

# Build together on sustainable growth.

Integrated annual report 2023/2024



Innovation by nature  
since 1919

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### INTEGRATED ANNUAL REPORT 2023/2024

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# I. Foreword



I would like to start this foreword with a word of thanks to the team and farmer members of Royal Avebe. Thank you for your energy, effort, commitment and achievements. It was another challenging year, both within the macro-economic framework and in the fields. And in that context, we delivered a solid performance together as one Avebe, despite not being able to maintain the upward trend in potato money. We also implemented a new strategy that will help us in accelerated growth and additional value in the coming years.

### Challenges in the fields

At harvest time, it was extremely wet. Our growers faced challenge after challenge, resulting in lower yields and some plots not being able to be uprooted at all. Even though everything at Avebe starts with a good potato harvest.



### Challenges in the economy

In the macroeconomic environment, we started the financial year where we ended the previous one. Globally, there was a recession and declining consumer demand with, at the same time, high energy prices permeating everything. Due to all these external challenges, we had to make sharp choices and the performance indicator (formerly: performance price) did not break records this year, partly due to some one-off costs. Multi-yearly, we are able to continue to grow and build a solid foundation for a higher payout price. Even if conditions are challenging. This growth is also necessary to keep starch potato cultivation attractive.

### Further with Accelerate and Strengthen

The new strategy Accelerate and Strengthen therefore focuses on accelerating the creation of added value for our farmer members and customers as well as our employees. Our strategy allows us to make faster, bigger strides in payout price growth in the medium term. Looking at the past year, I am confident that we will succeed if we work on this together and as one Avebe. Putting our shoulders to the wheel together and working collectively for a better result!

*David Fousert, CEO Royal Avebe*

## 2. Report of the board of directors



## 2.1 Report of the board of directors

In this turbulent year, we will not reach the payout price we achieved for starch potatoes last year. But if we remain committed as one Avebe, the outlook is absolutely positive. As Royal Avebe, we are in a transition towards accelerating the creation of added value for our members and customers. The main focus this year is to focus and strengthen so that we can accelerate growth in the medium term. Over the last three years, we have shown growth in terms of payments to our members. And that is absolutely necessary to keep starch potato growing sufficiently attractive.

### Two drivers with impact on price

We started this financial year where we ended the previous one: in a macroeconomic environment with global recession, declining consumer demand and pressure on prices. Firstly, this reduced Avebe's sales volume. The second factor affecting the performance indicator is some one-off costs, such as the decision to sell the entity in Turkey. Here we choose to strengthen the balance sheet and bring focus in line with our strategy. This while strengthening our position in the region and focusing on creating more added value through a strategic partnership with Brenntag.

Avebe ends the financial year with a performance indicator of 118.62 euros per tonne of starch potatoes. Compared to last year, this represents a step backwards. The cooperative result this financial year is 2.6 million euros.



” As Royal Avebe, we are in a transition towards accelerating the creation of added value for our members and customers

### A strengthened financial basis

Due to the global recession and some one-off costs, the impact we are making is not directly reflected in potato money. However, growth can be found in a number of other financial key figures. For instance, solvency improved by 6.2 per cent to 36.4 per cent, with us aiming for 40 per cent. Equity has also grown, cash flow is healthier and both accounts receivable and inventories are lower. In short, a better balance sheet that should start paying off in potato money with the expected growth in returns.

### Customer focus in times of recession

Although we had a lower production volume due to the processing of fewer potatoes and sales volume fell by 8 per cent, the drop on net sales is much smaller at 3 per cent. In relative terms, net turnover fell less sharply than sales volume because we are increasingly successful in bringing Avebe's added value to the market. In the new [growth strategy Accelerate and Strengthen](#), the customer is central, and we emphasise the accelerated shaping of the distinctive value in our product portfolio. The commercial team has improved several commercial processes, and we work more intensively with customers to develop solutions to their challenges. We do this by providing them with broad support and advice from our Innovation Center.

### Continuation of strategy | Accelerate and Strengthen

In this first year of the strategy Accelerate and Strengthen, we are organised more as one Avebe and it is already clear that the new strategy makes us stronger and more agile. This is partly due to a clear and transparent annual operating plan, the leadership days, the Connection Talks, also known as the canteen sessions, and the more professional way of communicating, both internally and externally. The new strategy is being implemented at all levels. Our story resonates. We are increasingly part of the solution, both for farmer members, customers and employees, as well as for regional partners, national politics and other external stakeholders.

### Cost base

In addition to focusing on strategy and revenue, last year we also very consciously focused on a structurally lower cost base. For instance, we achieved an annual energy reduction of 1.1 per cent. We will maintain this line in the coming years. We have saved on packaging materials, transport costs and, in addition, the potato campaign is more flexible and therefore more efficient. Optimising the cost structure is an ongoing process, both in our product portfolio and commercial processes and in the campaign and at production sites.

### Investments

A total of 38 million euros was invested in the 2023/2024 financial year. This included a focus on keeping our production lines up to date, and our factories were further automated and efficured. Moreover, investments were made on achieving our sustainability targets, which are in line with the Paris Climate Agreement 2030.



In this first year of the strategy Accelerate and Strengthen, we are organised more as one Avebe and it is already clear that the new strategy makes us stronger and more agile

### Innovations and sustainability

Cutting costs goes hand in hand with further sustainability and reducing our footprint. The drivers of our strategy are innovation and sustainability. We see strong developments, for instance, in the [improvements in the water program](#) and the [CO<sub>2</sub> reduction in the procurement package](#). We are also taking the necessary steps in the product portfolio and our position in the market. For instance, our products are used in biodegradable packaging, in plant-based food alternatives and our building portfolio offers biobased products. We are moving into new markets with existing or new products better than expected. Often with significantly higher value. The main reason for this? We develop applications more from a customer need and in dialogue with that same customer.

### More agile organisation

Thanks to the commitment and trust in each other, we are transforming into a more enterprising and agile organisation. We strengthen the organisation not only on technical skills. With the deployment of a [leadership](#)

[program](#), for example, there is also more emphasis on developing leadership skills as part of Avebe's Play to Win culture. Furthermore, a behaviour-based safety program focuses on safety at production sites and organisation-wide attention is paid to digital safety and cybersecurity.

### Gender distribution in leadership roles

To achieve Avebe's objectives and comply with the organisation's Play to Win core values, we strive for a balanced male-female distribution in management. The supervisory board includes 7 men and 2 women. The board consists of 2 men and the leadership team of 41 men and 10 women. Avebe wants to increase the number of women in the organisation, especially in senior management positions. Our target is at least 30 per cent of positions filled by women. To achieve this goal, increasing the number of women in leadership positions is included in our strategy.

## 2.2 Outlook of the board of directors

### Raw material supply is the focus

Our farmer members have had an exceptionally challenging crop year. The wet harvesting conditions even left potatoes in the ground in some plots. The wetness leaves structural damage in the soil and thus continues to affect this growing season. Together with changing legislation, climate change, increasing disease pressure and rising costs, this is increasing competition in the field and putting pressure on Avebe's raw material supply.

### Averis develops disease-resistant varieties that give a better balance

Our subsidiary Averis is a global player in the development, propagation and trade of starch potato varieties. New varieties are being developed that are more disease-resistant, give higher yields in the field and are more resistant to changing weather. With new breeding techniques, we have better varieties available to our members faster and faster. Growers are more likely to choose a potato variety that suits their soil, farm management and yield requirements. In this way, they use less crop protection products, while yields are optimised. An improvement of the balance, in other words. And at the same time better for the environment.

