

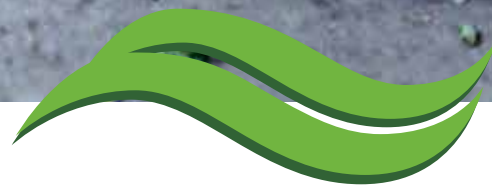


VEGGIE



2023

CSR REPORT



# FLAVOR, QUALITY AND SUSTAINABILITY

Dear Reader,

Le Duc is proud to present its very first CSR report. For more than 26 years, Le Duc Veggie has been creating delicious vegetarian snacks that are appreciated by people all over the world. We produce our much-loved onion rings, cheese and vegetable snacks with the utmost attention to taste and quality, but it takes more than that.

Our customers are increasingly asking about our sustainability policy or concrete measures when it comes to, for example, energy consumption, packaging, working conditions and purchasing policies. This report represents our first challenging step toward getting serious about sustainability. Mapping the impact of our activities on people, animals and the climate allows us not only to respond even better to our customers' questions, but also to formulate our in-house sustainability policy that is a logical part of our business strategy. We are aiming for measurable goals and concrete actions as our most important tools.

We have put together a fantastic team that continues to put corporate social responsibility on the agenda on Le Duc's behalf. Erik, Ilona, Linda, Kylian, Guus and Jaco are all motivated to help Le Duc develop regarding this issue. It fills me with pride to see the passion they bring to their daily work and how they make me aware of improvements that we can achieve as a company.



This first report and baseline measurement also makes it clear that we are already on the right track by, for example, purchasing green electricity and green gas, choosing properly recyclable packaging and paying attention to our staff. Needless to say, there is plenty of room for improvement as well. And that is exactly what we want to start working on in the coming years.

I myself have been involved in various charities for many years, including the Woord en Daad (Word and Action) foundation. I feel it is important to make efforts to help people in poverty structurally change their lives for the better. This commitment is also plain to see in our company. As the first generation in this family business, I consider it my duty to continue to continue to look after the more than one hundred families who are involved with us.

Thank you for taking the time to read our story. We hope to get you just as excited about our sustainability plans as we are!

Kind regards,

Dick den Hertog  
CEO Le Duc Fine Food



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ABOUT THIS REPORT

The information and data in this CSR report relate to Le Duc Beheer BV's sustainability performance from 1 January 2023 to 31 December 2023.

This report contains information on the management and performance regarding the material topics of our choice<sup>1</sup> and is a baseline measurement for sustainable developments for the coming years. We consciously decided not to report overly strictly for now, but rather to broadly comply with a significant number of CSRD (Corporate Sustainability Reporting Directive<sup>2</sup>) requirements.

Le Duc Fine Food BV strives to provide reliable and transparent data and information. For the results regarding energy, water and waste, we also rely on data provided by third parties.



KEY FIGURES



**PACKAGING**  
PROPORTION (%) OF PACKAGING  
(PLASTIC + PAPER) PER KG. OF  
PRODUCT SOLD:  
**1.26%**  
2023

EMPLOYEE SATISFACTION:

**7.6**

**85%**  
EMPLOYABILITY  
IN 2023

**PERSONNEL**  
**166**  
EMPLOYEES  
108 MALE | 58 FEMALE

Product capacity



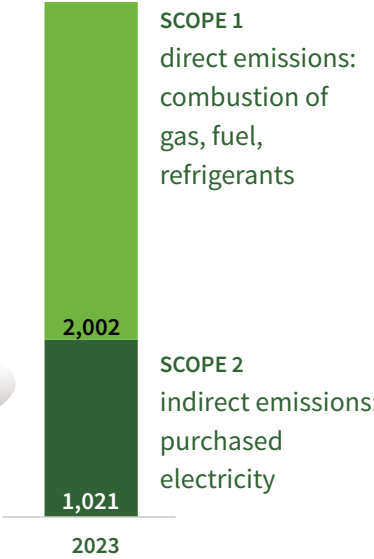
**€72** MILLION  
TURNOVER IN 2023 +  
ACTIVE IN **70 COUNTRIES**  
WORLDWIDE



LOCATIONS  
Stellendam:  
Dirksland



**EMISSIONS TONS OF CO<sub>2</sub>e**





# 1

## WE ARE LE DUC VEGGIE

### A BRIEF HISTORY

As the son to the founder of Hertog IJs (Ice Cream), Dick den Hertog was, in his own words, 'born in the freezer'. At the age of twenty he started working in his father Willem's business. When his father sold the company, Dick continued his career in the frozen bakery industry. Den Hertog became the owner of a company with seven employees, specializing in fried mini-bakery products such as donuts and apple fritters, but also savory snacks. The company was renamed: Le Duc (the French word for 'Hertog') was born.

When the patent on preformed onion rings expired, Le Duc became the first producer in Europe to focus on the production of this popular American snack. The huge demand for preformed onion rings brought growth for Le Duc, allowing the company to further specialize in plant-based snacks for food service, quick service restaurants (hereinafter: QSR), and retail. Following a step-by-step phasing out of the bakery products, since 2004 Le Duc Fine Food has been focusing solely on producing vegetarian snack products. While the onion ring was by far the most popular product, potato wedges and breaded mushrooms were also added to the range. Soon thereafter, the company introduced the first cheese snacks, thus further expanding the range of vegetarian snacks. At that time, Le Duc was already supplying its products to a large number of countries, including outside Europe.

In 2006 Le Duc built a new factory in Stellendam as the company continued to grow step by step. Innovation, quality and a market-oriented approach proved to be the key to success. With a fine-tuned strategy, Le Duc started offering chefs and food service professionals vegetarian alternatives that managed to hold their own in taste and quality. As such, Le Duc was one of the first companies to focus on meatless snacks, even before vegetarian food became trendy.

Meanwhile, Le Duc was expanding to about 35 employees between 2006 and 2016. With the arrival of two new packaging lines, the company was better able to respond to the increasing demand in foodservice, QSR and retail.

