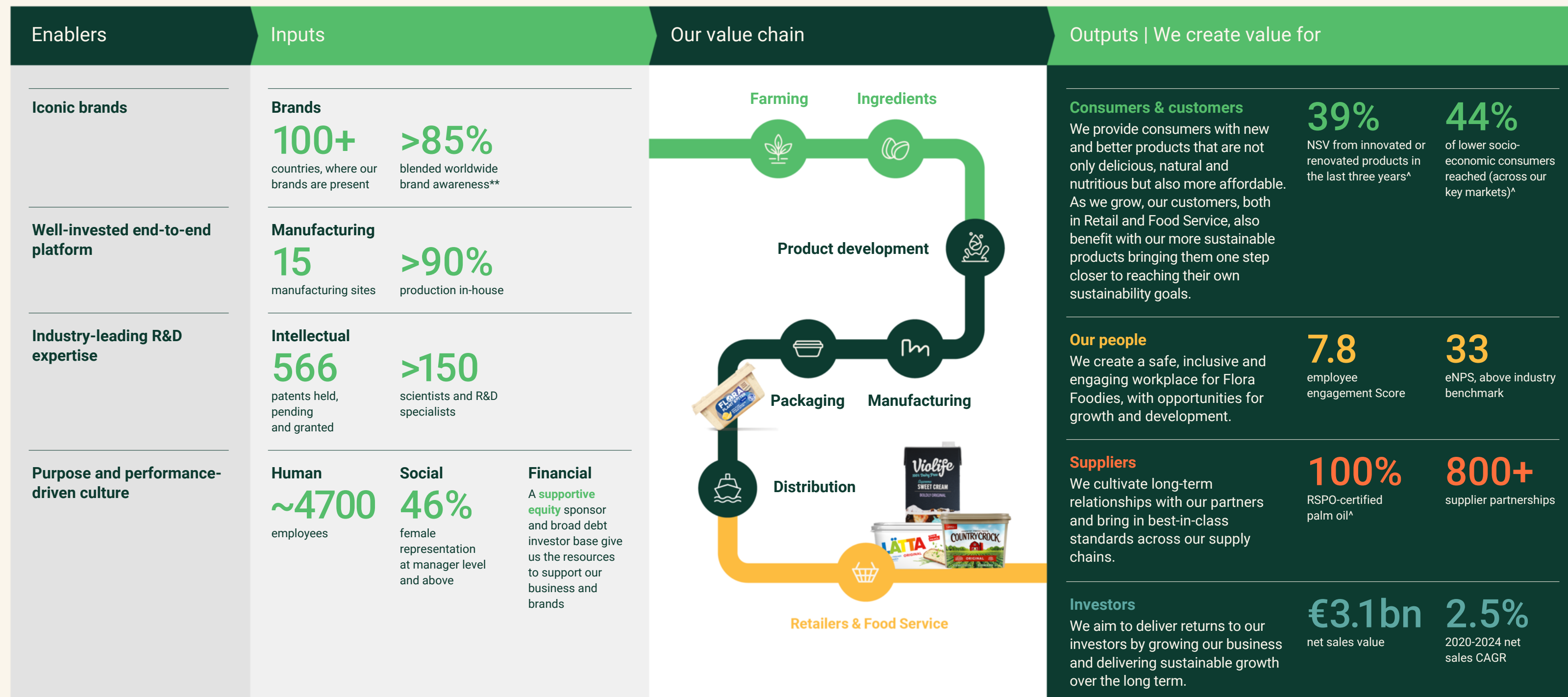
Executing in multiple channels

Drive and leverage our scale

[READ MORE ON PAGE 13](#)



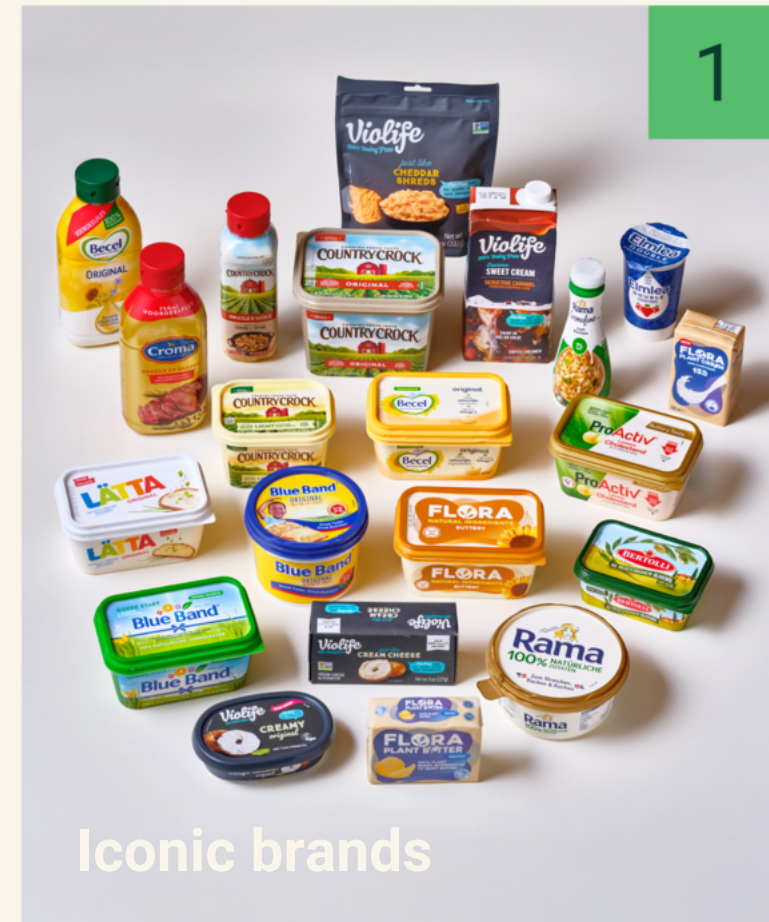
# Our value creation model



^ See Appendix 3 at page 98 for details on how these metrics are defined and calculated.

\*\* Blended average on aided awareness of all our measured brands in current tracking markets (DE, NL, PL, ES, UK, USA); Source: Kantar Brand Tracking.

# What makes us unique



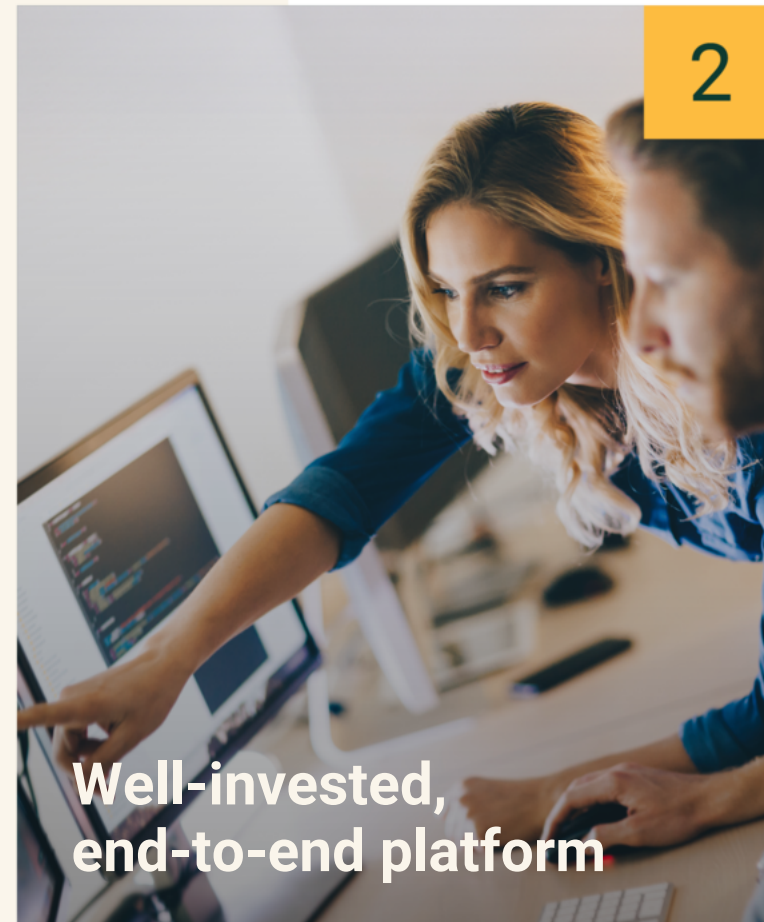
1

Iconic brands

- Deeply rooted in local cultures, trusted by millions.
- Innovating for the future; continuously evolving.



READ MORE ABOUT OUR ICONIC BRANDS  
ON PAGE 14



2

Well-invested,  
end-to-end platform

- World-class procurement, supply chain and production capabilities.
- Digitally enabled operations for efficiency and agility.



READ MORE ABOUT WELL-INVESTED, END-TO-END PLATFORM  
ON PAGE 17



3

Industry-leading  
R&D expertise

- Cutting-edge innovation in ingredients, product formulation and packaging.
- Deep knowledge of food research and nutrition to drive superior quality.



READ MORE ABOUT INDUSTRY-LEADING R&D EXPERTISE  
ON PAGE 16



4

Purpose and  
performance-  
driven culture

- A passionate and engaged community of Flora Foodies dedicated to our ambition.
- A culture that balances high performance with meaningful impact.



READ MORE ABOUT PURPOSE AND PERFORMANCE-DRIVEN  
CULTURE ON PAGE 19



# Our growth enablers

Our comprehensive approach to our products, brands, leveraging our scale and winning in multiple channels provides a clear strategy to delivering the next generation of food.

## Best-ever products

Flora Food Group delivers delicious and nutritious products with natural ingredients, with the same or superior taste, versatility and performance as dairy equivalents. We have been reinventing our portfolio since 2018 to give consumers the most compelling choice possible.

## Building iconic brands

With over 150 years of heritage and many well-known, trusted brands, we have an amazing platform to innovate, and engage loyal and new consumers.

Building on excellent brand awareness across our key markets, strategies like the award-winning Skip the Cow campaign and Violife's 'America Has Voted' activities can maximise impact.

## Leveraging scale for competitive advantage

Our end-to-end, globally scaled, digitally enabled platform means we can produce and sell products in over 100 countries. This scale, and scope to leverage efficiencies, is a significant advantage over competitors.

BlueBand's ability to grow retail and professional aspects of its business in Malaysia and beyond in 2024 is a good illustration of what Flora Food Group's platform makes possible.

## Winning in multiple channels

We also differentiate ourselves through retail and professional food service channels, giving multiple routes to reach consumers.

Retail encompasses many kinds of outlets, wholesalers and e-commerce platforms. Our professional business reaches restaurants, hotels and professional kitchens around the world – we see considerable growth potential here and reached several new markets in 2024.

**150+**  
years of heritage  
and many well-known,  
trusted brands





## Our brands



97%

\*UK

91%

\*USA



90%

\*USA



100%

\*Indonesia

95%

\*Greece



## Our *iconic* brands

Our iconic brands across our portfolio hold strong consumer awareness positions in key markets.

98%

\*Germany



97%

\*Türkiye



97%

\*Netherlands



49%

\*USA



## Our brands **continued**

We operate within four vast and growing categories.

### Opportunities for growth

Our iconic brands offer products across four vast growing categories: butters and spreads, creams, culinary, and cheeses.

These segments represent a €150 billion market with a current low penetration for dairy alternatives, creating substantial growth opportunities. Our portfolio of delicious, natural, nutritious and sustainable products positions us uniquely to capitalise on this potential. We maintain strong market positions with high brand awareness, while consistently placing consumers at the centre of our strategy through regular market research that provides valuable insights to guide our approach in each market.



FIND OUT MORE ABOUT OUR BRANDS IN 'OUR STORIES' ON PAGE 23



Butters and spreads



Creams



Culinary\*



Cheeses

\*Previously known as Liquids.



Industry-leading  
R&D experience

# Innovating for the *next generation* of food

Our strong innovation pipeline is essential to creating best-ever products and leveraging our iconic brands. We continue to invest in our team of food innovation and technology experts, based in our state-of-the-art Food Science Centre in Wageningen, the Netherlands.

Our R&D team is focused on pioneering new ways to delight our consumers, driven by fresh insights and a deep understanding of their needs.



FIND OUT MORE IN 'OUR STORIES'  
ON PAGE 23

150+

food, product and  
packaging specialists

39%

NSV from innovated or renovated  
products in the last three years^

^ See Appendix:3 at page 98 for details on how this metric is defined and calculated.





# Well-invested, end-to-end platform

Our globally scaled, digitally enabled platform powers our ability to produce and deliver high-quality products to over 100 countries worldwide. We have made significant investments in our infrastructure to ensure seamless operations from procurement to customer delivery.

## Strategic advantages

- **The best-in-class ERP solution** (SAP S/4Hana) for our business, giving us agility and enables data-driven insights and decisions.
- **A global network of own manufacturing sites** enables complete control over quality standards, cost efficiencies and sustainability initiatives.
- **Strategically located distribution centres** to support current needs and future growth.
- **Centralised procurement leveraging scale** with deep understanding of commodity markets and risk management expertise.

## Digital transformation

Flora Food Group's digital technology and data function enables us to adapt rapidly to evolving business needs. Our digital transformation strategy is a collaboration between markets, business functions and our technology teams. For example, our global marketing teams execute their campaigns with the latest technology.

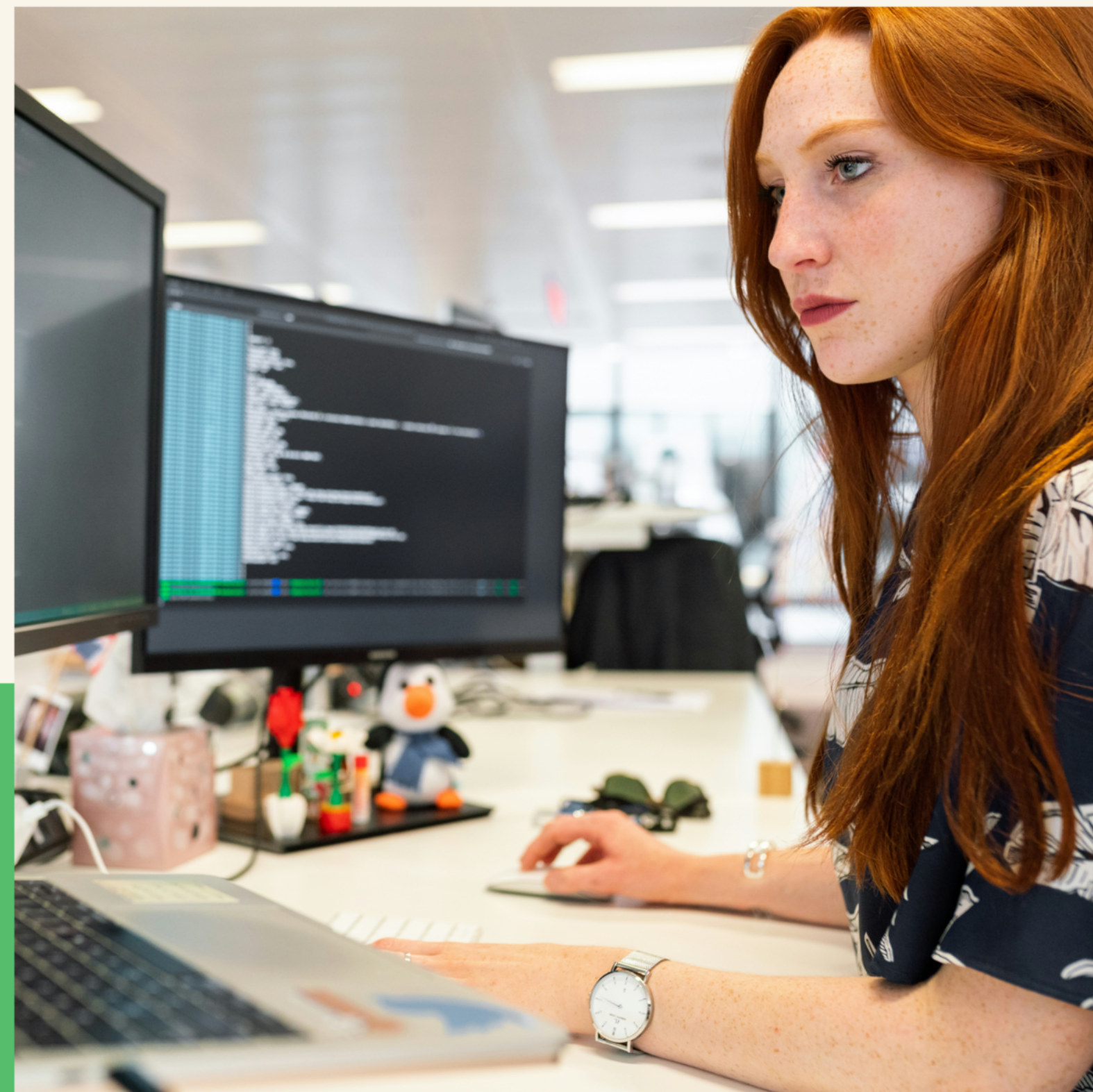
## Key initiatives include:

- Cloud migration beginning in 2018, utilising Azure to create best-in-class uptime and innovation capabilities.
- Digitally enabled integrated business planning to unlock long-term growth.
- Ongoing automation and artificial intelligence projects to enhance operational efficiency.
- Robust IT governance framework that balances innovation with appropriate controls.

This digital foundation supports our evolution as a multi-category, branded food champion and underpins our sustainable long-term business growth.

# >90%

of our total production volume comes from our 15 manufacturing sites across Europe, the Americas and AMEA.





## Well-invested, end-to-end platform continued

### CASE STUDY

# Investing in manufacturing

With many different role types in different locations, our people strategies have to adapt to different contexts. In 2024, we particularly emphasised investing in supervisors and teams at our manufacturing sites.

### Lift for supervisors

The Lift Programme is the first at Flora Food Group to specifically concentrate on the leadership skills needed by supervisors in a manufacturing context. We believe this both helps our operations and removes barriers to mobility.

Over 80 people attended to date at the seven sites offered and gave highly encouraging feedback. Engagement scores have also increased at our manufacturing sites off the back of the programme. We will expand the programme to all manufacturing sites.

80

people attended to date and gave highly encouraging feedback

### Engaged teams

We introduced Poka, the live, real-time communications tool for production line workers, at six of our manufacturing sites. Poka is already helping colleagues collaborate even more effectively.

We also started to reap the benefits of increased manufacturing-focused employee communications. For example, we ran the Courage to Care Programme in 2023, running four quarterly campaigns in 2024 about keeping manufacturing site workers safe. We also added a big spotlight on our manufacturing sites' excellent work as part of World Food Safety Day 2024.

Combined with supervisors being better equipped to manage teams and specific local campaigns, like in our site in USA, this helped drive increased engagement.



### CASE STUDY

# Integrating Arivia

This year we fully integrated Arivia, the inventor of Violife, into Flora Food Group.

Multiple functions across Arivia and Flora Food Group were involved including supply chain, finance, procurement and human resources (HR). These teams had to adopt new ways of working in order to continue to support the expansion of Violife.

Engaging teams in the process took significant investment through workshops for planning and completing integration activities. We communicated continually throughout the process via newsletters, emails and Viva Engage to ensure everyone understood the reason for the change, the benefits it would bring, and adjustments to necessary working practices and behaviours.

### Training was essential. The adoption approach included:

- A comprehensive training plan for office workers.
- Dedicated training for manufacturing site workers, since the integration required new ways of working on production-related operating systems.

The key milestone this year was to harmonise rewards and benefits, aligning Arivia to Flora Food Group policies.





# Purpose and performance-driven culture

Our dedicated community of Flora Foodies is united by our values, promoting a high performance culture that drives meaningful impact.

Our 'Come As You Are' approach promotes our values of Performance, Care and Passion while fostering behaviours that help everyone feel safe, confident, committed and able to perform at their best.



READ MORE ON OUR CULTURE FOR GROWTH ON PAGE 61

2024 was a big year for our Flora Foodies' development as we significantly expanded our career development programmes.

## Talent attraction for all

We want to make jobs accessible to all. It is essential to bringing the best talent to Flora Food Group.

As part of the refreshed recruitment strategy reported last year, we have changed our processes to remove any requirement for a degree-level qualification for all roles where there is no specialism needing that level of technical knowledge.

We will also continue rolling out multiple improvements to the candidate experience from the beginning of 2025.

## Worldwide benefits people love

The Flora Food Group Cares Programme, launched in 2022, offers flexibility and promotes a productive and sustainable workplace. Key Benefits include:

### Supporting all families

Families come in all shapes and sizes. We want to support all types of parents with the important role of raising the next generation and support equality. As such:

- Our parental leave policies apply to all parents equally and do not differentiate between "primary carers" and "secondary carers."
- We provide a minimum of 12 weeks full paid parental leave for all parents globally, including for adoptive parents or parents planning to have a child through surrogacy.

## A flexible workplace for all

It is important to support Associates' overall health by providing a flexible workplace that caters to all lifestyles. As such, we offer:

- Sabbatical leave for all Associates who have been with us for over 3 years.
- For Associates who have experienced a bereavement (including miscarriage) we offer higher than the statutory days of paid leave in each market, in line with our Flora Food Group's Care Guidelines.



# 260+

completed our leadership programmes



Launched Elevate for office-based managers and Lift for Factory supervisors to build their people leadership capabilities



Completed 1st full year of our Upside Programme for senior leaders

“This is the first time I’ve had training just for me to be a **better leader**, with any employer.”

**Stephanie**, Supervisor, Canada, after participating in Lift

# Our people

We want all Flora Foodies to thrive – that’s what makes our culture possible. It’s also why we strive to make Flora Food Group the safe, inclusive and engaging workplace Flora Foodies love.

## Engaging Flora Foodies

At Flora Food Group, we listen to Flora Foodies through town hall meetings and more informal feedback discussions with managers. We use our annual engagement survey (Peakon) to understand what Flora Foodies think and see how we can improve as a business.

Peakon achieved its highest ever response rate. Overall scores remained similarly high to last year and improved in seven of the 13 engagement drivers we measure.

The increased response rate was propelled by our manufacturing sites. We have particularly invested in manufacturing colleagues this year and managers have worked hard to engage their teams with our survey. Higher participation will greatly enrich the insights we gather and, consequently, the actions we take.

We supplement insights from Peakon with topic-specific surveys, and examine human resources-related processes for both Flora Foodies and external candidates.

## Developing people

We continually assess how best to invest in Flora Foodies so they thrive. Overall, in 2024, we significantly expanded the programmes we offer, doubling the number of courses in our learning management system. We added new training in areas such as negotiation, and programmes for mentoring, coaching and leadership development.

Whatever their role or seniority, each person’s goals are carefully aligned with our purpose, values and strategy. Some examples of how we support development towards these goals are highlighted below.

### Leaders who thrive

Flora Food Group looks to enhance leadership capabilities at all levels, because when leaders thrive their teams do too. This year we:

- 1 **Built** out a programme for supervisors at manufacturing locations.
- 2 **Launched** the new Elevate training for managers at our offices.
- 3 **Completed** the first full year of our Upside Programme for senior leaders.

### Elevate managers

We launched Elevate in 2024, designing its seven sessions for managers to build their people leadership capabilities and help us on our mission.

Over 100 people completed the programme and we received excellent feedback. We seem to be on the right track: in surveys, participants scored notably higher than others in similar roles when asked about their perception of their own growth at Flora Food Group.

We will continue investing in this group in 2025 and beyond.

### Upside for senior leaders

The Upside Programme launched in 2023, offering a six-month curriculum designed specifically for senior leaders. We have trained 75 to date, on modules including building belonging and driving performance.

The programme is having a significant impact. Participants are more engaged and have a greater intent to stay than non-participants in similar roles. This positive impact extends to their direct reports, over 1,200 people, who show higher intent to remain and improved scores on nine of the 13 engagement metrics we track.

### Young Flora Foodies

Young Flora Foodies is our development pathway for employees under 30 years old. Started in 2022, it offers training, mentoring and a co-designed series of talks from senior leaders.

It has proven an innovative way to engage people too – our retention of Flora Foodies under 30 is significantly higher in 2024.



FOR MORE INFORMATION ON OUR ENGAGEMENT PRACTICES, SEE PAGE 61

80%

50%<sup>+</sup>

engagement drivers we focus on saw improved scores compared to 2023

Peakon survey response rate, our highest ever



## Our people continued

### Investing in opportunity

As Flora Food Group grows, we will continue to invest around the world, creating job opportunities for local people.

In 2024, we announced a significant investment to transform a recently acquired manufacturing site in Hugoton, Kansas, USA into a key production hub for cream and cream cheeses products in North America. Previously closed by its former owners, the facility's reopening represents a renewed opportunity for the local community. Our plans include the creation of approximately 100 new jobs at the site.

### Navigating transformation

We have been on a transformation journey since 2018. During this time we have introduced several change management projects to transform our business operations, deliver our business goals and enable Flora Foodies to perform at their best.

In 2024 alone, we:

- Concluded the integration of Arivia into Flora Food Group.
- Upgraded our trade promotion management system (TPM) across 11 European markets.

### Our culture and managing change

Flora Foodies embrace a culture of continuous improvement, reflecting our values, with a passion for always raising the bar.

Our approach to change management is customer and consumer centric, while considering how change can benefit our people and our business. Project teams made up of function experts, super-users who champion change within local teams and key stakeholders ensure that everything is designed and deployed for minimum disruption to our ability to sell products around the world.

### Engagement around transformation

Because we believe in leading people carefully through the change, project teams and leaders communicate clearly through key internal channels like Viva Engage, leadership announcements, briefing sessions and town hall meetings. We also use surveys and polls to track awareness, understanding, behaviours and sentiment. For example, we ran training following the recent upgrade of our TPM system and 80% of Flora Foodies participated in that training.

In September 2024, we renamed the company to reflect our position as a branded food champion and the evolution in our purpose. This move was supported by a cross-functional change management team, with work stream and country leaders to ensure global and local implementation. We used Peakon to understand sentiment regarding the name change. We were delighted with the positive feedback we received.





# Stakeholder engagement 2024

Throughout 2024 and into 2025, Flora Food Group strengthened its position as a leader in the food system transition, through strategic global engagements.

The company joined the World Business Council for Sustainable Development (WBCSD), participated in the World Economic Forum in Davos where it hosted the 'Future of Food' dinner with Clim Eat, convened diverse stakeholders at its annual Future of Food Conference in Wageningen, and highlighted sustainable food systems' potential during New York Climate Week. These initiatives collectively demonstrated Flora Food Group's commitment to advancing the food system transition, while fostering cross-sector partnerships to address food sector emissions, meet changing consumer preferences, and develop supportive policies.



READ MORE ABOUT OUR APPROACH TO  
STAKEHOLDER ENGAGEMENT ON PAGE 44





A top-down photograph of a meal featuring four slices of avocado toast on dark rye bread, topped with white cheese, green avocado, spinach, and sliced radishes. A small bowl of tomato and radish salad sits in the center. The background is a light-colored wooden surface with a green cloth and a knife in the bottom left corner.

# *Our* Stories

24 Skip the Cow 2.0  
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31 Delicious food, for all  
32 Better packaging, more places



Our stories

# Skip the Cow 2.0

The Flora brand led this highly successful campaign to the next level, driving conversion to dairy alternatives.

## European roll out

Following on from the initial work reported last year, we rolled out Skip the Cow to 11 new European markets in 2024 through our iconic brands such as BlueBand in the Netherlands, Tulipan in Iberia, Rama in Central and Eastern Europe and Vitam in Greece. The campaign's impact is clear: across the 11 markets we've seen uplifts in both volumes and market penetration. We won product of the year awards in France and the Netherlands, plus a Cannes Lion Award for the campaign!

## New in Saudi Arabia

Asking people to Skip the Cow and replace dairy was the bold way we launched the Flora brand in Saudi Arabia in March 2024.

We started with our alternatives to dairy butter and cooking cream. From having a limited presence, in a country with no big flexitarian population, within nine months Flora reached 78% brand- and 3% top-of-mind awareness among consumers.<sup>3</sup>

The big, disruptive messaging on television, billboards, social media and through top Saudi influencers was combined with thousands of sampling sessions – bringing astonishing results in awareness, volumes and purchase intent. To close out 2024, we were voted Gulf product of the year.

**73%**

of people who sampled would buy again<sup>4</sup>



creamy?  
yes chef  
cow-y?  
no chef

skip the cow



## Gordon Ramsay Skips the Cow

Our groundbreaking collaboration with Gordon Ramsay took shape, launching in January 2025.

Flora plant butter that skips the cow has met Chef Ramsay's uncompromising standards after rigorous testing in his kitchen.

With the Skip the Cow campaign, the collaboration shows home cooks our brands offer compelling choice – ways to elevate their creations while making more sustainable choices.

Chef Ramsay's endorsement also shows how compelling our products are to the most demanding talents of the culinary world.



FIND OUT MORE

<sup>3</sup> Based on Kantar 'Yellow Fats Brand Deepdive' Saudi Arabia study, August 2024.

<sup>4</sup> Based on the 'purchase intent' results in the Nielson IQ 'Product of the Year, Gulf: Cooking Cream' report, March 2024.



Our stories continued

# Becel lives fearlessly

Becel, our good-for-the-heart spread, raised awareness around two pressing health concerns: high cholesterol and breast cancer.

## Healthier hearts, anywhere

Research has shown that 90% of people across European countries surveyed are unaware of their cholesterol levels. Yet we know 60% of adults globally have high cholesterol.

Live Fearlessly inspired people to consider their cholesterol and pursue better heart health. The campaign was fronted by a daring stunt woman breaking through the misconceptions of cholesterol.

The successful Live Fearlessly campaign, launched first in Poland and Belgium, helped grow volume and household penetration. The campaign will be replicated across other markets. Becel ProActiv is now the number one cholesterol-lowering brand in Poland.<sup>5</sup>

Czechia, Greece and the U.K. will be the next markets we ask to live fearlessly.

## A platform for good

In October 2024, we launched the You Spread, Becel Donates campaign in support of the Pink Ribbon Foundation, raising funds and awareness during Breast Cancer Awareness Month in the Netherlands.

With one in seven women in the Netherlands developing breast cancer at some point in their life, the six-week campaign urged women to stay alert for warning signs. Limited edition pink packaging sparked discussion across the country and a QR code linked to a webpage on how to perform a self-examination was promoted extensively.

The combination of a donation for each pack purchased and fundraising by passionate employees raised tens of thousands for Pink Ribbon.



[FIND OUT MORE](#)



<sup>5</sup> Based on NielsenIQ RMS data for the yellow fats category, cholesterol lowering segment (Flora Food Group's own classification), sales units in the period week 1 to week 33 2024, for the Poland total retail market (all data copyright © 2024, Nielsen IQ).



Our stories **continued**

# Bigger, bolder *Violife*

Throughout 2024, Violife launched bold and exciting new campaigns, driving impressive sales growth for its cream cheese in the USA, the world's largest market for cream cheese. This success was primarily fuelled by the introduction of a new cream cheese block.

## A bold campaign

The launch strategy, shaped by recent in-depth consumer research and new global brand guidelines, capitalised on USA election excitement announcing 'America has voted: Violife is the number one cream cheese.' The campaign brought a fun, light-hearted twist to the election fever, dominating election-related hashtags on social media and even taking over entire cities where Violife's target consumers live.

In Austin, Texas, for example, the campaign appeared on billboards and digital displays throughout the city, while also taking over stores of key retail partners with banners, in-store demos, sampling, competitions and large tents in parking lots. On election day in New York, a team offered Violife cream cheese bagels outside polling stations, responding to the fact that 45% of voters cast their ballots without having breakfast.

## Using our success

We will now use the lessons from this campaign across other markets.



**FIND OUT MORE**



# 60%

growth in brand awareness in cities we activated the 'America has Voted' campaign<sup>6</sup>

<sup>6</sup> Source: Toluna Pre/Post Awareness Survey; Sample is Gen Pop in Austin, Gen Pop in Miami and National Eat Different.



Our stories **continued**

# Flora *Professional*

Our professional business customers use our delicious, natural and sustainable products to prepare over six billion meals annually. In 2024, we expanded our product offerings and presence in this channel.

## Growing the market

The catering industry has experienced a strong recovery after the pandemic and we have supported our customers in capitalising on this momentum, driving significant volume growth in many markets.

Building on our growth strategy, we expanded into promising new markets in Georgia, Uzbekistan and Vietnam. We also introduced BlueBand creams for professional customers in Indonesia, Malaysia, Sri Lanka and Thailand, complementing the brand's established spreads range. Looking

ahead, we plan to launch in several African markets in 2025.