### Expected investments

For the coming financial year, we will use the planned investments of around 60 million euros to strengthen the basis and maximise returns. We will continue to invest in new technology and improvements to our current production lines, such as the GUM food line at the Ter Apelkanaal production site. We are building on the proven value of our product portfolio and we are further making our production processes more sustainable. The planned investments will be financed from our own resources and existing facilities. After the end of the financial year, an agreement was reached with a consortium of banks regarding the refinancing of the revolving credit facility for the coming years. Further details are provided in the consolidated financial statements.

### Future-oriented organisation

Despite having a growth strategy, we focus on the sustainable deployment of our employees with a slightly smaller workforce. We aim to achieve this largely through natural turnover and lies mainly in the number of management positions and supporting disciplines. We will also continue to automate and organise business processes even more efficiently. The future formation and associated organisational structure are thus better aligned with the organisational goals.

### A look ahead

Whereas we started the financial year with flinching challenges, we are now financially in a stronger position, despite not being able to maintain the upward trend of potato money. We emphasise that real value and sustainable growth come from our long-term and strategic partnerships. We therefore need to make faster, bigger strides in developing potato money in the coming years. Despite many dynamics at the global level, we also see positive signs at the moment. Markets around us are recovering and, thanks to the implementation of our Accelerate and Strengthen, we are responding to this more quickly and effectively and opening up new markets. We continue the initiated upward trend in potato money with clear prospects for our farmer members, as their earning power is paramount.

### Every potato counts

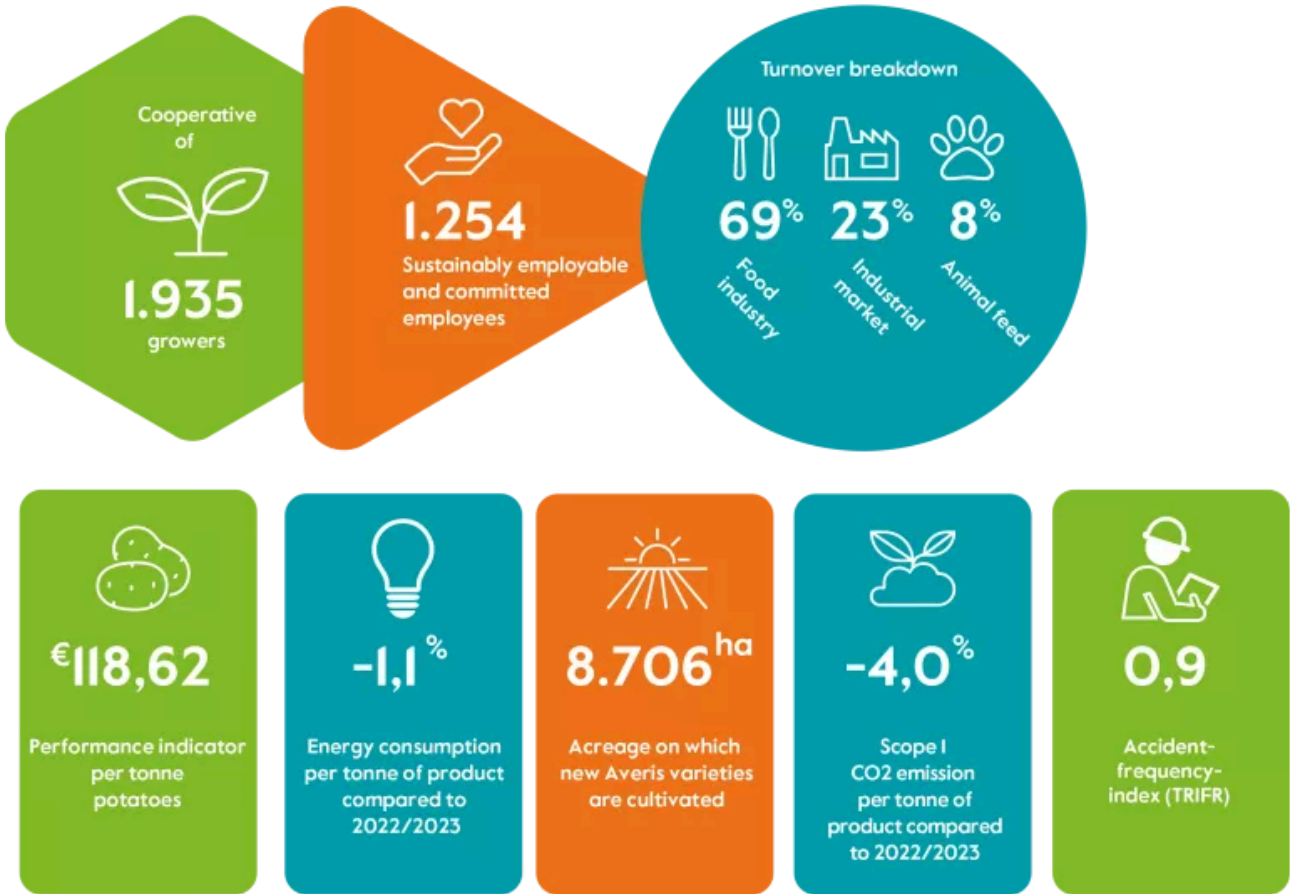
Yes, it was a challenging year. Both for the Avebe team, the supervisory board, the members' council and of course for our farmer members and customers. But challenges braved together lead to the best teams with continuously improved results. We cannot stress enough that our strength lies in our collective. By taking crucial medium-term decisions this year, we are more future-proofed. We increase the yield of the collective faster with structurally sufficient potatoes. Together, as one Avebe.

*CEO David Fousert en CFO Rob van Laerhoven*

### 3. The figures at a glance



### 3.1 Key figures



## 3.2 Multi-year figures

In millions of euros (where applicable)	2023/2024	2022/2023	2021/2022
Gross turnover	822,8	855,2	768,8
Net turnover	781,4	803,8	711,6
Operating result	34,5	35,7	18,6
Financial income and expense	14,4	9,6	4,3
Cooperative result after taxes	2,6	20,8	12,1
Depreciation	41,1	41,3	37,7
Investments in tangible fixed assets	38,2	40,1	44,1
Group equity	247,3	222,0	211,4
Liabilities including provisions	424,4	502,2	424,9
Total assets	671,7	724,2	636,3
Group equity as % of total assets	36,8	30,7	33,2
Net cash flow before financing activities	45,6	-64,7	-31,8
Net debt to banks	317,3	359,5	288,9
Performance indicator (EUR/ton) *	118,62	133,34	98,56

\*The performance indicator comprises the payments for the delivered potatoes plus the net result divided by the tonnage delivered by members on shares. Calculated as a starch percentage of 19% (underwater weight of 470 grams).