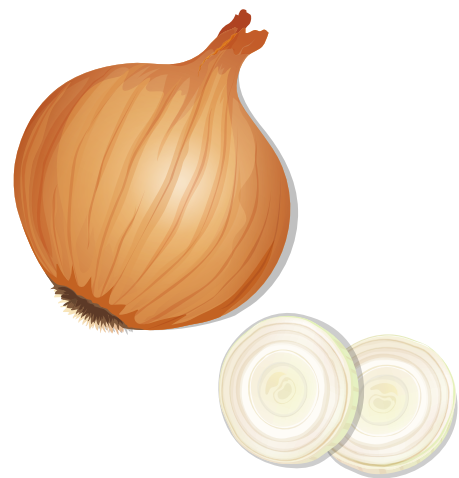
In 2023 Le Duc celebrated its 25th anniversary with a variety of special onion rings available in different formats, from mini to giant. At that time, Le Duc delivers the Le Duc Veggie assortment to around seventy countries all over the world and had a turnover of €72 million. In 2024 Le Duc publishes its first CSR report and sustainability becomes an integral part of its business strategy and approach.

## OUR STRATEGY

Le Duc Veggie specializes in the development, production and marketing of high-quality vegetarian snacks made from vegetables and cheese. Our ambition is to continue to grow in these product groups in the coming years, and to develop new, smart, responsible products based on other vegetables.

## OUR ASSORTMENT

Le Duc Veggie and Le Duc only offer vegetarian products made from mainly plant-based raw materials. Our assortment consists of a variety of product groups that we supply to various international business-to-business companies and retail. We make the following diverse range of products with these basic raw materials:



### Onion

- › Preformed onion rings, with different coatings (battered/breaded)
- › Cut onion rings, with different coatings (battered/breaded)

### Cheese

- › Pure cheese and melt cheese blends, with different coatings (battered/breaded)
- › Cheese combination snacks (vegetable, jalapeño, macaroni), with different coatings (battered/breaded)

### Vegetables

- › Mushrooms, with different coatings (battered/breaded)
- › Vegetables, with different coatings (battered/breaded)
- › Vegetable combination snacks, with different coatings (battered/breaded)

### Potato

- › Potato wedges with coating

### Veggie patties

- › Cheese patties, with different coatings (battered/breaded)
- › Vegetable patties, with different coatings (battered/breaded)
- › Cheese/Vegetable combination patties, with different coatings (battered/breaded)

## TRENDS AND DEVELOPMENTS

Specific trends that affect Le Duc's playing field:

- › Consumer demand is shifting to more eating occasions in a day
- › Consumer demand is shifting to healthier, fresh and easy meals
- › Flexitarianism<sup>12</sup> is becoming more mainstream
- › Increasing demand for convenience products due to a shortage of (experienced) cooks and staff
- › Sustainability is leading:
  - CO<sub>2</sub>footprint<sup>13</sup>
  - Chain transparency<sup>14</sup> regarding human, animal and environmental impact
- › Increasing demand for cooking with as little waste as possible



## 1.2 Le Duc Sustainability Team

Le Duc has ambitions to make sustainability a real part of its business operations. This is only possible if the people on the work floor understand its importance, pass this on throughout the organization, and share it within their own teams and departments. Le Duc's Sustainability Team is cross-functional and consists of six motivated professionals. Each team member is responsible for one or several focus areas.

Introducing...

### ERIK JAMIN – BUYER

Erik has been working for Le Duc for twenty-two years. He has witnessed, in a variety of roles, the company's development into what it is today. As a buyer, he can see the development and demand for sustainability continue to increase. Given that Le Duc uses a lot of plant products, the dependence on climate and harvests is high. As a result, continuity sometimes needs to prevail over the most responsible choice.

*"In my role as a buyer, creativity can yield considerable savings. Managing our stocks and streamlining our raw material flows and recipes, for example, are important ways when it comes to preventing waste."*

### GUUS MISSET – OPERATIONS MANAGER

With a background in quality and R&D, everything comes together for Guus in his current role as operations manager. Guus is Le Duc's go-to person when it comes to knowing processes down to the finest detail. He is all about efficient and smart production. Committed and healthy employees are the key to success, according to Guus.



Above left to right: Erik Jamin, Jaco van Nimwegen, Kylian Dokter. Below left to right: Ilona den Boef, Guus Misset, Linda van den Heuvel.

*"Sustainability is an important license to sell for Le Duc. This means that we should not always simply follow customer demand, but must dare to increasingly demonstrate leadership by making choices that are responsible, but may also cost a little more."*

#### JACO VAN NIMWEGEN – HEAD OF TECHNICAL SERVICE

When Jaco joined the business as Head of Technical Service in 2020, he was no stranger to Le Duc. In the early days of his career, between 2002 and 2010, he had already supported the technical department as a mechanic. Jaco leads a team of nine technicians. Automation is his strong point, for example, Jaco continuously drives efficiency by using smart sensors. This, in turn, leads to savings in energy and in costs.

*"I always choose quality. A high-quality electric motor may be slightly more expensive, but it will easily last five times longer than a cheaper option. To me, that is what sustainable choices are about."*

#### KYLIAN DOKTER – BUSINESS CONTROLLER

Kylian joined Le Duc in 2022, bringing a background in accounting. Soon afterwards, he moved up to the position of business controller. Kylian enjoys making processes measurable and insightful. As a data specialist, he played an important role in the preparation of this report.

*"If we make our processes as transparent as possible with the help of data, there are many opportunities to save. And I don't just mean financial savings."*

#### LINDA VAN DEN HEUVEL – TRADE MARKETING MANAGER

Linda started out at Le Duc as our packaging specialist. In the meantime, she has advanced to the role of trade marketing manager, although packaging still has her attention. Linda is proud of Le Duc's switch to fully FSC-compliant boxes. She also spies plenty of opportunities to position the Le Duc Veggie brand even more as truly responsible in the coming years.

*"Le Duc Veggie is a product portfolio that is fully in line with the ever-changing food market. Vegetarian snacks are the future. If we can succeed in making our own processes more sustainable, our relevance will only continue to increase."*

#### ILONA DEN BOEF – QUALITY MANAGER

When Ilona joined Le Duc in 2022, she found a fast-growing company of real entrepreneurs. The quality department joins many dots together – from product quality to attention to staff. Our customers' sustainability requirements are also one of the quality department's responsibilities. Ilona is straightforward and open and hopes that the developments in sustainability will also bring more transparency for Le Duc.