After a successful pilot in 2023, the team in Pakistan significantly increased BlueBand spread volumes in 2024.

We are committed to further growth in this channel through initiatives such as:

- Expanding our Flora plant spread with larger formats.
- Leveraging the success of the Skip the Cow campaign to align the out-of-home consumer experience with retail.
- Diversifying into new ice cream and milkshake products.

## Smooth customer experience

We are actively scaling our professional business. As part of our ongoing digital transformation, recent updates include the launch of a unified website that aligns customer experiences with our company rebrand.

**8,000+**

chefs using our products in Indonesia, Malaysia, Sri Lanka and Thailand

**3**

**new**  
geographic  
markets





Our stories **continued**

# Next generation products, **now**

Innovation never stands still at Flora Food Group as we drive the transition to more healthy and sustainable diets.

## Maximising the creams opportunity

We are leading the way in the non-dairy cream category. In 2024, we have:

- ❶ Launched Violife coffee creamers in the USA, marking our entry into this segment with a product that blends and whitens better than our competitors.
- ❷ Introduced cooking and multi-purpose creams in several European markets, including Central and Eastern Europe, the Nordics, and beyond.
- ❸ Developed an ambient, multi-purpose cream perfect for whipping.

- ❹ Created a range of sweet cream and non-dairy soft ice cream mixes for Flora Professional customers.

We're also excited about the possibilities once our manufacturing site in Hugoton, Kansas, USA, is up and running later in 2025

## A successful partnership

Our partnership with Texas Roadhouse has led to the creation of a sweet, whipped spread, which is now available at Walmart stores across the USA. This brings the beloved Texas Roadhouse restaurant experience into consumers' homes. We launched two flavours – Original and Honey Cinnamon – in 2024, and demand for both has exceeded expectations.





Our stories **continued**

# Country Crock *sizzles*

Country Crock solidified its leadership in the USA and introduced a dynamic new product to the culinary market. As the top butter in the dairy alternative category, Country Crock focused on expanding household penetration in 2024.

## Dairy-free leader

Country Crock Plant Butter remains the leading dairy-free alternative to butter in the USA. The team worked hard in 2024 to increase household penetration year-on-year.

## Culinary sizzle

In 2024, we launched Country Crock Drizzle & Sizzle, which delivers all the cooking benefits of butter – with less spattering and burning. Surveys show 96% consumer satisfaction, with 70% of consumers returning for repeat purchases.<sup>7</sup> With these strong results, we're now reviewing our investments to boost trial driving.

😊  
**96%**  
consumer satisfaction



<sup>7</sup> Toluna Consumer Research, December 2024.



Our stories **continued**

# Making healthy *more accessible*

Expanding access to our nutritious products in emerging markets not only supports healthier communities but also drives our business growth. For over 100 years, BlueBand has been at the forefront of this mission.

## Reaching more people

Many of our spreads are specially formulated to provide more than 15% of the daily recommended intake of omega-3, and over 10% of omega-6, per 15g serving.

## In 2024, we:

- ❶ Continued to expand our BlueBand Good Breakfast Programme in schools, supported by a new, smaller pack size at a price more accessible to low income households.
- ❷ Launched a new, delicious and nutritious chocolate spread.

- ❸ Launched our multi-purpose cooking creams in several markets through our professional business.

## Better nutrition in more places

The BlueBand Good Breakfast Programme has made significant strides in 2024, reaching over 7.2 million children and instilling healthy breakfast habits.

Kenya led the charge with 4.9 million participants, while other countries, where the programme was introduced more recently, have also seen strong engagement and growth:

- **Indonesia:** 700,000 children reached.
- **Uganda:** launched in 2023, with over 900,000 children participating.
- **Tanzania:** reached 468,000 children in this, its first year.
- **Zambia:** over 72,000 children benefited.
- **Malaysia:** in its first year, over 100,000 children were engaged.

These results demonstrate the programme's broad impact on promoting healthier breakfasts and addressing children's nutritional needs across various regions.

**7.2m**  
children reached





Our stories **continued**

# Delicious food, *for all*

In 2024, we launched BlueBand with Choco spread in Kenya.

## Better for you

Many chocolate spreads are loaded with sugar and priced out of reach for many consumers. As a trusted brand known for offering affordable, healthy products, we knew we could do better.

Our spread not only tastes great, thanks to real cocoa, but it also maintains the ideal balance of fats. BlueBand is known for, focusing on healthier unsaturated fats rather than saturated fats.

From the very beginning, we made sure our product was priced affordably and, in 2024, we introduced smaller 30g and 100g options to make it even more accessible.

## A winning formula

BlueBand with Choco has been a huge success. From the launch in April to the end of 2024, many Kenyan households have purchased the product, making this the most successful FMCG product launch in Kenya in 2024.<sup>8</sup>

This is testament both to having the right product at the right price and to BlueBand's promotion of the campaign. The combination of samples sent to households, television advertising, billboards, partnerships with influencers and point-of-sale visibility in over 35,000 stores all contributed to the campaign's success.

We followed up with a launch in Uganda in 2024 and expect to bring it to other markets throughout 2025.



FIND OUT MORE

# TASTE THE CHOCO GOODNESS





Our stories **continued**

# Better packaging, *more places*

More consumers can now choose to help avoid plastic with our award-winning paper packaging.

## More consumers join in

After years of work and a successful launch in Austria at the beginning of 2024, Flora and BlueBand rolled out the paper-based tub in France, the Netherlands and the UK. Overall feedback has been great.

## Inspiring others

Retailers – our customers – have their own packaging and plastic targets. With solutions like our paper tub, we can help meet them.

We're hoping this award-winning innovation, coupled with consumers' enthusiasm, will inspire others to change the way they do packaging too.

## Awards

We're proud to have received several innovation awards in 2024 for our paper-based tub. They recognise Flora Foodies' hard work and show we really are leading the way to the next generation of food.

Our paper-based tub for our plant-based spreads received multiple prestigious awards for sustainability and innovation in packaging design, recognising our vision, investment and creativity – the [World Sustainability Award for Eco Design](#), [European Packaging Awards](#) as both Overall Winner and for the Renewable Materials category, and a [Platinum Award at the 35th Dow Packaging Innovation Awards](#).







# *Our Sustainability* Framework

34 Our Sustainability Framework  
35 Impact highlights



# Our Sustainability Framework

Our ambition is to deliver sustainable long-term growth, contributing to nourishing food, thriving people and a flourishing planet.

Our Sustainability Framework articulates how we contribute to the long-term transformation of the food system while addressing our own impact.

These commitments ensure we create delicious and nutritious food, enable people to thrive, and drive action on climate, nature and resource use. Each commitment is underpinned by goals and indicators, to measure and demonstrate progress. The Sustainability Framework has been updated to reflect our [materiality assessment](#). We put our purpose into action, contribute to society and focus on our most material opportunities, risks and impacts. Further information can be found in our Sustainability Information Statement on page 41.

Through long-term growth we drive a positive impact, inspiring the shift to healthy, sustainable diets.

By reaching more people, advocating and inspiring a shift to healthy, sustainable diets, our *positive impact* for both people and planet grows.





# Impact highlights

In 2024 we continued to *drive progress* against our commitments

## *Nourishing* Food



### Won multiple accolades

for our campaigns, best-ever products and *fully recyclable* paper-based tubs for plant-based spreads



### Driving improvements in nutrition

96% of our sold volumes met or *exceeded* our core nutrition benchmark targets^

## *Thriving* People



### Everyday affordability

44% of lower socio-economic consumers reached with our *affordable products*^



### Fulfilling work for all

46% female representation at *management level* and above, +3% vs 2023^

## *Flourishing* Planet



### Increasing circularity

38% *recycled content* in our packaging, +3% vs 2023^



### Lower carbon emissions

This year, compared to 2023, we *reduced* our absolute emissions by 2%^

 READ NOURISHING FOOD SECTION FROM PAGE 51

 READ THRIVING PEOPLE SECTION FROM PAGE 58

 READ FLOURISHING PLANET SECTION FROM PAGE 70

^ See Appendix 3 at page 98 for details on how these metrics are defined and calculated.





# *How we manage our* business

37 Managing our business



# Managing our business

As a branded food champion, Flora Food Group has the structure, processes and expertise to deliver the next generation of food.

Robust governance establishes clear responsibilities and accountability, and forms a framework to guide our experienced leadership team’s decision-making. Policies, like our [Code of Conduct](#), weave our values into day-to-day operations and make sure every Flora Foodie adheres to our high standards.

### Corporate governance

Flora Food Group’s governance is set up to ensure we always maintain our strategic direction, act ethically and manage risks with care.

For more detail on the membership and responsibilities of each part of this structure, see General disclosures on page 43.

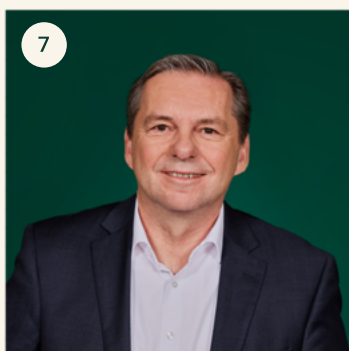
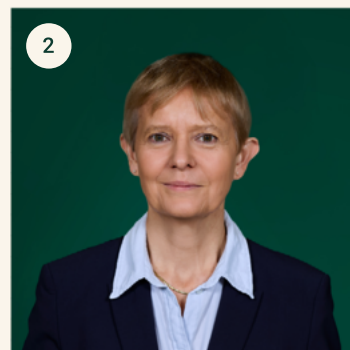
Our structure





## Managing our business **continued**

### Our Executive Leadership team



#### 1 **David Haines** Group Chief Executive Officer

David was appointed Group CEO of Flora Food Group in July 2018. He was previously Chairman and CEO of Grohe Group, and subsequently CEO of Lixil Water Technology Group. At Grohe, David led the complete transformation of the business over a 10-year period. He joined Grohe from Vodafone, where he served as the company's first Global Marketing Director, building Vodafone into a successful, top 10 global brand within three years and across multiple markets. Prior to this, David was Deputy Division President of The Coca-Cola Company in Germany, and for 10 years a General Manager for Mars across different European markets.

#### 2 **Florence Naviner** Chief Financial Officer

Florence joined Flora Food Group in September 2020. She has almost 30 years' experience working for Mars Incorporated, where she held several senior positions – most recently as Chief Financial Officer and Senior Vice President of Mars Wrigley. She has a wealth of finance and strategic management experience and a strong track record in business turnarounds, value creation programmes, business and finance transformations, debt management, M&A projects and leading a strong finance team with a focus on talent development.

#### 3 **Laurent Lavenut** Chief Operations and Product Officer

Laurent joined Flora Food Group with over 20 years' experience in global operations and supply chain management for consumer and food companies. Previously, he was a Senior Vice President for Supply Chain at the Consumer Beauty Division at Coty and, before that, served as a Vice President of Operations at Danone's Advanced Medical Nutrition Division and Danone Russia.

#### 4 **Dominic Brisby** President, Europe, USA and Canada

Dominic has over two decades of experience in consumer goods, across all continents. He joined Flora Food Group from Imperial Brands, where he was Interim Group CEO, and President of the Americas, Africa, Asia and Australia Region. Prior to this, he led Europe for Imperial Brands.

#### 5 **Tim Verbeek** Regional President, AMEA and LatAm

Tim joined Flora Food Group with over 20 years of brand development, commercial and general management experience across various local, regional and global roles within FMCG companies, such as Unilever and Heineken, in addition to running two of his own companies as Founder and CEO. Tim now leads Flora Food Group's business units spanning Latin America and Africa, Middle East & Asia-Pacific.

#### 6 **Eve Baldwin** Chief People and Organisation Officer

Eve Baldwin brings over 20 years of experience in human resources, talent management and M&A to her role as Chief People and Organisation Officer at Flora Food Group. Prior to joining Flora Food Group, Eve served as Vice President of HR for Unilever's Home Care, Beauty and Personal Care and then Spreads divisions, where she successfully led organisational changes and business turnarounds, implemented talent development programs and championed inclusion efforts. Before her tenure at Unilever, Eve held HR positions at the Ford Motor Company in Europe, managing the company's workforce through significant industry shifts and market challenges.

#### 7 **Detlef Schmitz** General Counsel

Detlef joined Flora Food Group with over 20 years' experience as in-house legal counsel for global consumer companies. He served as General Counsel and a Member of the Board of Managers at Grohe Group, and subsequently as the General Counsel of Lixil Water Technology Group. Prior to that, Detlef was Head of the Legal Department for The Coca-Cola Company in Germany.

#### 8 **Olga Osminkina-Jones** Chief Marketing Officer

An experienced brand-building executive with a strong track record of driving growth and leading transformation in premium and lifestyle businesses in beauty, fashion and beverages, Olga was recently Senior Vice President and Global Category Officer at Reckitt. Prior to this, Olga led Innovation and New Brand and Category Development at PepsiCo. She started her career at P&G, before moving into senior roles at Danone, Heineken and Estée Lauder.

#### 9 **Herman Betten** Chief Corporate Affairs and Communications Officer

Herman brings over 15 years of strategic advisory experience, with a focus on stakeholder engagement and strategic positioning. Prior to joining Flora Food Group he served as CEO at Teneo Netherlands, leading comprehensive communication strategies. Previously, he held senior positions at Royal DSM, specialising in financial communications, crisis management, sustainability, media and government relations, and corporate branding. Earlier in his career, he worked at Dutch national radio and television.<sup>9</sup>

<sup>9</sup> Does not sit on the executive committee.



## Managing our business **continued**



# 99.5%

of Flora Foodies completed  
Code of Conduct training^



FIND OUT MORE

^ See Appendix 3 at page 98 for details on how this metric is defined and calculated.

### Managing KPIs

Our thorough business management approach utilises a range of financial and non-financial key performance indicators (KPIs).

Non-financial KPIs uphold sustainable practices and seek to streamline operations. They are managed through each Flora Food Group manufacturing site, spanning areas such as:

- Safety
- Operational efficiency
- Service levels
- Our impact on health and the environment

### Remuneration strategy

Flora Food Group adopts a pay-for-performance model to link incentives with our success. The annual bonus plan, specifically, is closely connected to our company's growth.

With responsible growth comes further adoption of healthy and sustainable diets, which results in positive potential benefits for the planet. Our remuneration strategy supports Flora Food Group's financial success, and our [Sustainability Framework](#) helps drive the food system transition.

To find out more about executive remuneration at Flora Food Group, see General disclosures (page 43).

### Risk management

Risk management is central to our strategy. Flora Food Group's Executive Committee steers our approach, which is deeply ingrained in all aspects of our operations.

We frequently review risk frameworks and procedures to maximise our effectiveness in planning to mitigate and responding to risks. For example, in 2024, we augmented our main risk management framework in several different areas.

In 2024, global elections involving over half the world's population increased volatility amid geopolitical instability. While we conducted scenario modelling on potential trade-war impacts, this isn't classified as a principal risk due to our robust local sourcing strategy.

For more details on our risk management approach, structures and governance, see our General disclosures (page 43).

### Code of Conduct

We believe ethical business conduct is both the right thing to do and good for Flora Food Group.

The Code of Conduct outlines our ethical commitments and the responsibilities Flora Foodies must follow to comply with our rules and local legal regulations. The [Business Partner Code of Conduct](#) establishes similar expectations for our suppliers.

The Code of Conduct refers to all other relevant Flora Food Group policies and guidelines, which are also accessible to all employees. We require all employees to complete annual training on the Code of Conduct.

In 2024, 99.5% completed the training.

### Raising concerns

We are proud of our values-driven culture and strive for a work environment where anyone feels they can raise concerns. Our employees have several routes to do this:

- Their line manager, who should be able to resolve most issues.
- HR, for guidance on benefits, policies, any workplace issues or ethical concerns.
- Legal and Compliance teams.
- [Speak Up](#), the independently operated, 24/7 hotline to anonymously report concerns, which is also available to anyone outside Flora Food Group.

All employees complete mandatory training on the Speak Up process to make sure they understand how, when and where they can appropriately disclose any issues.

More detail on our Compliance function, the Code of Conduct and Speak Up is available in Ethical business conduct (page 86).



# 150+ years of *Heritage*

The origins of the Company

**1871**



The Jurgens bought the patent for margarine from food pioneer Mège-Mouriès of France.

Our brands start to launch in markets

**1899**

*Did you know*  
The Jurgens Family were originally butter traders before starting a linseed oil mill!



First Solo margarine in Germany, followed quickly by Sanella and Vitello.

The rise of the iconic brands

**1920s**



Classic baking brand Stork (UK 1920), family favourite BlueBand (NL 1923) and much-loved Rama (Germany 1924) arrive.



*Did you know*  
Stork was one of the first to advertise on commercial TV in the UK.

BlueBand goes Global

**1930s**



Ambient recipes go live in Malaysia (1930) and Indonesia (1934). 20 years later it also launched in Africa with tins and sachets.



*Did you know*  
Early adverts for Blue Band proclaimed that it was available in 'dainty 'alb packets', by grocers and dairymen.

At one time there was Blue Band, Red Band and Green Band!

Americans open their fridges to Country Crock

**1954**



Originally launched by the Shedd's company, before becoming a staple product in our portfolio during 1984.

*Did you know*  
We slow-churn our spreads in Johnson County, Kansas in the USA.



The new frontier for spreads - Becel

**1962**



Becel is launched in response to demands from Dutch health care professionals for a healthy spread.

*Did you know*  
Becel stands for Blood Cholesterol Lowering.

Flora wins the hearts and minds of UK consumers

**1964**



This iconic brand was sold as 'the lighter, healthier way you want to eat today, it's Flora, the new margarine'.

*Did you know*  
Flora was named after one of its key ingredients, sunflower oil.



ProActive proves itself for cholesterol lowering

**1999**



*Did you know*  
Plant sterols are clinically proven to lower cholesterol by 7 to 10% in just two to three weeks.

After years of scientific studies and regulatory approval, ProActive is launched containing plant sterols clinically proven to lower cholesterol.

Our Family grows with Violife

**2020**

Violife strengthens our multi category offering of plant-based butters and spreads, creams, liquids, and cheeses.



**Violife**

*Did you know*  
Violife comes from the Greek word Vios, which means Life. We like to say live life to the full.

Investing in world class innovation

**2022**



We open the Food Science Centre and relaunch our food service business.

*Did you know*  
Wageningen University was created in 1876 – just five years after the Jurgens' bought the patent for margarine!

Growing the Next Generation of Delicious Food

**2025**



We continue to delight our customers and consumers with delicious and nutritious products that remain good for people and good for our planet.





# *Sustainability* Statement



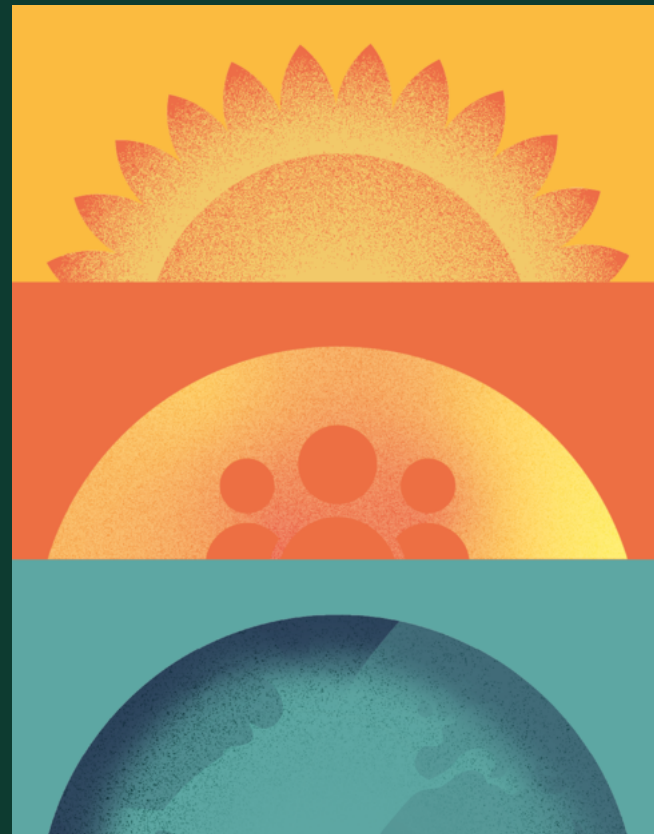
# About this statement

Our sustainability statement shows how we deliver the next generation of healthy and sustainable food.

Our Sustainability Statement shows how we engage with our key stakeholders, and how their views and interest are considered in our approach. It describes how we identify our material risks, opportunities and impacts, and results in ten material themes.

The theme-specific disclosures are set out under pillars of our Sustainability Framework. Each theme provides:

- An introduction
- Our approach and policies
- How we measure progress (including key metrics)
- Progress and actions in 2024



READ MORE ON OUR SUSTAINABILITY FRAMEWORK  
PAGE 34.

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# General disclosures

Transparency, strong governance, risk management and leadership are foundational to everything we do.

## Basis for preparation

In 2024, the European Sustainability Reporting Standards (ESRS), under the EU Corporate Sustainability Reporting Directive (CSRD), became effective. As of the publication date of this report, Flora Food Group is not required to report under CSRD as a private company. We have decided to voluntarily use this framework, no limited assurance is given on the report. Limited assurance is given on specific material KPIs. Our data was calculated in line with Appendix 3: Accounting Policies and Definitions.

Unless otherwise indicated, the statement's scope is the same as the consolidated financial statements of Flora Food Group B.V. and its subsidiaries, and covers the period 1 January 2024 to 31 December 2024.

As our value chain (upstream and downstream) is a fundamental aspect of our business model, it has been considered in the [Double Materiality Assessment \(DMA\) process](#). The sustainability statement includes data from the upstream and downstream value chains where such information is relevant or material. The acquisition of our Kansas facility in the USA in September 2024 was deemed to be immaterial in terms of sustainability impacts, therefore it is excluded from this report.

Each disclosure is aligned to our [Sustainability Framework](#), and the material themes and impacts, risks and opportunities (IROs) identified in our DMA.

Restatements of historical data due to changes in accounting policies, and/or reporting errors in prior periods, are only performed if material.

## Governance

Our [governance structure](#) serves as the framework against which we make decisions, distribute responsibilities and drive accountability. It ensures ethical conduct, risk management and strategic direction, encouraging transparency and sustainability. See page 37 for further information.

## Leadership on sustainability

Our organisation's governance structure ensures effective oversight of sustainability-related matters. Our Board is responsible for oversight, while our Executive Committee is responsible for strategy setting and execution.

The Chief Operations and Product Officer (COPO), an Executive Committee member, has ultimate accountability for the Sustainability Framework, while the Chief Sustainability Officer (CSO) is responsible for its development.

The CSO chairs a cross-functional ESG Leadership team (ESG LT). The ESG LT informs the Sustainability Framework, the materiality assessment and oversees implementation. The ESG LT has representatives from all key areas of the business, including finance, HR, operations and procurement, product development, legal and corporate affairs.

The ESG LT provides strategic direction, monitors progress, and escalates key ESG priorities and recommendations to the Executive Committee and Board of Directors. The ESG LT conducts quarterly performance reviews of sustainability commitments to assess progress against agreed targets.

In 2024, the Executive Committee and Board of Directors draw on expertise in sustainability by leveraging the ESG

LT. Internal and external subject matter experts provide insights and updates supporting the formulation of the Sustainability Framework.

Actions for managing material IROs are assigned and delegated to the relevant business owners across various functions within the organisation and supported by the relevant policies.

The Compliance Committee, which includes representatives from the Executive Committee, has ultimate responsibility for approving policies related to sustainability.

## Risk management approach

Effective risk and opportunity management is a crucial part of our culture and approach. It includes accurate and timely identification, assessment and management of key risks.

Risk can manifest as opportunities or threats that could affect our business performance, sustainability and overall objectives. Flora Food Group's risk management framework is designed to cover all aspects of our operations, including sustainability. We review the framework annually, updating to ensure it remains relevant and effective in addressing both existing and emerging risks.

Our risk management procedures are defined to identify and manage foreseeable and emerging risks. More information on how we manage risks is included in our separate annual report (based on Title 9, Book 2, Dutch Civil Code including Directors' Report, Financial Statements and Other Information).

## Risk management over sustainability reporting

The Executive Committee and the Risk Committee consider the potential impacts, key mitigating actions and controls for our principal risks, including sustainability risks. Principal risks are those that could prevent us from achieving our current objectives and plans over the next 12 months.

We continue to integrate sustainability into our risk management and internal control processes. During 2024, we further enhanced the risk management framework and embedded risk awareness and management throughout the business, ensuring alignment with our DMA.

As part of our internal control framework, we identify, analyse and prioritise significant risks and we are investing in further development of our internal controls. In 2024, internal controls in relation to sustainability reporting were performed by relevant functions.

## Remuneration linked to sustainability

At Flora Food Group, we believe that responsible leadership and sustainability go hand-in-hand. Our executive remuneration policy is, therefore, structured to ensure that our leaders are incentivised to make sustainable decisions.

Our remuneration strategy is characterised by a pay-for-performance model, aligning incentives with the company's overall success through a combination of financial, sustainability and governance-based targets. In particular:

- The annual bonus plan is closely tied to company growth, reinforcing the importance of accelerating innovation and uptake of planetary health diets.
- In 2024, executive compensation plan was linked to our commitments to gender diversity and carbon emissions. 10% of the Executive Committee members' variable pay was dependent on these sustainability targets.
- The annual bonus plan is self-funded (from financial performance) and is based on strategic targets, defined by the Board.

The Remuneration Committee is responsible for any changes to the design of Flora Food Group's incentive programmes and any confirmed implementation plans.



# Interests and views of stakeholders

## Overall approach

Stakeholders are central to our business strategy and Sustainability Framework. With our ambition to deliver long-term sustainable growth, meaningful engagement (both internal and external) is essential to understand their views, interests and concerns.

We use various mechanisms and channels to engage effectively with stakeholders as part of the way we do business. We aim to foster strong relationships and create shared value. Our approach is proactive, open and ongoing: listening and learning from others, and sharing our position.

In this way, we inform our Sustainability Framework, identify our risks, impact and opportunities, align with best practice, and find new ways to innovate and collaborate. The approach also ensures we focus on where we make the most difference.

## Identification

We recognise our stakeholders as those organisations, groups or individuals that have a direct or indirect interest in our business activities. We categorise and prioritise stakeholders based on their significance to our business, and the potential impact of our actions on them.

We engage with stakeholders across our value chain, from the suppliers of our ingredients to our customers and consumers. The key stakeholders we actively engage with include, without limitation:

- **Employees** and their representatives.
- **Customers**, including retail and professional.
- **Consumers**, through our brands.
- **Investors** and other financial market participants.
- **Suppliers** of goods and services, plus business and innovation partners.
- **Non-governmental organisations.**
- **Policy makers**, including international organisations, governments and regulators.
- **Peers** across our industry.
- **Communities and rights holders.**

## Engagement mechanisms

We use a variety of mechanisms and channels to engage with stakeholders. Some examples of key mechanisms include:

- **Employee engagement surveys**, dialogues with works councils and trade unions, and communications programmes (worldwide and local).
- **Customer account management** processes and feedback surveys, which we use to enhance service and underpin growth.
- **Consumer care line**, brand activations and brand surveys, through which we seek to understand and meet consumer needs.
- **Investor meetings**, including Board meetings, quarterly results presentations and investor conferences.
- **Industry platforms**, through which we work with peer companies, including the WBCSD and the [Consumer Goods Forum](#) (CGF).
- **Expert meetings, roundtables** with NGOs and academic institutions and peer organisations.
- **Project-based engagement** with local communities and rights holders in areas where we operate.

Through these mechanisms we seek to inform our business strategy and sustainability priorities, share progress, gather feedback and address concerns. Our commitment to meaningful engagement benefits Flora Food Group by providing valuable insights, helping us understand emerging opportunities and risks, fostering innovation, and strengthening our reputation.

## Areas of interest

Stakeholder meetings over the course of 2024 highlighted the following range of recurring topics:

- Business strategy, including sustainability.
- Performance and return on investment.
- Development opportunities, rewards, working conditions and diversity.
- Innovation and partnership opportunities.
- Demand for healthy, sustainable products.
- Cost of living and affordability.
- Taste, performance and quality of our products.
- Health and nutrition.
- Environmental impacts, particularly climate, nature and packaging across our value chain.
- Compliance with forthcoming regulations.

For examples of our key stakeholder engagement activities this year, see the case studies on pages 23 to 32.



# Our double materiality assessment

Our updated DMA shows where we can have the greatest impact and is reflected in our Sustainability Framework.

The DMA evaluates the significance of environmental, social and governance (ESG) topics from two perspectives: impact materiality and financial materiality. It considers not only the impact of Flora Food Group’s activities on people and the environment, but also the financial impact of these topics on Flora Food Group.

In this section, we set out our approach to double materiality, the outcomes of our assessment and the methodology and assumptions taken.

## Approach

In 2024, we finalised the latest revision of our DMA. It builds on our 2020 assessment and a detailed analysis conducted in 2023, with input from key internal and external stakeholders.

The assessment reviewed sustainability-related impacts from our operations and value chain, and sustainability-related risks and opportunities. Where possible, we quantified the effects and supplemented these with qualitative assessments.

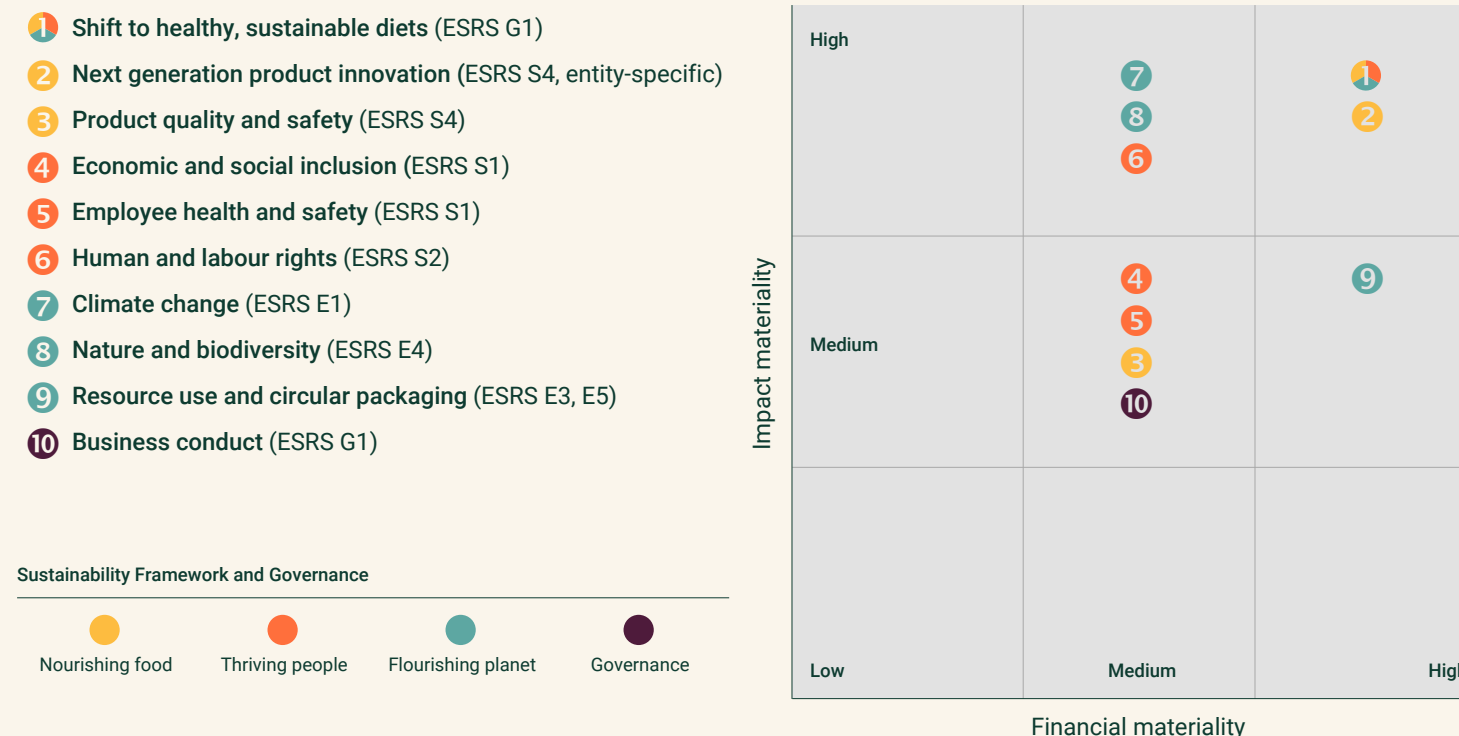
DMA is an ongoing process and we will reassess as new topics emerge and our strategy evolves.