### 3.3 Social key figures

**1.254**

Total number of employees



**88 %**

Total full-time employees



**81/19 %**

Total number of men and women



**96 %**

Employees with permanent contracts



**90 %**

Total number of employees under the collective agreement



**20 %**

Women in management

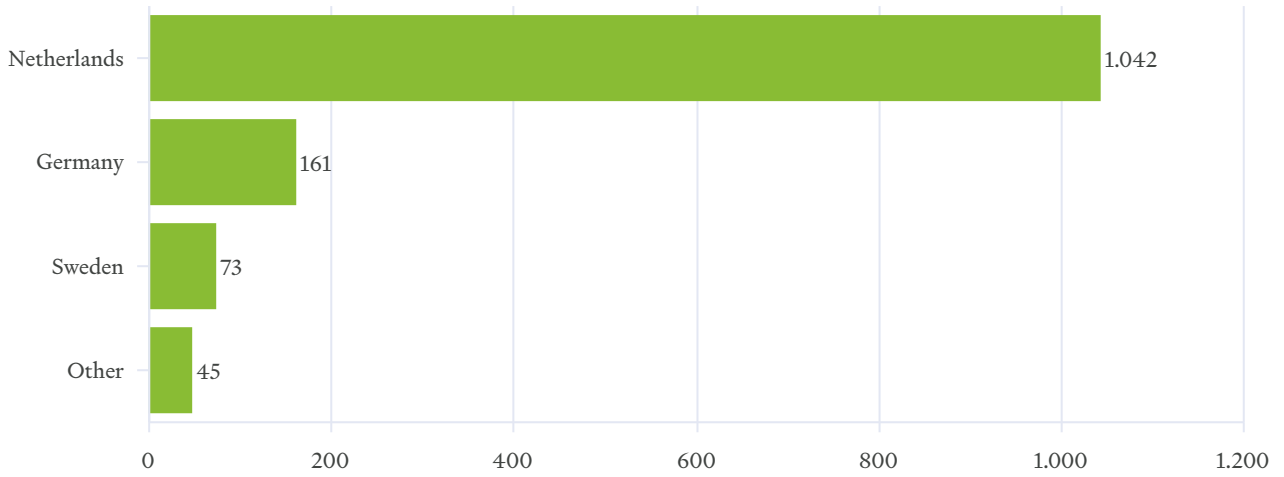


**5,0 %**

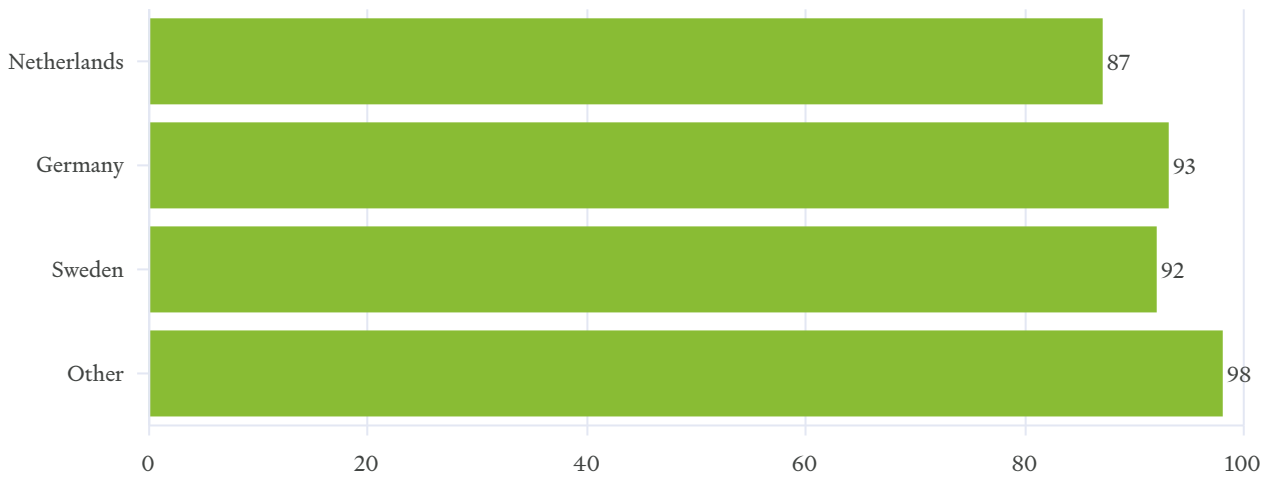
Sickness absence in the Netherlands



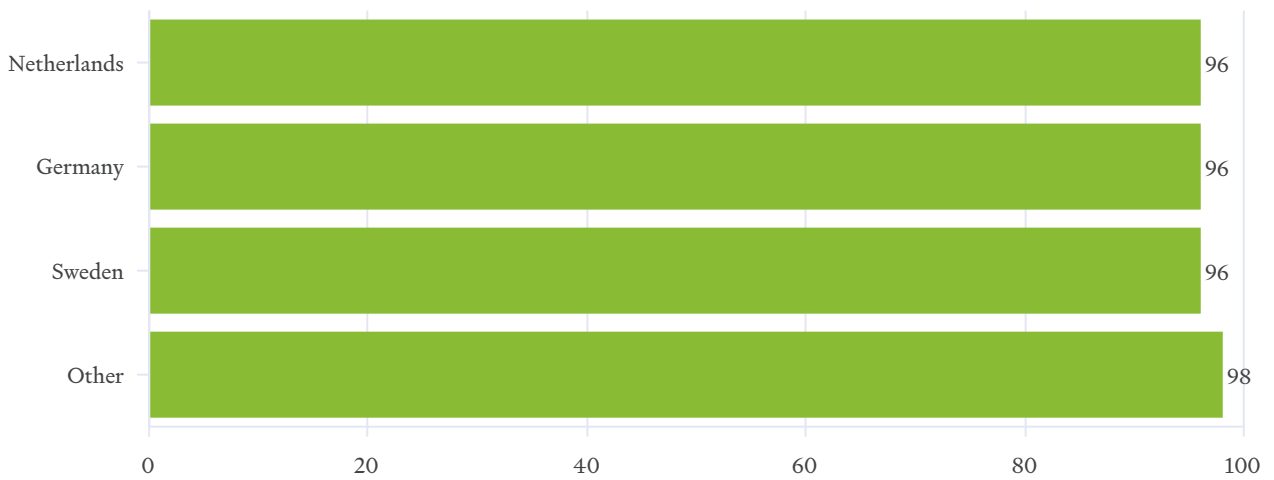
**Number of employees including externals**



**Full-time employees (%)**

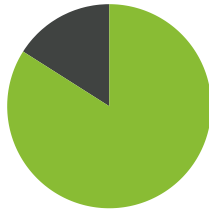


**Employees on permanent contracts (%)**



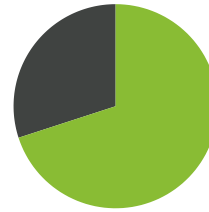
### Gender of employees

*Netherlands*



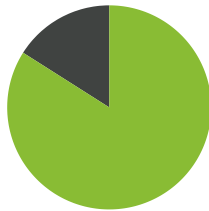
● men 84 ● women 16

*Germany*



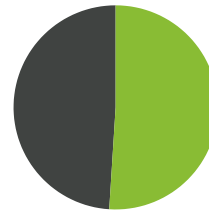
● men 70 ● women 30

*Sweden*



● men 84 ● women 16

*Other*



● men 51 ● women 49

## 4. Strategy Accelerate and Strengthen

Together we build sustainable growth



## 4.1 This is Royal Avebe | How we create value

Royal Avebe is an international cooperative of starch potato growers. We process our members' starch potatoes into high-quality ingredients based on potato starch and protein. We supply these ingredients to customers all over the world. They use our products in food, animal feed and industrial applications. In doing so, we offer innovative and healthy solutions with an increasingly smaller impact on the climate and the environment. Together, we are working on a sustainable food system.

### Our members

Our members, our main suppliers, are potato growers in the Netherlands and Germany. We work closely with them to get the best quality starch potatoes. As a cooperative, we find it important to keep developing. Sustainability is a top priority for us. Both in the company and in our members' fields.

### Our locations

Avebe has 1,254 employees and six production sites across the Netherlands, Germany and Sweden, and sales offices in North America, Europe and Asia. The head office is located in Veendam (the Netherlands).