*"Companies that adopt a sustainable approach can meet their needs without compromising the needs of their customers, stakeholders or our planet. Sustainability is part of the fabric of their corporate culture. It is part of their values, and supported by a robust quality management system. Today's quality is tomorrow's sustainability."*



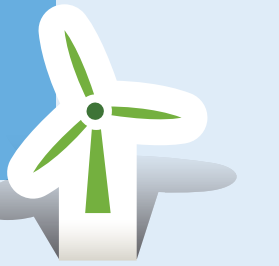
# 2 | SUSTAINABILITY ACCORDING TO LE DUC FINE FOOD

In order to be clear on where we stand as Le Duc Fine Food and what we need to improve, we started by delving into exactly what the container concept of 'sustainability' encompasses for our activities. Given the number of different departments, activities, people and customers that sustainability affects, we have started to appoint focus areas within the Sustainability Team. These focus areas help us to work on that complex and comprehensive understanding and link it to more concrete objectives and actions, with success stories and issues we want to start working on soon. Le Duc has defined the following six focus areas:

- 1. Energy
- 2. Packaging
- 3. Raw materials
- 4. Waste, residual flows and water
- 5. Food safety, quality and responsible products
- 6. Good governance and being a good employer

In the next chapter, we will explain in more detail which sustainability factors influence our activities in each focus area. We will delve deeper into the stories and projects within the specific focus area that we are proud of and that have already resulted in improvements. We also plan to formulate which projects we are looking to start in order to achieve our objectives of further encouraging sustainable developments here at Le Duc.

## FOCUS AREA I



### 2.1 Focus area 1: Energy

Our business process requires a lot of energy. We use gas and electricity, especially for baking, cooling and freezing our products. We are keen to get more of a grip on our consumption and handle energy more consciously and efficiently through concrete objectives. We ask ourselves the following questions in this process:

- 1. Can we save energy?
- 2. Can we use more natural energy sources, such as sun or wind?
- 3. Where there is no alternative to fossil fuels (yet), how can we use them as efficiently as possible?
- 4. The final step is: can we compensate for the remaining CO<sub>2</sub> emissions?

There is much to be gained for us, particularly when it comes to reducing energy consumption and purchasing electricity and gas from natural resources. In this area, we are already doing a lot as well. We provide an overview of the steps we have already taken and the opportunities we identify.



## IN PRACTICE

### 1. CO2 footprint according to the Green House Gas protocol

During the course of 2023, we aligned our CO<sub>2</sub> footprint with the Green House Gas protocol<sup>1</sup> for scope 1 and 2. This process, along with the final footprints, helps us to formulate clear targets and ensure that our emissions continue to be reduced.

Scope 1:  
direct emissions from sources owned or managed by Le Duc:

- › Natural gas for heating and our baking process
- › Fuel for vehicles
- › Refrigerants for our cold stores
- › Water purification for our process water

Scope 2:  
indirect emissions from purchased energy

- › Electricity – green or grey

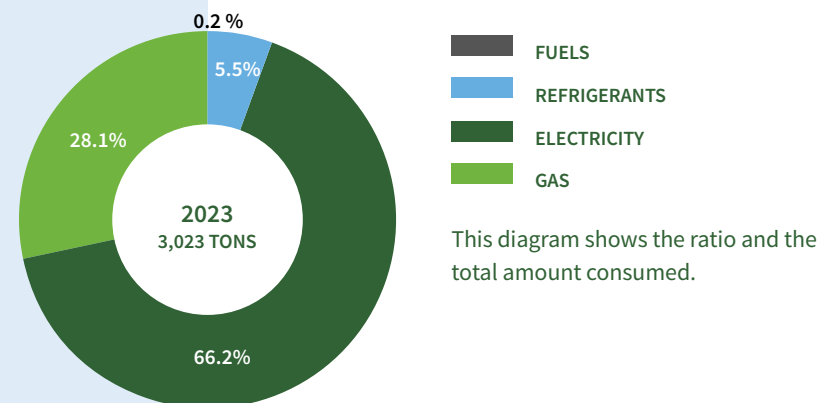
In our compilation and calculations of the 2023 footprint, we were supported by Greener Company's external specialists. They have calculated and validated this footprint according to the requested standards.

### 2. Energy savings that we are proud of

Our production process has seen several innovations over the past three years that have resulted in savings. We have listed a few of these innovations:

#### COMPRESSORS

Compressed air is used throughout the production process to set machines in motion. Examples include the packaging and automated batching of our snacks. Two years ago, we switched from water-injected compressors to oil-powered compressors. This has yielded efficiency gains of 7.5 kwh per cubic meter to 6 kwh per cubic meter of compressed air; amounting to savings of about 15 percent. In addition, we use the residual heat from these compressors to heat the boiler water we use in our cleaning process.



This diagram shows the ratio and the total amount consumed.

#### AIR-CONDITIONING SYSTEMS

In 2022, we replaced our office air conditioners with new energy-efficient and CO<sub>2</sub>-based (R744) climate control systems. Our old air conditioning systems ran on Freon, which is a more harmful synthetic refrigerant. This is a great step that means we are no longer dependent on synthetic refrigerants, and at the same time have more energy-efficient installations in use.

Synthetic refrigerants such as R507a have a global warming potential (GWP) of 3986 and are therefore almost four thousand times more harmful than a kilogram of CO<sub>2</sub>. The impact of refrigerants on the CO<sub>2</sub> footprint is only calculated when they are replaced, for example when they escape from the climate system due to leakage. With a view to the future, we have ambitions to replace synthetic refrigerants with natural refrigerants in our other refrigeration plants and cold stores. In most cases, this means that the entire installation needs to be replaced.

#### REFRIGERATORS AND COLD STORES

The refrigerated and frozen storage of our raw materials and products is another energy-intensive process. In 2022 we replaced two of our old, Freon-operated cold stores. We replaced these with two excellently insulated cold stores, equipped with CO<sub>2</sub> installations.