## Outcomes

The matrix shows the results of our DMA, aggregating our IROs into 10 core themes, aligned with the three pillars of our Sustainability Framework and governance structure.

This shows that ‘Shift to healthy, sustainable diets’ and ‘Next generation product innovation’ are our most material themes.

## Flora Food Group double materiality matrix





Our double materiality assessment continued

Material impacts, risks and opportunities

The table below outlines the IROs from our DMA across our value chain. For further information on how we respond to each theme and IRO, see the relevant sections later in this report.

Theme	IRO	IRO description	Value chain
1 Shift to healthy, sustainable diets	Opportunity	Growing our business increases our positive impact on health and sustainability, enabled by our brands and more supportive public policy.	Own operations
	Opportunity	Innovation and investment in breakthrough technologies and partnerships to deliver the next generation of products.	Own operations
2 Next generation product innovation	Impact	Ensuring our portfolio of products contributes to a healthy and nutritious diet, delivering essential nutrition that meets or exceeds nutrition benchmarks. (Positive)	Downstream
	Impact	Transparency of information to consumers on the nutritional composition and the benefits of our products and ingredients. (Positive)	Downstream
3 Product quality and safety	Risk	Failure to ensure food safety and quality, protecting consumers and a safe food supply chain.	Own operations
4 Economic and social inclusion	Impact	Access to affordable products that support a healthy sustainable diet across economic groups. (Positive)	Downstream
	Impact	A diverse workforce that provides equal opportunity for all employees, creates an environment where everyone can thrive and perform at their best. (Positive)	Own operations
5 Employee health and safety	Impact	Accident and injuries in our workplace impact our employees' health. (Negative)	Own operations
6 Human and labour rights	Risk	Forced labour in our supply chains may impact the rights of workers.	Upstream
7 Climate change	Opportunity	Grow our business by offering a choice of dairy alternatives that are more sustainable, with lower climate impact.	Own operations
	Impact	Our value chain contributes to greenhouse gas emissions. (Negative)	Upstream, own operations, downstream
	Risk	Emerging regulation fails to favour lower carbon products, leading to less favourable pricing compared to dairy (e.g. carbon pricing).	Upstream, own operations
	Risk	Physical climate risks (e.g. flooding) affecting our own operations and the ingredients in our supply chain.	Upstream, own operations
	Impact	The use of non-renewable energy contributes to emissions. (Negative)	Own operations
8 Nature and biodiversity	Risk	Deforestation in our supply chains may results in non-compliance with regulations as well as reputational damage.	Upstream
	Impact	Investing in solutions to protect and restore nature and biodiversity in our supply chain. (Positive)	Upstream, own operations, downstream
	Risk	Emerging nature and biodiversity regulation may increase operating expenses.	Own operations
9 Resource use and circular packaging	Impact	Recyclable packaging reduces waste, conserves resources and minimises environmental impact. (Positive)	Upstream, own operations, downstream
	Impact	Increasing the use of recycled materials in our packaging reduces pressure on resources. (Positive)	Upstream, own operations, downstream
	Impact	Effective waste management to reduce environmental impact and minimise resource use. (Negative)	Upstream, own operations, downstream
	Impact	Our water consumption contributes to water pressure in the environment. (Negative)	Own operations
	Risk	The availability of water in areas of high water stress may limit our ability to produce.	Own operations
10 Business conduct	Impact	Ensuring high standards of business conduct and fostering a culture of compliance supports business performance and goals. (Positive)	Own operations



## Our double materiality assessment **continued**

### Methodology and assumptions

The following section outlines methodologies and assumptions.

#### Scope

We identified and assessed IROs across our entire value chain, from farming to eating. We took into account the impacts arising both from our own operations and from our business relationships.

### High-level process

**Landscape analysis** included a comprehensive desktop review supported by external experts, in alignment with ESRS 1, resulting in a longlist of potentially relevant sustainability topics.

**Detailed assessment** of sustainability topics resulted in a shortlist of priorities following evaluation of all identified topics on impact and financial significance.

**Stakeholder consultation** supported a further refinement and validation of the topics.

**Leadership approval** by Executive Committee and Board finalised the results.

Our DMA considered both the impact and financial materiality of each IRO. The impact assessment considered positive and negative impacts, both actual and potential, of our company on sustainability. The financial assessment covered both actual and potential sustainability-related risks and opportunities that could result in positive or negative financial consequences to our company.

#### Detailed process

The **landscape analysis** aimed to identify all potentially relevant (current and future) topics and IROs for our sector. We conducted a comprehensive analysis to identify key stakeholders and potential sustainability IROs across our value chain. This included:

- Reviewing the 2020 materiality assessment.
- Examining sustainability regulation, frameworks and related guidance.
- Researching emerging trends in the packaged food sector.
- Performing a peer benchmark analysis.

In the **detailed assessment**, we evaluated the longlist of potential topics based on their impact and financial materiality to identify our shortlist.

The **stakeholder consultation** phase engaged external and internal stakeholders to assess, score and refine our shortlist. This included interviews, internal working groups and online surveys. See Stakeholder engagement, below, for further details.

All scores were aggregated to calculate the degree of materiality, taking into account positive and negative impacts, as well as financial risks and opportunities. See Scoring methodology, below, for further details.

Then, Sustainability and Finance leadership validated the preliminary results considering both qualitative and quantitative insights. This resulted in 10 material topics and 23 IROs.

Finally, **leadership approval** was obtained from the Executive Committee and the Board on the material topics and DMA.

#### Stakeholder engagement

Beyond our regular engagement activities, we consulted both internal and external stakeholders specifically for the DMA. We used:

- In-person external stakeholder interviews.
- Detailed research on customers' and consumers' views.
- Internal consultations, including engaging employees through workshops and surveys.

A third party conducted the external stakeholder interviews and internal workshops to ensure independence and, where necessary, confidentiality.

External stakeholders included investors, suppliers, customers, consumers, academics and non-governmental organisations (NGOs), who represented nature as the otherwise-silent stakeholder.

#### Scoring methodology

Following ESRS 1, we qualitatively evaluated the shortlist of topics against the two dimensions of materiality: impact and financial.

The **impact materiality** score is an average of the scores for all actual and potential impacts, whether positive or negative. We considered the following to assess Flora Food Group's impacts:

- 1 **Severity**, based on scale and scope (such as the number of people affected), whether the impact is perceived globally or locally, and where it occurs across our value chain.
- 2 **Likelihood** of potential impacts (on people or the environment), employing short-, medium- and long-term time horizons.<sup>10</sup>
- 3 **Remediability** of negative impacts. This considers whether they can be addressed, the difficulty of reversing consequences and potential cost implications. Timing of remediation is also considered (short, medium and long term).

The **financial materiality** score is an average of the risks and opportunities, both actual and potential, relating to Flora Food Group, considering:

- 1 **Size of the risk or opportunity**, assessing the potential magnitude of financial effects based on metrics including: Earnings (EBITDA),<sup>11</sup> Capital Expenditure (CAPEX) and Operating Expenses (OPEX).
- 2 **Likelihood of the risk or opportunity** occurring in the short, medium and long term.<sup>10</sup>

The **materiality threshold** is set at medium. This means that all IROs scored as medium or above, and their associated ESRS topics, are considered material.

#### Updating our Sustainability Framework

We updated our Sustainability Framework based on the results of the DMA. The three areas of focus where we believe Flora Food Group can have the most impact are:

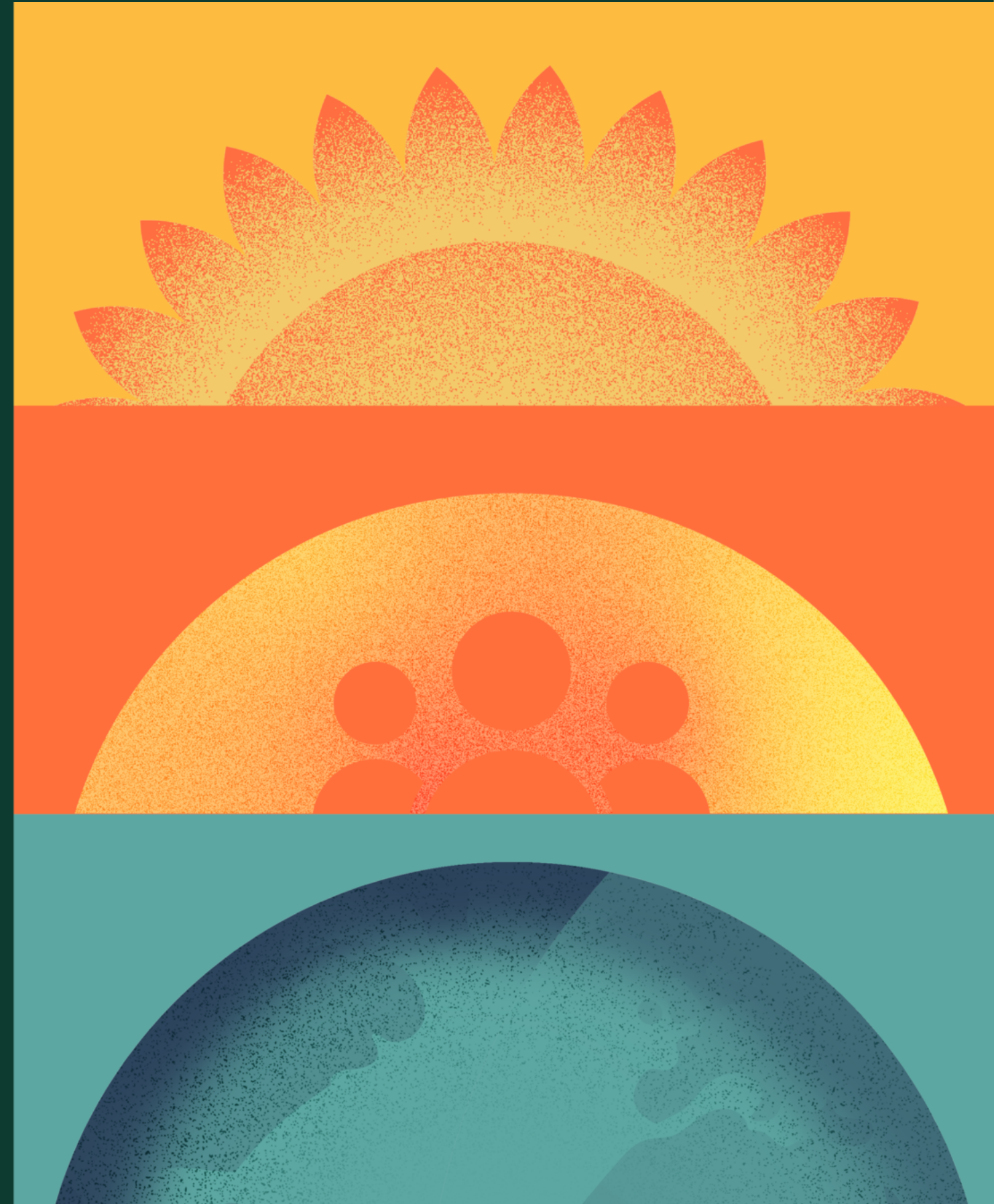
- Nourishing Food
- Thriving People
- Flourishing Planet

<sup>10</sup> Flora Food Group uses the following time horizons, aligned with our enterprise risk management framework: short term, zero to three years; medium term, three to 10 years; long term 10 to 30 years.

<sup>11</sup> Earnings before interest, tax, depreciation and amortisation.



# *Healthy, Sustainable* Diets





# Shift to healthy, sustainable diets

By reaching more people with our products, our positive impact on people and planet grows.

Our commitment		
Advocating and inspiring a shift to healthy, sustainable diets.		
Our material theme		
Shift to healthy, sustainable diets.		
Impacts, risks and opportunities		
Description	Value chain	IRO
Growing our business increases our positive impact on health and sustainability, enabled by our brands and more supportive public policy.	Own operations	Opportunity

### Introduction

We offer nutritious products that support healthier diets while minimising the environmental footprint of food. Choosing our products over dairy helps to mitigate both global health challenges and climate change, in line with planetary health diets.<sup>12</sup>

We aim to offer consumers a no-compromise product in place of conventional dairy. To do so, we must deliver on our value proposition and meet consumer expectations across taste, quality, functionality and affordability.

### Approach and policy

We are dedicated to inspiring and enabling the shift to healthy, sustainable diets. We advocate for the right public policies and a level regulatory playing field, to create the conditions to reach more people with our nutritious and more sustainable products. This enables us to contribute to the next generation of food, through our iconic brands.

### Our brands

Our iconic brands offer a range of options catering to diverse consumer preferences and needs. We prioritise offering the best products that not only taste delicious but also perform well and uphold the highest quality standards.

The largest opportunity we have, as a leading producer of dairy alternatives, is through shifting to healthier and more sustainable diets. We measure our positive impact and the scale of the opportunity through our nutrition benchmark and portfolio lifecycle assessment.

### Healthy diets

We strive for our products to provide essential nutrition and support better health. Through our Nutrition Benchmark Programme, we set clear formulation targets aligned with the latest scientific research, international standards and dietary guidelines.

This approach helps us continuously improve our portfolio, ensuring our products support balanced diets. For further information on how we create healthy and nutritious food, see page 16.

### Sustainable diets

We aim to offer consumers and customers a compelling choice of more sustainable options, with lower environmental impacts, across our categories.

Our plant-based ingredients typically require fewer natural resources, such as water and land, and generate lower greenhouse gas (GHG) emissions compared to dairy ingredients. In 2024, over 95%\* of our ingredients were plant-based.

Our portfolio also contains some dairy ingredients, which we blend to meet a range of different consumer tastes and preferences. For further information on why our portfolio is more sustainable, see Sustainable diets (overleaf).

### Advocate and inspire a shift

We work with coalitions, alliances, associations, partnerships and forums, joining a diverse range of stakeholders, collaborating in pursuit of public policies that make healthy, sustainable food choices easier, more affordable and more accessible.

We support policies that rebalance our food system in favour of healthy, sustainable diets, especially in the Global North and in countries that currently over-consume conventional dairy products.

Additionally, we support a level regulatory playing field for dairy alternatives, to put them on an equal footing with their conventional dairy counterparts. This can include, for example:

- Supporting VAT rate equity.
- Advocating for fair approaches to naming and labelling.
- Promoting the provision of healthy, sustainable dishes within public procurement guidelines.
- Repurposing subsidies to promote healthy, sustainable foods while supporting farmers.
- Increasing public funding for research and development for healthy, sustainable food.

### Measuring progress

We measure progress by considering the positive impacts of our portfolio of products on health and sustainability. We quantify our contribution through our nutrition benchmarks and the comparative environmental benefits of our products.

More broadly the growth of our business, supported by our brands, is the best indication of the positive impact we make. Through our advocacy and stakeholder engagement, we call for an enabling environment for healthy and sustainable diets. For this IRO we do not have separate targets.

For detail on our accounting policies and definitions, see Appendix 3, page 98.

### Progress and actions

Here are examples of the steps we took in 2024 to advocate for healthier, sustainable diets and update the assessment of the environmental performance of our products and portfolio.



70% lower climate impact



75% less land required



65% less water used

On average, our products have less impact compared to the dairy equivalent<sup>^</sup>

<sup>12</sup> The EAT-Lancet Commission defines a planetary health diet as one optimal for human health and environmental sustainability.  
<sup>^</sup> For more details on how we calculate comparative LCA (based on Quantis study 2024), see appendix 4.1, page 103.  
\* Data in 2024 is presented in accordance with the accounting policy in appendix 3, 'Accounting Policies and Definitions', and is subject to limited assurance in accordance with the Dutch Standard 3000A. Refer to our website for the Independent Auditor's Limited Assurance Report.



Shift to healthy, sustainable diets continued

Our brand campaigns

Our brands are uniquely positioned to drive the transition to the next generation of food and offer compelling choice. Our promotional campaigns help boost consumer awareness and encourage people to choose healthier, more sustainable products. For further information on the campaigns from Flora, Becel and Violife, refer to pages 24 to 26.

Advocacy and collaboration

Our annual Future of Food Conference, hosted at our Food Science Centre in Wageningen, Netherlands, brought together over 100 key stakeholders from across the food system.

The 2024 conference focused on sustainable food systems. It served as a space for participants to learn, collaborate and share key levers to support healthy, sustainable diets, benefitting the whole food value chain, from farmers to consumers.

Our work within organisations like the World Economic Forum and WBCSD also helps champion the role of business in delivering healthier, more sustainable diets.

Healthy diets

In 2024, we continued to develop our Nutritional Benchmark Programme in line with World Health Organization (WHO) standards. For further information, please see page 54.

Sustainable diets

We measure our contribution to sustainable diets by looking at the environmental benefits of our products when compared to dairy. This is based on the detailed lifecycle assessments (LCAs) we calculate for hundreds of our products.

Comparative environmental benefits

In 2024, we partnered with Quantis, a sustainability advisor, to assess the sustainability benefits of our portfolio based on LCAs. The study resulted in impact comparisons with dairy equivalents, in the categories of butters and spreads, creams and cheeses.

The study analysed about 50% of our product portfolio globally and found that, on average, our products have 70% lower climate impact, require 75% less land and use 65% less water compared to the dairy equivalent.<sup>13</sup> As this reflects a weighted average across these categories, some of our products may perform better or worse than the reported results.

Our portfolio versus dairy (comparative LCA results)	Our portfolio
GHG emissions (average kg CO <sub>2</sub> e/kg product)	70% lower
Land occupation (average m <sup>2</sup> a/kg product)	75% less
Water consumption (average litres/kg product)	65% less

Avoided pressures assessment

Building on this, we conducted an assessment to look at avoided pressures across climate, land and water impacts from our portfolio. This allowed us to quantify the benefit of our plant-based and blended products compared to a representative market mix of dairy and non-dairy alternatives.

In 2024, these categories avoided an estimated 2.7 million tonnes CO<sub>2</sub> equivalent emissions, 4,028 km<sup>2</sup> land occupation and 67.5 million m<sup>3</sup> of water withdrawal globally.

This is equivalent to the CO<sub>2</sub> equivalent emissions from over two years of electricity usage in Amsterdam, the land area the size of approximately 1,180 New York City Central Parks and the water volume sufficient to fill more than 27,000 Olympic-sized swimming pools.<sup>14</sup>

Avoided pressures	Our portfolio
Avoided GHG emissions	2.7 million tonnes CO <sub>2</sub> e
Avoided land occupation	4,028 km <sup>2</sup>
Avoided water withdrawal	67.5 million m <sup>3</sup>



CASE STUDY

New York Climate Week

At the 2024 New York Climate Week, Flora Food Group championed sustainable food systems.

The event strengthened Flora Food Group’s cross-sector partnerships and catalysed new sustainable food initiatives. Our contribution reinforced the company’s commitment to transforming food systems to benefit both people and planet while making nutritious, sustainable options more accessible worldwide.

13 For more details on how we calculate comparative LCA (based on Quantis study 2024), see appendix 4.1, page 103.  
14 For more details on how we calculate avoided pressures (based on Quantis study 2024), see appendix 4.2, page 103.

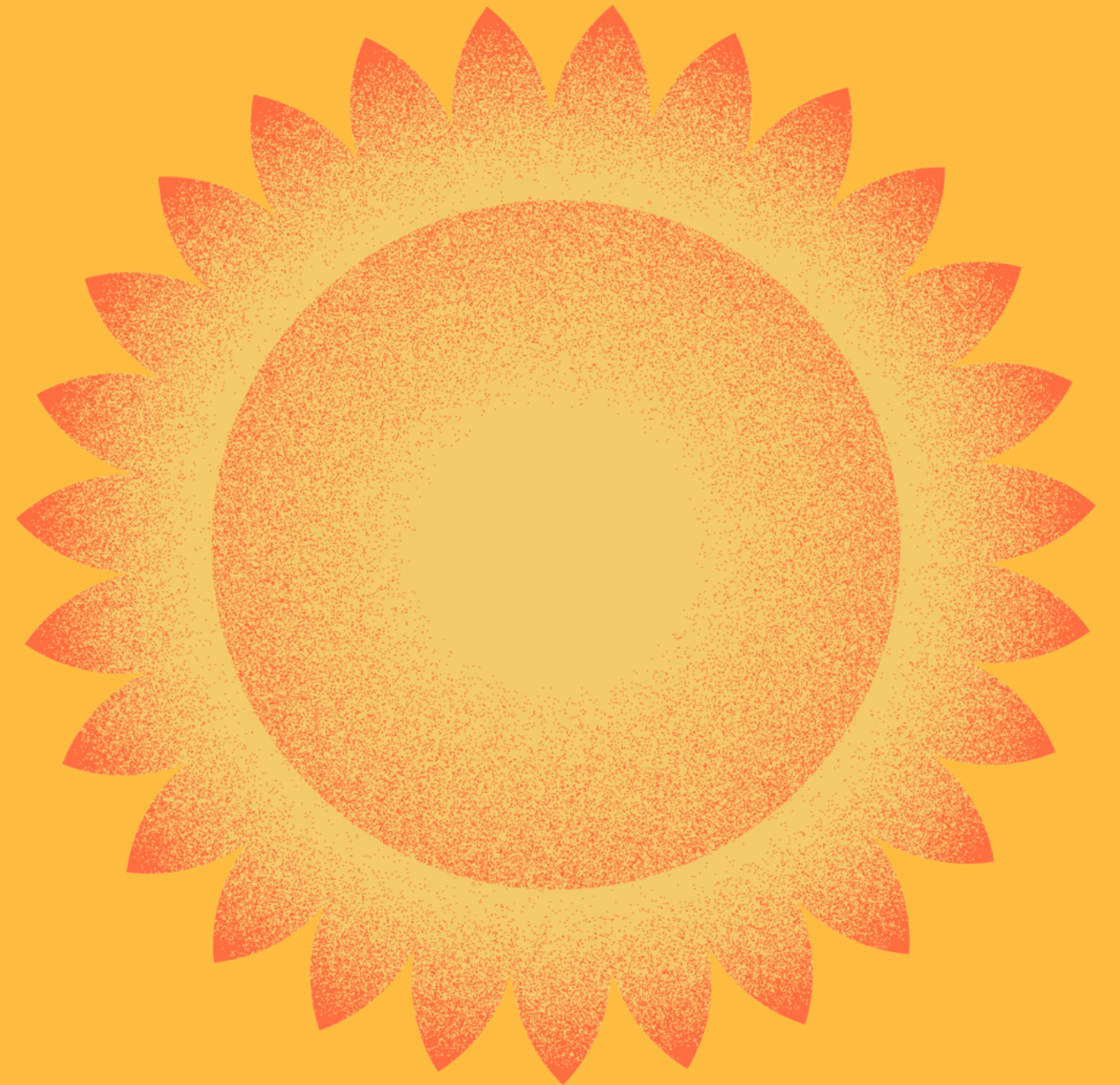


# *Nourishing* Food

52 Innovate good food

54 Create healthy and nutritious food

56 Ensure food safety and quality





# Innovate good food

Innovation is key as we deliver the next generation of food. It drives how we make food more delicious, natural, nutritious, affordable and sustainable.

Our commitment		
<b>Innovate good food</b> Innovate the next generation of delicious food, made with natural ingredients.		
Our material theme		
Next generation product innovation.		
Impacts, risks and opportunities		
Description	Value chain	IRO
Innovation and investment in breakthrough technologies and partnerships to deliver the next generation of products.	Own Operations	Opportunity

## Introduction

Our iconic brands offer a range of affordable options catering to diverse consumer preferences and needs. We innovate to ensure our portfolio of recipes:

- Tastes delicious
- Performs well
- Upholds the highest quality standards
- Provides tangible health benefits
- Is made with simple, natural ingredients

To meet these objectives and produce the next generation of food, we combine short-term upgrades to products and processes with long-term investment in breakthrough technologies and partnerships.

## Approach and policy

Flora Food Group’s approach to product development is founded on a steadfast commitment to be an industry leader. We devote significant resources to innovation, both internally and externally.

We continue to invest in food innovation and food technology expertise, led from our state-of-the art Food Science Centre in Wageningen, the Netherlands.

Internally, we have over 150 food scientists and technologists, packaging experts, and R&D specialists working to a clear roadmap to continuously upgrade our portfolio with products that are better for people and planet.

In 2024, we made our approach even more robust by:

- Strengthening our innovation pipeline.
- Investing in a programme to benchmark against competitors, ensuring our products and packaging meet consumer needs.

We have a robust approach to innovation and follow a stage gate process.

Externally, we are a key player in the food technology ecosystem. We partner with start-ups and scale-ups who complement our R&D capabilities and value our ability to scale across geographies through our distribution channels, brand platforms and repeatable business models.

The combination of our R&D expertise with the best external partners and our approach to commercialisation enables us to cater to the shifting needs of consumers and customers across the world.

## Measuring progress

To measure our innovation, we focus on the percentage of:

- Net Sales Value (NSV) spent on R&D.
- NSV of Stock Keeping Units (SKUs) that have been innovated or renovated in the last three years.

We do not have specific, group quantified targets on the above. We prioritise continuous improvement and responsiveness to evolving consumer needs.

For detail on our accounting policies and definitions, see Appendix 3, page 98.

## Progress and actions

In 2024, we made multiple upgrades to our portfolio together with several longer-term investments.

In 2024, we spent 1% of NSV on R&D and 39% of our NSV was delivered by SKUs that were innovated or renovated in the three years from 2022-24.

Key innovation metrics	2024
Sales spend on R&D	1%
Sales from products innovated or renovated	39%

## Innovation in our portfolio

We continued to innovate and upgrade our products and packaging. This work was rooted in extensive consumer research and benchmarking.

Key projects we completed this year include:

- 1 Plant butter performance**  
We upgraded the taste and performance of our alternatives to dairy butters. See Upgrading plant butters story, next page, for details.
- 2 New limited edition**  
We produced a limited edition smoked garlic plant spread for launch in the U.K. in October 2024. By week three post-launch, the rate of sale was in line with the market leader. Eight weeks in, it exceeded our rate of sales target by 45%.
- 3 South America**  
We re-launched our spreads offering in Colombia and Ecuador at the end of 2024. The new products have been adapted to meet consumer needs in taste, performance and value, as well as local regulatory salt-reduction targets.
- 4 Patented palm oil-free technology**  
Our existing, patented, palm oil-free technology is now used in more products. This year we made all recipes for Becel in the Nordic markets and Latta in Germany palm oil-free.

^ See this theme disclosure and associated accounting policy (at appendix 3, page 98) for details on how this metric is defined and calculated.





## Innovate good food **continued**

### 5 Growing creams category

We continued to grow our creams category with our cooking and multi-purpose creams portfolio and the development of coffee creamers for the USA. The launch of a soft ice cream mix for the food service sector in Europe and the Middle East offers great taste and smooth texture, without any allergens.

### 6 High-performance cream cheese

Violife's new cream cheese block has extended from the USA to Canada and Europe. Launches started in 2024. The block offers a high-performing, plant-based alternative to cream cheese for spreading and baking.

### 7 Making chocolate spreads more nutritious

We successfully launched BlueBand with Choco spread in Kenya, in numerous formats. It is a delicious two-in-one chocolate spread, combining the richness of cocoa and the goodness of spreads, enriched with five essential vitamins.

### Investing in future developments

R&D is at the heart of our ambition to transform the food system with a portfolio of next generation, great tasting brands that are good for you and good for the planet.

Our R&D team works to deliver sustainable, profitable growth through our innovation, technology, packaging design, nutrition and regulatory agenda.

### Partnerships for innovation

Partnering is at the heart of our growth strategy. One example is our sponsorship of the open innovation challenge at [Future Food Tech London](#). The challenge asked innovators to produce a solution to close the gap in quality, taste and performance for plant-based products for the next generation of fats and oils.

We also collaborate with various external partners:

- On protein fermentation and plant protein technologies.
- To help develop enhanced melting and stretching for alternatives to dairy cheese.
- To support the development of the next generation of products.

### Recognition for innovation

Worldwide recognition came in 2024 for the first, fully recyclable paper-based tub for spreads, with multiple prestigious innovation awards.

It was previously thought that a waterproof, oil-resistant, plastic-free paper tub was impossible. Years of working in partnership proved it to be possible.

This recognition reinforces the importance of our investment in long-term development projects to deliver on our purpose.

## CASE STUDY

# Upgrading plant butters



In 2024, we started improvements for the alternatives to dairy butter we sell under brands such as Flora, BlueBand, Tulipan and Rama in Europe and Asia-Pacific, Middle East and Africa, and Country Crock in the USA.

Consumers participating in our programme to benchmark against competitors told us they wanted smoother texture, improved spreadability and a taste more similar to dairy.

We embarked on a journey to reinvent recipes. Intensive prototyping, using our own technologies and those of our partner flavour houses, helped create the next generation of delicious plant butters. With more than 50 ingredients tested and 200 prototypes developed at pilot and manufacturing site scale, we improved recipes for the products we sell in both wrappers and tubs.

Our detailed market research shows that German consumers think we reached the parity with dairy in spreading and baking applications. And U.K. consumers say our recipes are superior to plant-based competitors and parity with dairy in baking.

Listening carefully to consumers. We started rolling out these improved recipes throughout Europe from December 2024.



# Create healthy and nutritious food

## Providing access to nutritious food is core to our purpose.

Our commitment		
<b>Create healthy and nutritious food</b> Offer consumers a compelling choice with essential nutrition to support healthy, balanced diets.		
Our material theme		
Next generation product innovation.		
Impacts, risks and opportunities		
Description	Value chain	IRO
Ensuring our portfolio of products contributes to a healthy and nutritious diet, delivering essential nutrition that meets or exceeds nutrition benchmarks. (Positive)	Downstream	Impact
Transparency of information to consumers on the nutritional composition and the benefits of our products and ingredients. (Positive)	Downstream	Impact

### Introduction

Facilitating the transition towards healthy, sustainable diets requires a multi-disciplinary approach. Governmental, non-governmental and private sectors must work together to develop and support public food policy.

Our commitment to offer essential nutrition and support healthy, balanced diets contributes to worldwide objectives such as the:

- U.N. Sustainable Development Goals.
- World Health Organization Global Protection Plan for the prevention and control of non-communicable diseases 2013-2030.
- [WHO REPLACE initiative](#).

### Approach and policy

Our purpose fully commits us to deliver a wide range of products with a desired nutritional composition to consumers. Our [Nutrition Policy](#) outlines the nine guiding principles, covering products, marketing, nutritional information, research and education, while maintaining high standards of product quality, safety and transparency.

### Nutritional Benchmark Programme

Leading global health authorities highlight the importance of reducing intake of saturated and trans-fats. We strive to always have better levels of both those types of fats than in equivalent dairy products. We have fully eliminated trans-fats in the form of partially hydrogenated vegetable oils (PHVO) from our portfolio and are actively working to reduce saturated fats.

Our Nutrition Benchmark Programme (NBP) aims to deliver better nourishment without compromising on product quality, taste or performance. The NBP’s targets for product formulation apply the latest, best-available science, international standards and dietary guidelines.

For the purposes of the NBP, we group in-scope products into three categories:

- Butters, spreads and liquid margarines
- Cheeses
- Creams

We sort products into NBP classifications based on the nutritional needs of each product’s core consumers. The classifications allow us to identify which positive nutrients to add and negative nutrients to limit.

### Adding health benefits

As well as seeking to make all our products a good source of essential nutrition, we’re working to deliver additional functional health benefits.

Through collaborations with universities, we actively engage in nutrition research while respecting ethical, academic and cultural boundaries. These collaborations allow us to scientifically substantiate new product developments and support our communications about functional health benefits.

### Implementation and governance

The COPO is accountable, and the Head of Scientific Affairs is responsible, for implementing both the [Nutrition Policy](#) and the NBP.

### Measuring progress

As part of our commitments, we actively seek to improve recipes to meet or exceed nutrition benchmark targets for:

- Saturated fat
- No trans fat from PHVO

These benchmarks are based on the latest evidence and official nutrition recommendations from external authorities ([WHO](#), [Food and Agriculture Organization](#), [European Food Safety Authority](#) and [CODEX Alimentarius](#)).

We demonstrate year-on-year improvement by assessing our recipes against NBP targets in each of the above areas. We also explain nutritional improvements and benefits as part of product launches.

For detail on our accounting policies and definitions, see Appendix 3, page 98.

### Progress and actions

Flora Food Group seeks both to provide consumers with essential nutrition and to pursue better health outcomes. In 2024, the vast majority of our products met or exceeded our nutrition benchmarks.

Key nutrition metrics	2024
Meeting benchmark nutrition targets	96%
Trans fat from PHVO	0%

During the year we made progress on both essential nutrition and better health outcomes.