### Our markets

Avebe develops and produces ingredients based on potato starch and protein for three markets: food, animal feed and industrial applications. Thus, we meet the need for sustainable and healthy products for humans and animals, as well as sustainable applications for customers in the construction, paper, glue and textile industries. Our customers are all over the world, with major markets in Europe, Asia and North America.

### Food

Globally, the market for healthy and plant-based food is growing. In emerging economies, it is about the availability, affordability and shelf life of ingredients. In North America and Europe, requirements for food safety, health and sustainability are more central. Our ingredients offer customers opportunities and possibilities to grow in sustainable, plant-based alternatives to meat and dairy. In doing so, a sustainable and transparent production chain gives great added value.

### Animal feed

Livestock farming faces a major challenge to produce more sustainably, in a way that is less harmful to the climate and promotes biodiversity. Therefore, livestock farming needs proteins and feed with the smallest possible footprint. The pet food segment is also experiencing strong growth and is expected to continue to grow. With our potato starch and protein portfolio, we offer solutions to improve the nutritional value and texture of both livestock and pet food.

### **Industrial applications**

Potato starch derivatives are used in various industrial products, such as in construction and in making paper and glue. We see a growing interest in sustainable plant-based raw materials for these industrial applications. On the one hand to reduce the use of petrochemical additives, and on the other hand because Avebe's products offer the right functionality. Avebe is successful with, among other things, the introduction of bio-based coatings for food packaging. In addition, there continues to be strong demand for our additives for cement tile adhesives, for example.

### **Varietal development and crop optimisation**

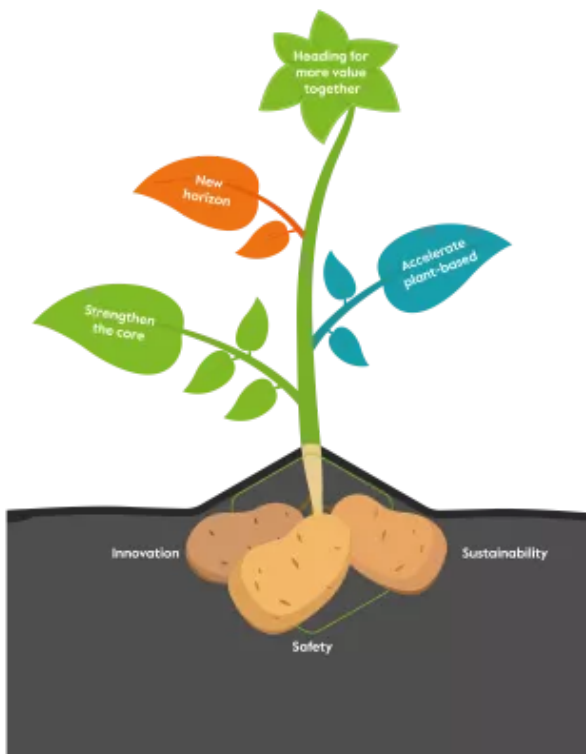
To achieve more sustainable cultivation, it is important that our growers can work with the best starch potato varieties. Our subsidiary Averis focuses on the development, propagation and sale of starch potato varieties best suited for starch potato cultivation in the Netherlands and Germany. Avebe also supports growers with the Optimeel crop optimisation program. This is how we work towards more sustainable cultivation and a good business economic result for our members.



## 4.2 Strategy Accelerate and Strengthen 2023-2028 | Introduction

### Strengthen together and accelerate agile

With its farmer members, employees and customers, Royal Avebe is now one year into its strategy: Accelerate and Strengthen. Our strategy is a growth strategy in which we emphasise the added and distinctive value of our products. And in doing so, we put the customer at the centre of everything we do. With this strategy, we can make even sharper choices and respond more agilely to the rapidly changing market.



### Four pillars

Based on four pillars, we continue to build on our solid foundation towards sustainable growth, innovations in sales and added value for our farmer members, customers and employees. To take substantial steps up in potato payments and remain sustainably relevant for farmer members, customers and society.

### 1. Strengthen the core

We are expanding the unique functions of potato starch and protein and putting the sustainability of the potato to the widest possible use. We do this by optimising line capacity and a more profitable product portfolio. With a structurally lower cost base and a more efficient organisation, we increase productivity through efficient and reliable lines, digitisation and automation.

### 2. Accelerate plant-based

Where there is a demand for distinctive plant-based alternatives, we offer propositions that contribute to sustainability and (sector) innovations. By using existing production lines flexibly and efficiently, we also reduce our footprint with ingredients for plant-based food and the development of bio-based and circular ingredients for the construction and packaging industries.

### 3. New horizon

We explore market and cultivation opportunities to use and market all raw materials and applications from the starch potato even more widely, possibly in combination with alternative protein crops. We do this with existing and new technologies. Examples include developing synergy advantages on production lines with alternative protein crops and investigating how to add value to residual streams through fermentation.

#### 4. Heading for more value together

Within the cooperative, we aim for the highest possible outcome for our members, continue to learn and commit to sustainable employability for a profitable future. Heading for more value together means a plus of at least 25 euros on our performance indicator, achieved through the programs we implement during this strategic period. Possible cost increases in potato cultivation are not included in this and should be reflected in a higher price passed on to the market.

## 4.3 The basis of our strategy: safety, sustainability and innovation

### Healthy breeding ground for healthy growth

Safety, sustainability and innovation underpin our strategy and together form our breeding ground. The three themes are woven into everything we do and ensure that Royal Avebe is healthy, stays healthy and continues to grow.

### Safety | Safety by nature

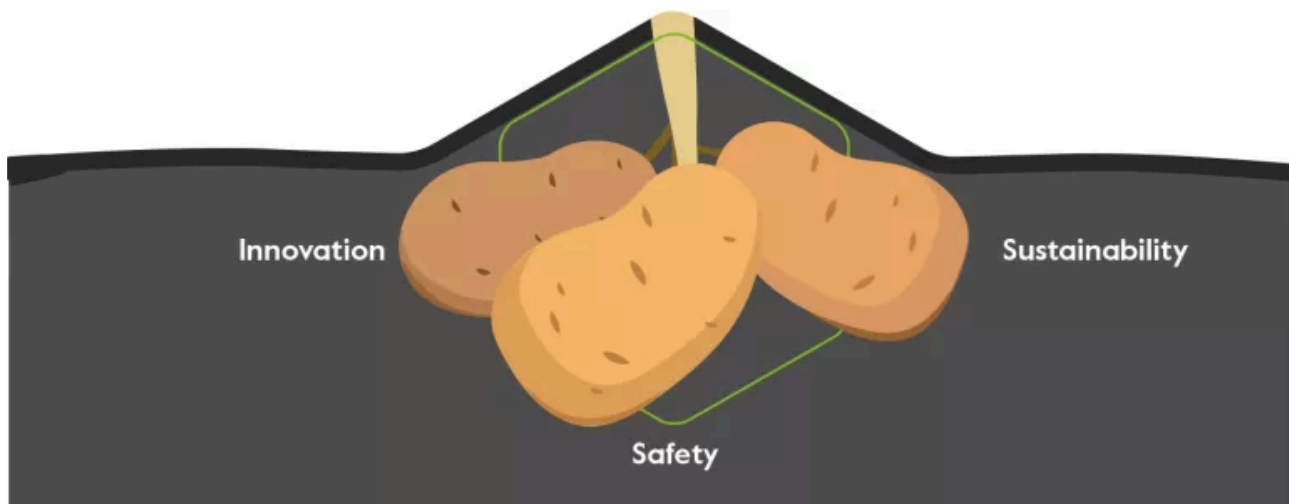
With a number of production sites, we fall within the toughest category of the chemical industry. Safety is our top priority and consists of two components: one part is technology and one part is human behaviour. Where safety cannot be solved with technology or automation, we pay a lot of attention to safety behaviour and culture. We do this with generic or specific training courses and assessments. In this way, we ensure that everyone knows and understands his or her role. Together, we minimise the risks. Also when it comes to cyber security. Here, the focus is mainly on behavioural and technological awareness. We deploy cybersecurity on digital security of office environments, telecom, the network and production sites.