Our next aim is to also tackle our cold store in Dirksland. Located 12 kilometers from Stellendam, we still store a part of our produced snacks in a climate of -18 degrees. This cold store is outdated and in need of replacement. We are hoping to build a new, modern and energy-efficient cold store in Stellendam in the short term. Doing so would mean killing two birds with one stone, since we would also save on the journeys between production and storage.

Our current cooling and freezing capacity generates enormous amounts of residual heat, expected to be about 350 kwh. It would be fabulous if we could use this residual heat as an energy source for other processes, but at the moment we have not sufficiently mapped out what we could use this heat for.

#### LED LIGHTING

The lighting plan for our office environment has been mostly based on LED lighting for several years. In 2022 we replaced a large part of our factory with sensor-controlled LED as well. Step by step, we will continue to expand the rest of the factory with LED. Any broken fluorescent lamps will be replaced by LED immediately. In this way, Le Duc's entire lighting plan is expected to consist of LED lighting by 2025.

### 3. The final step towards 100% green electricity and green gas

#### Electricity

Le Duc has been choosing green electricity since 2022. Since we work with several energy providers, we have gradually switched to electricity from natural sources such as solar and wind. As of 2024, we will be purchasing 100% green energy, about 25% of which will come from the Solarvation solar park in Lelystad, a great direct relation with which we stimulate the use of local green energy.

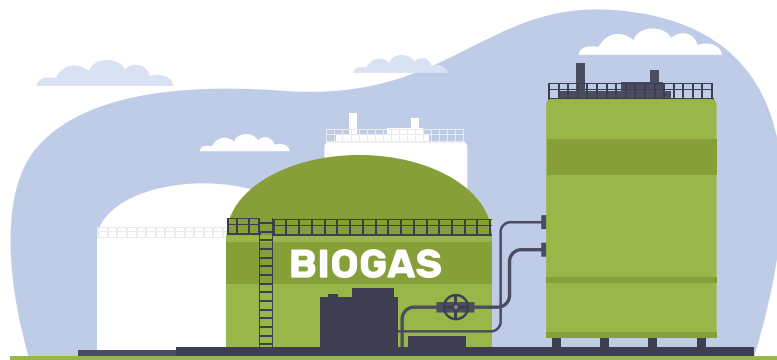
Le Duc has also been trying for years to make the move to using its own solar panels. The combination of solar panels and cold stores is proving to be a challenge for many insurance companies. The result is that the costs of building insurance increase to such an extent that a solar park on the roof of our production sites is not financially viable. Nevertheless, the insurer has announced a relaxation of the rules.

## Gas

Unfortunately, making our baking process electric is still very challenging at the moment. In addition to limited availability of full electric ovens, we are also facing many challenges with the electricity grid. Due to grid<sup>3</sup> congestion, energy-intensive processes, such as baking, cannot be switched to electric just like that. That is why we have opted for switching to green gas in 2024. Unlike natural gas, with green gas there is no need for fossil fuels. This is because green gas is made from organic residual material, such as sewage sludge and manure. Common technologies to achieve this include fermentation and gasification. The biogas that is produced in this way is captured and improved, to make sure it has the same quality as natural gas.

## SBTi:

In order to reduce our impact on the climate, we have drafted an ambition that is in line with science. The renowned Science Based Initiative has issued guidelines for setting a climate target to prevent the earth from heating up more than 1.5 °C. We have followed these guidelines, (but are not (yet) certified).



## OBJECTIVES & ACTIONS

Below is an overview of the objectives and actions to which Le Duc is committed.

### Objectives:

- › An absolute reduction of 42% in CO<sub>2</sub> by 2030 compared to 2023
- › 100% of purchased electricity should be green by 2030
- › No CO<sub>2</sub> emissions in 2050 (0 emissions scope 1 and 2)
- › Realization of our own solar panels by 2025

### Actions:

- › Exploring realization of new cold store to replace the Dirksland cold store
- › Plan of action toward phasing out synthetic refrigerants
- › Plan of action toward transformation to electric leased vehicle fleet
- › Drafting an energy savings plan for further savings on scope 1, 2
- › Plan of action to gain insight into our climate emissions in the chain (Scope 3)
- › Certifying our SBTi targets.



## FOCUS AREA 2



## 2.2 Focus area 2: Packaging

Packaging is an important point of attention for Le Duc, and for our customers. The most important function of packaging, in food service as well as retail, is that it safeguards the preservation of quality, shelf life and ease of use. Packaging also plays an important role when it comes to transport. Plastic has proven to be an extremely useful solution for optimal shelf life of many frozen food products. Nevertheless, single-use plastic or paper packaging has a negative impact on the climate. In 2023 we purchased almost 280,000 kg of PE foil and about 4.75 million cardboard boxes. We handle these huge quantities with due care. The use of packaging materials is a major theme throughout the food sector. Here at Le Duc, too, we are always working to find more efficient, smarter and more user-friendly packaging. At the moment, we are considering the following two options to make our packaging portfolio more sustainable:

1. Using fewer raw materials per package;
2. Opting for recyclable packaging.

In the long run, we also want to take a closer look at possibilities that can help us to develop new, smart packaging solutions that reduce the use of *single-use* raw materials.



## IN PRACTICE

### 1. Overview of packaging portfolio and percentage of recycled content

All primary packaging Le Duc uses consists entirely (100%) of LDPE (low-density polyethylene). We supply these bags to various customers in a variety of thicknesses ranging from 45 microns to 75 microns. The raw material for LDPE is 100% recyclable, if unused. If used, whether the material can be reused depends on the country, the collection method and the waste processor. We send unusable and rejected residues away for recycling.

### 2. 100% FSC cardboard

In 2021 Le Duc took a conscious step toward 100% FSC cardboard boxes and has also incorporated this into the packaging policy. FSC is the acronym for Forest Stewardship Council. The FSC quality label provides assurance that the raw material for (among other things) paper and paper products comes from responsibly managed forests. In other words, the ecological, social and economic aspects of forest management are taken into account in a balanced manner. In 2023 it concerned 4.75 million boxes: quantities that make an impact.