### Essential nutrition

For essential and positive nutrition, we:

- Reduce levels of saturated fat
- Add oils containing omega-3 and omega-6
- Add relevant micronutrients through fortification

We understand the necessity of consuming the right types of fat in our diets. The WHO recommends limiting saturated fats and replacing them with unsaturated fats, such as polyunsaturated and monounsaturated fats.



96% of sales meet nutrition targets<sup>^</sup>



0% trans-fats<sup>^^</sup>

<sup>^</sup> See this theme disclosure and associated accounting policy (at appendix 3, page 98) for details on how these metrics are defined and calculated.  
<sup>^^</sup> from PHVO.



## Create healthy and nutritious food continued

Part of the NBP focuses on meeting or exceeding the saturated fat benchmark targets through reformulating products. The case study on BlueBand in Malaysia is a good example.

In 2024, as part of the continuous improvement and review of the NBP, we extended the scope to include the creams and cheeses categories and to reflect the most relevant, up-to-date scientific evidence. Based on the updated scope and methodology, in 2024, the percentage meeting benchmark targets on both saturated fat and no trans fat was 96%.

Our first Nutrition Milestones Report over 2024, to be published in 2025, will highlight key initiatives and achievements related to healthy and nutritious foods. It will explain our NBP methodology in more detail.

### Recent recognition

Flora Food Group was included in the [ATNi Global Index](#) for the first time in 2024, receiving the highest score for any new entrant.

We are particularly proud of our score in the portfolio improvement category, highlighting our positive approach to nutrition benchmarking.

### Better health outcomes

We are actively working to enable better health outcomes through our healthy products, supporting research and actively participating in research consortia.

### BlueBand Indonesia

In Indonesia this year, we highlighted the importance of omega-3 and omega-6 as part of a balanced diet in the 'a spoonful of BlueBand' campaign for our multi-purpose BlueBand fat spread.

One 15g serving of this product contains 19% of the locally recommended daily intake of omega-3 and 10% of omega-6. The product, therefore, delivers a good source of essential fats, which the WHO considers necessary for children's early development.

In 2024, we also funded a study, in collaboration with the [IPB University](#) in Bogor, Indonesia. The study assessed whether a school breakfast programme (providing children with education on nutrition and a balanced breakfast) can have an impact on knowledge, breakfast habits, nutrient intake and school performance. The results will be published in 2025.

### Becel

Becel has focused on heart health for over 60 years. Becel spreads contain a unique blend of sunflower, flaxseed and rapeseed oils, naturally rich in omega-3 and containing omega-6. Becel Original helps meet daily requirements for omega-3, contributing to the maintenance of healthy cholesterol levels and benefitting heart health. For more information on our heart health campaign in 2024 see page 25.

### Supporting scientific progress

Participating in studies and supporting research organisations allows us to stay on top of the latest scientific developments while contributing to the academic landscape.

Exploring new and existing health benefits related to different dietary fats is a key area of our research. For example, we are one of the partners in the [healThy fAt, haPpy mIcRoBiome \(TAPIR\)](#) study. This commenced in 2022, with [Wageningen University & Research](#), and others. The study examines the impact of different types of fats on the gut microbiota.

### CASE STUDY

## Reformulating BlueBand

Reformulating BlueBand for the Malaysian market is an excellent example of how the NBP drives continual improvement of the nutritional composition of our products.

Recent studies have shown that Malaysian children do not consume enough omega-3, showing the relevance of developing products that contribute to these needs. In 2024, the R&D team reformulated BlueBand's Planta fat spread to:

- Reduce saturated fat content by 40% compared to the previous recipe.
- Increase levels of omega-3 and omega-6.

A daily serving (20g) of BlueBand now delivers an important contribution to the intake of omega-3 and omega-6. These omegas are essential for the normal growth and development of children, and can only be obtained from food sources.



**New recipe  
with 40% less  
saturated fat  
and more  
omega-3 & 6**





# Ensure food safety and quality

Product safety and quality are essential to building consumer trust and central to everything we do.

## Our commitment

**Ensure food quality and safety**  
Deliver on our promise to all customers by maintaining high standards of product quality, safety and transparency.

## Our material theme

Product quality and safety.

## Impacts, risks and opportunities

Description	Value chain	IRO
Failure to ensure food safety and quality, protecting consumers and a safe food supply chain.	Own operations	Risk

## Introduction

We are committed to excellence, delivering safe, high-quality products that exceed customer and consumer expectations. We promote quality and minimise risks by maintaining strict standards throughout the entire product lifecycle – from design and raw material sourcing to manufacturing, packaging and distribution.

## Approach and policy

Our goal is to continually delight customers with brands they can trust. Food safety and quality control is foundational to meeting that goal. It ensures we can consistently deliver great-tasting products that are produced with care.

We have a comprehensive [Product Quality Policy](#) that sets rigorous standards for every aspect of our operations. The policy applies to all employees, consultants, contractors and interns.

As part of our Quality Programme, we aim to attain Global Food Safety Initiative (GFSI) certification for all of our manufacturing sites. We focus on:

- 1 Designing products, processes and packaging to be inherently safe as we develop them, using computer modelling, predictive microbiology and independent safety reviews.
- 2 A comprehensive Quality Culture Programme across all manufacturing sites, each with its own plan to monitor and improve quality.
- 3 Our Food Safety Programme includes preventative measures and protocols including enhanced allergen control, comprehensive microbiological testing and testing finished products before release. In addition, the programme has predefined escalation procedures for potential food safety issues.
- 4 An extensive Contaminant-Monitoring Programme to regularly evaluate ingredients against stringent food safety criteria.
- 5 An integrated Quality Management System (QMS) to manage group standards and procedures. The QMS includes dedicated processes for consumer and customer complaint management, supplier relationship management, and product and process design.
- 6 Quality Control Guidelines to maintain consistency and compliance by standardising and documenting procedures across all operations.

- 7 Continuous improvement and maintaining a structured approach, by analysing the root cause for incidents and near misses, so cross-functional teams can implement corrective and preventive actions.
- 8 Proactive risk assessments using a range of tools, such as the Hazard Analysis and Critical Control Point systematic approach.
- 9 Training employees to make sure our high standards are both understood and implemented. This includes e-learning modules and workshops on quality standards and food safety protocols.
- 10 A robust internal Quality Audit Programme to verify adherence to our processes and policies.
- 11 Regular external audits, including unannounced GFSI audits on our manufacturing sites.

## Implementation and governance

Flora Food Group’s COPO and Global Quality Director are responsible for implementing the [Product Quality Policy](#).

## Measuring progress

Targets are important in maintaining high product safety and quality standards. We measure ‘right first time’ manufacturing, GFSI certification for our manufacturing sites and suppliers, and the number of product recalls. Our targets are:

- Zero defects, with 100% of products made right first time.
- 100% GFSI certification for our own sites and suppliers.
- Zero public recalls.

For detail on our accounting policies and definitions, see Appendix 3, page 99.

## Progress and actions

We performed well in 2024 and made steady progress towards achieving our goals.

We had zero public food safety product recalls in 2024, and we are on target to achieve GFSI certification for all manufacturing sites we own or operate by the end of 2025.

Key food safety and quality metrics	2024
GFSI-certified manufacturing sites	92%
Right first time in manufacturing	99.24%
Public food safety product recalls	0

Our progress reflects our commitment to product quality and food safety.

This took place in a context of an intensive programme of innovation, implementation and investment.

## Integrating new manufacturing sites

From day one we focus on the integration of new sites into our quality programme, working towards GFSI certification.

We acquired a cheese manufacturing site in Drama, Greece, as part of the Arivia acquisition in 2020. The facility has adopted our standard methodology for measuring and reporting quality indicators, and its performance is included in our reported metrics.

^ See this theme disclosure and associated accounting policy (at appendix 3, page 99) for details on how these metrics are defined and calculated.



99% right first-time manufacturing<sup>^</sup>



no public recalls<sup>^</sup>



## Ensure food safety and quality continued

We are completing integration of a manufacturing site in Cali, Colombia, which we acquired in 2022. In 2024, the site was included in our GFSI audit programme, and achieved certification in January 2025.

In 2024, we acquired a manufacturing site in Hugoton, Kansas, USA. The facility will serve as the hub for Flora Food Group's dairy alternative creams and cream cheese products in the USA., Canada and, over time, the rest of the Americas region. Implementation of our quality programme has started including preparation for GFSI certification.

### Maintaining high standards

We constantly work to maintain product safety and quality standards applying the approach outlined above. In doing so, quality communications are a priority. We share quality updates across different communications channels within the company, such as town hall and monthly leadership meetings.

### Quality culture focus

In 2024, we concentrated on further developing and implementing the Quality Culture Programme. We put particular emphasis on expanding our Food Safety Programme, ensuring we address rapid responses to unforeseen challenges

### Continuous improvement

Technology is crucial for maintaining our quality standards. We have implemented tools such as:

- The QMS, to manage our procedures.
- Incident management tracking, to manage any incidents.

- A tool to monitor and close out corrective and preventive actions arising from incidents and near misses.
- Safefood 360° food safety management software, to manage all aspects of relationships with and performance of our suppliers.

We continue making processes more user-friendly and less prone to human error, with a particular focus on strengthening data management.

### Assessing our manufacturing sites

We use unannounced GFSI audits to evaluate our food safety standards and practices, aligning with GFSI's globally recognised gold-standard. This ensures we deliver the highest quality food to our consumers.

In 2024, 12 manufacturing sites were GFSI certified. Every non-conformance raised by the auditor is addressed, and corrective actions are tracked to closure.

### Supplier excellence

We aim for our suppliers either to hold GFSI certification or complete a detailed self-assessment questionnaire aligned with GFSI requirements. We manage compliance through Safefood 360°, which is designed to meet GFSI standards.

We systematically evaluate all our suppliers and classify them based on factors such as annual spend, material types and their existing food safety systems. In certain cases, we may conduct our own on-site audit to thoroughly evaluate a supplier's practices.

As at the end of 2024, 84% of suppliers provided a GFSI certificate, 14% completed the self-assessment questionnaire and the remaining 2% are in the approval process.

### Passionate about consumer and customer care

We listen to consumers and customers through our dedicated care line. The care line serves as a direct channel for gathering valuable feedback, enabling us to meet consumers' and customers' needs and expectations.

Consumer and customer complaints are carefully allocated into three main categories:

- Design-related
- Execution-related
- Marketing-related

This structured approach allows us to address specific areas of improvement quickly and efficiently.

For critical complaints, where consumer safety may be at risk, a quality alert is automatically issued within our consumer and customer management platform. The quality alert immediately notifies the care line team and our Consumer and Customer Quality Manager. They assess the situation together and determine the appropriate course of action.

Critical complaints that trigger quality alerts include:

- Packaging-related injuries
- Incorrect products in a pack
- Product-related allergies, illnesses or injuries
- The presence of foreign matter or unexpected items in the product

Once a critical quality alert is triggered, we operate a strict four business-hour response time to address the issue and communicate with the consumer or customer. For non-critical complaints, the response timeframe is extended to 24 business hours, which is three business days.

In 2024, one food safety alert was raised, which was investigated following the process explained above. The investigation confirmed that there was no food safety risk posed to consumers. As a result, Flora Food Group did not conduct any product recalls in 2024.

### CASE STUDY

## Engagement on food safety

Building motivation and confidence in our team is an important part of the Quality Culture Programme. In 2024, we found new ways to engage.

### Engaging the Quality team

For the Quality team, we organised a Global Quality Forum to establish priorities and share best practices from across Flora Food Group. We also conducted training with actionable ways for the whole team to remain proactive and better respond to quality-related issues.

### Involving employees

Our Food Safety Week programme for all employees, culminating on World Food Safety Day, put our commitment to quality and preventing food safety incidents to the fore. The theme 'Prepare for the Unexpected' emphasised the importance of being prepared for food safety incidents, regardless of their severity.

We organised a food safety webinar for our office-based colleagues with an external expert. Over 530 associates joined live, and gave outstanding feedback. We also shared content on multiple internal channels, spotlighting how we maintain the highest quality and food safety standards. Manufacturing sites marked World Food Safety Day with training and celebrations to highlight why food safety and quality must be a top priority.



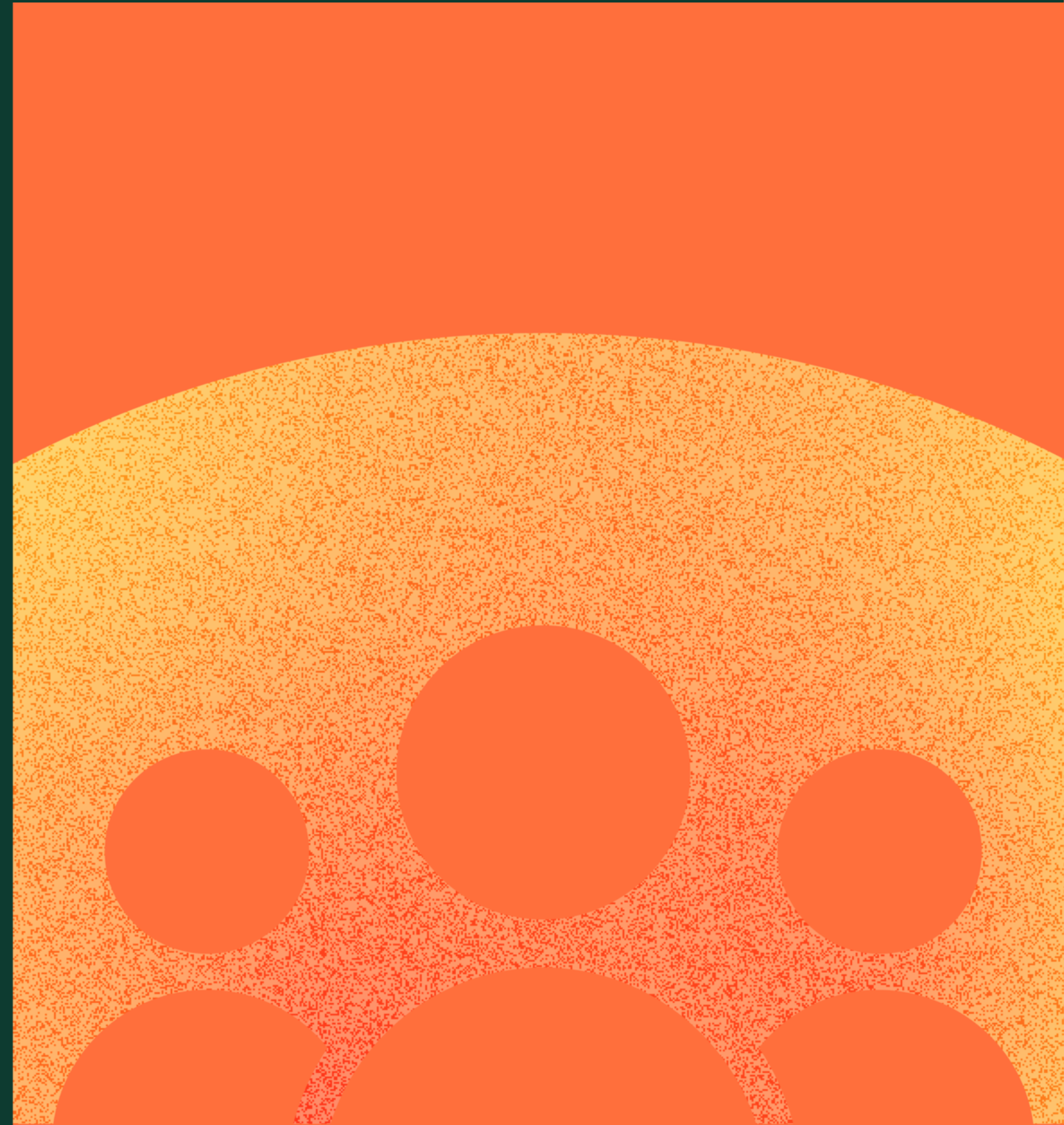
# *Thriving* People

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# Focus on affordability

We are driven by making nutritious food affordable, so everyone can eat well.

Our commitment		
<b>Focus on affordability</b> Offer more affordable choices and partner across the food community to help people thrive.		
Our material theme		
Economic and social inclusion.		
Impact, risks and opportunities		
Description	Value chain	IRO
Access to affordable products that support a healthy sustainable diet across economic groups. (Positive)	Downstream	Impact

## Introduction

The current food system is unsustainable. We cannot feed the world’s growing population while remaining within planetary boundaries, making urgent transformation

essential. Our food system must evolve to reliably provide nutritious, affordable food for everyone.

Affordability plays a crucial role in driving consumption patterns, and we recognise price is a powerful influence on dietary choices. If nutritious, sustainable diets are not affordable, they will not be adopted at scale. Therefore, worldwide issues of diet-related health and environmental impacts are likely to remain.

According to the World Bank, affordability of a healthy diet continues to be a major issue globally. In 2022, 35% of the global population could not afford a healthy diet. In low-income countries, this figure rose to 71.5%, highlighting stark inequality.<sup>15</sup>

## Approach and policy

We aim to:

- Deliver our products within price ranges and packaging formats that make them accessible to as many people as possible.
- Have a positive impact on the lives of consumers who have less access to essential nutrition.

To drive a meaningful shift in the food system, products with a lower environmental impact must be affordable for the many, not just the few. On average, our plant-based butter alternatives and spreads remain significantly more affordable than their dairy equivalents. In 2024, they were almost half the price of dairy equivalents.<sup>16</sup>

We position our brands across a wide range of value propositions in their markets, making affordability a key focus. To cater to a wider audience, we also organise our brands across tiers, with each tier strategically designed to meet distinct consumer needs. Each tier provides a different offering, ensuring our delicious, natural, nutritious products are accessible to:

- Price-sensitive consumers.
- Those looking for additional product benefits at affordable prices.
- People seeking a more premium product with multiple features.

We also recognise that value and accessibility look different across our markets. We tailor product formats to reflect these differences and maintain the proportion of our products that are accessible to everyone, regardless of their household size or economic situation.

Our consumer-focused innovation enables us to meet the evolving needs of our diverse customer base, while continuing to drive value creation and reduce production costs.

## Measuring progress

Our aim is to continue to serve people from lower socio-economic groups with affordable nutrition. We measure the percentage of lower socio-economic consumer groups reached across our key markets annually.

For detail on our accounting policies and definitions, see Appendix 3, page 99.

## Progress and actions

In 2024, we continued to reach consumers in lower socio-economic groups. These are our activities and progress in tailoring our products to be more affordable than the dairy equivalents across household budgets and markets.

Key affordability metrics	2024
Consumers from lower socio-economic groups reached with our products	44%

## Tiered approach

Our tiered value proposition approach, which includes more affordable products, enabled us to reach millions of people from lower socio-economic groups in 2024.

We strive to make products affordable through our sourcing and production, ultimately reflecting this effort in our recommended retail prices (RRPs). However, it is important to note that retailers make final pricing decisions based on various market factors.

## Operational efficiency

By optimising production costs and efficiencies across our operations, we focus on remaining competitive while maintaining affordability for consumers.

Persisting macroeconomic challenges and competitive pressures make it particularly crucial that we maintain focus on cost savings throughout our value chain.



**44% of lower socio-economic consumers reached**  
(across our key markets)<sup>^</sup>

<sup>15</sup> Page 5, *In brief: The state of food security and nutrition in the world – Financing to end hunger, food insecurity and malnutrition in all its forms*, FAO, IFAD, UNICEF, WFP and WHO, 2024, Rome, FAO. Conversions to Euros in this case study all the use KES-EUR exchange rate as at 24 February 2025.  
<sup>16</sup> Based on NielsenIQ Retail Measurement Data (Moving Annual Total to December 31, 2024) on an Average Price/kg basis. Global average across Flora Food Group’s principal markets representing almost 90% of FY24 Net Sales Value.  
<sup>^</sup> See this theme disclosure and associated accounting policy (at appendix 3, page 99) for details on how this metric is defined and calculated.



## Focus on affordability **continued**

### Affordable formats and sizing

Flora Food Group is committed to meeting the diverse needs of a wide range of consumers through various affordable formats. Our spread brands offer smaller pack sizes for consumers who prefer a more affordable option, as well as value, family-sized portions.

To help address food insecurity in developing regions, we continually explore ways to develop affordable products that meet low-income consumers' nutritional needs.

For example, we introduced 18g and 45g packaging variants of BlueBand to better serve lower-income consumers in semi-urban and rural areas of Pakistan. Our Kenya case study also illustrates this important strategy.

### Collaborating with retail customers

We leverage both our efficient production and our R&D expertise to collaborate with retail customers. We create a range of products that cater to all value propositions and ensure high-quality options are accessible to every consumer.

### Channel optimisation

In most cases, our products offer a longer shelf life than traditional dairy equivalents. Our range of ambient products also doesn't require refrigeration, making them more accessible. The versatility of ambient products allows for convenient placement in a variety of retail locations, from grocery aisles to convenience stores, further broadening accessibility.

## CASE STUDY

# Affordable nutrition in Kenya



BlueBand's mission has always been to deliver nutritious products that are accessible to everyone, regardless of budget.

With this in mind, we launched BlueBand Original with omega-3 and -6 in a convenient 30g pack at the affordable recommended retail price (RRP) of 20 Kenyan Shillings (€0.15). This option gives families an easy way to include nutrient-rich, quality products in their daily diets without stretching their budgets.

The gradual addition of pack sizes has been a carefully planned journey to meet evolving consumer needs. We then launched a 15g pack, which is considered a single serving, at an affordable RRP of 10 Kenyan Shillings (€0.07). Each step up in size provides consumers with more value.

The balance of value and accessibility ensures BlueBand is a nutritious staple within reach for all Kenyan families, achieving the brand's purpose of growing healthy and happy kids.



# Creating a culture for growth (own workforce)

Creating a culture where everyone can ‘come as they are’, supports business performance and reflects the markets in which we operate

Our commitment

**Grow our people**  
Foster engagement, embrace difference and ensure safety, enabling opportunities for fulfilling work.

Our material theme

Economic and social inclusion.

Impacts, risks and opportunities

Description	Value chain	IRO
A diverse workforce that provides equal opportunity for all employees, creates an environment where everyone can thrive and perform at their best. (Positive)	Own operations	Impact

**Introduction**  
The evidence is clear: an engaged workforce and inclusive culture is better for people and for business performance. Our culture for growth is about creating a thriving environment for all, so we can build the next generation of food together.

We welcome everyone and encourage them to ‘Come as They Are.’ Our focus is creating a culture where everyone can perform at their best, reflecting the consumer base across our markets. We want to attract the best talent to support growth and innovation, and recognise that diverse experience, backgrounds and thinking are critical to our success.

We ensure and support equal access to opportunities based on performance, skills, behaviours, experience and knowledge.

**Approach and policy**  
Our ‘come as you are’ approach is central to our core values of Performance, Care and Passion. It promotes these values while fostering inclusive behaviours that help everyone feel safe, confident, committed and able to perform at their best. From remuneration and engagement, to recruitment and promotion, our approach to our people seeks to create a high performance inclusive culture.

Our policy outlines our commitment to create equal opportunities for all, from attracting talent from diverse backgrounds to supporting employees’ flexibility and equal parental leave for all family structures.

We measure and improve inclusion through company-wide surveys to listen, learn and enhance employee experiences. Every employee receives mandatory Code of Conduct training, which includes relevant people policies, at onboarding. This training is refreshed regularly.

Inappropriate behaviours can be reported through various channels, including to line managers, the People & Organisation team and our confidential Speak Up helpline.

Recognising the importance of our people, our Risk Committee regularly assesses human capital risks as part of our enterprise risk assessment process.

**Implementation and governance**  
The Chief People and Organisation Officer oversees all People policies and the aspects of our Code of Conduct designed to ensure there is no tolerance for discrimination or harassment.

**Measuring progress**  
Flora Food Group tracks progress on gender balance and equal pay.

We aim to make progress by creating the right conditions for everyone at Flora Food Group, offering learning and development opportunities, and ensuring unbiased hiring. A key part of our commitment on gender is to achieve gender balance at manager level and above by 2030.

Our drive for gender pay equality continues. We have committed to continually reviewing pay at all levels of the organisation to ensure that any pay differences between

individuals doing similar work are justifiable and aligned with our pay-for-performance model.

For detail on our accounting policies and definitions, see Appendix 3, page 99.

**Progress and actions**  
Flora Food Group took multiple steps in 2024 in support of our commitments.

**Metrics**  
We continue progressing: at the end of 2024, 46%\* of managers (and above) are female. This is an increase compared to 43% the previous year.

Key diversity metrics		
Headcount – manager and above	2024	%
Male	574	54%*
Female	489	46%*
Undisclosed or not classified M/F	4	0%
Total	1,067	100%



46% of managers and above are female<sup>^</sup>



39% of employees are female<sup>^</sup>

\* Data in 2024 is presented in accordance with the accounting policy in appendix 3, ‘Accounting Policies and Definitions’, and is subject to limited assurance in accordance with the Dutch Standard 3000A. Refer to our [website](#) for the Independent Auditor’s Limited Assurance Report.  
<sup>^</sup> See this theme disclosure and associated accounting policy (at appendix page 99 for details on how these metrics are defined and calculated,



## Creating a culture for growth (own workforce) **continued**

Across the total employee population, we also continued to make good progress, with 39% female employees at the end of the year.

Over the last three years, General Managers in charge of Flora Food Group's commercial operations in each country have annual gender balance goals. In 2024, we continued to have a strong focus and build on our gender balance commitments.

We are continually gathering insights to inform our efforts, using employee surveys and focus groups. In 2022 we launched new benefits and guidelines that offer flexibility and promote a productive and sustainable workplace. These benefits are a strong basis for attracting and retaining talent.

### Equal pay progress

In 2024, we implemented the following in relation to equal pay:

- We included a gender pay review at the final stages of calibrating performance ratings to ensure our performance for pay approach is applied consistently.
- We base our offer to new hires not on the individual's current salary, but on benchmarking salaries for the role.

We take pay gap differences seriously and conduct a gender pay analysis in Q2 and Q4 every year. That analysis is then the basis of determining the actions we need to take on pay differences. The analysis considers:

- Size of roles, including impact, complexity, knowledge and sphere of influence of the role, applying external benchmarks.

- Market value for the role.
- Performance of the individual.

This analysis excludes any employee whose remuneration package is established by a collective level agreement or decided as part of a negotiation with a trade union or works council. During 2024, we introduced a more precise and in-depth analysis at country and salary-band level.

In 2024, 43 individuals were identified with high priority gender pay gaps and, through the annual salary review process and off-cycle salary increase process, 79% of pay differences were addressed.

In 2025, we will focus on preparing Flora Food Group for the EU Pay Transparency Legislation coming into force in 2026.

### Promoting an inclusive culture

In 2024, several activities supported our ongoing efforts to make Flora Food Group a fully inclusive place to work.

We celebrated International Women's Day across Flora Food Group, including interactive workshops, a keynote speaker session and a takeover of our daily newsletter, supporting our commitment to improve gender balance.

We have been rolling out 'come as you are' workshops in local markets, covering how to instil inclusive behaviours that help everyone feel confident, committed and able to perform at their best.

All hiring managers receive training to reduce bias in recruitment and selection. 'Licence to Hire' training offers guidance on how to contribute to an unbiased, transparent and smooth hiring process. With 'License to Interview' training to help ensure managers conduct high-quality interviews with a structure to mitigate biases, assess candidates objectively and select the right people.

Alongside all these efforts, we constantly monitor progress to identify key actions to drive greater gender balance, particularly in functions and locations with the biggest opportunities. We are proud of progress made in the Finance and IT functions and at our manufacturing sites, illustrated by the case studies below.

### Listening, engaging and learning

We take pride in delivering an always-on, vibrant, compelling programme of activity that keeps employees informed and connected to our whole business.

#### How we communicate

We communicate with employees through various channels, including our intranet, company-wide events, internal community platform Viva Engage, and town hall meetings hosted every two months by the CEO and other members of the Executive Committee.

We also host drop-in sessions where our colleagues can hear first hand about progress against our sustainability commitments. For manufacturing, we regularly share performance scorecards so the employees can see the improvement their manufacturing site is making towards our commitments.

#### Feedback systems

We have established practices to directly receive feedback from colleagues, including:

- An annual employee engagement survey (Peakon).
- Topic-specific surveys deployed to targeted audiences.
- Feedback on HR processes, such as onboarding and exit.
- Small group discussions with senior leadership.
- Speak Up service.

All employees are encouraged to complete our annual employee engagement survey. We believe strong engagement is a key driver of performance. We aim to be in the top 25% of our external benchmark group of consumer goods companies.

In 2024, we made progress in our engagement and employee net promoter score (eNPS) and our 80% response rate was the highest ever:

- Engagement score – stayed consistent at 7.8 (within 0.4 points of the top quartile of consumer goods companies).
- eNPS – we maintained our score at 33 (within three points of the top quartile).

Since 2019, our survey results have shown consistent improvement. In 2024, our engagement score increased by 0.6 and eNPS by 21. This reflects the success of our strategy to enhance the working experience.



Creating a culture for growth (own workforce) continued

Metrics and measures

Total number of employees (Headcount)	2024	%
By gender	4,744	100%
Male	2,856	60%*
Female	1,851	39%*
Undisclosed or not classified M/F	37	1%
By region*	4,744	100%
Europe	2,793	59%
Asia, Middle East & Africa	916	19%
North America	698	15%
Latin America	337	7%
By country <sup>17</sup>	4,744	100%
Greece	760	16%
Poland	571	12%
Germany	531	11%
United States	507	11%
Other countries	2,375	50%
By age*	4,744	100%
Under 30 years old	644	14%
30 to 50 years old	2,995	63%
Over 50 years old	1,105	23%
Employee turnover		
Leavers	1,046	
Employee Turnover ratio*	22%	
Gender Pay Gap		
Gender Pay Gap (unadjusted)	0.17%	

Total number of employees (Headcount)	2024	%
Gender distribution at top management		
Board	7	100%
Male	5	71%
Female	2	29%
Executive Committee	8	100%
Male	5	62%
Female	3	38%
Gender distribution at managers and above	1,067	100%
Male	574	54%*
Female	489	46%*
Undisclosed or not classified M/F	4	0%
By contract type* and gender	4,744	100%
Permanent employees	4,477	95%
Male	2,702	57%
Female	1,748	37%
Undisclosed or not classified M/F	27	1%
Temporary employees	205	4%
Male	114	2%
Female	82	2%
Undisclosed or not classified M/F	9	0%
Apprentice & intern	62	1%
Male	40	1%
Female	21	0%
Undisclosed or not classified M/F	1	0%

\* Data in 2024 is presented in accordance with the accounting policy in appendix 3, 'Accounting Policies and Definitions', and is subject to limited assurance in accordance with the Dutch Standard 3000A. Refer to our website for the Independent Auditor's Limited Assurance Report.

<sup>17</sup> Number of employees in countries with 50 or more employees representing at least 10% of total number of employees.

<sup>^</sup> See this theme disclosure and associated accounting policy (at appendix 3, page 99) for details on how these metrics are defined and calculated.

CASE STUDY

Empowering women in Finance and IT



We launched a targeted Women in Finance and IT Programme in 2023, aiming to retain, grow and inspire talented women working in those functions.

The programme is sponsored by our Chief Finance Officer and fully supported by the Finance and IT leadership teams. It features bespoke training, peer-to-peer support, expert guidance and mindfulness tools.

Despite 2024 being only the programme's first full year, we are encouraged to see female representation reaching 47.7% in Finance and 37.1% in IT, up from 45% and 31%, respectively, in 2023.

CASE STUDY

Breaking barriers on the manufacturing floor

Having recognised the low proportion of women in shop floor positions at our manufacturing site in Corlu, Türkiye, we sought to address the situation.

The prevailing belief was that the manufacturing site's systems required physically demanding work, which were considered unsuitable for women, restricting the potential talent pool.

To address this, we met with union managers, our safety specialists and physicians. Data was shared on the ergonomic strain on operators, enabling us to assess the suitability of roles while ensuring compliance with occupational standards.

Following those meetings, we:

- Constructed a locker room specifically for women employees working shifts.
- Ran 'Come as You Are' workshops, to support the changes.

As a result of these efforts, the female workforce at Corlu increased from 12.1% in December 2023 to 13.8% by December 2024.



# Health, safety and labour conditions (own workforce)

Health and safety is at the heart of Flora Food Group and is closely linked to our value of Care.