### Sustainability

Potato cultivation is largely dependent on weather changes and climate. Conversely, cultivation also has an impact on the environment. For these reasons, we are making the cultivation processes more sustainable with more sustainable varieties that have improved disease resistance. In the production chain, we reduce water use, reduce CO<sub>2</sub> and try to better valorise residual flows. In the market, we respond to the demand for plant-based products and bio-based or circular ingredients for the construction and packaging industries.

### Innovation

With technical innovations, digitalisation, better data and use of artificial intelligence (AI), we market our products more efficiently and competitively. Driven by market demand and in cooperation with our customers, we respond better to trends and developments with our innovations. Think of green methods for starch modification or the application of potato protein in new markets.



## 4.4 Our impacts

Royal Avebe is a cooperative of starch potato growers in the Netherlands and Germany. We develop ingredients based on potato starch and protein. Together with our members, customers, employees and other stakeholders, we work on the transition to more plant-based, sustainable agriculture and the most efficient production possible. This is how we create social value. Below, we explain the impacts from our value creation model.

### Towards a more plant-based economy

With our innovative solutions, we offer plant-based alternatives to food and protein from animal sources. With the focus on our good nutrition products, we create value for the cooperative, make a positive contribution to the protein transition and contribute positively to the lives of consumers worldwide.

” Together with our members, customers, employees and other stakeholders, we work on the transition to more plant-based, sustainable agriculture and the most efficient production possible

### Towards more sustainable agriculture

The agricultural sector has an impact on soil health, biodiversity and water quality. As a cooperative of starch potato growers, we play an important role in this. Together with our farmer members, we work on future-proof agriculture, in which a healthy farm, a healthy soil and a healthy environment (3xH strategic program) are important spearheads. This way, we strive for less environmental impact in our chain and at the same time work on more earning power for our farmer members.

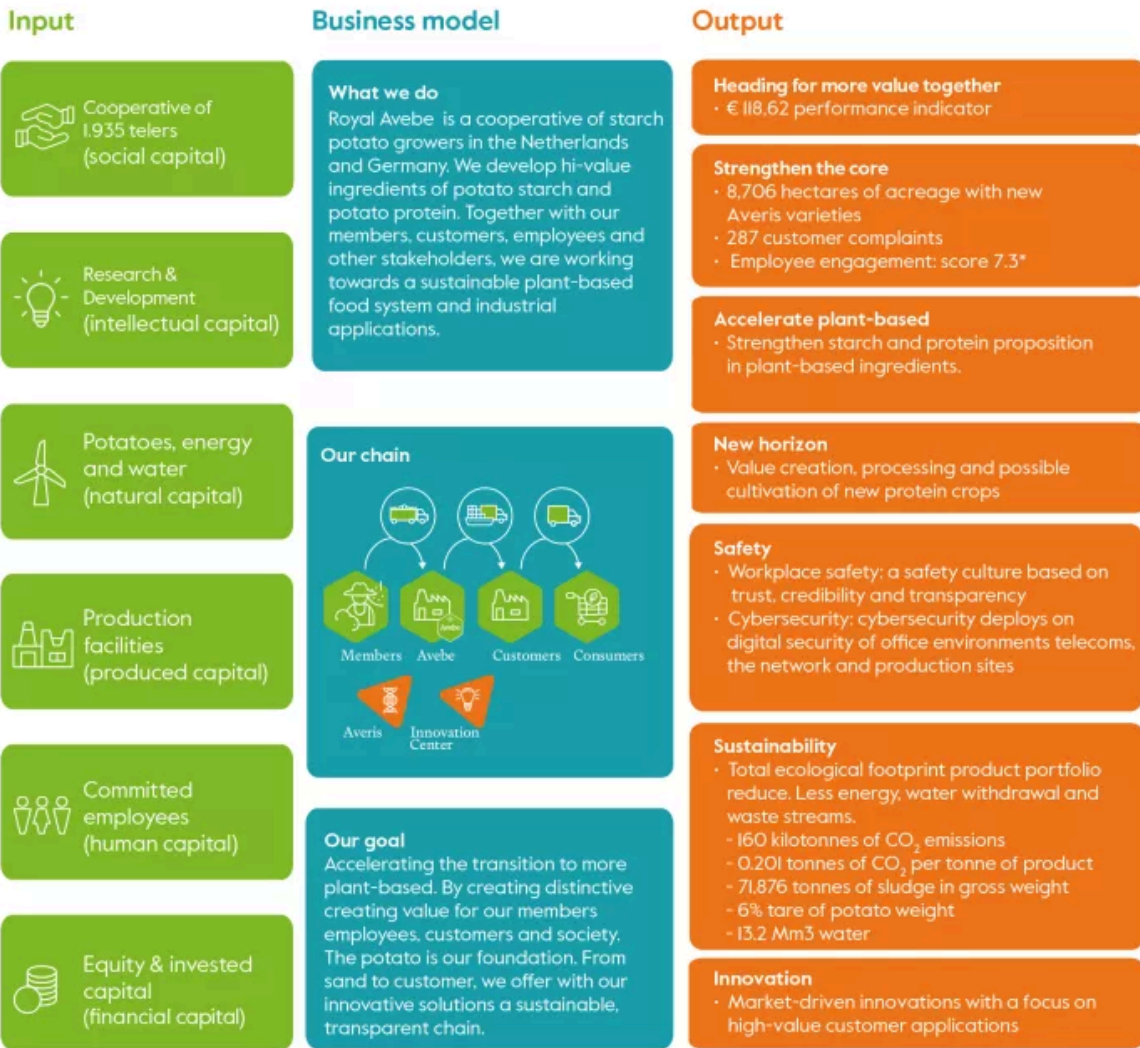


### Towards more efficient and sustainable production

To extract starch and protein from potatoes, we use energy and water. Moreover, the process has a number of residual flows, such as tare, sewage sludge and water. We are continuously working on improving our production facilities to reduce our water and energy consumption, our CO<sub>2</sub> emissions and residual flows.



## 4.5 Our value creation model



\*Once every two years, we conduct an employee satisfaction survey. This is the 2022 score.

### Impact & SDG's

**Towards more sustainable agriculture**  
 Together with our members, we work for a sustainable food system and resilient agriculture with a fair price for farmers.