### 3. Consciously reducing customization

Le Duc has a wide variety of customers in food service, QSR and retail. Many of our customers have specific packaging requirements when it comes to the type of material or printing, labeling and transport. We try to package according to our customer's wishes wherever possible. Nevertheless, specific requirements reduce efficiency and, in some cases, lead to choices that are not ideal for us. If Le Duc really wants to make a difference, we must not be afraid to make sharper choices from a sustainability point of view by no longer offering specific packaging solutions. Doing so

results in smarter solutions, less variety in raw materials and less waste. As of 2024, Le Duc wants to take a clear stand and work with our packaging suppliers to achieve the most sustainable packaging solutions with the lowest possible impact on people, animals, and the environment.

## OBJECTIVES & ACTIONS

Below is an overview of the objectives and actions to which Le Duc is committed.

### Objectives:

- › 5% less packaging material in kg per kg of product sold by 2025 compared to 2023

### Actions:

- › Drafting concrete frameworks and requirements (material, printing, weight) that any packaging Le Duc delivers must meet
- › Plan of action on how to prevent waste of unused packaging materials
- › Plan of action to reduce incoming flows of packaging



## FOCUS AREA 3



## 2.3 Focus area 3: Raw Materials

Our choices when it comes to the raw materials we buy for our products can make a big difference. These choices carry few major risks for our vegetarian products. If we gain more and better insight into how the raw materials for our vegetables and cheese are grown and processed, we can make our chains more transparent. In this way, we can limit the impact on climate, people, and animals and ensure that our customers can continue to enjoy our snacks without having to worry about their origins.

Because we deliver our high-quality vegetarian snacks to customers all around the world, we have noticed that the requirements of our customers can vary significantly. Sometimes, this means that we need to purchase raw materials from different suppliers.

We want to tell you more about how we select our raw materials, where we get them from and how we make sure that our snacks are not only tasty, but also good for the world around us.

IN PRACTICE

1. Overview of the origin of raw materials

Le Duc's raw materials file may be large in size, but it is less large in diversity. Here is an overview of our main ingredients for our delicious snacks, their origin and certification:

| Raw material           | Origin                  | Certification                |
|------------------------|-------------------------|------------------------------|
| Onions                 | Poland                  | GFSI, Sedex                  |
| Flour                  | Netherlands             | GFSI, Sedex                  |
| Breadcrumbs (naturel)  | Netherlands/<br>Germany | GFSI                         |
| Wedges                 | Netherlands             | GFSI, Sedex, RSPO            |
| Sunflower oil (bulk)   | Germany                 | GFSI, Sedex, ISO 50001       |
| Palm oil               | Netherlands             | GFSI, RSPO SG                |
| Onion binding agent    | Spain                   | GFSI, RTRS                   |
| Mozzarella             | Belgium                 | GFSI, VCDO, Sedex            |
| SKZ (processed cheese) | Austria                 | GFSI, Der Grüne Punkt, Sedex |

2. Frying oils free from palm oil by 2025

Frying oil is an important raw material for Le Duc. All the products we supply are deep fried in frying oil. Many frying or cooking oils consist of a ‘blend of sunflower oil and palm oil in order to achieve the best frying results. The vegetable palm oil that is processed in the blends is a raw material that is the subject of much debate.

Although palm oil has a very high yield per hectare, the cultivation and production of the saturated material comes with a high risk of deforestation of rainforests. The working conditions of palm oil farmers often leave much to be desired as well. Although we are currently still using blends with RSPO segregated palm oil, we are getting ready to take measures to start using palm oil-free blends. In other words, we will stop purchasing cooking oils that contain palm oil as of 2025.

RSPO is the quality label of the Roundtable on Sustainable Palm Oil (RSPO). The aim of the RSPO is that only palm oil that has been produced sustainably is processed in the future.

The cultivation of RSPO-certified palm oil does not adversely affect primeval forests and other areas of high natural and cultural value. Fewer pesticides and fertilizers are used for cultivation than is usual in non-certified cultivation. The quality label sets criteria for respecting the rights of farmers and the local population. The requirements are fine-tuned every few years.

In addition to certification with quality labels, the RSPO also focuses on improvements among small-scale farmers, allowing them to produce more sustainably, increase their palm oil production and increase their income. 30 to 40 percent of palm oil is produced by small-scale farmers. If production per hectare increases, expansion of plantations will not be needed, or to a lesser extent, to meet the increasing demand. This can be achieved through improved production methods such as better palms. Source: WWF

3. Our lifeline: onions

Onions have been an essential raw material for our company for more than twenty years. Onions are grown in abundance around Stellendam, and in the rest of the Netherlands. We also source a lot of onions from Belgium, Poland and Germany. These onions have the same flavor profile and adhere to the highest quality standards. Given that onions are harvested only once a year, often between May and July, the storage of onions is also important. Thanks to storage in specialized climate-controlled barns, the onions maintain their quality all year round.

Onions are a natural product, which is why in the process of sowing, planting, growing and harvesting, the climate significantly affects quality and availability. Since harvests may vary, the availability on the world market also fluctuates.

Onions that are fresh from the land have a tough skin that protects them from external influences. Before we can process the onions into our preformed rings, we need to remove the skin. The onions are peeled in Poland, where they are stripped of their coat partly by hand, partly by machine. Even taking into account the additional transportation costs, the peeling stations in the Netherlands cannot compete with those in Poland. Peeled onions from the Netherlands are more expensive on average. The availability and quality of machine-peeled onions continue to increase. One significant disadvantage of machine peeling is that there is currently still a significant product loss of 30%, while manual peeling gives a better result. Reducing waste is an important motivation for us to opt for manual peeling.

We absolutely need to make smarter choices when it comes to purchasing and processing of our raw materials. That is why we ultimately want to calculate the footprint of our products and make choices based on this that help us to shorten chains and reduce food miles . Doing so can lead to shorter supply chains, for example. We still have considerable steps to take in this area, but we already notice that we can distinguish ourselves on this.