Our commitment		
<b>Grow our people</b> Foster engagement, embrace difference and ensure safety enabling opportunities for fulfilling work.		
Our material theme		
Employee health and safety.		
Risks, impacts and opportunities		
Description	Value chain	IRO
Accidents and injuries in our workplace impact our employees' health. (Negative)	Own operations	Impact

**Introduction**

We all play an integral role in keeping everyone on our premises safe and well. Providing safe and secure workplaces is critical for our operations, especially those that rely on manufacturing site workers. So, it's fundamental that we manage health and safety diligently and foster a robust safety culture.

Having dedicated health and safety programmes ensures:

- Employees and visitors to our sites remain healthy and safe.
- Employees engage in our Vision Zero mission.
- Compliance with regulations to reduce the risk of legal liabilities.

**Approach and policy**

Vision Zero is our commitment to achieve zero occupational or process safety incidents in our workplaces. We work towards it by continually integrating learnings, new technology and best practices into our operations.

**Robust policies**

Our Occupational Health and Safety (OHS) Policy is the foundation of our safety culture. It outlines our commitment, and details responsibilities and expectations.

As well as making safety a fundamental part of our Code of Conduct, the following policies, standards and rules form the basis of our OHS Management System:

- The OHS Policy
- Life-Saving Rules
- Core Operations Standards and Guidelines
- Process Safety Management Standards

The OHS Management System covers all Flora Food Group workplaces, activities and our own workforce.

Our Framework Standards detail how all aspects of the OHS Management System are to be implemented. They clearly state responsibilities and expected outputs from processes, adopting the Plan-Do-Check-Act cycle for continuous improvement.

Critical aspects of the OHS Management System include:

- A clear context of the organisation, including legal compliance.
- Leadership commitment and worker participation.
- Identifying risks, opportunities, objectives and targets.
- Operational controls, including internal and external communication.
- Performance evaluation and continuous improvement of the safety culture.
- Management reviews to define support needed, including resources and training needs.

Our dedicated Health and Safety team works with all our sites to implement the OHS Management System.

**Implementation and governance**

The COPO is accountable for health and safety. The Global End to End Supply Chain Director is responsible for cascading the OHS Policy throughout Flora Food Group.

At manufacturing sites, the Regional Industrial Directors and Site Manufacturing Directors are responsible for implementing the OHS Policy and applicable standards. They are supported by local health and safety leads.

General Managers, Country Leads or Heads of Department are responsible for the implementation in our offices, supported by the Global Workplace & Travel Service team and office safety champions.

Compliance with the OHS Policy and applicable health and safety legislation is the responsibility of every employee or contractor acting on our behalf. That responsibility is a condition of employment or contract for all parties.

We conduct a safety induction for anyone who arrives on our sites, to make them aware of our safety procedures and requirements. All workers irrespective of the nature of their contract with us are required to report workplace-related injuries and near-misses immediately. Failure to report any work-related incident is considered a violation of our non-negotiable Life-Saving Rules.



44% fewer accidents<sup>^</sup>



45% more safety care conversations<sup>^</sup>

<sup>^</sup> See this theme disclosure and associated accounting policy (at appendix 3, page 99) for details on how these metrics are defined and calculated.



# Health, safety and labour conditions (own workforce)

## continued

The OHS Policy protects our own workforce from retaliation if they:

- Proactively remove themselves from work situations that become unsafe and could result in injury or illness to themselves or other employees.
- Report observed hazards, unsafe behaviours or work-related incidents when they occur.

### Measuring progress

Our goal for safety is to achieve zero occupational or process safety incidents.

We measure a comprehensive set of health and safety metrics across our locations. These include the number of work-related injuries, the impacts of accidents such as lost time, long-term injuries and fatalities, and the rate of incidents per million hours worked.

For detail on our accounting policies and definitions, see Appendix 3, page 99

### Progress and actions

We are encouraged by the improvements in our primary and secondary KPIs in 2024. We keep striving for zero incidents. Highlights from this year include:

- Zero fatalities and high consequence injuries in all our manufacturing sites.
- Reducing the absolute number of recordable incidents by 37%, a good result although we had aimed for a 50% reduction. This improved the TRFR by 44% compared to 2023.

- The reduction of the rate of lost time accidents (LTIR) by 24% compared to 2023.

Key health and safety metrics	2024
Fatalities	0
High-consequence work-related injuries	0
Recordable work-related accidents	22
Rate of recordable work-related accidents	2.2
Lost time accidents	13
Lost time incident rate (LTIR)	1.3
Days lost to work-related injuries and fatalities	364
Own workforce covered by health and safety management system	100%

Our work on Life-Saving Rules, shared learning from incidents, the Courage to Care Programme and acting upon findings from external assessments, have all been critical to the improvement in performance in 2024.

We work continually to embed our safety culture and OHS Management System across our business. Our programme includes the following:

- Non-negotiable Life-Saving Rules
- Robust task risk assessments
- Risk-based culture assessments
- Rigorous process safety management
- Shared learning from incidents
- Training and awareness
- Safety Care Conversations
- The Courage to Care Programme.

In 2024, we focused on building training materials on Life-Saving Rules, reviewing our OHS Management System in line with ISO 45001 standards and further developing our Courage to Care Program.

### Life-Saving Rules

In 2024, we introduced guidelines and standards on Life-Saving Rules, focused on the preventions of serious injuries and fatalities. This builds on existing risk-specific requirements.

Sites perform gap assessments against these standards, and the introduction was supported by training.

### Reviewing our OHS Management System

The OHS Management System is well documented in the Framework Standards. We are currently reviewing the standards to align them to ISO 45001:2018.

We continue to review critical elements of the Framework Standards to update where required and further standardise how we manage safety on sites.

### Learning from incidents

At Flora Food Group, we investigate every incident. We document and share lessons learned with the relevant functions and stakeholders across the business.

For recordable incidents, we share simple and explicit actions to be taken by all sites to help prevent similar incidents occurring elsewhere. The document includes timelines for implementation and we monitor progress on our reporting platforms.

### Courage to Care Programme

Courage to Care reminds all employees that everyone is responsible for ensuring we all go home safe to our families. This connects closely with our value of Care.

The programme is an always-on campaign running both at manufacturing sites and in offices. In 2024, we followed a specific theme for each quarter:

- Caring for yourself
- Caring for each other
- Caring for your family
- Having the courage to share

We promote desired safety behaviours through a focus on visible and felt leadership. Leadership teams at each site run various initiatives to keep safety at the forefront.

They adopt a ‘See It, Say It’ approach, conducting face-to-face engagements called Safety Care Conversations when they see unsafe behaviours. They encourage everyone on site to do the same to reinforce the importance of health, safety and well-being in the workplace.

During these conversations, if participants determine there are unsafe conditions on site that need to be actioned, they log a Safety Care Card so the leadership team can address the issues to enhance site safety.



## Health, safety and labour conditions (own workforce) continued

By the end of 2024, manufacturing site leadership teams had increased the number of Safety Care Conversations they conducted by 45% compared to 2023. We continue to encourage purposeful conversations around unsafe behaviours and to prioritise actions on the high-risk issues reported.

Courage to Care activities are supported through a dedicated Health and Safety community forum on Viva Engage. With a 75% active user rate and Courage to Care posts throughout the year, employees are reminded of the importance of staying safe.

We assess the impact of the Courage to Care programme through questions in our Peakon engagement survey. In 2024, safety received one of the top scores.

### Culture excellence

Manufacturing sites had follow-up safety culture assessments in 2024, conducted by an external consultant. The assessment focused on prioritising safety actions under four quadrants: breakthrough actions, quick wins, areas to improve in the medium term and things to maintain.

We will further develop the Framework Standards to raise the level of our safety culture.

### CASE STUDY

## Care Challenge Month



April 2024 was 'Care Challenge Month,' as we continue toward Vision Zero and highlight how to practise our value of Care. Throughout the month we set employees various themed challenges:

### Week 1

**'Care for your health'** – to mark World Health Day and encourage employees to consume 30 different plants a week.

### Week 2

**'Care for the community'** – in recognition of Micro-Volunteering Day, inspiring employees to use their paid volunteering days to give back to the community.

### Week 3

**'Caring for the planet'** – challenging employees to celebrate the entire World Earth Day without using plastic.

### Week 4

**'Caring for the climate'** – encouraging employees to attend our online ESG drop-in session about our partnership with [Regrow](#) to drive climate action.

### Week 5

**'Caring for each other'** – asking employees to share what care means to them for World Day For Safety and Health at Work (WDSH) celebrations.

Company-wide, we celebrated WDSH through an online panel discussion with our leaders chaired by the COPO. Other panellists included our CSO, Head of Factory in Katowice, Poland, and the General Manager for Canada. The discussion centred on the impacts of climate change on occupational safety and health.

We also launched our Safety Moment initiative for both offices and manufacturing sites on WDSH, to help keep safety front of mind. Safety Moments prompt teams to share a short, safety-related topic at the start of shift briefings, in Town Halls, functional meetings and training sessions.

Locally, manufacturing sites arranged events with safety activities to continue educating employees about safety.

During Care Challenge Month, we introduced a network of office champions to increase safety awareness. They are responsible for implementing any safety initiatives and ensuring everyone follows relevant procedures. One of their roles is to arrange a Safety Day that covers the key safety messages and office safety and security procedures that employees need to know.

Going forward, as we strive for zero accidents, it is clear that everyone at Flora Food Group has a responsibility towards health and safety. We understand that there's nothing in the workplace for which it is worth risking injury.



# Human and labour rights

Respect for human rights is fundamental to sustainable business success and a just society.

Our commitment		
<b>Enhance livelihoods</b> Respect human rights and support livelihoods through our supply chain.		
Our material theme		
Human and labour rights.		
Impacts, risks and opportunities		
Description	Value chain	IRO
Forced labour in our supply chains may impact the rights of workers.	Upstream	Risk

**Introduction**

Our value chain relies on millions of people, from the farmers who grow our ingredients, to the consumers who choose our products. We are committed to upholding the dignity and rights of every individual. That is why we are dedicated to identifying, preventing and mitigating human rights risks across all aspects of our business.

Through economic opportunities and the provision of affordable, nutritious food we make a positive contribution to society. We also recognise the potential negative impacts across our value chain.

Our most salient human rights risks and impacts were identified through our risk assessment process. Within our own operations, we prioritise health and safety, discrimination and harassment. In our supply chain, we focus on the risk of forced labour practices and unfair labour conditions for our high-risk ingredients, particularly palm oil.

This section focuses on our general approach to human rights risks for our operations and supply chain. For details of our programmes on culture for growth and safety refer to pages [61](#) and [64](#).

**Approach and policy**

Respecting and promoting human rights are non-negotiable to Flora Food Group. This is reflected in our [Human Rights Policy](#), which covers our commitments, principles and approach.

The [Human Rights Policy](#) is aligned with applicable international guidelines, including the:

- Universal Declaration of Human Rights
- International Bill of Human Rights
- International Labour Organization’s Fundamental Conventions

- U.N. Global Compact Ten Principles
  - U.N. Guiding Principles on Business and Human Rights
  - Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- In addition, requirements relating to human rights are incorporated in the relevant sourcing and HR policies, including, but not limited to, our Business Partner Code of Conduct, [Responsible Sourcing Policy](#) and [ingredient-specific policies for high-risk ingredients](#).

**Implementation and governance**

Our CSO is accountable for the [Human Rights Policy](#). Employees of all Flora Food Group entities, manufacturing sites, offices and business partners, including suppliers, must adhere to the policy.

Business functions and specialist teams, including Health & Safety, HR, Responsible Sourcing and Compliance, are responsible for managing specific human rights risks and processes.

The Grievance Council is responsible for our grievance process, which deals with both social and environmental concerns raised in relation to our high-risk commodity supply chains. The Grievance Council is composed of the CSO, Chief Compliance Officer, Senior Global Policy Lead and Global Sustainable Sourcing Manager.

**Approach**

We have an integrated approach to human rights. Where appropriate, we embed requirements into business processes. Our programme includes several core elements further described below.

**Risk assessment**

At a group level, human and social risks are considered within our Enterprise Risk Management Framework. In addition, we undertake human rights-focused risk assessments across the value chain. We review those assessments annually.

We identify, assess and prioritise risks based on likelihood, potential impact on individuals and consider the scale, scope and nature of any harm. Our programmes and mitigations focus on those risks identified as most salient.

**Contractual requirements and due diligence**

We deploy human rights requirements in our contracts and due diligence processes, as needed. This includes contracts and processes for third-party manufacturers, suppliers, significant investments, acquisitions and joint ventures.

^ See this theme disclosure and associated accounting policy (at appendix 3, page 100) for details on how this metric is defined and calculated.



100% certified sustainable palm oil<sup>^</sup>

(mass balance & segregated)



## Human and labour rights continued

In addition, we conduct social and environmental due diligence on our suppliers. This includes self-assessment to screen risks and evaluate social performance. Social aspects cover human and labour rights.

### Independent external ethical audits

As part of our due diligence processes, we require independent ethical audits for our manufacturing sites, third-party manufacturers and high-risk suppliers. We primarily use Sedex Members Ethical Trade Audits (SMETA).

### Certification

Collaboration and common standards, across shared supply chains, are key to driving progress. We use a range of certifications, based on these standards, for our high-risk ingredients.

In the context of human rights, we focus on certification for palm oil, and use the best available industry standards. We are a member of the Roundtable on Sustainable Palm Oil (RSPO) and require certification for all the palm oil we purchase.

### Training

We provide training on human rights as part of teaching on the Code of Business Conduct, for all employees, and focused functional training, as appropriate.

### Complaints and grievances

We maintain robust processes for the management of human rights related complaints and grievances. This comprises the Speak Up channel and a robust grievance mechanism. For more information refer to the sections on Nature and Business Conduct on pages 76 and 86.

### Partnerships

We recognise that collaboration across shared worldwide supply chains is critical. We partner with NGOs and specialist advisors to better understand complex human rights issues.

Furthermore, we collaborate with peers, customers, suppliers and NGOs to develop solutions to common supply chain concerns.

### Transparency and communications

We are committed to transparent communication with all our stakeholders. We have established a range of channels with those who could, directly or indirectly, be affected by our operations and supply chain.

Externally, we use the [website](#) to publish materials related to human rights matters, including our [Grievance Tracker](#). Internally, we communicate through a variety of shared communications channels.

### Measuring progress

The key measures of progress for our human rights programme are based on assessments, audits and certifications. They include both social and environmental requirements, aligned with our policies, particularly those specific to labour rights and forced labour.

The key measures are:

- All **our own manufacturing sites** to conduct a SMETA audit once every three years.
- All **third-party manufacturers** and **high-risk suppliers** to conduct a SMETA.

- All **in-scope suppliers** to complete the Sedex self-assessment questionnaire (SAQ).
- 100% **RSPO certification** (Segregated or Mass Balance) of the palm oil we purchase, as this is a high-risk supply chain.

For detail on our accounting policies and definitions, see Appendix 3, page 100.

### Progress and actions

We continued to make progress in our own operations and across our supply chains.

Performance against our key metrics is outlined below.

Key human and labour rights metrics	2024
SMETA audit coverage:	
Own manufacturing sites	100%
Third-party manufacturers	39%
High-risk suppliers	56%
Suppliers in Sedex (SAQ)	87%
RSPO compliance	100%

### Our manufacturing sites

In 2024, we continued our SMETA audit programme at our manufacturing sites. This helps to ensure our manufacturing sites meet our ethical and human rights standards. Audits include worker and contractor interviews.

By end of 2024, 100% of our manufacturing sites have been audited. On average, 4.5 non-compliances were

identified per manufacturing site, which are being addressed within the required timeframe.

### Third-party manufacturers

This year, we also started a three-year programme to audit third-party manufacturers, in addition to their Sedex SAQ assessment. By the end of 2024, 39% of our third-party manufacturers had completed a SMETA audit.

### Our suppliers

We also continue to make progress across our supply chains.

By the end of 2024, 87% of our in-scope suppliers (based on spend) have completed an SAQ. This is an increase from the 2021 baseline of 27%. We continue to work towards ensuring all suppliers meet this requirement.

As part of the SAQ, the Sedex platform collects the necessary information to give each supplier a risk score (Sedex risk score). Where a Sedex risk score is high, we work with the supplier (a high-risk supplier) to ensure they meet our requirements and use SMETA to provide further assurance.

At the end of 2024, 56% of our high-risk suppliers have completed a SMETA audit. In addition, 28% of these suppliers are in the process of completing their audits, therefore we anticipate achieving 84% completion soon.

As we continue to drive improvement in our supply chains in 2024, there was a 60% reduction in our exposure to suppliers with high Sedex risk scores.



## Human and labour rights **continued**

### Certification

Since 2019, 100% of palm oil products used in our manufacturing sites have been RSPO certified (Segregated or Mass Balance). During 2024, we integrated our Cali, Colombia and Drama, Greece manufacturing locations into our supply chain certificate and worldwide processes. This further strengthens our controls and ensures we maintain our performance.

### Progress in partnership

With complex supply chains across multiple geographies, working in partnership is essential. We seek to advance human and labour rights in our value chain through active engagement in multi-stakeholder initiatives.

As part of this effort, we contribute to the Consumer Goods Forum's [Human Rights Coalition](#) and their Palm Oil Working Group. This collaboration of retailers, manufacturers and other stakeholders aims to raise industry standards and promote ethical practices.

We are also contributing to the [Human Rights Living Income working group of the Sustainable Coconut Partnership](#). This multi-stakeholder partnership has been working to make coconut supply chains more sustainable since 2022.

Through our partnership with Earthworm Foundation, we enhance our programme and due diligence efforts across areas critical to our operations and supply chain.

### CASE STUDY

## Partnering for impact

Our collaboration with Earthworm Foundation illustrates how we can achieve more through partnerships.

### Transforming labour practices in Malaysia

In 2023, we joined an [Earthworm Foundation project](#) in Malaysia's Southern Central Forest Spine (SCFS) to help palm plantations protect nature and promote good labour practices.

This region, located in the south of the Malaysian Peninsula, has approximately 50,000 migrant workers. They represent 15% of Malaysia's total working population and up to 60% of the workforce in some mills of the SCFS landscape. Migrant workers are more vulnerable to exploitation. The region also has many smallholder farmers with challenges to maintaining decent livelihoods.

Supported by government and private companies, the project aims to improve:

- Livelihoods for 2,000 local farmers, primarily through sustainable farming initiatives to improve income and resilience.
- Working conditions for 18,000 migrant workers, addressing issues around labour rights and responsible recruitment, including problems of migration-related indebtedness.

### Measuring impact

In 2024, Flora Food Group contributed about 2.5% of the total project budget to enhance responsible sourcing, safeguard ecosystems and elevate livelihoods. The programme has reached about 1,300 farmers and supported them to implement good agricultural practices and meet sustainability requirements, in line with Malaysian palm oil standards. A total of 8,395 workers out have been engaged and impacted directly and indirectly since 2021, towards the target of 18,000.





# *Flourishing* Planet

71 Drive climate action  
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# Drive climate action

Our products are better for the planet, with less climate impact, and we focus on reducing the impact of our value chain.

Our commitment		
<b>Drive climate action</b> Make food that is better for the planet and reach net zero emissions across our value chain.		
Our material theme		
Climate change.		
Impacts, risks and opportunities		
Description	Value chain	IRO
Grow our business by offering a choice of dairy alternatives that are more sustainable, with lower climate impact.	Own operations	Opportunity
Our value chain contributes to greenhouse gas emissions. (Negative)	Upstream, own operations, downstream	Impact
Emerging regulation fails to favour lower carbon products, leading to less favourable pricing compared to dairy.	Upstream, own operations,	Risk
Physical climate risks (e.g. flooding) affecting our own operations and the ingredients in our supply chain.	Upstream, own operations	Risk
Use of non-renewable energy contributes to emissions. (Negative)	Own operations	Impact

18 Diets for a Better Future: Rebooting and Reimagining Health and Sustainable Food Systems in the G20, EAT, 2020.  
19 For more details on how we calculate comparative LCA (based on Quantis study 2024), see appendix 4.1, page 103.  
^ See this theme disclosure and associated accounting policy (at appendix 3, page 100) for details on how these metrics are defined and calculated.  
^^ For more details on how we calculate avoided pressures (based on Quantis study 2024), see appendix 4.2, page 103.

### Introduction

Climate change poses a risk to group operations, supply chains and financial performance. It also represents an opportunity for companies to innovate sustainable products and practices, fulfilling market demand and gaining competitiveness.

Contributing to 30% of GHG emissions, the food system, which we are part of, needs to change to prevent climate change, and mitigate the ongoing threats to nature and biodiversity.

We see the opportunity to inspire the worldwide shift to the next generation of food that is more sustainable, offering products with lower climate impact than dairy equivalents.

As we create that next generation of food, we are also focused on making our operations and supply chains less carbon intensive, to align with the goal of keeping global temperature from rising more than 1.5 degrees Celsius.

The majority of our emissions are from ingredients, packaging and logistics. For this reason, it is essential, in addition to reducing Scope 1 and 2 GHG emissions, to also reduce Scope 3 to mitigate our climate impact.

### How our products help

Encouraging more people to adopt healthy, sustainable diets is a major form of climate action. Plant-based ingredients typically require fewer natural resources and generate lower GHG emissions than animal-sourced foods.<sup>18</sup>

We offer consumers a compelling choice of food with lower carbon emissions than dairy equivalents. We continue to innovate, giving people more ways to eat healthier, more sustainable products. Using science-based approaches, we measure and demonstrate our impact, ensuring actions align with the latest advancements in sustainability.

Since 2018, we have been calculating the environmental impact of our products through peer reviewed, ISO-compliant, lifecycle assessments (LCAs) and putting carbon information on packs. This year, we further developed our approach, making comparative environmental and climate assessments and calculating the avoided pressures of our portfolio.

Our 2024 study, conducted by a specialist sustainability advisor, analysed about 50% of our worldwide product portfolio. The study found that, on average, across butters, spreads, creams and cheeses, Flora Food Group products:

- Have 70% lower climate impact
- Require 75% less land
- Use 65% less water

compared to the dairy equivalent.

Some of our products may perform better or worse than the reported results as this reflects a weighted average across categories. Individual product claims, where used, are available on brand websites. We continue to work on enhancing data accuracy and the environmental performance of our products.<sup>19</sup>

By helping more people switch to our products, away from conventional dairy, we can contribute even more to global emissions reductions. We aim to inspire this shift to lower carbon products, while also achieving our net zero emissions targets for 2030 and 2050.

### Approach and policy

Understanding how the climate can impact our business and what we can do to address our own impact is key to being a responsible, trusted company.

Our [Climate Policy](#) guides us to address our impact and support more sustainable diets. Our policy recognises the climate impact of our value chain, including operations, ingredients, logistics, packaging and production. The policy provides guiding principles to follow as we work towards our science-based targets and net-zero ambition.

To better understand our climate risks and opportunities, we conducted a [Taskforce on Climate-Related Financial Disclosures \(TCFD\) assessment](#). We also considered our activities and their climate-related impacts, risks and opportunities. Our Climate Transition Plan details the actions we are taking to decarbonise our operations and value chain.



Reduced more than 30% GHG emissions (since 2020)<sup>^</sup>



Avoided emissions equal to twice the yearly electricity usage of Amsterdam (by choosing our products)<sup>^^</sup>



## Drive climate action continued

### TCFD assessment

Our TCFD assessment followed the Intergovernmental Panel on Climate Change (IPCC) scenario models and assessed the impact of the climate risks and opportunities.

### TCFD climate scenarios

The analysis of climate impact on the business and strategy is based on TCFD guidance using various policy scenarios. We considered 3, 2 and 1.5 degree Celsius climate scenarios across a five-year horizon to model our risks and opportunities. We also used a five-year forecast of our business's future financial risk.

We assessed business-as-usual risks to understand gross risks, as recommended by TCFD. The modelling excludes actions planned as part of our sustainability and net zero targets, and mitigating factors. Scenarios have been modelled independently, assuming no correlation between different risks.

### TCFD results

The exercise identified the climate risks as low financial impact and below our thresholds. The physical risks potentially affecting our own operations and the ingredients in our supply chain were found to be low.

For our operations, we have business continuity (resilience) plans in place. In our supply chain, we have diversified sourcing practices and flexible recipes that mitigate potential single-commodity risk.

The strategy for mitigation is to monitor and tolerate a below-threshold risk. If any changes are identified, they will be presented to the Risk Committee.

Some of the risks are mitigated and transferred via insurance coverage on our sites. Other risks are mitigated as part of business continuity planning and applying best practices.

The largest opportunity identified in our TCFD assessment was through the growth of the plant-based industry, by shifting consumers from dairy to lower-emission products. This opportunity grows significantly with a more ambitious policy scenario. Our products, in general, represent the largest climate opportunity for us.

The climate experts we partnered with concluded that 29% of the global population need to shift to lower emission diets by 2026. They considered research on the reductions in GHG intensity for food consumption and the average carbon footprints deemed necessary to reach the Paris Agreement targets. This presents a vast opportunity for us, if we are able to capture a sizeable share of the increased market.

### Climate Transition Plan

Our Climate Transition Plan details our actions and activities to decarbonise our operations and value chain, in line with our science-based targets. The Climate Transition Plan explains:

- Our ambition and baseline
- Our climate journey
- Key levers, actions, dependencies and challenges
- The enablers that support our climate ambition

Our climate levers include:

- **Consumers' choice:** Grow our business and provide consumers with a compelling choice of more sustainable, lower-carbon products in our categories.
- **Own operations (Scope 1 and 2):** Increase the use of renewable energy in our operations and reduce energy consumption by increasing efficiency.
- **Recipe design (Scope 3):** Lower carbon impact by reducing the use of high carbon-impact ingredients and integrating carbon considerations in our innovation and development process.
- **Ingredients (Scope 3):** Source our ingredients sustainably, removing deforestation from our supply chain, and encourage suppliers to set carbon reduction targets aligned with the [Science Based Targets initiative](#) (SBTi).
- **Packaging (Scope 3):** Increase the use of recycled materials and reduce our overall packaging weights, continually innovate packaging design to reduce carbon emissions and eliminate packaging materials with high-carbon footprints.
- **Logistics (Scope 3):** Increase transportation efficiency through load fill and network optimisation. Increase share of low-carbon transportation modes through intermodal freight, and explore new modes such as electric vehicles and increase use of low-carbon fuels.

Across Scope 3, we will collaborate with suppliers throughout our value chain, encouraging them to reduce emissions.

### Implementation and governance

Our decarbonisation plans are integrated in how we operate and are a component of our financial planning.

The Board is responsible for oversight of the Flora Food Group's Sustainability Framework, including climate. As a member of the Executive Committee, the COPO is accountable for the Framework, including the climate strategy, delegating responsibility to the CSO.

The CSO is responsible for the development of our climate strategy, including decarbonisation plans across Scopes 1, 2 and 3. Relevant senior leaders are accountable for their respective impact area, including Operations, Logistics, R&D and Packaging. Those senior leaders are all part of the implementation taskforce.

Dedicated working groups ensure consistent monitoring and progress on our decarbonisation efforts. The groups include our Carbon Control Tower. The Carbon Control Tower ensures delivery across all carbon levers by reviewing the company's decarbonisation plans and performance to achieve SBTi targets.

### Measuring progress

We use both near-term and long-term targets to measure progress. We have committed to reaching net zero GHG emissions across all three Scopes by 2050.



## Drive climate action continued

In 2023, we embarked on setting science-based targets to meet that net zero commitment across our value chain. This resulted in a restatement of our 2020 baseline to align with 2023 results. We submitted our targets for approval to the SBTi and these were approved in September 2024 (in line with the sector guidance). Our long-term, net zero targets are aligned to a 1.5 degree Celsius trajectory and are set out below.

### Near-term targets

By 2030, in absolute figures, achieve:

- 80% reduction in Scope 1 and 2 GHG emissions.
- 25% reduction for Scope 3 non-forest, land and agriculture (FLAG) GHG emissions from purchased goods and services, fuel and energy related activities, and upstream transportation and distribution.
- 30.3% reduction for Scope 3 FLAG GHG emissions.<sup>20</sup>

### Long-term targets

By 2050, in absolute figures, achieve:

- 95% reduction in Scope 1 and 2 GHG emissions.
- 90% reduction in Scope 3 non-FLAG GHG emissions.
- 72% reduction in Scope 3 FLAG GHG emissions.

We continue to work towards these targets. Progress in 2024 is detailed below. See the data pack for historical progress.

For detail on our accounting policies and definitions, see Appendix 3, page 100.

### Progress and actions

This year, our absolute emissions were 2,454 kilotonnes CO<sub>2</sub>-equivalent. Compared to our 2020 baseline this is a reduction of more than 30%, and we are on track with our targets. As part of our continuous improvement efforts, we will re-baseline our 2020 GHG emissions if needed, based on materiality.

GHG emissions (Kilotonnes CO <sub>2</sub> e)	2020 (Base year)	2024
Gross Scope 1 & 2 GHG emissions	93	67
Gross Scope 3 GHG emissions	3,797	2,387
<b>Total GHG emissions (market based)</b>	<b>3,890</b>	<b>2,454</b>

Compared to 2023, we reduced our absolute emissions by 2%. In 2024, we updated our emissions factors database. Therefore, to explain progress compared to 2023, we applied the new emissions factors to 2023 figures for a like-for-like comparison. GHG emissions production intensity (emissions divided by volume of products produced) is a measure of progress we use in this section.

We also published our Climate Transition Plan to show stakeholders how we plan to decarbonise our operations and value chain. We have plans in place under each of our key levers and actions that support this reduction. For more details, see the Climate Transition Plan on [our website](#). Progress for 2024 is detailed below.

### Consumer choice

Ultimately, what a consumer chooses to buy and eat plays a key role in decarbonising the food system. We aim to offer consumers a compelling choice of more sustainable products, with lower-carbon products across our categories.

In 2024, choosing Flora Food Group’s butters and spreads, creams and cheeses, compared to a representative market mix of dairy and non-dairy alternatives, avoided an estimated 2.7 million tonnes CO<sub>2</sub>-equivalent emissions, 4,028 km<sup>2</sup> land occupation, and 67.5 million m<sup>3</sup> of water withdrawal globally.

This is equivalent to the CO<sub>2</sub> emissions from over two years of electricity usage in Amsterdam, the land area the size of approximately 1,180 New York City Central Parks, and the water volume sufficient to fill more than 27,000 Olympic-sized swimming pools.<sup>21</sup>

### Scopes 1 and 2 (own operations)

Scope 1 and 2 emissions account for 2% of total baseline emissions, primarily from operations at our manufacturing sites. In 2024, we reduced absolute Scope 1 and 2 emissions by 1% and reduced the GHG intensity of Scope 1 and 2 emissions by 2% compared to 2023.

Key initiatives at our manufacturing sites included:

- Projects in Nairobi, Kenya, and New Century, Kansas, USA (see Partnering to reduce emission case study) generated a 2% global absolute reduction.

- A reduction in our private fleet contributed to a 0.4% global absolute reduction, driven by the transition from fuel-powered to electric vehicles.
- Refrigerant leakages at two sites caused a 3% negative impact to overall progress. These leaks have been identified and are being resolved.

We implemented two energy efficiency projects: closing the combined heat and power system at Pratau, Germany, and introducing heat recovery from the ultra heat treatment process at Kleve, Germany. The full impact of these projects on overall performance is not yet visible due to the energy consumption of new production lines.

In Katowice, Poland, energy efficiency improvements on the production lines contributed to a 4% decrease in absolute emissions compared to 2023.

### Scope 3

Scope 3 emissions account for 98% of total baseline emissions, with the majority being emissions attributed to ingredients. Therefore, we focus on all ingredients that have a significant impact on upstream FLAG and non-FLAG emissions.

In 2024, we reduced overall Scope 3 absolute emissions by 2% and GHG intensity by 3%, mainly from our initiatives to reduce FLAG and non-FLAG emissions.

<sup>20</sup> Emissions related to capital goods, waste generated in operations, business travel, employee commuting and end-of-life treatment of sold products are out of scope of our net zero target.  
<sup>21</sup> For more details on how we calculate avoided pressures (based on Quantis study 2024) see appendix 4.2, page 103.



## Drive climate action continued

### Recipe design

The R&D and Procurement teams worked together to successfully reduce the carbon intensity per kilogram of our products. This achievement was driven by:

- Targeted recipe reformulations.
- Minimising the use of ingredients with high emissions impact.
- Enhancing sourcing to refine our product portfolio.

These initiatives contributed to approximately a 2% GHG intensity reduction of overall Scope 3 emissions compared to 2023, mainly driven by the reduction of high carbon ingredients in our recipes.

### Ingredients

In order to reduce the emissions from our ingredients, we focus on procuring those with no deforestation impact, especially our high-risk ingredients. For further details see Protect nature and biodiversity (page 76).