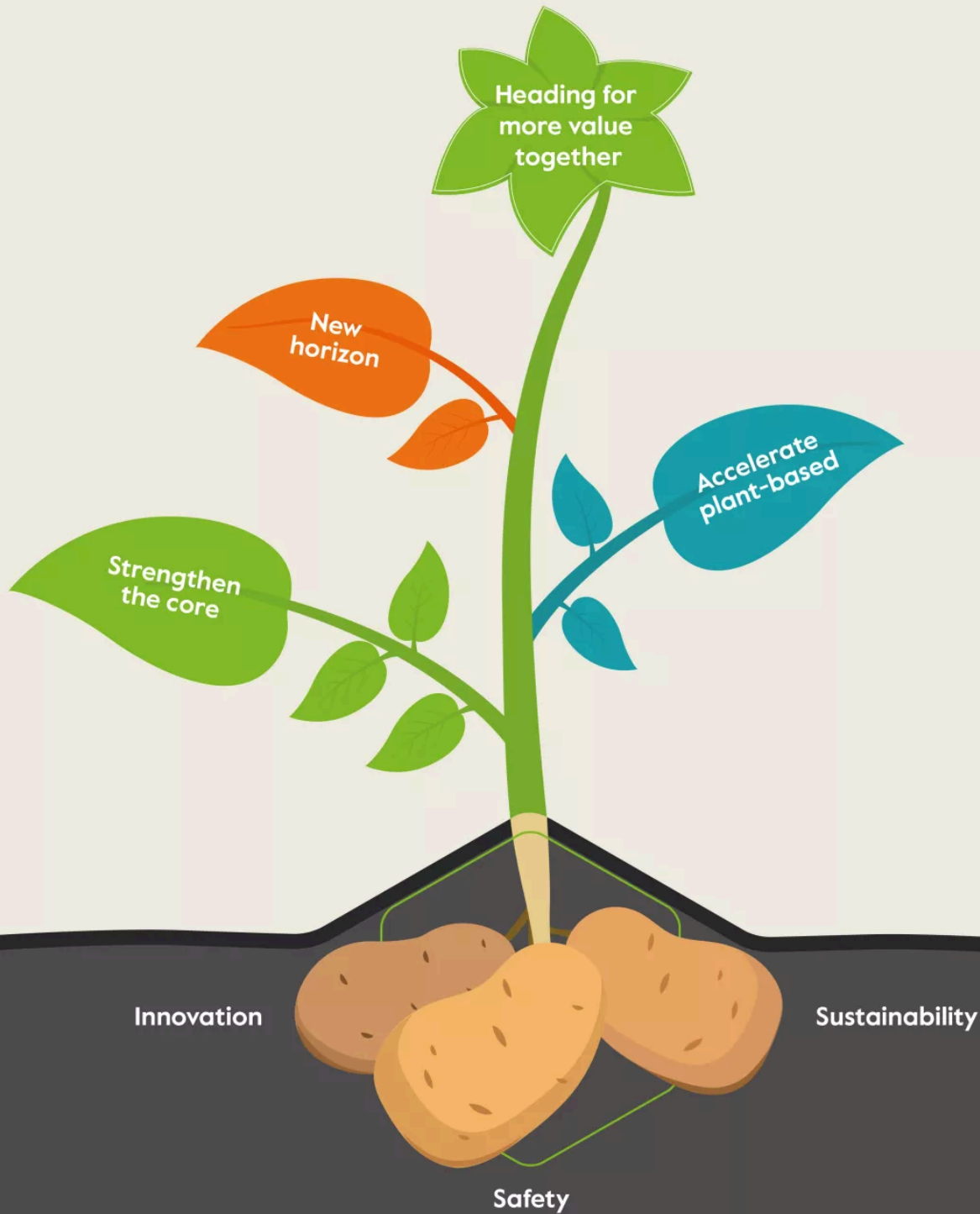
**Towards more efficient production**  
 We reduce our water consumption, our CO<sub>2</sub> emissions and our waste streams to reduce our negative impact on natural capital such as climate and water.

**Towards more plant-based food**  
 With our products and in cooperation with partners, we are working to accelerate the transition to more plant-based food and bio-based building.

## 5. Strategy: results achieved

# Accelerate and Strengthen

Build together on sustainable growth



## 5.1 An update | After one year with the new strategy

### Interview with Marleen de Rond-Schouten, managing director Agro & Strategy, and Erik Elderman, director Finance Group

Royal Avebe sets a strategy once every five years and once a year it is evaluated. Avebe is now one year into its Accelerate and Strengthen strategy. A good time to get an interim update from Marleen de Rond-Schouten and Erik Elderman.

#### Strategy confirmation

"For Avebe, it is essential to keep starch potatoes relevant in our members' cropping plans. That's why our members' earnings model is central," Marleen begins to explain. Erik complements her: "We create that extra value by strengthening the portfolio and looking more closely at market needs. From that strengthened base, we can accelerate on plant-based starches and proteins, biobased ingredients, sustainability in the factory and in the field." "The way Avebe is now responding to all the external changes confirms the relevance of the strategy," Marleen adds.

### Leadership | One Avebe

"Our employees are our most important assets," Marleen continues. "To accelerate, we require ownership and agility from our employees." Erik continues, "We need leaders who dare to make choices, because with choices you bring focus. We work with an annual operating plan, an annual plan in which we determine the main focus areas for the coming year from the strategy and carry them through to the organisation. Thanks to the leadership program, our leaders together with the team are able to implement the specific contribution of teams and individual objectives based on the Avebe annual plan. We record this in the HR interview cycle. With the cross-discipline objectives, we work more together, more as one entity with one interest. As one Avebe."

” We need leaders who dare to make choices, because with choices you bring focus



### Creating added value

When Marleen and Erik look back at last year, Marleen starts by listing what went well: "We have made our product portfolio less complex so that we are more competitive.

What also went well, but takes a lot of time, are the development processes with customers to get our ingredients into customer recipes. Our application knowledge is our strength here. What we are also proud of is setting up the innovation portfolio for industrial products. At the Foxhol production site, we are showing agility resulting in more focus on added value within our modified starch portfolio for industrial applications."

### Facing challenges with new applications

Marleen says starch potato cultivation is declining across Europe: "This is due to climate change, changing laws and regulations, rising cultivation costs and competition in the field. It is vital that the price we pay our farmer members is good and shows an upward trend. Erik therefore appeals: "To ensure additional added value, we need to operate even more from our core values: working together, taking responsibility and developing." Marleen adds: "We have made this concrete by encouraging and securing the Play to Win competences we like to see in the organisation: reflect, innovate, change, realise and connect."

” The way Avebe is now responding to all the external changes confirms the relevance of the strategy



## 5.2 Sustainable procurement: "Not an option but a requirement"

### Interview met Leonard de Weijts, manager Procurement

The assignment is 30 per cent CO<sub>2</sub> reduction within the procurement package, before 2030. Leonard de Weijts' Procurement department is tackling that assignment with both hands. "I think the most important thing is that we started this project in scope 3<sup>\*</sup>," says Leonard. "As an organisation, we can also say: we will wait, because sustainability does not necessarily generate money tomorrow. But we are starting and it is already yielding savings." Leonard lists that projects are under way on chemicals and transport and that eight sub-programs have been launched to reduce, reuse or recycle packaging. A basic limit on emissions has also been set from this year and

sustainability criteria weigh more heavily in procurement processes than before. Leonard sums it up like this: "Sustainability is no longer an option, but a requirement. And I am proud of that."

### 4,000 tonnes CO<sub>2</sub> reduction

"For the procurement of one of our chemicals, we switched suppliers based on financial conditions and ecological footprint. In doing so, we achieved a reduction of 4,000 tonnes of CO<sub>2</sub>."

” Sustainability is no longer an option, but a requirement. And I am proud of that



### Sustainable also means responsible

The CO<sub>2</sub> reduction is most important to us, but sustainable procurement is more than that. Taking social responsibility is also part of it. It is often about things that feel more distant. How does the supplier treat people, for example. Is there no exploitation? Doesn't the sourcing of our raw materials cause forests to be cut down? For example, we have changed the recipe of one product, so that we virtually no longer source palm oil, and what we still buy is certified, of course.'