OBJECTIVES & ACTIONS

Below is an overview of the objectives and actions to which Le Duc is committed.

Objectives:

- › By 2026, Le Duc will no longer use palm oil in its cooking oil

Actions:

- › Plan of action for reducing food miles<sup>5</sup> of our raw materials
- › Plan of action for mapping the sustainability risks in the chain of our top-10 of raw materials
- › Making 'sustainability' part of the purchasing conditions

## FOCUS AREA 4



### 2.4 Focus area 4: Waste and Residual Flows and Water Consumption

Limiting waste and residual flows is the fastest way to improve matters. This means that we process the raw materials that we purchase as efficiently as possible, throw them away as little as possible and ensure that the products we produce can be used for as long as possible. This is not self-evident, considering that a third of all food worldwide is thrown out. 30-50% of this food waste is discarded by end users or consumers. The rest of the waste happens during production by the processor, and can often be avoided. Therefore, it is our responsibility to properly map every waste and residual flow and to improve it where possible.

Even when we consider the use of water in our production process, it is plain to see that high-quality clean water is not a matter of course. That is why we want to get a better grip on the water we need for cleaning during our production process and the purification we do ourselves.

#### IN PRACTICE

##### 1. Overview of waste and water separation

During the past three years, we have mapped a large part of our waste and residual flows. What is striking is that the figures appear fluctuate and cannot be explained as a matter of course. However, it has become clear that the majority of our organic streams are used for feed or fermentation.

| Type                              | 2022      | 2023      |
|-----------------------------------|-----------|-----------|
| Residual waste (tons)             | 651,320   | 438,970   |
| Paper/cardboard (tons)            | 120,990   | 332,160   |
| Pallets (tons)                    | 250       | 240       |
| LDPE                              | 3,320     | 2,970     |
| Residual stream feed              | 2,122,060 | 1,546,195 |
| SLUDGE/residual flow fermentation | 1,036,930 | 1,437,690 |
| used frying oil                   | 15,140    | 23,260    |

##### 2. Residual flows with higher valorization

In recent years, we have started separating our waste streams more efficiently. The result is that our waste processor manages to valorize the remains that we are unable to use in another way<sup>6</sup>. For example, we have managed to improve separation of our waste, which has increased the proportion of organic dry matter. This stream can now be more easily used for animal feed.

Using less diverse recipes can also help us to reduce the proportion of waste and residual flows. At the moment, we are using different recipes for different customers and thus also different breeding solutions. As a result, large batches of breadcrumbs are left behind that cannot be easily used. This is a point of attention for the coming years.

#### From flag to bag

Our production site in Stellendam proudly flies various Le Duc flags. We recently replaced the old ones with flags bearing our new logo. We have transformed our old flags, which were made of sturdy material, into beautiful unique bags.



3. *Water and air purification*

Le Duc has an in-house water treatment plant that cleans the water that remains after the weekly cleaning of our production lines and floors. In addition to fat, this contaminated stream also contains organic residues, such as pieces of cheese, breadcrumbs and onions. We are only allowed to discharge this contaminated water into the sewer after the water has been treated by our water purification system. What remains is water that, according to the standards of the water board, may be discharged into the sewer, and a flow of solid residues. We have also made efficiency gains in the processing of these residual flows in recent years. The dry matter content is higher since we collect the sludge in a different manner, making it easier to be processed into biogas, for example. We have also taken a step forward in the transport of these residues, in collaboration with our waste processor. Since two years now, these waste residues are no longer collected every three weeks. Instead, we pump these residues into a closed tank that is collected once every fortnight by a full bulk truck, which also reduces transport movements.

Baking our vegetable raw materials results in the release of the necessary baking vapors, which we clean with our gas scrubber by letting the vapors precipitate. As a result, our odor emissions are lower and our environment suffers as little as possible from our baking processes. Given that our factory is situated on a Natura 2000<sup>7</sup> site, it is important to continuously consider the environmental requirements.

|                                 | 2022   | 2023   |
|---------------------------------|--------|--------|
| Supply via main water pipe (m³) | 36,045 | 39,358 |
| Water Treatment                 | 19,745 | 21,424 |

OBJECTIVES & ACTIONS

Below is an overview of the objectives and actions to which Le Duc is committed.

*Objectives:*

- › By 2025, Le Duc will reduce its residual waste per kg of product sold by 10% compared to 2022

*Actions:*

- › Plan of action to minimize food waste
- › Plan of action to explore, together with our waste processors, better valorization of our residual flows
- › Plan of action to improve the quality of wastewater



FOCUS AREA 5



2.5 Focus area 5: Safety and Quality

Food safety and quality are of the utmost importance, since they directly affect the health and well-being of our customers. Only by continuously meeting the highest standards and guidelines can we produce the very best veggie snacks that comply with the great variety of requirements of various customers from all over the world. We stand for raw materials and recipes of the highest quality and for the safety of our employees.

Together, we work to foster a culture in which a safe working environment is central, and together we safeguard products of the highest quality. That may sound obvious, but it doesn't come naturally. At Le Duc, we focus on developing a culture that fosters food safety; this requires consistent commitment and involvement at all levels, with senior management promoting the importance of this goal by setting a good example on a daily basis: leading by example.

IN PRACTICE

1. Audits and certificates

Every year we try to meet the highest standards. Some of these standards concern certifications from external parties that audit us to the standards they set. We include the points for improvement resulting from these audits in our continuous improvement plan. They are an important starting point for Le Duc to continue to innovate. Below is an overview of the audits carried out and certificates obtained:

|                             | 2021                                             | 2022                                                 | 2023                                                        |
|-----------------------------|--------------------------------------------------|------------------------------------------------------|-------------------------------------------------------------|
| Number of audits            | 11                                               | 13                                                   | 13                                                          |
| Number of successful audits | 11                                               | 13                                                   | 13                                                          |
| Certificates obtained       | IFS Higher level 95.98%/BRC-A/Halal/RSPO/V-label | IFS Foundation level 90.79%/BRC-A/Halal/RSPO/V-label | IFS Foundation level 92.19%/BRC-A /Halal/RSPO/SMETA/V-label |

**IFS** | IFS stands for International Featured Standards and was developed in 2003 with the aim of guaranteeing the quality and safety of the food chain for retailers and wholesalers.