Since 2019, we have been committed to eliminating deforestation from supply chains. We partnered with Quantis to quantify the carbon emissions progress we have made since 2019. We reviewed the land-use change (LUC) component of our palm oil carbon emission factors, based on satellite monitoring imagery from the [Starling satellite monitoring tool](#) and deforestation verification reports from Earthworm Foundation, together with the expertise of Quantis.

In 2024, we refreshed this work with up-to-date data, which resulted in a 1% decrease in the GHG intensity in overall Scope 3 emissions compared to 2023.

### Packaging

We deployed several packaging innovation practices to further reduce our packaging emissions. However, overall emissions associated with packaging increased due to an update in plastic emissions factors. The change was due to the improved methodology and data as a result of changing from version 3.9 to [version 3.10 of the ecoinvent database](#). Our packaging GHG intensity remains the same compared to 2023.

Projects in 2024 included those focused on:

- Reducing the overall weight of packaging.
- Reducing the overall use of plastic per kilogram of our product.
- Increasing the use of recycled materials, such as recycled paper and polyethylene terephthalate (PET).
- Reducing the use of materials with a high emissions footprint, such as aluminium.

For example, our Packaging team in North America led a collaboration with our corrugated paper suppliers to switch from virgin to recycled paper. This increased recycled paper usage by 1,000 tonnes in comparison to 2023.

### Logistics

In 2024, we reduced our overall logistics emissions by 4% compared to 2023. We achieved this by focusing on logistical efficiency, improving our load fill and aligning our carrier selection to sustainability performance.

Additionally, we partnered with Breakthrough Fuel in the USA. to optimise logistics and reduce transportation emissions. Compared to 2023, we cut emissions within scope of this programme by 4.9%.

### Collaboration with suppliers

We are collaborating with the suppliers who contribute most to our Scope 3 emissions to:

- Stimulate low-carbon practices across our value chain.
- Collect primary data to improve our understanding of our carbon emissions and target action.

In 2024, we started a partnership with Altruistiq, a leading sustainability intelligence platform, to facilitate the collection, analysis and sharing of carbon emissions data from suppliers. This is a first step towards more engagement with key suppliers who contribute the most to our emissions.

We plan to obtain and integrate primary data from suppliers in our corporate footprint calculations in the future. See the Partnering to reduce emission – Better supplier data case study for further detail.

While we are driving action to achieve our net zero targets, we are highly dependent on the pace of external change on policy, energy pricing, affordability of new technologies, and global and local regulations. There are worldwide factors and macro-events outside our control that may limit our ability to achieve the targets detailed in our Climate Transition Plan at pace.

## Metrics and measures

Key climate metrics	2024
<strong>GHG emissions</strong> (Kilotonnes CO <sub>2</sub> e)	
Scope 1*	50
Scope 2 (market-based)*	17
Scope 2 (location-based)*	72
Scope 3*	2,387
<strong>Total GHG emissions (market-based)*</strong>	<strong>2,454</strong>
<strong>Biogenic emissions</strong> (Kilotonnes CO <sub>2</sub> e)	
Scope 1	2
Scope 2	1
Scope 3	0
<strong>Total Biogenic emissions</strong>	<strong>3</strong>
<strong>GHG emissions revenue intensity</strong> (Kilotonnes CO <sub>2</sub> e per €M revenue)	
Market-based	0.80
Location-based	0.81
<strong>Scope 2 by contract instrument</strong>	
Scope 2 energy bundled	52%
Scope 2 energy unbundled	48%
<strong>Scope 3 by Category*</strong> (Kilotonnes CO <sub>2</sub> e)	
Purchased goods & services	2,057
Upstream transportation and distribution	211
End-of-life treatment of sold products	62
Fuel-and energy-related activities	36
Business travel	8
Capital goods	7
Employee commuting	5
Waste generated in operations	1
<strong>Total Scope 3<sup>22</sup></strong>	<strong>2,387</strong>

\* Data in 2024 is presented in accordance with the accounting policy in appendix 3, 'Accounting Policies and Definitions', and is subject to limited assurance in accordance with the Dutch Standard 3000A. Refer to our [website](#) for the Independent Auditor's Limited Assurance Report.  
22 % calculated on primary data 19%.



Drive climate action

continued

GHG emissions (Kilotonnes CO <sub>2</sub> e)	Retrospective		Milestones and Target Years		
	2020 (Base year)	2024	2030	2050	Annual % target/ Base year
Gross Scope 1 & 2 GHG emissions	93	67	19	0	not linear
Gross Scope 3 GHG emissions	3,797	2,387	n/a	n/a	n/a
<b>Total GHG emissions (market based)</b>	<b>3,890</b>	<b>2,454</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
Scope 3 (Non-FLAG) <sup>23</sup>	1,364	1,249	1,023	136	not linear
Scope 3 (FLAG)	2,341	1,056	1,632	655	not linear

Energy consumption metrics (MWh)	2024	%
<b>Total fossil energy consumption</b>	<b>220,900</b>	<b>58%</b>
Natural gas	160,095	
Purchased electricity and steam from fossil sources	60,765	
Other fossil sources	40	
<b>Total renewable energy consumption</b>	<b>157,711</b>	<b>42%</b>
Purchased electricity and steam from renewable sources	146,889	
Fuel from renewable sources	10,409	
Self-generated non-fuel renewable energy	413	
<b>Total energy consumption*</b>	<b>378,611</b>	<b>100%</b>
Energy consumption (MWh per €'000 net revenue)	0.12	

23 Excludes the emission categories per SBTi.

\* Data in 2024 is presented in accordance with the accounting policy in appendix 3, 'Accounting Policies and Definitions', and is subject to limited assurance in accordance with the Dutch standard 3000A. Refer to our [website](#) for the Independent Auditor's Limited Assurance Report.

CASE STUDY

Partnering to

reduce emission

This year several key projects advanced Flora Food Group’s overall efforts to reduce emissions.

Savings using biomass

Our plant in Nairobi, Kenya, uses steam for its manufacturing processes, primarily for heating applications. In December 2023, we transitioned from using a heavy fuel-oil boiler to generate steam, to using biomass from coffee husks. This switch achieved an approximately 95% reduction in absolute carbon emissions at the site compared to 2023.

Changing energy sourcing

Working with Veolia, we are in the engineering phase of a project to use heat pumps at key sites. Heat pumps are a highly energy-efficient technology that reduces carbon emissions by utilising waste heat and decreasing dependency on fossil fuels.

We have also signed a contract with [Greenvolt](#) to install approximately 5,000 solar panels at our sites in Portugal and Germany. We intend to extend this initiative to other locations in the future.

Better supplier data

We started using the Altruistiq platform to support our work with suppliers and help target areas for emission reductions. This partnership will enable us to collect, validate and integrate supplier-specific emissions factors (product carbon footprints) into our carbon footprint.

The partnership helps us engage with suppliers who contribute most to our Scope 3 emissions by gathering both primary and hybrid carbon emissions data.

By moving away from industry averages and focusing on actual supplier data, we are gaining deeper insights into what suppliers prioritise in their carbon reduction plans. This allows us to recognise and reward tangible efforts, ensuring procurement decisions align with our carbon reduction targets.

Supporting suppliers who show measurable progress not only advances our goals, but also fosters a more transparent and collaborative approach. This partnership marks an important step in embedding sustainability into our operations and driving meaningful progress.





# Protect nature and biodiversity

We are committed to protect nature and biodiversity, ensuring our business, products and value chain are more sustainable.

### Our commitment

Protect nature and biodiversity  
Protect nature and biodiversity, focusing on sustainable sourcing practices and no deforestation.

### Our material theme

Nature and biodiversity.

### Impacts, risks and opportunities

Description	Value chain	IRO
Deforestation in our supply chains may results in non-compliance with regulations as well a reputational damage.	Upstream	Risk
Investing in solutions to protect and restore nature and biodiversity in our supply chain. (Positive)	Upstream, own operations, downstream	Impact
Emerging nature and biodiversity regulation may increase operating expenses.	Own operations	Risk

### Introduction

The ingredients we use in our products and packaging come from natural sources, including farmed land and forest ecosystems. The extent of their impacts on nature and biodiversity depends on the ingredient, where it comes from and how it is grown. Our aim is to protect nature and biodiversity through:

- Responsible sourcing practices
- Achieving no-deforestation
- Environmental management of our own operations

As a company, we recognise the risks and impacts from nature degradation, biodiversity loss and land use change and are committed to addressing them.

### Approach and policy

We have established a robust approach of sustainable and responsible sourcing, especially for commodities with a high risk of deforestation and conversion.

This include key policies, standards and certifications that cover our commitments and expectations. As a business, we expect our suppliers to meet our policies and standards.

### Policies and processes

Our [Supplier Code of Conduct](#) and [Responsible Sourcing Policy](#) covers our environmental and social requirements for all suppliers. In addition, we maintain specific policies for high-risk commodities, including palm, soy, and pulp and paper.

Our deforestation and conversion free (DCF) commitment is included in these policies. We require evidence and verification for palm, soy and paper to demonstrate suppliers comply with these commitments and maintain sustainable practices.

We have comprehensive due diligence and grievance processes. When our due diligence processes identify potential non-compliance with our policies, we engage directly with the relevant supplier and request that they investigate the incident. We collaboratively develop a remediation plan to restore compliance and, if necessary, take action with non-compliant suppliers.

In addition, our [Environmental Policy](#) outlines environmental management practices across our own operations.

### Overall approach

Our commitments to protecting nature and biodiversity cover our supply chain and own operations. We also consider how our products contribute positively, as they have a lower impact on nature – using less land and water – than dairy.

### Our supply chain

While agriculture has an impact on nature and biodiversity, we believe that crops can be grown in a more sustainable way. We have a comprehensive responsible sourcing programme, to ensure compliance with our requirements, improve transparency in our supply chain and address material deforestation risks.

Our specific policies for palm, soy and paper products focus on upholding high standards. We require third-party certification, and/or adherence to industry best practices.

For palm oil we require RSPO certification (Mass Balance or Segregated). The soybean oil we source must comply with the Amazon Soy Moratorium Agreement, and our paper and pulp must be FSC or PEFC certified.

Alongside our efforts to ensure all suppliers comply with our requirements, we operate an accessible and transparent grievance procedure.

### Assessing deforestation risks

Based on the ingredients we buy and the results of our DMA, our main nature and biodiversity risk is deforestation.

To understand in greater detail and better manage risks associated with such ingredients, we conduct a yearly forest risk assessment. This helps us to identify and manage key ingredients with the highest risk of deforestation.

As part of this assessment, we analyse a combination of our exposure (based on our volumes), deforestation risks by commodity, and the magnitude of potential impacts by country (based on data from [Global Forest Watch](#) and SBTi requirements).

We concluded that palm presents the highest risk, followed by soy and timber.

We manage deforestation risks for these ingredients through commodity-specific programmes and practices. These align with local regulations and global standards, and also help to achieve our DCF and responsible sourcing goals.



**100% certified sustainable palm oil<sup>^</sup>**

(mass balance & segregated)



**Avoided land occupation equal to 1,180 NYC Central Parks**

(by choosing our products)<sup>^^</sup>

<sup>^</sup> See this theme disclosure and associated accounting policy (at appendix 3, page 100) for details on how this metric is defined and calculated.  
<sup>^^</sup>For more details on how we calculate avoided pressures (based on Quantis study 2024), see appendix 4.2, page 103.



## Protect nature and biodiversity continued

### DCF methodology

As deforestation is a material risk, we report on progress in relation to verifying DCF and compliance with our deforestation-related policies. We follow the [Accountability Framework initiative Common Methodology](#) for reporting on DCF.

With this we assess the proportion of our volumes that can currently be verified as DCF. This assessment is based on criteria including certification, farm-level and area-level traceability and monitoring.

Volumes that are not currently verified as DCF, while certified under the Mass Balance model, are those not presently verifiable as DCF due to a lack of traceability information to farm or area level.

### Our own operations

In addition to our focus on our supply chain, we recognise we may also have impacts on nature at our own sites. We have a process to assess where our locations are close to sensitive landscapes.

We use the [Integrated Biodiversity Assessment Tool](#) (IBAT) to understand our proximity to sites of special scientific interest or protected areas. IBAT uses the most up-to-date information from various global datasets to ensure the assessment accurately reflects ever-changing biodiversity landscapes.

If a site is identified as high risk, further local assessment is completed to understand the actual and potential risks. If required, additional actions are undertaken to ensure we minimise the risk of impacting these areas.

### Sustainable diets

Our products also have less impact on nature. On average they use less land and water across their full lifecycle, when compared to dairy. For more information on the environmental comparison of our portfolio refer to the [Shift to healthy, sustainable diets](#) section, page 49.

### Implementation and governance

Flora Food Group’s Chief Procurement Officer and Chief Sustainability Officer are responsible for implementing our nature and biodiversity policies – the [Responsible Sourcing Policy](#) and those specific to palm oil, soy, and pulp and paper.

In 2024, Flora Food Group’s Head of Operations Sustainability & Resilience was responsible for the [Environmental Policy](#).

Policies, such as the [Responsible Sourcing Policy](#) and those related to deforestation-linked commodities, are integrated into our governance documents, business sourcing practices and contracting practices. Contracts with our suppliers reflect these requirements.

The Grievance Council is responsible for our grievance process, which deals with both social and environmental concerns raised in relation to our high-risk commodity supply chains. The Grievance Council is composed of the CSO, Chief Compliance Officer, Senior Global Policy Lead and Global Sustainable Sourcing Manager.

### Our grievance process

As we are evolving in a complex environment, with very diverse supply chains, we acknowledge that incidents can happen. That’s why we have established strong mechanisms for people impacted to raise a complaint.

There are multiple routes to raise a grievance including thought the Speak Up line, media or our NGO partners.

All complaints are reviewed and assessed against our policies. If the claim is confirmed as a potential breach of our policies, the Grievance Council will investigate, engage

the relevant parties and monitor the implementation of time-bound action plan. See our public [Grievance Tracker](#) for updates on recent investigations.

### Measuring progress

In our supply chain, we measure progress and primarily report on our DCF performance. We also cover our performance related to wider policy compliance, including certification.

This year is the first year we report on the percentage of DCF for all volumes purchased worldwide for our operations.

We have committed to eliminating deforestation – becoming 100% DCF across our primary deforestation-linked commodities. The target date is no later than 31 December 2025, which is aligned with our SBTi climate commitments and the FLAG methodology to support nature and biodiversity.

We have a target of 100% compliance with our policies for palm, soy and paper. We show progress by reporting the percentage of suppliers who demonstrate compliance.

We currently do not have a specific nature-related target for our own operations. We plan to conduct a more detailed nature and biodiversity assessment across our value chain in 2025, which may lead us to consider further KPIs.

For detail on our accounting policies and definitions, see Appendix 3, page 101.

### Progress and actions

We continued to make progress in 2024 through various activities in our supply chain and our own operations.

### Our supply chain

Our 2024 forest risk assessment re-confirmed that palm oil represents the highest risk of deforestation, followed by soy and timber. We made a major step, in 2024, by reporting our DCF scores for the first time across our three high-risk commodities, and developed plans to reach our 2025 targets.

Key DCF metrics	
DCF volumes of high-risk commodities	
	2024
Palm oil	74.9%
Soybean oil	92.4%
Pulp and paper	82.0%

### DCF palm

The palm oil we sourced this year was confirmed to be 74.9% DCF. To achieve this our action plan focused on traceability and supplier engagement. This was supported by our investment in landscape projects.

This year we were able to trace 100% of our palm oil to mill level. Through our quarterly supplier engagement process, we increase transparency, addressing cases of potential deforestation and agreeing actions to improve DCF scores.

To proactively preserve biodiversity, we participate in projects like the partnership project in Malaysia’s SCFS, covered in the case study below.

### DCF soy

The soybean oil we sourced this year was confirmed to be 92.4% DCF.

We mainly source soybean oil from areas with low, or negligible, risk of deforestation. We conduct an annual risk assessment of sourcing origins as disclosed by our suppliers. In 2024, more than 92% came from low or negligible risk areas.

For the remaining volumes, sourced from areas that are not classified as low or negligible risk, we continued to work with our suppliers to improve traceability and confirm there is no contribution to any new deforestation or ecosystem conversion. If any risk is identified, we will develop a remediation plan with any suppliers connected to the issue.



## Protect nature and biodiversity continued

### DCF paper and pulp

For the paper and pulp we sourced this year, 82.0% was confirmed to be DCF. In 2024, we mainly sourced paper and pulp from low or negligible risk areas.

### Policy compliance and certification

In 2024, we maintained 100% supplier compliance with our policies for palm and soy. In pulp and paper, a minor infringement means we achieved 99.98% compliance. This single event was immediately identified and appropriate measures were taken to gain comfort that the paper supply came from a deforestation-free source.

Key policy compliance metrics (Suppliers compliant %)	2024
Palm oil	100%
Soybean oil	100%
Pulp and paper	99.98%

This year, we enhanced our grievance procedures by:

- Aligning them with the Accountability Framework initiative.
- Extending the scope of our high-risk commodity grievance mechanism beyond palm, to include other commodities and align with best practice.

In 2025, we plan to extend analysis beyond our current forest risk assessment process with:

- A full risk, opportunity and scenario analysis for our value chain, aligned with Taskforce on Nature-related Financial Disclosures methodology.
- A more detailed nature and biodiversity assessment on risks, opportunities and dependencies.

### Our operations

In 2024, we completed an initial biodiversity assessment for our manufacturing sites. Using the IBAT tool, we screened those sites for impacts on the environment, proximity to protected areas and rare species.

Based on this initial analysis, only our site in Kleve was identified as having high biodiversity sensitivity.<sup>24</sup> In 2024, there were no significant incidents that could impact the protected areas including the rare species identified by IBAT near our Kleve cream manufacturing site. We plan to conduct a more detailed site biodiversity assessment in 2025.

For more information on water and our operations, see the Water section, page 83.

### Collaboration

Through collaboration, we continue to help transform the sector. We are part of multi-stakeholder, sector-wide initiatives focusing on enabling environmental and social progress, including:

- WBCSD
- CGF
- RSPO
- Sustainable Coconut Partnership

We also work with our direct suppliers to improve transparency, partner on programmes and address issues that arise in our supply chain.



### CASE STUDY

## Partnering to protect nature

We continue to invest in projects that aim to promote sustainable agricultural practices, enhance soil health and conserve natural ecosystems and biodiversity. Here are some examples from across our key ingredients and sourcing landscape.

### Canola in Kenya

Through our multi-year partnership with [Agventure](#), we train canola farmers in conservation farming techniques in order to reduce environmental impact, improve yields, build soil health, diversify income and increase resilience. The programme covers most of the canola oil we use for BlueBand in Kenya, shortening our supply chain and providing opportunities for the farming community.

### Soybeans in Kansas

By partnering with [No-till on the Plains](#) in Kansas, USA., we support soybean farmers to implement cover cropping and soil protection practices, these help improve soil health, minimise pests, increase water retention and mitigate agriculture-related emissions.

Our new partnership, with [Regrow](#), helps us quantify the impact in carbon emissions and yields of these interventions in Kansas. This also enables us to model the carbon benefits of agricultural practices for soybeans in Nebraska, Missouri and Iowa.

### Palm oil in Malaysia

We also support a landscape project in Malaysia that aims to balance palm plantation productivity with nature protection and labour practices. Targeting a fragmented forest ecosystem, caused by historic deforestation, the programme successfully conserved biodiversity and protected nature by increasing the area of land in which palm farmers and elephants coexist.

<sup>24</sup> For more information on our biodiversity assessment result, see appendix 4.3 at page 103.



# Circular packaging

To be better for the planet, the next generation of food needs better packaging.

Our commitment		
<b>Design for circularity</b> Focus on circular resource use and innovate better packaging solutions with less plastic.		
Our material theme		
Resource use and circular packaging.		
Impacts, risks and opportunities		
Description	Value chain	IRO
Recyclable packaging reduces waste, conserves resources and minimises environmental impact. (Positive)	Upstream, own operations, downstream	Impact
Increasing the use of recycled materials in our packaging reduces pressure on resources. (Positive)	Upstream, own operations, downstream	Impact

### Introduction

Our packaging innovation focuses on new solutions that are circular by design and plastic-free where possible.

Packaging is essential to delivering our products to consumers. It is how we protect products against damage, minimise food waste and maintain our high standards of food safety and quality. It is critical to ensure products can be shipped, stored safely and reach their destination in the condition our consumers expect.

We use a range of packaging material, each packaging material has its own functional benefits and varying environmental impacts. In design choices, we always seek to minimise the environmental impact.

We recognise the potential impact on the planet that our packaging choices can have. That is why we consider how we can increase recycled content, design for recycling, reuse or compostability, and innovate plastic-free solutions, all in order to deliver better packaging.

### Approach and policy

Our [Better Packaging Policy](#) sets out our commitments to improve the environmental footprint of our packaging through the principles of elimination, innovation, resource conservation and collaboration. It applies to all employees, sites and partners, and we follow these principles to:

- Reduce the use of plastic.
- Use more renewable and recycled materials in our packaging.
- Source packaging materials responsibly.
- Advocate for circular solutions.
- Ensure our packaging can be recyclable, reusable or compostable.

We regularly review the [Better Packaging Policy](#) in line with current trends, including legal, technology and commercial, to ensure our packaging remains best in class and compliant with regulations.

### Implementation and governance

Flora Food Group’s Chief Procurement Officer and Chief Sustainability Officer are responsible for implementing the policy.

### Packaging innovation roadmap

Our ambitions focus on circular resource use and innovating solutions with less plastic. We prioritise the categories of packaging where we can take a leading role and have the scale to drive solutions.

We have a packaging innovation roadmap to reach our sustainability goals. The roadmap focused on:

- Reducing plastic usage
- Using recyclable, reusable or compostable materials
- Increasing recycled content

We consider environmental impact and circular principles during design. This includes screening our packaging’s environmental footprint and using lifecycle assessments.

In addition, we collaborate with our packaging partners, governments, NGOs and other stakeholders to create innovative solutions for greater circularity. Some examples of our progress in 2024 are below.

### Measuring progress

Our aim is to design all our packaging to be recyclable, reuseable and compostable, and we’re committing to increase recycled content. We measure progress by monitoring the improvement of recyclability, recycled content and material.

For detail on our accounting policies and definitions, see Appendix 3, page 101.

### Progress and actions

We made significant progress in 2024 in all three focus areas of our packaging innovation roadmap.

Key packaging metrics	2024	%
Packaging that can be reused, recycled or composted (in tonnes)	67,161	93.2% *
Recycled content use (in tonnes)	27,333	37.9%
Packaging material by type and volume (tonnes)*		
Paper	37,393	52%
PP	25,764	36%
PET	3,698	5%
PE	2,940	4%
Aluminium	1,146	2%
Metal	554	1%
Other plastics	321	0%
Adhesive/Ink/Varnish/Lacquer/Primer	176	0%
PS	63	0%
PA	2	0%
PVC	0	0%
Glass	0	0%
Total	72,057	100%

### Winning ways to reduce plastic usage

This year we rolled out our award-winning paper packaging tubs in France, the Netherlands and the U.K., through our brands Flora and BlueBand.



93% recyclable, reusable or compostable packaging<sup>^</sup>



38% recycled content in our packaging<sup>^</sup>

\* Data in 2024 is presented in accordance with the accounting policy in appendix 3, ‘Accounting Policies and Definitions’, and is subject to limited assurance in accordance with the Dutch Standard 3000A. Refer to our [website](#) for the Independent Auditor’s Limited Assurance Report.  
<sup>^</sup> See this theme disclosure and associated accounting policy (at appendix 3, page 101) for details on how these metrics are defined and calculated.



## Circular packaging continued

We partnered over several years to innovate a plastic-free paper pack that successfully contains and protects our spreads. During the process we listened to consumer feedback and continued to work closely with partners on:

- Further enhancing the paper pack's production.
- Designing new formats to launch in the near future.
- Label designs and applications using vegetable oil-based ink.

The goal always remains to ensure we're delivering a more sustainable packaging solution that keeps our products safe and meets our high-quality standards.

### Designing for recyclability

Designing every component for recyclability, reusability or compostability is a key driver for creating sustainable packaging. We consider the whole packaging lifecycle, from raw material, through manufacturing, to end-of-life.

In 2024, 93.2% of our packaging was either recyclable, reusable or compostable. In addition, 92.4% was mono-material, which is easier to recycle.

One of our main packaging challenges is with small formats, like sachets – they are often multi-material and light weight, making them difficult to recycle. We have been trialling mono-material packaging in our manufacturing sites in Kenya and Indonesia. We are planning to launch these sachets in 2025.

### Reusable packaging

Reusable packaging is a good way to reduce the use of resources. Our main reuse model is for pallean 1,000-litre

containers, which we use to deliver creams to professional business customers. When customers have finished the cream, they return the pallean to a third-party supplier, where it can be sterilised and reused.

### Innovating compostable solutions

Looking further ahead, we continue to research plastic-free, compostable, bio-based materials, exploring options for our sachets and wrappers. These are the formats for single serve and smaller portion sizes that are most difficult to recycle.

### Increasing recycled content

We are always working to find technically feasible and economic ways to increase the recycled content in our packaging. In 2024, 37.9% of our packaging content came from recycled material.

Currently, the main challenge for the food industry is that only mechanically recycled PET is both widely available and allowed to be used in direct contact with food. Other plastic materials still need to be approved. This year, we focused on increasing the recycled content of our PET bottles for liquid margarines from 25% to 30%.

We are also working to increase the recycled content in our paper outer cases – the boxes that carry multiple products. The goal is to ensure the new outer case still protects our products through the supply chain and maintains our high-quality standards. In 2024, in the USA and Canada, we achieved 100% recycled content, an increase from approximately 25% in 2023.

### Collaborating for change

Making packaging more sustainable takes collaboration across the industry. Beyond the partnerships for new sachets and with suppliers seeking recycled polypropylene solutions, we have been taking other collaborative steps.

For example, this year, we joined the [4evergreen Alliance](#) and we will join the [CGF's Plastic Waste Coalition](#) in 2025.



### CASE STUDY

## Always improving

The packaging team took several steps in 2024 towards innovating more circular packaging solutions.

### Lightweight to reduce impact

The team has re-designed our 250ml creams bottle to reduce the weight. Each bottle will reduce from 14.5g to 13.5g, while still protecting the product inside. This small decrease per individual bottle will save a total of 110 tonnes of PET annually.

After a series of trials at our manufacturing site in Kleve, Germany, we will start rolling out the solution in 2025; first in the German market, then the rest of Europe is set to follow.

### Stepping up recycled content

At our manufacturing site in Katowice, Poland, we successfully increased the recycled content in our liquid margarine bottles from 25% to 30%. This will apply to 450, 500 and 750ml bottles.

We blow the bottles in-house, so all tests were completed in our own manufacturing site to confirm the accuracy of the design and compliance with food safety standards. In addition, we performed transport tests to ensure the bottles would withstand the journey and storage in consumers' fridges.

### Less packaging, more savings

Our portfolio includes portion packs – small formats of our products used in places like hotels and restaurants. Switching packaging for these formats, where possible, from little tubs to wrapper material, will significantly reduce the amount of packaging used. We will start using this wrapper in 2025, reducing the overall amount of plastic used.



# Waste

Minimising waste is fundamental to conserving the planet’s finite resources and running an efficient business.

Our commitment		
<b>Design for circularity</b> Focus on circular resource use and innovate better packaging solutions with less plastic.		
Our material theme		
Resource use and circular packaging.		
Impacts, risks and opportunities		
Description	Value chain	IRO
Effective waste management to reduce environmental impact and minimise resource use. (Negative)	Upstream, own operations, downstream	Impact

### Introduction

In an increasingly resource constrained world, we recognise the importance of adopting circular practices in the management of waste.

Waste in our operations is generated in our manufacturing sites, our owned warehouses and across our value chain.

We recognise that both our business and the environment benefit from the elimination and careful management of waste. We, therefore, minimise resource use and reduce environmental impact.

### Approach and policy

The Flora Food Group [Environmental Policy](#) sets out our overall commitment to environmental management and the key principles we adopt in relation to waste.

These principles cover maintaining a robust environmental management system (including waste), target setting, monitoring and reporting.

Flora Food Group takes a comprehensive approach to waste. Managing waste is an integral part of daily activities, particularly at our manufacturing sites.

In practice, we follow the waste hierarchy. This is a framework that prioritises waste management strategies in order of impact. We follow the principles from most to least preferred (where economically feasible):

- 1 **Prevention (reduce):** Avoiding creating waste in the first place, by reducing the use of materials.
- 2 **Minimisation (reuse):** If waste cannot be avoided, we seek to reuse materials.
- 3 **Recycling:** Collecting waste materials and turning them into new products.
- 4 **Recovery (energy recovery):** This involves converting waste materials into usable energy, through processes like incineration or anaerobic digestion.
- 5 **Disposal (landfill or incineration):** When no other option is viable, waste is disposed of to landfill or incineration without energy recovery. This is the least preferred option.

We currently focus on prevention and disposal, as these provide the largest opportunities to both address impact and create value.

On prevention, at our manufacturing sites we take a zero-based waste approach. This helps to reduce the use of materials and maximise efficiency. We focus on the materials used before and during manufacturing.

We reduce the waste created by improving control over raw materials, optimising production scheduling and portfolio management (reducing the need for cleaning and refilling).

In 2024, in relation to disposal, we continue to focus on ensuring that no waste is sent to landfill. This encourages sites to find alternative solutions for waste streams that are higher up the hierarchy.

### Implementation and governance

Flora Food Group’s Head of Operational Sustainability & Resilience is accountable for the [Environmental Policy](#).

Heads of Factory, Health, Safety and Environment Leads, Regional Directors and the Global Environmental Project Management Officer are responsible for implementing the [Environmental Policy](#) in their respective functions.

### Measuring progress


We currently measure and monitor waste streams, by disposal route, across our manufacturing sites.

Our goal in 2024 was for all our manufacturing sites to achieve zero waste to landfill. Our primary performance indicator is the proportion of non-hazardous waste sent to landfill.

For detail on our accounting policies and definitions, see Appendix 3, page 102.

Key waste metrics (Kilotonnes)	2024	%
<b>Waste diverted from disposal (non-hazardous)</b>	<b>47.2</b>	<b>97%</b>
Recycled	12.6	26%
Recovered	33.3	68%
Reused	1.3	3%
<b>Waste directed to disposal (non-hazardous)</b>	<b>1.4</b>	<b>3%</b>
Incineration	0.1	0%
Landfill	1.3	3%
<b>Waste directed to disposal (hazardous)</b>	<b>0.1</b>	<b>0%</b>
<b>Total waste</b>	<b>48.7</b>	<b>100%</b>
<b>Non-recycled waste</b>	<b>36.1</b>	<b>74%</b>

^ See this theme disclosures and associated accounting policy (at appendix 3, page 102) for details on how this metric is defined and calculated.



97% of waste diverted away from landfill^



## Waste continued

### Progress and actions

We continued to make progress in 2024. Our waste intensity per tonne of production decreased by 1% compared to 2023. In addition, we diverted 97% of our waste from disposal to landfill and all our 13 manufacturing sites achieved zero waste to landfill by the end of the year.

The amount of non-hazardous waste sent to landfill also decreased by 41% (compared to 2023), as we increased what we recovered by 2% and reused by 26%.

### Progress at our sites

Across our sites we continue to make progress applying the waste hierarchy. Examples that have driven improvements include:

- ➊ **Prevention (reduce)** – through optimising production scheduling, our manufacturing site in Santa Iria, Portugal, reduced their total waste by 30% compared to 2023.
- ➋ **Minimisation (reuse)** – some of our manufacturing sites reuse pallets and we are exploring a project to further close the loop by reusing the solid residues collected through wastewater treatment.
- ➌ **Recycling** – our manufacturing site in Katowice, Poland, segregates its paper and cardboard, which is then recycled to make paper cups.

- ➍ **Recover (energy)** – where we have not yet found routes for recycling, we recover waste materials and use them to generate energy. A significant proportion of our waste is from the solid residue collected in wastewater treatment. This residue is frequently sold for use as biofuel.
- ➎ **Disposal** – the case study on eliminating waste to landfill from our operations highlights two sites particularly that made progress to divert waste away from landfill.

### Food waste reduction

We recognise that the largest contribution to waste occurs at the point of consumption.

Many of our products are offered in convenient sizes and we design our products for longer shelf life, which helps to avoid food waste. For example, Elmlea Double multi-purpose cream stays fresher for longer, with a shelf life that is more than double that of dairy cream.

By ensuring we label packaging, with information on disposal and best before dates, we help consumers manage their waste. The vast majority of our packaging is recyclable in our markets. See the Circular packaging section on page 79 for more information.