### Two-layer paper packaging

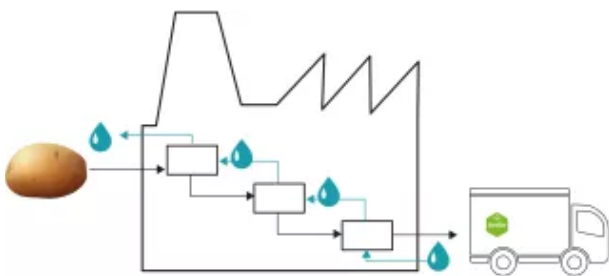
"Another example is the modification of paper packaging. The team is currently changing packaging. We want to go from three-ply paper to two-ply paper while maintaining product quality. That seems like a small change, but that's 30 per cent less paper."

*\*Scope 3: these are our indirect emissions resulting from supplier activities.*

## 5.3 Wise water use

### Interview with Jacob Terpstra, project manager, and Kees Maarschalk, Technology & Process officer

Royal Avebe's water use has been significantly reduced in recent years. "We have partly achieved this through reuse," explains Kees Maarschalk: "We use the same water in more process steps. The advantage is clear. We draw in less surface water and we also discharge less. A disadvantage, however, is that salts from the processes end up in less and less discharge water. Because of these higher salt concentrations, we are running into the limits of reuse. So we are facing the next step."



"We use the same water in more process steps"

### Not carrying water to the sea

Jacob Terpstra continues: "In theory, you could collect the salt water, concentrate it, purify it and eventually take it to the sea. This takes a lot of energy and thousands of transport movements, so we want to stay away from this as long as possible. Much better to start at the source."

” Measuring is knowing, is controlling. With this, we will make important steps with the teams within Avebe in the coming years

### Starting at the source | Less salt

"And the source in this case is a bit different from the water source," say Kees and Jacob. "Starting at the source means adding or allowing fewer salts to be created in the production process," Kees explains. "Less salt is only achievable by balancing many variables. We find that balance by better measuring and monitoring all those variables." Jacob concludes, "Measuring is knowing, is controlling. With this, we will make important steps with the teams within Avebe in the coming years."



Jacob Terpstra (left) and Kees Maarschalk

## 5.4 An increasing number of customers are focusing on CO<sub>2</sub> footprint



### Interview with Goos Wierbos, business leader Food

"I am most proud of the steps we have taken to monitor data-driven our sustainability targets. This helps customers in their approach to the market to calculate the total emissions in the product's production chain. In this, Avebe is leading the way," says Goos Wierbos. "Of course, as a commercial department, we steer primarily on margins and customer satisfaction. Also, more and more customers are focusing on CO<sub>2</sub> footprint."

” I am most proud of the steps we have taken to monitor data-driven our sustainability targets

### Environment Award from a customer

Many customers want to communicate transparently to consumers, for example about water consumption or CO<sub>2</sub> emissions throughout the production chain. One such customer is Griffith Foods Europe. Griffith Foods is a global product development partner specialising in food ingredients, from spices and sauces to spreads, coatings, flavourings, bakery products and more. They rewarded Avebe with an Environment Award. Their motivation:

"You have been a key supplier to us for many years. On top of this Avebe is at the forefront of sustainability and innovation which are in alignment with our aspirations and priorities."

### Customer rating on scope 3 CO<sub>2</sub> emissions

Goos was honoured to receive this award: "Yes, definitely tastes like more," he laughs. "Our gold medal status from [EcoVadis](#) forms the basis of this award. During the presentation, I was also able to explain that with our sustainability programs we make the entire chain more sustainable. For example, we reduce our customers' scope 3' CO<sub>2</sub> emissions by reducing cultivation impact and lowering water use and CO<sub>2</sub> emissions in our production."

### Invitation

"We have been invited to Griffith to discuss further the integration of our sustainability programs. As we have for the past 25 years, we are happy to involve them in our goals for the next five years as well."

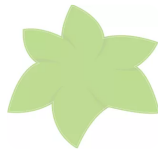
*\*Scope 3: these are our indirect emissions resulting from supplier activities.*

**Difference makers for customers in food**

- Coatings for e.g. snacks, potato slices, meat, chicken and surimi
- Low-fat, rich-flavoured plant-based protein for cottage cheese and yoghurt
- 100 per cent natural texture makers dairy, pizza cheese and even confectionery
- Texturisers for soups, sauces or just something crunchy
- Allergen-free, kosher and halal substitute for modified starch

**Difference makers for non-food customers**

- Biodegradable packaging that is fully compostable
- Plant-based thickeners for cement and plaster, chemical-free and cost-efficient
- Natural coatings and polymer for paper and industrial applications
- Cold-water soluble starches for wallpaper glue, cement and plaster mortar
- Mineral- and protein-rich products for animal and compound feed



## 5.5 Product balance for a long-lasting portfolio



### Interview with Bas Gerrits, director Productline Management

"A healthy product portfolio means a production line with a responsible footprint that answers our customers' demands," says Bas Gerrits. He says a long-sustainable portfolio ensures a good income for farmer members as well as employees, all with a responsible footprint. "In doing so, it is nice if we also balance within the portfolio both food and industrial products, to remain agile in production and towards the market."

### Portfolio valorisation | Agility in production

Last year, value was added by scrapping the least profitable products. In order to create room for growth in the highest-yielding products. "This period, we also had the challenge that not all production lines were full. Therefore, we switched quickly and deployed production lines differently. I think the flexibility to switch quickly is one of our strongest qualities."

” A healthy product portfolio means a production line with a responsible footprint that answers our customers' demands

### Shift in Ter Apelkanaal to PuraMYL®

"For instance, in the dextrin plant at our Ter Apelkanaal production site, we developed a clean label product range for food together with our Innovation department, whereas before we only made industrial products there. This project was a success. We are now also looking at other lines under what conditions we can run both industrial and food."

### Plant-based applications | Good food

"Our portfolio for plant-based alternatives is also constantly expanding. Think, for example, of applications in plant-based cheese, dairy and meat and fish substitutes."

### Nice development: Solvitose® Greenmelt

"Another great example of innovation in our portfolio is a new product used in biodegradable packaging. This develops packaging that is fully compostable."

### **CasuCOL® building product without chemicals from Foxhol**

"Finally, with our construction portfolio, we offer the construction industry a natural alternative to chemical products. For example, we are working on all kinds of starch derivatives that influence the properties of cement and tile adhesives, among others."

### **Avebe's potato protein is now called PerfectaSOL®**

In addition to Avebe's already existing PerfectaSOL® products, our Solanic® protein products are now also housed within the PerfectaSOL® family: the PerfectaSOL® S series.

With the name PerfectaSOL®, Avebe is creating a strong umbrella brand for all ingredients that contribute to excellent structure in plant-based foods. All products with which we can make a difference with our potato in plant-based food are brought under this brand. These are potato proteins but also combined products of potato starch and protein.



## 5.6 What skills do I need as a leader?



Natasja Turksma (left) and Elke Deinum

### Interview with Natasja Turksma, director Talent Acquisition & Development, and Elke Deinum, Talent Development expert

Royal Avebe has been working as one team, or one Avebe, with the core values of cooperation, responsibility and development for some time. But the world is changing rapidly, so it is important to align and develop our leadership in parallel with these core values. Therefore, Avebe is working hard on leadership development and the development of our five Play to Win core competences for all Avebe employees. Natasja Turksma and Elke Deinum explain: "In addition to substantive knowledge, it is increasingly important that our leaders also pay attention to their leadership style and associated behaviours," Natasja explains.