**BRC** | BRC Global Standards is a collection of food safety standards aimed at organizations in the supply chain to retailers/supermarkets.

**RSPO** | The Roundtable on Sustainable Palm Oil is an international organization that was founded in 2004 to promote the production and use of sustainable palm oil.

**V-label** | The V-label is a product quality label that indicates that a food is guaranteed to contain no ingredients of animal origin. The European quality label is issued in the Netherlands by the Dutch Vegetarian Association.

**SMETA** | Sedex Members Ethical Trade Audit (SMETA) aims to promote and further develop ethical and socially responsible business practices and any associated 'best practices'.

**Koosjer (Kosher)** | Products that are prepared according to Jewish dietary laws and verified accordingly by rabbis receive the kosher certificate.

2. Halal: (Food) safety culture

The only way we can guarantee the safety of food products throughout our production process is to comply with strict rules and standards. This includes not being afraid to hold one another accountable when things are not going well. At Le Duc, we have room for improvement when it comes to holding one another accountable. To underline the importance of this aspect, we organized a training day on 1 December 2023 with a focus on the theme of safety. This topic is not only relevant to the Quality and Technical Service departments; it is the responsibility of everyone within the company. We discussed the awareness and importance of safety among each other through an interactive program with a variety of themes and topics. We did an escape room, for example, with questions about microbiology and the importance of hygienic working. We also had a training day on how to drive a pallet truck, walking escape routes and an instruction to extinguishing fires. The ultimate goal of this training day was increase awareness among everyone in the company on the importance of good cooperation. One important result of this day was our decision to launch an app that we can use to repeatedly train and test the various aspects of safe working. In this way, we are permanently paying attention to this theme and adding more depth.

3. Grip on health

The increase in overweight people is a clear trend worldwide. Governments are trying to increase the supply of healthy products in supermarkets and make consumers more aware of healthy options. One of the tools that have been used to encourage healthy behavior is the food choice label. The food choice label makes it possible to quickly check how healthy a product is. The World Health Organization (WHO) sees this type of label as a useful part of a package of improvement measures. A front-of-pack solution informs consumers about how a product performs in terms of ingredients such as sugar, salt, and fat. These ingredients have a negative impact on health when ingested in excess. Positive parameters such as fiber are also taken into account in the assessment.

Le Duc produces snacks: products for which flavor and enjoyment are paramount. We all know very well that snacks prepared in a frying pan will never be completely healthy. Nevertheless, several ingredients can influence the assessment for a food choice label. For example, by using less fat and salt or adding more fiber to our recipes. Given that Le Duc operates in more than 70 countries, it is crucial that we are aware of all existing food choice labels and how they operate. The underlying criteria of the traffic light (United Kingdom), the Nutri-Score (the Netherlands, France, Belgium) and Keyhole (Scandinavia) are all different, for example. The increasing demand for clean label products is another important trend. This is a label on foods that appear to be free of food additives that consumers might see as negative, such as the use of natural rather than synthetic coloring agents.

In the coming years, Le Duc wants to develop our own health policy in light of consumer wishes and preferences in terms of nutrients.

OBJECTIVES & ACTIONS

Below is an overview of the objectives and actions to which Le Duc is committed.

Objectives:

- › No accidents in the workplace, with an increasing reporting frequency
- › Successfully passing all quality audits
- › No product recalls

Actions:

- › Plan of action to formulate an improved standard for health and quality based on our in-house quality management system
- › Encouraging improvement of the reporting frequency around accidents
- › Plan of action to improve our grip on the quality risks in our chain



## 2.6 Focus area 6: Good governance and being a good employer

Our employees are our most valuable asset. As an employer, we try to set a good example in how we manage the company. This means that our employees also get to have a say in the day-to-day management. We are proud of the functioning of our Works Council and the recurring employee satisfaction surveys (ESS) that we have been carrying out frequently. A pleasant work environment is always a two-way street.

As a production company working in three shifts, we are well aware of the fact that the health burden resulting from this working method is considerable. Together with our people and the Works Council (WC), we try to keep this burden manageable, so that our employees can continue working for us, happy and in good health, for as long as possible.

### 1. Works Council

Le Duc Fine Food installed its own Works Council at the end of 2020. The WC was set up to reduce the distance between the employees and the management and to further increase the involvement of our employees in the company. The WC is a reliable partner that represents the interests of all employees and makes the link between employees and the management.

In 2023 the Works Council organized a variety of activities and meetings, including occupational health and safety training and a course on finances. The Works Council has also assessed several requests for consent and come up with proposals for initiatives. For example, an ESS has been set up and an application has been made for a bicycle plan.

Since the number of employees has now exceeded 100 employees, the Works Council will be expanded from 5 to 7 members.

### 2. Employee Satisfaction Survey

At the request of the Works Council, Le Duc carried out an ESS in 2023, to evaluate employee satisfaction, engagement and experiences. This is one way in which we hope to contribute to increasing productivity, reducing employee turnover, and a positive corporate culture. The response rate for the quantitative study was 73%.

Below are a few important results:

- Overall Satisfaction: 7.6
- Communication in the organization needs to be improved: 5.7
- Colleagues and freedom are the biggest drivers of employee satisfaction
- Work pressure is perceived as too high by 1/3 of employees
- 73% feel involved with the organization
- 74% have never felt uncomfortable in the workplace

We will continue to work with the results of the ESS in 2024. The WC will take the lead in this.

### 3. Good governance

Good governance is essential for organizations that strive to have a positive impact. This relates to the environment, but certainly also to social aspects (throughout the chain), ethics and the management of economic and operational risks (ESG<sup>8</sup>). Effective governance is crucial in order to formulate, implement and maintain sustainability objectives and to permanently encourage sustainable development in the organization. It requires the involvement of the director and senior management and clear communication by the organization. Involving stakeholders in these decision-making processes is also crucial for identifying and managing sustainability risks or material issues.