### CASE STUDY

## Eliminating waste to landfill from our operations



In 2024, our Drama, Greece, and New Century, Kansas, USA, sites focused on diverting waste from landfill.

### New solutions in Drama

In Drama, we found a solution for non-recyclable plastic packaging, which was previously sent to landfill. From November 2024 onwards, this waste is converted into refuse-derived fuel for use as alternative energy in the cement industry, effectively redirecting landfill waste.

Drama reduced its waste to landfill by 38% in 2024 compared to 2023.

### Dealing with challenges at New Century

At New Century, a three-month challenge arose due to incorrectly disposing of non-conforming materials that were previously sent to landfill. In April 2024, we implemented additional processes, including the return of non-conforming goods to the site for further selection.

With improved processes, employee training and support from our waste provider, the site successfully reached the goal of eliminating waste to landfill. As a result it reduced its waste to landfill by 36% in 2024 compared to 2023.

Both sites will continue efforts to eliminate waste to landfill.



# Water

## Conserving water is crucial for the communities where we operate and for making our products.

Our commitment		
<b>Design for circularity</b> Focus on circular resource use and innovate better packaging solutions with less plastic.		
Our material theme		
Resource use and circular packaging.		
Impacts, risks and opportunities		
Description	Value chain	IRO
Our water consumption contributes to water pressure in the environment. (Negative)	Own operations	Impact
The availability of water in areas of high water stress may limit our ability to produce.	Own operations	Risk

**Introduction**

Water availability is essential for combating and adapting to climate change. It is critical for drinking, sanitation, agriculture and industry. If water is unavailable, this can result in health impacts, reduced living standards and environmental degradation.

Water availability can also impact our business, directly and indirectly. It is fundamental to our manufacturing as, without a reliable supply of water, our ability to produce consistently high-quality products would be compromised. We rely on water in many ways:

- Production processes.
- Cleaning and sanitation, to meet the highest standards of safety and hygiene.
- Cooling systems for optimal functioning of equipment.

To manage water usage and reduce its consumption we have to balance increased demand from expanding production, which requires more frequent clean-in-place (CIP) activities, facility cleaning or renovations.

**Approach and policy**

With water scarcity becoming an increasingly important issue in many areas where we operate, we manage usage carefully.

Our [Environmental Policy](#) and Environmental Reporting Guidelines ensure Flora Food Group locations comply with all applicable environmental legislation and regulations.

The policy and guidelines include:

- 1 **Internal annual targets** to improve on-site water usage.
- 2 **Monthly reporting** for our own manufacturing sites, to monitor progress against annual targets.
- 3 **Programmes** to improve our water performance and annually review environmental management plans.
- 4 **Guidelines** on managing our water resources responsibly, from source to disposal, with a particular focus on areas of high water stress.

**Implementation and governance**

The Head of Operational Sustainability & Resilience is accountable for the [Environmental Policy](#). Heads of Factory, Health, Safety and Environment Leads, Regional Directors and Global Environmental Project Management Officer are responsible for implementing measures in their function to meet the policy requirements.

**Measuring progress**

We monitor water usage at all 13 reported manufacturing sites and set annual internal targets for each of them. Although we do not publish those targets, we track progress in reducing water usage, particularly those in high water-stress areas.

At a group level, we monitor water consumption monthly to identify any increases or decreases in usage.

In 2024, we reduced water usage, achieving a decrease in water intensity (water use per tonne of production) of approximately 2% compared to 2023. This reduction is primarily driven by improvements at our locations in water-stressed areas.

For detail on our accounting policies and definitions, see Appendix 3, page 102.

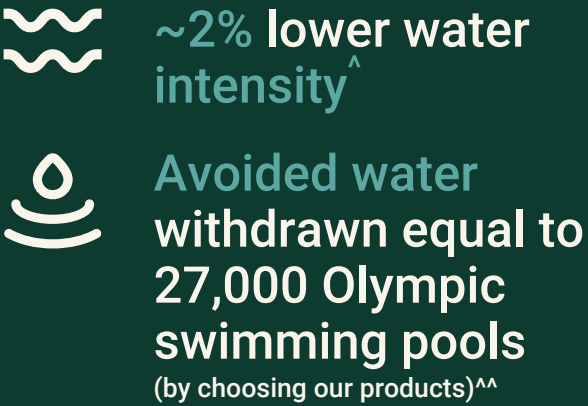
**Progress and actions**

Flora Food Group’s water management covers both usage and discharge.

**Reducing usage**

We are exploring multiple ways to reduce water usage, including by:

- Identifying and remedying any leakages.
- Improving operational processes, where economically feasible, such as by optimising cooling towers or improving CIP processes.



<sup>^</sup> See this theme disclosure and associated accounting policy (at appendix 3, page 102) for details on how this metric is defined and calculated.  
<sup>^^</sup> For more details on how we calculate avoided pressures (based on Quantis study 2024), see appendix 4.2, page 103.



Water continued

Focus on water-stressed areas

We pay particular attention to our manufacturing sites that may operate in water stressed locations. These are identified using the [WRI tool](#). We identified two water stressed sites, Piraeus in Greece and Corlu in Türkiye.

In 2024, these sites set reduction targets for water use intensity (per tonne of production) of 3.20m<sup>3</sup> and 1.38m<sup>3</sup> respectively, reflecting our ongoing efforts. Each site tracks and reports performance monthly.

Both sites overachieved their targets for 2024. Piraeus decreased water intensity to 2.65m<sup>3</sup> (-19%) and Corlu to 1.25m<sup>3</sup> (-10%) compared to 2023.

We usually conduct water stress assessments every two years, as detailed in the Appendix (page 102). In 2024, we started a project to update our water stress assessment. This includes both desk top analysis and local studies to determine which sites may potentially be in water-stressed areas. This will inform the evolution of our water programme from 2025.

Progress across other sites

Sites in areas not considered to be experiencing water stress also contributed to our overall performance in 2024.

Our site in Cikarang, Indonesia, for example, identified and completed two projects to save water by preventing leakages in both the condenser and water supply pipes. This will further minimise water loss and ensure efficient usage. In 2024, water intensity at the site decreased by approximately 32% compared to 2023.

Our site in Nairobi, Kenya also successfully implemented a water recovery project by collecting water from a condenser for reuse in washrooms and site cleaning. The project contributed to reducing water intensity at the site by approximately 8% in 2024, compared to 2023.

Managing water discharge

We also focus on effective management of water discharged from our sites. The parameters and limits are set by local authorities. We monitor the various indicator levels at regular intervals at our manufacturing sites and through certified third parties. Authorities also conduct random sampling checks.

Key water metrics (2024 in '000 m <sup>3</sup> )	All areas	Areas of water stress
Water withdrawal	1,986	362
Water discharge	1,198	219
Water consumption	788	143

CASE STUDY

Progress  
in Piraeus

Based on our assessment, Piraeus, Greece, is in an area of high water stress. This year's efforts at our facility there illustrate the impact of our focus on water conservation.

The Piraeus team identified its freshwater use baseline and areas with opportunities for improvement. Prioritising these, the team already made several enhancements, including:

- Upgrading the water cooling towers system.
- Eliminating direct water consumption from the grid, for cooling air compressors.
- Working to avoid overflows and reduce water leakages.

Each improvement delivered savings, avoiding a total of more than 50,000m<sup>3</sup> of freshwater consumption in 2024.



Freshwater  
consumption  
savings of more  
than 50,000m<sup>3</sup>





# *Business* Conduct

86 Ethical business conduct





# Ethical business conduct

Flora Food Group upholds the highest standards and always seeks to do the right thing.

Our material theme		
Business conduct.		
Impacts, risks and opportunities		
Description	Value chain	IRO
Ensuring high standards of business conduct and fostering a culture of compliance supports business performance and achieving goals. (Positive)	Own operations	Impact

**Introduction**

Flora Food Group’s culture is made up of the values, behaviours and systems that influence the way we interact and make decisions. The whole culture is oriented around delivering on [our purpose](#).

Our culture is characterised by a fresh ‘always day one’ mindset, and a relentless focus on consumers and customers. It is built on our key values of Performance, Care and Passion. This ensures we deliver while never crossing the line, backing our people and drive to innovate.

We recognise the importance of ensuring high standards in business conduct as a foundation for business performance and achieving our goals.

- Approach and policy**
- Various policies and programmes guide how we conduct our business. Our Compliance Programme is structured according to international standards on how to act. Its principal features are:
- 1 Clear policies:** Our [Code of Conduct](#) and group policies cover competition law, data protection, anti-bribery and corruption, trade sanctions, health and safety, and cyber security. Function-specific policies cover issues relevant to that area of our business. They are all available on the policy portal of our company-wide intranet site, providing clear guidance to all employees. Many policies are also [publicly available](#).
  - 2 Mandatory training:** We provide mandatory Code of Conduct training and specific cyber-security simulations to support employees in understanding these group policies. Where appropriate, groups receive role-specific mandatory training, such as detailed competition law training for the Sales and Marketing function.
  - 3 Anti-Bribery and Corruption Programme:** This programme has emphasised a zero-tolerance approach since inception of the company. It details our processes for identifying and managing bribery and corruption risks in our own operations. These include policies on sponsorships, donations, gifts and entertainment.
  - 4 Monitoring suppliers:** We screen all our third-party suppliers and monitor them throughout the lifetime of a contract, ensuring they comply with our ethical standards. This includes checking anti-bribery and anti-corruption, sanctions, government watch lists and adverse media coverage.

- 5 Raising concerns:** We offer multiple routes for employees and third parties to raise concerns about potential issues. This includes our Speak Up whistleblowing hotline, which is third-party-operated and confidential. Our Speak Up Policy protects any whistleblower from retaliation.

**Implementation and governance**

The Compliance Committee meets at least four times a year to:

- Discuss the progress of the Compliance Programme.
- Review concerns reported through the Speak Up line.
- Review and approve new policies.

The Compliance Committee includes the Chief Financial Officer, Chief People and Organisation Officer, General Counsel, and Head of Internal Audit. The Chief Compliance Officer, who reports directly to the General Counsel, chairs the committee.

The Legal and Compliance function is present in each of the major markets we operate in. Their local expertise enables us to respond with new policies, guidelines and training in a rapidly changing world.

**Measuring progress**

To make sure everyone at Flora Food Group understands what our standards require, we set a target that 100% of employees complete our Code of Conduct training. In 2024, 99.5% completed the online training.

For detail on our accounting policies and definitions, see Appendix 3, page 102.

Key business conduct metrics		2024
Employees trained on Code of Conduct		99.5%

**Progress and actions**

Here are some key elements of how we deliver our Compliance programme, including recent developments.

**New policies**

When required, we review and update policies, or create new ones. The 2024 launch of the Artificial Intelligence Policy is a good example of our ability to respond to changing global dynamics. The launch also provided a live online learning session for employees to better understand the topic and associated risks.

**Monitoring**

We rigorously enforce our policies and guidelines. Our Internal Audit team regularly audits to assess the effectiveness of the Compliance Programme.

The integrity of investigations is maintained by the Internal Audit team being independent, not involved in day-to-day management of the business, and reporting directly to the Audit Committee.



Code of Conduct training completed by 99.5% of employees<sup>^</sup>

<sup>^</sup> See this theme disclosure and associated accounting policy (at appendix 4, page 102) for details on how this metric is defined and calculated.



## Ethical business conduct **continued**

### **Risk assessments**

Based on the anti-bribery and corruption risk assessments we completed in 2023, we conducted follow-up activities with local leadership teams in eight countries. The assessments identified and reviewed various bribery and corruption scenarios including risks associated with:

- Commercial contracts with governments.
- Contacts with governmental officials in permit or licence processes, and in customs dealings.
- Conflicts of interest.
- Gifts and hospitality.

Countries were selected based on the country risk profiles in the [Transparency International Corruption Perceptions Index](#). No new bribery and corruption risks were identified during the follow-up activities.

### **Political contributions**

Flora Food Group does not make financial political contributions, in line with internal policy, and none were made in 2024.

### **Speak Up**

Flora Food Group promotes a culture of openness and transparency. Everything we do is built on the foundations of integrity and responsibility. It helps to ensure fairness and protection for employees, our supply chain and people in our communities.

We have implemented appropriate mechanisms for employees and business partners to raise potential issues and violations. Our commitment to protect employees, agents or third parties from retaliation is outlined in our Speak Up Policy.

We take proactive steps to raise awareness and remind employees about the grievance mechanisms available, especially through Code of Conduct training. Employees are encouraged to ask questions or raise any concerns with their line manager, the Human Resources team or Legal and Compliance team.

Suspected policy violations can be reported through the Speak Up hotline including the following:

- Any violation of the rules mentioned in the Flora Food Group Code of Conduct.
- Any violation of laws and regulations, such as competition law.
- Misbehaviour regarding accounting.
- Fraud and bribery.
- Intentionally providing incorrect information to public bodies.
- Criminal offences.
- Discrimination and harassment.

The Speak Up hotline is available 24/7 and all calls are answered in the local language of the caller. It is operated by a third-party and concerns can be raised anonymously.

We investigate all suspected breaches promptly, in a confidential and professional manner. The investigation starts with an initial review and fact-finding phase to determine the level of severity of the reported incident. The case is elevated to the appropriate level of management, as determined by the Chief Compliance Officer, for additional investigation. The investigation is based on available documentation and interviews. If it finds the facts support the concern, we take appropriate action.







# *Sustainability* Appendices



# Appendix 1: EU Taxonomy

Flora Food Group has undertaken a comprehensive assessment to implement the EU Taxonomy Regulation.

## Introduction

The EU Taxonomy Regulation was adopted by the European Commission on 4 June 2021 to help identify whether economic activities are aligned with environmental goals (the Regulation).

The Regulation includes a classification system that helps companies and investors identify whether economic activities are environmentally sustainable by considering whether they are 'aligned' with one of the following six environmental objectives (the Environmental Objectives):

- Climate change mitigation (CCM).
- Climate change adaptation (CMA).
- Sustainable use and protection of water and marine resources.
- Pollution prevention and control.
- The transition to a circular economy.
- The protection and restoration of biodiversity and ecosystems.

The Regulation requires companies to assess if their economic activities are within the scope of these objectives.

Companies must first assess whether an economic activity it performs is eligible, which is determined by whether the activity is included in the EU's Climate or Environmental Delegated Acts.<sup>25</sup>

A company must next assess if its eligible activities are aligned to an Environmental Objective. This requires that an eligible activity:

- Substantially contributes to one of the six Environmental Objectives.
- Does no significant harm (DNSH) to any of the other Environmental Objectives.
- Complies with the minimum safeguard requirements.

The technical screening criteria refer to detailed and specific requirements that an economic activity must meet to be classified as environmentally sustainable. The technical screening criteria are defined for substantial contribution and DNSH.

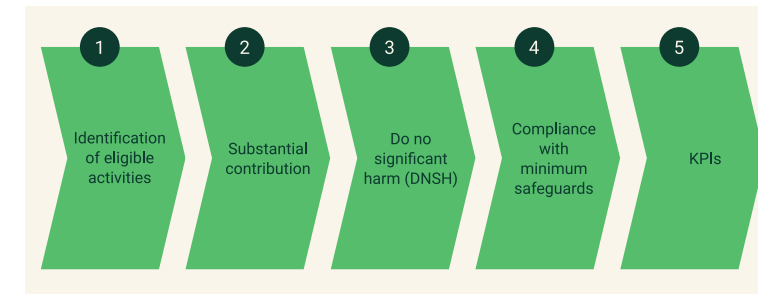
Eligible activities that do not meet these requirements are considered 'not aligned' pursuant to the Regulation.

## Approach and methodology

As part of our commitment to sustainable business practices, we have completed a comprehensive assessment to identify if activities are eligible and aligned under the Regulation.

The approach involves a detailed analysis of our operations, focusing on the alignment of specific activities with the technical screening criteria established by the Regulation.

Our assessment applied the following 5-step framework to implement the Regulation:



## Eligible activities and substantial contribution

Eligible activities are separated across three KPIs: turnover, CAPEX and OPEX.

### Turnover

Flora Food Group generates turnover primarily from the sale of dairy alternatives. We assessed this turnover against the eligibility requirements of the Taxonomy.

The current list of eligible activities in the Taxonomy does not contain any activity descriptions that capture the sustainable nature of Flora Food Group's primary business. Currently, the food retail sector, which also includes companies that produce plant-based alternatives, is not defined as a high-emitting sector by the European Commission.

The restrictions in the Taxonomy do not align with our purpose to deliver the next generation of delicious, natural, nutritious food that is more affordable and more sustainable. Because of this, we cannot take credit for our environmentally sustainable activities under the Regulation connected to the Turnover KPI. We therefore report zero eligibility and alignment for our turnover in the disclosure.

Flora Food Group will continue monitoring the sectors included in the Taxonomy to determine if eligible activities are added that align with our primary business.

## Overview of relevant eligible activities

We identified the following activities within the Group that meet the eligibility requirements for sustainable economic activities aligning with the CCM objective.

Activity number	Activity name	Application in Flora Food Group
CCM 4.1	Electricity generation using solar photovoltaic technology	Flora Food Group invests in electrical solar panels that generate power for factories.
CCM 4.25	Production of heat/cool using waste heat.	Flora Food Group invests in installations to recover waste heat to be used in production.
CCM 5.1	Construction, extension and operation of water collection, treatment and supply systems.	Flora Food Group plans to build an in-house water softening system to ensure that water is collected and used efficiently in production.
CCM 5.3	Construction, extension and operation of wastewater collection and treatment.	Flora Food Group operates and invests in an in-house wastewater system to collect, filter and reuse wastewater for various objectives.
CCM 6.5	Transport by motorbikes, passenger cars and light commercial vehicles.	The purchase, financing, renting and leasing of vehicles designated as passenger cars (M1) or light goods vehicles (N1) is deemed an eligible activity. The cars included in the car lease programme from Flora Food Group qualify for this category.
CCM 7.5	Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings.	Flora Food Group invests in energy management systems to efficiently use energy as part of the production process.

<sup>25</sup> The Regulation, Delegated Acts and all associated EU legislation and guidance are referred to in this report as 'the Taxonomy.'



## Appendix 1: EU Taxonomy

### continued

Activity number	Activity name	Application in Flora Food Group
CCM 7.7	Buying real estate and exercising ownership of that real estate.	Flora Food Group has acquired the new manufacturing site in Hugoton, Kansas, USA, which will be used for the production of dairy products.
CCM 9.1	Close to market research, development and innovation.	Research and development investments focused on plant-based food innovation and sustainable packaging solutions.

These eligible activities are aligned with the CCM objective because the eligible economic activities identified by Flora Food Group focus on reducing greenhouse gas emissions. This is primarily achieved by:

- Developing plant-based products that are more sustainable than the non-plant-based alternatives.
- Using fewer, or less volume of, packaging materials.
- More environmentally sustainable investments in our supply chain.

Therefore, the substantial contribution and DNSH requirements were assessed with respect to the CCM objective for each individual activity.

#### CCM 4.1: solar photovoltaic (PV) technology

As part of our commitment to the transition to a low-carbon economy, we seek to install and operate solar panels. This activity is classified under Activity CCM 4.1 of the Taxonomy, which emphasises the importance of deploying energy-efficient technologies that contribute to climate change mitigation.

We invest in solar panels that generate electricity and meet energy-efficient requirements, and therefore substantially contribute towards the CCM objective. Investments in solar panels are recorded as eligible CAPEX investments, accounted for in line with the material accounting policies for Property, Plant and Equipment in note 1.3 of the Consolidated Financial Statements.

#### CCM 4.25: waste heat

Flora Food Group invests in innovative technologies that enhance energy efficiency and reduce emissions. This includes the installation and operation of a production facility that recovers waste heat, which is subsequently used to heat water for production processes.

This activity is classified under Activity CCM 4.25 of the Taxonomy, which emphasises the importance of reducing energy consumption and emissions through the recovery and use of waste heat.

Our investments in the recovery systems demonstrate that the heat is being produced using waste heat from an existing manufacturing process, and therefore substantially contributes based on the climate change mitigation criteria set out in the Taxonomy.

Investments in the waste heat recovery system are recorded as eligible CAPEX investments and accounted for in line with the material accounting policies for Property, Plant and Equipment detailed in note 1.3 of the Consolidated Financial Statements.

#### CCM 5.1: water softening systems

This activity includes the construction, extension and operation of water collection, treatment and supply systems.

Flora Food Group invests in in-house water softening systems within manufacturing sites. The water softening system provides soft water for cleaning, as well as an ingredient for our products.

It is currently not clear from the Regulation if Activity CCM 5.1 is meant to target public water systems. The current definition of Activity CCM 5.1 in the Regulation does not limit the activity to public water systems. Flora Food Group therefore concluded that investments in the activity also apply to in-house water softening systems.

Flora Food Group has tested the water softening systems for their energy consumption and Infrastructure Leakage Index. Based on those tests, the water softening system meets the technical screening criteria of CCM 5.1 and therefore substantially contributes towards the CCM objective.

Investments in water softening systems are therefore recorded as eligible CAPEX investments and accounted for in line with the material accounting policies for Property, Plant and Equipment in note 1.3 of the Consolidated Financial Statements.

#### CCM 5.3: wastewater systems

This activity encompasses the collection, treatment and management of wastewater, aligning with the EU’s goals of protecting water resources, reducing pollution and supporting climate change adaptation.

Flora Food Group is dedicated to contributing to environmental sustainability through responsible wastewater management pursuant to Activity CCM 5.3.

The wastewater treatment plant in Kleve, Germany, separates sludge from wastewater. The wastewater is treated, cleaned and can subsequently be applied for other purposes within the manufacturing site, such as cleaning. As with Activity CCM 5.1, the Taxonomy is currently unclear if the intent was to target public water systems. Because the activity description does not specifically limit the scope to public water systems, Flora Food Group concluded that the use of the word “centralised” should not be interpreted as referring only to public water systems, and therefore that investments in our in-house wastewater system are eligible.

The technical screening criteria for substantial contribution required a calculation of the net energy consumption per population equivalent. The application of kilowatt hours per population equivalent is difficult to apply to an in-house wastewater system, as the system is not targeted at direct consumer use. We concluded that the system currently does not meet the requirements to substantially contribute to the CCM objective as we are unable to complete this calculation.

Investments in wastewater systems are therefore recorded as eligible, but not aligned, CAPEX investments and accounted for in line with the material accounting policies for Property, Plant and Equipment in note 1.3 of the Consolidated Financial Statements.

#### CCM 6.5: lease cars

This activity involves providing transportation services or producing and operating vehicles that contribute to the transition to a low-carbon economy by reducing greenhouse gas emissions and improving energy efficiency. The activity is limited to vehicles designated as passenger cars (M1) or light goods vehicles (N1).

Flora Food Group maintains a car lease programme. Substantially all of the cars included in the car lease programme are vehicles used for the carriage of passengers and comprising not more than eight seats in addition to the driver’s seat (M1) or light goods vehicles (N1). Considering all cars are leased, additions to IFRS 16 Right-of-use Asset (RouA) for lease cars (CAPEX) are eligible under this activity. The related amount recorded as CAPEX only includes those leases with a lease term longer than one year. Short-term leases, which are car leases with a lease term of a maximum of one year, are not material for Flora Food Group. All car leases are accounted for in line with the material accounting policies for Property, Plant and Equipment in note 1.3 of the Consolidated Financial Statements.



## Appendix 1: EU Taxonomy continued

The technical screening criteria for Activity CCM 6.5 focus on CO<sub>2</sub>e reductions. This is because only electrical lease cars meet the technical screening criteria for CO<sub>2</sub>e reduction.

Total additions for electrical lease cars (i.e., the RoaA balance) are immaterial. As a result, we did not further assess the technical screening criteria. Flora Food Group is currently exploring an update to the car policy that will encourage the use of electrical vehicles. The investments in lease cars are therefore reported as eligible, but not aligned.

### CCM 7.5: energy management systems

To enhance energy efficiency and support the transition to a low-carbon economy, we invest in advanced energy management systems. This activity is classified under Activity CCM 7.5 of the Taxonomy, which highlights the importance of systems and technologies that monitor, optimise and manage energy consumption to reduce greenhouse gas emissions and improve energy performance.

The energy management systems enable Flora Food Group to achieve measurable energy savings as part of the production process, and therefore support the transition to a low-carbon economy. Investments under Activity CCM 7.5 are recorded as eligible, but not aligned CAPEX investments and are accounted for in line with the material accounting policies for Property, Plant and Equipment in note 1.3 of the Consolidated Financial Statements.

### CCM 7.7: buying real estate

Activity CCM 7.7 focuses on the acquisition and ownership of energy-efficient buildings that contribute to climate change mitigation by reducing greenhouse gas emissions.

Flora Food Group has invested in the new production facility in Hugoton, in the United States of America. The facility will serve as the hub for Flora Food Group's creams and cream cheese products for the USA and Canada. The creams category is one of Flora Food Group's four growing categories, and a priority for development.

By acquiring this facility, we have effectively avoided the development of other expansion projects, which would have led to a greater consumption of natural resources and increased greenhouse gas emissions.

This strategic decision significantly contributes to the reduction of our carbon footprint and supports the broader objective of mitigating climate change by minimising environmental impact.

The substantial contribution criteria require buildings to have an Energy Performance Certificate of class A, which is a European certificate. Considering the manufacturing site is located in the USA, this certificate is not available. Flora Food Group therefore does not meet the technical screening criteria for this activity.

The investment in the new manufacturing site will therefore be recorded as an eligible, but not aligned, CAPEX investment and is accounted for in line with the material accounting policies for Property, Plant and Equipment in note 1.3 of the Consolidated Financial Statements.

### CCM 9.1: research and development

Flora Food Group is deeply committed to advancing sustainability through research, development and innovation. CCM 9.1 involves conducting research and development aimed at creating new products, processes or technologies that contribute to climate change mitigation and support the transition to a low-carbon economy.

This economic activity is closely related to Flora Food Group's core business and focuses on the reduction of greenhouse gas emissions by providing sustainable products as an alternative to dairy products. The following Flora Food Group research and development project types focus on this goal:

- Product innovation
- Product renovation
- Efficient packaging

The technical screening criteria for substantial contribution require that the activity researches, develops or provides innovation for technologies, products or other solutions that are dedicated to one or more other activities included in the Taxonomy.

Our eligible research and development activities focus on the project types listed above. Since plant-based products are not contemplated in the Taxonomy as an activity, as outlined in the Turnover section above, our research and development activities do not meet the requirement of being linked to any other activity in the Taxonomy. As such, the research and development activity is eligible, but will never be aligned if the food retail sector, including plant-based alternatives, is not defined by the European Commission as a high-emitting sector.

Investments in research and development are recorded as eligible, but not aligned, CAPEX investments and accounted for in line with the material accounting policies for Other Intangible Assets in note 1.2 of the Consolidated Financial Statements.

### DNSH assessment

The DNSH assessment requires Flora Food Group to show that each eligible activity demonstrating substantial contribution to one of the Environmental Objectives also does no significant harm to any of the other Environmental Objectives.

The criteria linked to the CCA objective require companies to screen an economic activity to identify which physical climate risks may affect the performance of that activity during its expected lifetime.

The climate risk assessment we performed in alignment with the TCFD does not assess economic activities on a standalone basis. As a result, we cannot perform a full DNSH assessment against the CCA objective.

Considering the DNSH technical screening criteria towards the CCA objective are not met, Flora Food Group cannot demonstrate alignment of the activities that substantially contribute to one of the Environmental Objectives.

### Minimum safeguards

Minimum safeguards are procedures a company implements to ensure compliance with standards set out in the:

- OECD Guidelines for Multinational Enterprises.
- U.N. Guiding Principles on Business and Human Rights.
- Eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work.
- International Bill of Human Rights.

The minimum safeguards cover:

- Human rights (including labour and consumer rights)
- Bribery and corruption
- Taxation
- Fair competition

### Our minimum safeguard assessment approach

We apply a two-dimensional approach to assess compliance with the minimum safeguards. This means that there are both preventive and detective measures in place.



## Appendix 1: EU Taxonomy continued

Preventive measures include adequate processes that have been implemented to prevent negative impacts. As part of the detective measures, outcomes are monitored to check whether the processes implemented at Flora Food Group are effective. The results of this continuous monitoring are applied for our minimum safeguard assessment.

We recognise our responsibility to respect and promote human rights. We acknowledge that, as part of constructing a sustainable food system, Flora Food Group operations and supply chain must implement practices of the highest integrity and ethics, following internationally recognised human rights standards.

Our Human Rights Due Diligence Strategy follows all relevant international instruments that regulate business and human rights matters in the jurisdictions where we and our supply chain operate, including the:

- U.N. Guiding Principles on Business and Human Rights.
- OECD Due Diligence Guidance for Responsible Business Conduct.
- CSRD.

### Reporting

Article 8 of the Regulation requires non-financial organisations to disclose:

- The proportion of their turnover derived from products or services associated with economic activities that qualify as Taxonomy-aligned (Turnover KPI).

- The proportion of their capital expenditure (CAPEX KPI) and of their operating expenditure (OPEX KPI) related to assets or processes associated with Taxonomy-aligned economic activities.

In the first year that Flora Food Group is required to report under the Regulation, it is exempt from disclosure of comparative figures. Flora Food Group will start disclosing comparative figures from the second reporting year onwards.

### Turnover KPI

The Taxonomy seeks alignment with financial reporting standards and specifies that turnover under the Taxonomy is in line with turnover under IAS 1A. However, due to the restriction in the current legislation explained above, food retail, including plant-based alternatives, is not defined as a high-emitting sector by the European Commission. Flora Food Group therefore reports 0% for both eligibility and alignment in the disclosure.

### CAPEX KPI

The CAPEX under the Taxonomy is defined in Annex 1 of the Delegated Act supplementing Article 8 of the Regulation as all additions to tangible and intangible assets during the financial year considered before depreciation, amortisation and any re-measurements, including those resulting from revaluations and impairments, for the relevant financial year and excluding fair value changes.

The definition of CAPEX in the Regulation therefore seeks alignment with the IFRS financial reporting standards. The eligible activities and their respective percentage alignments with Environmental Objectives are reported in the table page 94.

### OPEX KPI

The Taxonomy definition of operating expenditures is narrower than the accounting definitions under the IFRS financial reporting standards, as only non-capitalised costs for the day-to-day servicing of assets are treated as in-scope operating expenses. As the eligible OPEX is not material to Flora Food Group, we have not assessed the alignment criteria and report 0% alignment.

### Looking forward

The Taxonomy is a complex regulatory framework, especially in its restrictions of certain very impactful sectors, such as the food sector, and the lack of clarity in the interpretation of criteria set out in the Regulation and Delegated Acts.

The Taxonomy has been developed since its initial implementation and it is expected to develop in the coming years. We will continue to monitor developments and updates, whether to the Regulation, Delegated Acts or any guidance, and ensure that Flora Food Group's methodology and processes remain aligned with any changes.

KPI	Million €	Eligibility	Aligned
Turnover	3,079.0	0%	0%
Capex	144.0	24%	0%
Operating expenses	22.4	0%	0%



			Substantial contribution criteria							Does not significantly harm							Taxonomy-aligned proportion of total turnover, year 2024 (%)			Category (enabling activity) (E)		Category (transitional activity) (T)	
			Climate Change Mitigation (%)	Climate Change Adaptation (%)	Water (%)	Pollution (%)	Circular economy (%)	Biodiversity and ecosystems (%)	Climate Change Mitigation (Y/N)	Climate Change Adaptation (Y/N)	Water (Y/N)	Pollution (Y/N)	Circular economy (Y/N)	Biodiversity (Y/N)	Minimum safeguards (Y/N)								
Economic activities	Code	Absolute turnover (millions, €)	Proportion of turnover (%)																				
A. TAXONOMY-ELIGIBLE ACTIVITIES			0%																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																							
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%	0%	0%				
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																							
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%																				
Total (A.1+A.2)		0	0%																				
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																							
Turnover of Taxonomy-non-eligible activities		3,079	100%																				
Total (A+B)		3,079	100%																				



## Proportion of CAPEX from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Economic activities	Code	Absolute CAPEX (millions, €)	Proportion of CAPEX (%)	Substantial contribution criteria						Does not significantly harm						Minimum safeguards (Y/N)	Taxonomy-aligned proportion of total CAPEX (%)	Category (enabling activity) (E)	Category (transitional activity) (T)		
				Climate Change Mitigation (%)	Climate Change Adaptation (%)	Water (%)	Pollution (%)	Circular economy (%)	Biodiversity and ecosystems (%)	Climate Change Mitigation (Y/N)	Climate Change Adaptation (Y/N)	Water (Y/N)	Pollution (Y/N)	Circular economy (Y/N)	Biodiversity (Y/N)						
A. TAXONOMY-ELIGIBLE ACTIVITIES				24%																	
A.1. CapEx of environmentally sustainable activities (Taxonomy-aligned)																					
CAPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.00	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%	0%	0%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)																					
Electricity generation using solar photovoltaic technology	CCM 4.1	0.5	0.3%																		
Production of heat/cool using waste heat	CCM 4.25	0.1	0.0%																		
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1	0.3	0.2%																		
Construction, extension and operation of wastewater collection and treatment	CCM 5.3	2.0	1.4%																		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	2.1	1.5%																		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0.1	0.0%																		
Acquisition and ownership of buildings	CCM 7.7	15.0	10.4%																		
Research and development focused on plant-based food innovation and sustainable packaging solutions.	CCM 9.1	15.0	10.4%																		
CAPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		35.1	24.4%																		
Total (A.1+A.2)		35.1	24.4%																		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
CAPEX of Taxonomy non-eligible activities		109.0	76%																		
Total (A+B)		144.0	100%																		



## Appendix 1: EU Taxonomy

## Proportion of OPEX from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Economic activities	Code	Absolute OPEX (millions, €)	Proportion of OPEX (%)	Substantial contribution criteria						Does not significantly harm						Minimum safeguards (Y/N)	Taxonomy-aligned proportion of total OPEX (Y/N)	Category (enabling activity) (Y/N)	Category (transitional activity) (Y/N)
				Climate Change Mitigation (%)	Climate Change Adaptation (%)	Water (%)	Pollution (%)	Circular economy (%)	Biodiversity and ecosystems (%)	Climate Change Mitigation (Y/N)	Climate Change Adaptation (Y/N)	Water (Y/N)	Pollution (Y/N)	Circular economy (Y/N)	Biodiversity (Y/N)				
A. TAXONOMY-ELIGIBLE ACTIVITIES				0%															
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.0	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%	0%	0%
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
OPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.0	0%																
Total (A.1+A.2)		0.0	0%																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OPEX of Taxonomy-non-eligible activities		22.4	100%																
Total (A+B)		22.4	100%																



# Appendix 2: Disclosure requirements index

The following tables present a comprehensive list of the disclosure requirements outlined in ESRS 2, the topical standards deemed material to Flora Food Group, which have guided the preparation of our sustainability statement.

The tables can be used to navigate to information relating to a specific disclosure requirement in the sustainability statement.

The tables also show where we have placed information relating to a specific disclosure requirement that lies outside of the sustainability information statement and is 'incorporated by reference' within this Annual Review.

ESRS	DR no.	Description	Page
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	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	43
	GOV-3	Integration of sustainability-related performance in incentive schemes	43
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	IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	45
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ESRS	DR no.	Description	Page
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	IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	45
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	S1-6	Characteristics of the undertaking's employees	61
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## Appendix 2: Disclosure requirements index *continued*

ESRS	DR no.	Description	Page
ESRS S2	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	67
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	S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	67
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	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	54 & 56
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ESRS G1	GOV-1	The role of the administrative, supervisory and management bodies	86
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	G1-1	Corporate culture and Business conduct policies and corporate culture	86



# Appendix 3:

## Accounting policies and definitions

In this section we gather all the accounting policies and definitions for the key performance metrics reported throughout the sustainability statement. It is organised under the heading of the relevant section of the statement.

### Shift to healthy, sustainable diets

#### Plant-based ingredients in our products (%)

The percentage of ingredients used in the products we manufacture and sell (by weight) that are plant-based in accordance with the BSI PAS 224:2020 standard. Performance covers sales across our core categories: plant-based butters and spreads, cheeses, creams and culinary aids. Sales from non-Flora Food Group branded products, those not sold to consumers or manufactured by third-parties are excluded.

#### Comparative portfolio claims and avoided pressures

Category comparative assessment provides scaled sustainability claims at a group level but focuses on selected comparative products, which may not fully reflect broader market representativeness.

Avoided pressure category assessments position plant-based or blended products within market dynamics, demonstrating their role in reducing environmental pressure at a systemic level rather than just through direct product comparisons.

To calculate the environmental performance across our portfolio compared to the dairy equivalent – to make a comparative claim – we used Flora Food Group’s Product LCA tool for butters and spreads and creams and the Violife LCA study for cheeses.

The Flora Food Group Product LCA Tool, its methodology and the Violife LCA study adhere to the Product Environmental Footprint methodology and ISO 14040/14044 standards for transparent public disclosure. Additionally, the Flora Food Group Product LCA Tool underwent independent peer review to ensure methodological robustness and credibility.

The portfolio claim represents a weighted average of the results. The weighted average figures were derived from an assessment covering 50% of Flora Food Group’s worldwide sales volumes from September 2023 to August 2024 and extrapolated to represent the full category. For the extrapolation, regional averages were used where available; otherwise, global averages were applied as proxies.

The comparative claim calculation is:

(Emission Factor (EF) Reference Scenario – EF Solution (Flora FG)) / EF Reference Scenario

To calculate the avoided pressures, we followed WBCSD guidance on avoided pressures calculations. We built alignment with the WBCSD guidance, a reference scenario was built based on three market segments – dairy, non-dairy competitors and Flora Food Group – incorporating market share data and corresponding emission factors for each of the three categories (butter and spreads, creams and cheeses).

The avoided pressure calculation, which we ran for climate, land and water, is:

Reference scenario (% Dairy + % Non-dairy + % Flora FG) – Solution (100% Flora FG) \* Annual Sales Volume

Data gaps were addressed using assumptions guided by WBCSD draft guidelines. For example, missing market share was addressed by using proxies starting with the highest resolution (country-level data) where possible and, progressively, move to regional and then global averages. Missing country-specific EFs were addressed by applying

Flora Food Group pressure to competitors’ market share to get conservative value assuming that competitors may have higher pressure.

Our methodology documents can be found on our website.

The definition of the indicator for each avoided pressure category is as follows:

- Climate change: GHG gas emissions – this indicator measures the contribution to the greenhouse effect of the various greenhouse gases (GHG) emitted during the lifecycle.
- Land occupation: sum of the surface used per year for the considered unit.
- Water withdrawal: sum of all the volumes withdrawn from groundwater or surface water.

### Innovate good food

#### NSV spend on R&D

We report the spend on Research & Development (R&D) as a proportion of Flora Food Group’s NSV, in the reporting year. All Flora Food Group R&D costs worldwide are included in the scope of this metric. Intangible asset depreciation and capitalisation, and investment in partnerships, are excluded. Performance is calculated in Euros, using the average exchange rate from the prior year.

#### NSV from products innovated or renovated

We report on the proportion of Flora Food Group’s NSV in the reporting year that has come from products innovated or renovated in the past three years. All Flora Food Group sales are included in the scope of this metric, including sales from products manufactured by third parties. Changes limited to product packaging design, product claims on pack or amendments required by regulation are excluded. Operational efficiency projects are also excluded. Performance is calculated in Euros, using the average exchange rate from the prior year.

### Create healthy and nutritious food

We report the proportion of our retail sales (by volume) meeting nutrient benchmark targets on saturated fat and trans fat from PHVO.

Performance covers retail sales across our core categories: plant-based butters and spreads, cheeses, creams and liquid margarine. Sales from non-Flora Food Group branded products, those not sold to consumers or manufactured by third-parties are excluded.

Based on the latest scientific evidence and official nutrition recommendations and guidelines, we determine which specific nutrients should be included or limited, as well as the basis for the different targets. These authorities include the WHO, Food and Agriculture Organization, European Food Safety Authority and CODEX Alimentarius.

Performance is calculated using Flora Food Group’s sales data, product nutritional information and the nutrient targets established as per the following process.

We utilise different product classifications to define the appropriate nutrient properties for each product, which are defined based on the Person, Occasion, Frequency (POF) model. The POF model considers the age, health, diet and cultural needs of the consumer, where the product is expected to be consumed and how often the product is expected to be consumed. Products are assigned to a product classification based on the communications made on the product’s pack to the consumer.

Essential nutrient properties are identified using the POF model. These properties highlight which nutrients to limit and any positive nutrients to include in each product. Relevant Nutrient targets are set for each product classification.

## Appendix 3: Accounting policies and definitions **continued**

### Ensure food safety and quality

#### GFSI-certified manufacturing sites

We report the proportion of Flora Food Group's manufacturing sites certified according to the GFSI standard. All manufacturing sites in Flora Food Group's operational control for more than two years are in scope.

#### Right first time in manufacturing

The right first time in manufacturing rate refers to the performance of manufacturing of intermediate and finished goods correctly, without defects, on the first attempt.

Performance is calculated as  $100 - ((\text{tonnes of defective product} / \text{total tonnes produced}) \times 100)$ , where:

- Total tonnes produced: total volume intermediate and final product (tonnes) produced in the period.
- Tonnes defective product: total volume intermediate and final product (tonnes) not meeting Flora Food Group's specifications.

Performance covers manufacturing sites in Flora Food Group's operational control. R&D trials and third-party manufacturers are excluded.

#### Public food safety product recalls

We report the number of public food safety product recalls during the reporting period in accordance with the Standards from the Sustainability Accounting Standards Board (SASB) for the Food and Beverage Sector.

Product recalls occur when unsafe food is removed from the supply chain and consumers are advised to take appropriate action. All Flora Food Group branded products are included in the scope of this metric. Products voluntarily withdrawn by Flora Food Group from the market are excluded.

### Focus on affordability

We report the proportion of consumers from lower socio-economic groups reached with our butter alternatives and spreads. We define lower socio-economic groups as households where the chief income earner is from social grade C, D or E as defined by Ipsos. Classification of socio-economic groups C, D and E can vary per country.

Performance covers sales from Flora Food Group branded products in the plant-based butters and spreads category. Countries in scope include the U.K., Germany, France, Spain, Portugal, Kenya, Indonesia, Sri Lanka, Australia, Türkiye, USA, Canada, Netherlands, Greece, Sweden, Ecuador, Mexico, Poland and Finland. Reach from our creams, cheeses and culinary categories are excluded from the calculation.

We calculate performance using:

- Household reach data from third-party providers such as Kantar Worldpanel, GfK, NielsenIQ and Ipsos.
- Population data per country provided by the World Bank.
- Average household sizes provided by the United Nations.

The country dataset used represents the best available third-party data. The calculation covers countries that cumulatively represent over 80% of Flora Food Group's NSV. At a minimum, we include all countries that represent over 3% of Flora Food Group's sales volume or NSV. Third-party data is available with one month's delay and, as a result, quarterly data related to 2024 is based on the 12-month period ending Q3 2024.

### Creating a culture for growth

We report gender balance, employee turnover and gender pay gap as follows.

#### Gender balance

We report the proportion of women at the following levels:

- All employees
- Manager level and above
- Executive Committee

Data is compiled as at 31 December of the reporting year. Contractors and consultants are excluded from the calculation. Employees can select their own gender in the HR system. 'Manager level and above' refers to employees who hold a Manager, Head Of or Leadership pay band at Flora Food Group.

#### Employee turnover

We report the number of voluntary and total leavers as a proportion of the total number of employees. All Flora Food Group employees are in scope of this metric. Contractors and consultants are excluded.

We calculate performance as an average of the monthly employee turnover rate throughout the reporting year. Data is extracted from Flora Food Group's HR system on the last day of each month throughout the reporting year.

#### Gender pay gap

We report on the difference of average pay levels between female and male employees, expressed as a percentage of the average pay level of male employees. All Flora Food Group employees are in scope. Hourly pay is calculated as  $(\text{sum of the individual's base salary}) / (52 \text{ weeks} + \text{actual hours worked})$  as at 31 December of reporting year. Base pay is the sum of guaranteed, short-term and non-variable cash compensation. The metric excludes contractors, consultants and employees who identify as neither male or female.

### Health, safety and labour conditions

We report our health and safety performance for all workers who are directly supervised by Flora Food Group.

The working hours used to calculate the TRFR and LTIR are extracted from Flora Food Group's HR system. Working hours exclude sick leave and annual leave.

We use the following definitions in our reported data:

**Recordable Work-Related Injuries:** Injuries classified as Fatality, Lost Time Accident (LTA), Restricted Work Case (RWC) and Medical Treatment Case (MTC) are recordable injuries.

**Lost Time Accident (LTA):** an accident that result in an employee being unable to undertake their duties on their next scheduled working day or shift. This includes all accidents resulting in a severe injury. If an employee is working a partial shift but leaves early due to the same injury, it is recorded as an LTA. Accidents which occur during business travel by full-time employees are also included.

**High Consequence Work-Related Injury:** an injury from which a person cannot, does not or is not expected to recover fully to pre-injury health status within six months of the date of injury. This includes injuries resulting in permanent disability or eventual death.

**Fatality:** any death of an employee that is associated with work. This includes employees travelling or off-site on company business. Any fatalities for non-employee contractors or visitors are reported, but not included in calculations of our performance metrics.

**Days Lost to Work-Related Injuries:** the total number of workdays lost (as recommended by a designated health practitioner, after attending to a work-related injury in hospital) for the injured employee to stay off duty and allow for full recovery before returning to work. Days lost are expressed in the form of full-day equivalent working days to take into account any variation in daily working hours.



## Appendix 3: Accounting policies and definitions **continued**

**Total Recordable Frequency Rate (TRFR):** the sum of all Fatalities, LTAs, RWCs and MTCs, expressed as a rate per million working hours.

**Lost Time Injury Rate (LTIR):** the sum of all LTAs, expressed as a rate per million working hours.

### Human and labour rights

#### Suppliers in Sedex

When reporting the of percentage of supplier assessed in Sedex, we refer to the percentage of suppliers in-scope as per the following:

- Direct suppliers that provide goods or ingredients to Flora Food Group that are directly incorporated into the final product being manufactured.
- Any indirect supplier that provides services or equipment with a Sedex risk score of six or more and with whom our annual spend exceeds €100,000.

#### SMETA audits: own sites and third-party manufacturers

When reporting on SMETA audits, all Flora Food Group and third-party manufacturing sites are in scope. Suppliers are considered high risk when they have an overall risk score of 6.0 or above on their Sedex SAQ.

#### RSPO compliance

When reporting the proportion of palm oil purchased by Flora Food Group that is RSPO certified:

- We use both Mass Balance and Segregated models.
- The data covers all palm oil, palm kernel oil or palm oil derivatives purchased for use in manufacturing sites in Flora Food Group's operational control.

### Drive climate action

We report on GHG emissions within our operational control and from our supply chain. We calculate GHG emissions in accordance with the [GHG Protocol](#).

The measuring and reporting of GHG emissions data inevitably involves a degree of estimation. We continually review our GHG footprint estimations to ensure we are using the best available data and thus improve the accuracy of our GHG emissions reporting.

Flora Food Group collects and reports our GHG emissions mainly based on the widely used industry databases by [ecoinvent](#) and [World Food LCA Database \(WFLDB\)](#), along with internally reviewed and verified primary emission factors from suppliers. This approach ensures accurate accounting of the GHGs required by the GHG Protocol.

#### Scope 1 and 2

We report on:

- Scope 1 GHG emissions – direct GHG emissions that occur from sources owned by Flora Food Group, such as natural gas.
- Scope 2 GHG emissions – indirect GHG emissions associated with the generation of electricity, heating, cooling, or steam purchased for consumption at Flora Food Group's offices, manufacturing sites and owned warehouses.

In accordance with the GHG Protocol, Flora Food Group discloses Scope 2 emissions according to both the market and location-based method.

Scope 1 and 2 emissions include:

- **Losses from refrigerant units**, calculated based on refrigerants purchased by our manufacturing sites.
- **Process carbon**, which is CO<sub>2</sub> used during manufacturing processes.

- **Energy consumption** from electricity, primary fuel sources (e.g. natural gas) and locally generated energy sources is calculated based on invoiced consumption data or meter readings. Electricity and gas consumption is estimated for our offices by multiplying floor area by a benchmark from [GRESB](#).
- **Road travel** by our fleet cars is estimated based on data shared by fleet providers on distances travelled by, and fuel type for, each vehicle.

#### Scope 3

We report on Scope 3 GHG emissions, which are indirect emissions other than those covered in Scope 2, as per the GHG categories below.

#### Category 1 and Category 2 – purchased goods and services and capital goods:

- **Ingredients:** Emissions are estimated using volumes purchased multiplied by LCA emission factors for the closest matching product in the LCA databases. The emissions factors include emissions from LUC. When a local factor exists for an ingredient and we have the location of the origin of this ingredient, the emissions factor for exact location of origin is used. LUC emissions for palm oil are based on a causal statistical LUC (sLUC), using a palm plantation presence map. LUC emissions for soy are estimated based on a subnational-level sLUC using crop distributions. For some ingredients, we collect supplier-specific product carbon footprints (PCFs) to accurately reflect the correct emissions factors. We expect to utilise PCFs increasingly in the future to enhance the accuracy of our emissions calculations, in line with the GHG protocol.
- **Packaging:** Calculating emissions associated with packaging and packaging manufacturing uses the total weight of raw packaging combined with the material types and global emission factors.
- **Water:** Emissions are estimated based on total water consumption reported by our manufacturing sites and global emission factors.

- **Intangible services:** Emissions are estimated using spend data, in Euros, and global emission factors..
- **Third-party manufacturers:** Emissions are estimated by multiplying third-party production volumes by total GHG emissions per tonne for Flora Food Group's in-house manufacturing.

#### Category 3 – fuel- and energy-related activities (FERA):

- Emissions are calculated using the same data sources as Scope 1 and 2 GHG emissions.

#### Category 4 – upstream transportation and distribution:

- For the delivery of raw ingredients to Flora Food Group's manufacturing sites, emissions are calculated based on estimated distance from ingredient origins to manufacturing site locations, transportation mode and actual quantity distributed to each manufacturing site reported by Flora Food Group, and global emission factors.
- For the distribution of Flora Food Group's products from own manufacturing sites to warehouses, data is reported per operation in Flora Food Group's logistics system, and covers weight, distances, mode of freight and whether transport is ambient or refrigerated.
- Where logistics data is only partially available or not available, Flora Food Group estimates the distance, and mode of transport, using the latitude and longitude of origin and destination cities.
- Energy consumption associated with warehousing is calculated using the volume of products sold multiplied by the warehouse energy intensity, in kWh per m<sup>3</sup> per year, which is modelled based on Product Environmental Footprint Rules (PEFCR) guidance. Emissions are calculated using global emission factors.

#### Category 5 – waste generated in operations:

- Emissions are calculated based on data is reported on a monthly basis across Flora Food Group's manufacturing sites and global emission factors. Actual data is obtained from waste service providers that collect the waste.

## Appendix 3: Accounting policies and definitions continued

### Category 6 – business travel:

- Emissions are calculated for air travel, rail travel and hotel stays based on actual data obtained from Flora Food Group’s business travel service agents. Emissions from car travel is calculated based on spend data and global emission factors.

### Category 7 – employee commuting:

- Emissions are calculated based on the employee headcount of different regions multiplied by the global emission factors per employee commuting per year. We use data from the European Commission on Transport statistics for the EU to calculate the comparative proportion of car, bus, rail, tram and metro journeys taken.

### Category 12 – end-of-life treatment of sold products:

- Emissions are calculated using Flora Food Group’s packaging data by material type and quantity sold to different countries and the end-of-life disposal routes (incineration and landfill), which are based on EU or national statistics.

Categories 8-11 and 13-15 are not relevant or not material to Flora Food Group.

### Emission factors

Emissions factors are sourced from WFLDB and ecoinvent.

Source of emission factors	GHG categories
World Food LCA database v3.10 ecoinvent LCA v3.9.1 USEEEIO v2.1	<ul style="list-style-type: none"><li>Scope 3: Purchased good and services (PGS)</li></ul>
ecoinvent LCA v3.9.1	<ul style="list-style-type: none"><li>Scope 1: fuels, vehicle use, refrigerants</li><li>Scope 2: calculated steam EFs</li><li>Scope 3:<ul style="list-style-type: none"><li>– PGS (water)</li><li>– FERA (T&amp;D, WTT electricity)</li><li>– Logistics</li><li>– Waste in operations (waste, wastewater)</li><li>– Downstream transportation and distribution (outbound and warehouse)</li><li>– End-of-life treatment of sold products</li></ul></li></ul>
DEFRA greenhouse gas reporting conversion factors (2022)	<ul style="list-style-type: none"><li>Business travel (transport and hotel stays)</li><li>Employee commuting</li></ul>
USEPA eGRID (2020)	<ul style="list-style-type: none"><li>Scope 2: location-based mix for USA grid</li></ul>

To calculate GHG revenue intensity, we divide gross Scope 1, 2 and 3 GHG emissions by total NSV, calculated for both market- and location-based emissions. The figure for total net revenue can be found page 5.

For energy revenue intensity, the total energy consumption is divided by total NSV. All revenue-generating activities in our industry are considered a high climate-impact sector.

We use GHG volume intensity to measure progress towards the decarbonisation of our operations and value chain. For Scope 1 and 2, we calculate absolute emissions divided by total production volume of our manufacturing sites and refineries. For Scope 3, we calculate absolute emissions divided by total product volume produced (i.e. finished goods) including our manufacturing sites and third-party manufacturing.

### Protect nature and biodiversity

#### DCF data

We report on the proportion of our priority ingredients – palm oil, soybean oil and paper – that are considered DCF by applying the Common Methodology, designed by the Accountability Framework initiative.

Our reporting covers all palm oil, soybean oil, and virgin paper and pulp that is purchased by Flora Food Group. Paper packaging volumes purchased by our Arivia entity are excluded – we plan to integrate this data in 2025.

We request that our palm oil suppliers share the list of mills associated with our supply chain in the previous year on an annual basis. We then work with a third-party to calculate our DCF palm oil volumes per supplier, using traceability data. To calculate our DCF palm oil volumes, we use traceability data from the previous reporting year and volumes per supplier for the current reporting year.

We collect traceability data from our soybean oil and virgin paper suppliers on an annual basis. Using this data, we calculate the proportion of soybean oil and virgin paper:

- From negligible risk areas.
- Monitored at farm level.
- Purchased under an approved certification scheme.

#### Policy compliance

We report on the proportion of:

- Palm oil purchased by Flora Food Group that is RSPO certified (Mass Balance or Segregated).
- Virgin pulp and paper volumes sourced from suppliers that have FSC or PEFC certification and recycled paper volumes.
- Soybean oil volumes compliant with the Amazon Soy Moratorium.

Reporting covers palm oil, palm kernel oil or palm oil derivatives, soybean oil, and packaging products made out of virgin paper purchased across our operational portfolio and used by Flora Food Group’s owned manufacturing sites. Paper packaging volumes purchased by our Arivia entity are excluded. We plan to integrate paper data from our Arivia entity in our 2025 disclosure.

#### Definitions we use

- Nature:** the physical world and its ecosystems, including all living organisms, landscapes, climates and natural processes, existing independently of human activity.
- Biodiversity:** the variety of all living organisms in an ecosystem, including species, genetic and ecosystem diversity.
- Land-use change:** when land is transformed from its natural state to serve new purposes like farming, urban development or industry.
- Deforestation:** loss of natural forest as a result of (i) conversion to agriculture or other non-forest land use, (ii) conversion to a tree plantation or (iii) severe and sustained degradation.
- Deforestation Conversion Free:** a commitment to eliminate deforestation and the conversion of other natural ecosystems, such as grasslands, wetlands and savannas, to agriculture or other land uses.

### Circular packaging

We report on:

- The proportion of our packaging that is recyclable, reusable or compostable.
- The proportion of our packaging that is made from recycled content.
- Our total packaging volumes by material type.



## Appendix 3: Accounting policies and definitions **continued**

Packaging materials include primary and secondary packaging used for Flora Food Group's products. Materials used across offices, supply chains and promotional materials are excluded, as well as products manufactured by Flora Food Group that are not sold to consumers as a Flora Food Group brand. Volumes purchased by our Arivia entity are excluded. We plan to integrate packaging data from our Arivia entity in our 2025 disclosure.

Flora Food Group works with partners to perform materials recyclability analysis, which substantiates the recyclability claims for each packaging material and polymer. This uses a number of sources, including On-Pack Recycling Label Scheme, RecyClass Recyclability Methodology, the Ellen MacArthur Foundation's New Plastics Economy Global Commitment, How2Recycle Guide to Recyclability and other packaging material specific industry guidelines.

We identify packaging components as reusable, recyclable or compostable based on industry standards, supplier declarations, and/or testing and certification by external experts. A packaging component must be 95% recyclable, reusable or compostable for us to classify it as recyclable, reusable or compostable.

### Definitions we use

- **Plastic:** Materials consisting of a polymer to which additives or other substances may have been added. Flora Food Group uses polypropylene (PP), polyethylene (PE), polystyrene (PS) and polyethylene terephthalate (PET) for tubs, pots, bottles and sachets.
- **Plastic free:** Packaging materials containing no plastic, as defined above. Polymers are only allowed in plastic-free packaging materials when they are present as:
  - Inks and adhesives.<sup>26</sup>
  - Natural polymers that are not chemically modified.
  - Polymeric materials used as synthetic chemical additives in packaging materials, which are not themselves plastic, to achieve specific material properties and higher production process efficiencies, for example as retention agents or binders and processing aids.<sup>27</sup>
- **Primary packaging:** Packaging materials used for individual and consumer units at the point of sale. Primary packaging comes into direct contact with the product itself.
- **Secondary packaging:** Packaging materials used for trade units. Secondary packaging is used to group SKUs together.
- **Recyclable:** Plastic packaging, or packaging components must meet the following conditions to be considered recyclable:
  - The product must be made with a plastic that is collected for recycling, has market value and/or is supported by a legislatively mandated programme.
  - The product must be sorted and aggregated into defined streams for recycling processes.
  - The product can be processed and reclaimed, or recycled, with commercial recycling processes.

– The recycled plastic becomes a raw material that is used in the production of new products.

- **Reusable:** Packaging that has been designed to accomplish or proves its ability to accomplish a minimum number of trips or rotations in a system for reuse in accordance with ISO 18603.
- **Compostable:** Packaging or packaging component is compostable if it is in compliance with relevant international compostability standards, and if its successful post-consumer collection, sorting and composting is proven to work in practice and at scale.

### Waste

We report the waste generated by our operations, which includes manufacturing sites we operate and warehouses we own. Our waste reporting covers solid waste that is no longer intended for its initial purpose and is managed according to the waste hierarchy. Wastewater is monitored separately under water management.

Waste sent to landfill reporting covers non-hazardous waste only. Hazardous waste is strictly regulated by local laws and regulations.

Waste data is reported by manufacturing sites and warehouses we own based on invoices received from third-party waste vendors, supplemented by manufacturing site-specific measurement methods and compliance with legal requirements.

### Water

We report the water withdrawn, discharged and consumed by our manufacturing operations. Our water reporting covers manufacturing sites we operate and warehouses we own.

We also report on our water withdrawal, discharge and consumption at manufacturing sites in water stressed areas. We conduct a water stress assessment every two years using the World Resources Institute's (WRI) Aqueduct tool. Water stressed areas include sites classified as high or extremely high water stress. If more detailed local data is available, such as studies or governmental research, it takes precedence over the WRI tool.

Water data is reported for all sites based on invoices received from third-party water vendors, supplemented by manufacturing site-specific measurement methods and compliance with legal requirements.

### Ethical business conduct

We report the proportion of employees that have completed our online training on our Code of Conduct.

Reporting covers all office-based employees only. Employees that join Flora Food Group after the launch of the Code of Conduct training are trained as part of their standard onboarding training package. Employees working at our manufacturing sites receive tailored training from local HR teams and site management.

<sup>26</sup> Recital 11, Directive (EU) 2019/904 on the reduction of the impact of certain plastic products on the environment.

<sup>27</sup> Point 2.2.1, EC guidelines on single-use plastic products in accordance with Directive (EU) 2019/904.

# Appendix 4: supplementary information

This appendix provides additional information about statements made in the following sections:

- Shift to healthy, sustainable diets – the basis for comparative claims and avoided pressures assessments (1,2).
- Protect nature and biodiversity – details about protected areas near our manufacturing site in Kleve, Germany (3).

## 1. Comparative claims

Figures are based on a study conducted in 2024, by specialist sustainability consultancy Quantis. The study was conducted to understand:

- 1) Comparative portfolio claims – The environmental performance of our portfolio of products, compared to dairy equivalents.
- 2) Avoided pressures – The environmental avoided pressures on climate, land occupation and water withdrawal, from consumers' choosing of Flora Food Group products in 2024. This is a measure of the contribution in commercialising solutions that lead to lower environmental footprints. It is an indicator to communicate the enabling role of our products in decarbonisation of the food sector.


### Basis of comparative claims

The study analysed approximately 50% of the Flora Food Group's worldwide sales volumes (on a sales weighted average basis). Volumes cover the period from September 2023 to August 2024.

To calculate the environmental comparative performance of our portfolio we used the following:

- Flora Food Group Product LCA Tool (version 2024-11-27) to evaluate the impacts of Flora Food Group alternatives to dairy butters and spreads and creams compared to dairy butter and spreads and creams. This tool and its methodology adhere to the Product Environmental Footprint (PEF) methodology and ISO 14040/14044 standards for transparent public disclosure. Additionally, the tool underwent independent peer review to ensure methodological robustness and credibility.
- The [Violife LCA study \(updated 2024\)](#) comparing Flora Food Group plant-based cheese to dairy cheese in operating markets. This study and its methodology adhere to the Product Environmental Footprint (PEF) methodology and ISO 14040/14044 standards for transparent public disclosure. Additionally, the tool underwent independent peer review to ensure methodological robustness and credibility.

While the Study indicates that, on average, Flora Food Group products have lower climate, land and water impacts than their dairy counterparts, this is a weighted average of the three categories and should not be inferred across all products to showcase their environmental benefits. For example, while our products demonstrate over a 50% reduction in land use change across all categories, some categories may exhibit higher water consumption. For a sample of product-specific claims, see available technical summaries on brand websites.

 Find out more in the Flora Food Group Portfolio Claim Methodology on our [website](#)

## 2. Avoided pressure assessment

Figures are based on a study conducted in 2024, by specialist sustainability consultancy Quantis. The study was conducted to understand:

1) Comparative portfolio claims – The environmental performance of our portfolio of products, compared to dairy equivalents.

2) Avoided pressures – The environmental avoided pressures on climate, land occupation and water withdrawal, from consumers' choosing of Flora Food Group products in 2024. This is a measure of the contribution in commercialising solutions that lead to lower environmental footprints. It is an indicator to communicate the enabling role of our products in decarbonisation of the food sector.

Avoided pressures are the difference between environmental pressures, e.g. GHG emissions, that occur or will occur (the 'solution') and the environmental pressures that would have occurred without the solution (that of the "reference" scenario).

### Basis of avoided pressures claims:

The study analysed approximately 50% of the Flora Food Group's worldwide sales volumes (on a sales weighted average basis). Volumes cover the period from September 2023 to August 2024.

To calculate avoided pressures (difference), we used the results from the lifecycle assessments in our comparative claims. Then applied the market share for the solution and the reference (in each operating market), and compared the pressures associated with each.


Data for about 50% of sold volumes of each category (butters and spreads, creams and cheeses) in operating markets was used to extrapolate results for 100% of sold volumes for Flora Food Group products in 2024.

The study followed guidance on calculation avoided emission developed by WBCSD.

To translate avoided pressures figures to representative equivalences, we used the following:

- Climate equivalency is based on 1,190 kilotonnes of CO<sub>2</sub>e emissions from electricity in the city of Amsterdam in 2022.
- Land equivalency assumes 2.41km<sup>2</sup> as the areas of Central Park in New York City, New York.
- Water equivalency assumes 2,500 m<sup>3</sup> of water per one Olympic-sized swimming pool.

While the analysis indicates that, overall, Flora Food Group products indicate avoided climate, water and land pressures, some SKUs may perform differently. Consequently, not all categories exhibit the same level of environmental benefits.

 Find out more in the Flora Food Group Avoided Pressures Methodology on our [website](#)

## 3. Biodiversity Assessment – Kleve site results

Based on our initial IBAT assessment of all our manufacturing sites, only our site in Kleve, Germany, was identified as having high biodiversity sensitivity.

There are two protected areas near Kleve:

- Naturschutzgebiet Emmericher Ward and Salmorth.
- Kellener Altrhein Nature Reserve.

IBAT lists plants and animals as rare species in these protected areas. Plants being marsh spurge, flowering rush, meadow clary, water soldier, river ragwort, slender tufted-sedge and animals being great crested newt, corncrake, bluethroat, meadow pipit, beaver, stonechat, little ringed plover and reed warbler.