The board, management and senior management play a crucial role in developing Le Duc's sustainability strategies and objectives. We will embed any objectives and ambitions arising from this report into our organizational culture. Three of the five members of the Le Duc Sustainability Team are part of the Management Team. They will ensure accountability for the policies and the SMART<sup>9</sup> formulated objectives. This includes company-wide KPIs for issues such as energy consumption and waste, which can be read elsewhere in this report. In the coming years, we want to involve our most important stakeholders in formulating our plans, but also in monitoring our developments.

Ethical behavior is encouraged internally, since this is a solid foundation in our company's culture. The management team signals, discusses, evaluates and manages risks associated with the industry, such as climate change and changes in legislation and regulations, in order to ensure the organization's continuity. The MT and board focus on these issues by

creating a<sup>10</sup> code of conduct or similar document to establish our ethical values and make them a structural part of our actions internally as well as externally. This report signifies another important step for Le Duc.

## OBJECTIVES & ACTIONS

Below is an overview of the objectives and actions to which Le Duc is committed.

### Objectives:

- › Increase employee satisfaction score to >8 in 2025
- › Increase communication among staff score to >7 in 2025
- › Draft a code of conduct in 2024
- › Realization of a materiality analysis<sup>11</sup> in 2025

### Actions:

- › Drafting a communication plan to increase employee involvement and awareness of sustainability
- › Plan of action to encourage a healthy lifestyle for our employees



# 3

## OBJECTIVES & ACTIONS AT A GLANCE

### FOCUS AREA 1: ENERGY

#### Objectives:

- › An absolute reduction of 42% in CO<sub>2</sub> by 2030 compared to 2023
- › 100% of purchased electricity should be green by 2030
- › No CO<sub>2</sub> emissions by 2050 (0 emissions scope 1 and 2)
- › Realization of our own solar panels by 2025

#### Actions:

- › Exploring realization of new cold store to replace the Dirksland cold store
- › Plan of action toward phasing out synthetic refrigerants
- › Plan of action toward transformation to electric leased vehicle fleet
- › Drafting an energy savings plan for further savings on scope 1, 2
- › Plan of action to gain insight into our climate emissions in the chain (Scope 3)
- › Certifying our SBTi targets.

### FOCUS AREA 2: PACKAGING

#### Objectives:

- › 5% less packaging material in kg per kg of product sold by 2025 compared to 2022

#### Actions:

- › Drafting concrete frameworks and requirements (material, printing, weight) that any packaging Le Duc delivers must meet
- › Plan of action on how to prevent waste of unused packaging materials
- › Plan of action to reduce incoming flows of packaging

### FOCUS AREA 3: RAW MATERIALS

#### Objectives:

- › By 2026 Le Duc will no longer use palm oil in its cooking oil

#### Actions:

- › Plan of action for reducing food miles of our raw materials
- › Plan of action for mapping the sustainability risks in the chain of our top-10 of raw materials
- › Making 'sustainability' part of the purchasing conditions

### FOCUS AREA 4: WASTE AND

### RESIDUAL FLOWS AND WATER CONSUMPTION

#### Objectives:

- › By 2025, Le Duc will reduce its residual waste per kg of product sold by 10% compared to 2022

Actions:

- › Plan of action to minimize food waste
- › Plan of action to examine, together with our waste processors, better valorization of our residual flows
- › Plan of action to improve the quality of wastewater

## 5: FOCUS AREA 5: SAFETY AND QUALITY

Objectives:

- › No accidents in the workplace, with an increasing reporting frequency
- › Successfully passing all quality audits
- › No product recalls

Actions:

- › Plan of action to formulate an improved standard for health and quality based on our in-house quality management system
- › Encouraging improvement of the reporting frequency around accidents
- › Plan of action to improve our grip on the quality risks in our chain

## FOCUS AREA 6: GOOD GOVERNANCE AND BEING A GOOD EMPLOYER

Objectives: Increase employee satisfaction score to >8 in 2025

- › Increase communication among staff score to >7 in 2025
- › Draft a code of conduct in 2024
- › Realization of a materiality analysis
- › in 2025

Actions:

- › Drafting a communication plan to increase employee involvement and awareness of sustainability
- › Plan of action to encourage a healthy lifestyle for our employees

# GLOSSARY

- 1 Greenhouse Gas Protocol = The Greenhouse Gas Protocol sets the world's most widely used greenhouse gas accounting standards for businesses. The Greenhouse Gas Protocol sets standards and tools for countries and cities to track progress toward climate goals.
- 2 Breadcrumbs = coating with breadcrumbs
- 3 Grid congestion = literally, it means: a traffic jam on the electricity grid. This occurs when the grid reaches full capacity.
- 4 Blends = mixtures
- 5 Food miles = Food miles means the distance food is transported from the time it is made until it reaches the consumer. Food miles are one of the factors used in testing the environmental impact of food, such as the ecological footprint of food.
- 6 Valorization = Companies that manage use their residual flows for products with a higher value, according to the Lansink Ladder, 'valorize' them better. For example, preventing waste is better than recycling waste.
- 7 Natura 2000 site = a network of nature protection areas in the territory of the European Union. This network forms the cornerstone of the EU's biodiversity conservation and restoration policy.
- 8 ESG = Environment, Social, Governance. ESG aspects.
- 9 SMART = The SMART principle is management or pedagogical jargon for the simple and unambiguous setting and monitoring of objectives.
- 10 Code of conduct = A code of conduct is an explicit description of the standards and values that apply to the conduct of certain professions or specific situations in the actions of organizations. It is a form of self-regulation.
- 11 Materiality analysis = This analysis helps organizations identify material topics based on financial as well as impact materiality. This analysis is carried out among a broad group of stakeholders of the organization. These material topics are the basis of CSRD reporting.
- 12 Flexitarianism = A semi-vegetarian diet that involves not eating meat one or more days a week.
- 13 CO<sub>2</sub> footprint = An ecological footprint: a calculated value or index of the total amount of greenhouse gases that an activity adds to the atmosphere. The carbon footprint is usually reported in tons of emissions per unit of comparison.
- 14 Chain transparency = mapping the raw material chain from source to plate.



## COLOPHON

Le Duc Fine Food

### Realization

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