### Training program on leadership

"With our team, we get to build on and facilitate the development of the desired behaviour. In which we try to go deeper with the leadership program, among other things," Elke says. She emphasises that everyone who participates in the program should think afterwards: "Change starts with me as a leader. I will start the conversation and also take responsibility for my own behaviour."

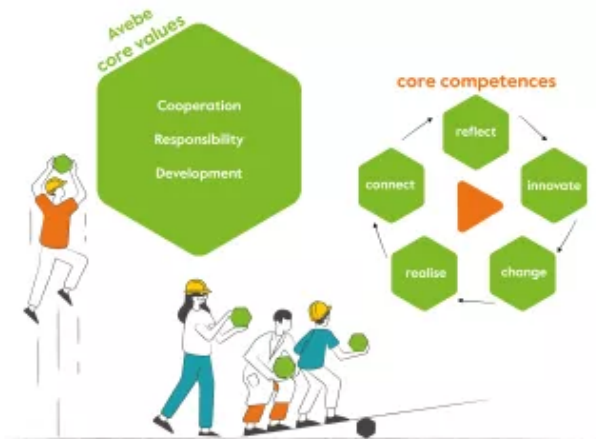
“ Leaders have the responsibility to connect and engage everyone in the team based on individual strengths and talents

### Feeling and taking responsibility

According to Elke and Natasja, authentic leadership is also: "Listening well, making yourself vulnerable, letting yourself feel the discomfort, getting to know yourself and getting to know each other. Good leadership affects the dynamics within teams, between teams and thus in the entire organisation." Natasja and Elke flawlessly complement each other's sentences: "Leaders have the responsibility to connect and engage everyone in the team based on individual strengths and talents," they tell us passionately.

**The leadership program is underpinned by Play to Win competences:**

- Reflect
- Innovate
- Change
- Realise
- Connect



**We implement these core competences in:**

- Various Avebe expressions, such as in our labour market communication and vacancy texts
- The design and set-up of job interviews
- Selection and development assessments
- Our HR interview cycle
- Talent development, education and training
- Job profiles



## 5.7 Digital transformation | Self-built

### Interview with Erik Dijck, Information architect, and Gijs Bleeker, director ICT

"More efficient in the future and less manual work. That is the common thread in everything we do," says Erik Dijck in the interview together with Gijs Bleeker. "For the last few years, we have been building our own applications to make the work processes within Avebe more efficient. By now, 21 of them are live," Erik continues. Gijs sums it up this way: "With low-code software, we build better and faster. Two great tools were delivered this year in this way."

### Pricing companion | Centrally coordinated pricing strategy

"The great thing is that we developed this Pricing companion application ourselves," Erik explains. "This application helps Avebe have a unified and centrally coordinated pricing strategy. Based on all kinds of characteristics, account managers receive a price recommendation. It also enables us to respond faster to changes in the market." To that, Gijs concludes, "We can now differentiate much better on value for the customer."

” The Pricing companion is a useful application because we now have a clear guideline of what value a product creates in a given application at our customer's site. It ensures that pricing is centrally available and is low-threshold to use.

#### Bart Piscaer, senior accountmanager

### AgroInsight | Understanding the entire agro-process

AgroInsight was also developed in-house. This application provides insight into Avebe's entire agro-process: from shares, contracts and crop inventory to transport and delivery planning and invoicing. Erik says a huge efficiency gain has been made: "The application offers many more functionalities. For instance, the supply planning is now generated automatically. This was previously done in Excel.

The Agro department is also more agile and self-reliant and thus ready for the future." Gijs shares the future vision: "AgroInsight provides a good basis for the portal and the Avebe app used by our farmer members. We will continue to develop the portal and app in the coming years, and we expect this to contribute in further strengthening the relationship with our growers."



Erik Dijck (left) and Gijs Bleeker

## 5.8 Variety-specific cultivation increases yields



From left to right: Harm Germs, Reinier Fluks and Hendrik-Jan Schepel

### Interview with Hendrik-Jan Schepel, manager Operations Averis, Harm Germs, manager Improve & Knowledge Development and Reinier Fluks, potato grower and Avebe farmer member

"The objective of the Agro department is clear: to ensure that the potato volume, quality and supply of both starch raw material and plant proteins are secured," Harm Germs begins the conversation. "New varieties with improved resistances are going to ensure higher yields and more starch per hectare, while at the same time we grow more sustainably with less nitrogen and plant protection products."

#### Potential yield increase due to improved resistance

Harm says he sees a lot of potential in the potato variety Avamond: "This variety can produce a lot of kilograms." Hendrik-Jan Schepel of Averis complements him: "Testing with the variety value group, a kind of study group with different growers, shows that this crop produces insufficient starch only if too much nitrogen is applied." This outcome is positive, he continues, "By testing varieties, growers will soon get specific information per variety. This will allow them to adjust the cultivation plan and maximise returns. If varieties are given specific cultivation measures, for example in terms of seed potato pre-treatment, fertilisation and storage, the starch yield per hectare can go up."

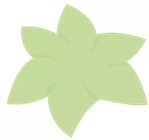
“ New varieties with improved resistances are going to ensure higher yields and more starch per hectare, while at the same time we grow more sustainably with less nitrogen and plant protection products

#### What does the variety value group bring

Reinier Fluks is one of those growers affiliated in the variety value group: "First of all, I want to learn something, as potatoes are a big part of my acreage. In addition, I enjoy sharing and testing knowledge." Reinier explains that the growers are spread throughout Avebe's area, so that promising varieties can also be tested in practice on a larger scale.

### Promising potatoes

The three gentlemen agree that besides the Avamond variety, the Aveline and Aletta varieties are also promising potatoes. "However, the cultivation manual should state that Aveline seed potatoes should not be stored too cool," says Hendrik-Jan. "Thereby, the starch content is average, and the yield is very good," Reinier adds. Hendrik-Jan points out that the high-yielding Aletta potato is a so-called medicine variety and helps against various types of nematodes. As a grower, Reinier sees plenty of future opportunities. For example, he is currently propagating seed potatoes of varieties that are more resistant to wart disease physio 38, "The varieties are still under number, and we are now going to test that for germination, yield, storage and more."



### Change in cooperative supply conditions | Growing year 2024

Together with our members, we amended the cooperative terms of delivery in December 2023 to respond to the growing impact of changing laws and regulations and climate change. The changes will take effect from crop year 2024.

- **Delivery space:** to provide more flexibility for the effects of (future) laws and regulations and the impact of climate change, the delivery requirement per share has been reduced to 3.8 tonnes. This makes the delivery margin per share 3.8 to 5 tonnes (instead of 4 to 5 tonnes).
- **More transparent starch content compensation:** starch content compensation will depend on the campaign price. This provides more transparent compensation for annual price changes.
- **Delivery on contract:** new members in the Netherlands and Weser-Ems (Germany) can get a flexible introduction to Avebe by delivering potatoes on contract. Existing members can also take advantage of this.
- **Member surcharge:** to widen the gap between members and contractors, a surcharge of 5 euros per tonne of potatoes delivered on shares within the A and B volume will be introduced.
- **Announcing prices:** with two communication moments a year about the campaign price and the base price, we ensure a good planning basis.

### What does Marten Hennings, Avebe's farmer member in Germany, think of these changes?

"I welcome the greater flexibility the changes give us, members and suppliers, in terms of supplying starch potatoes. After all, every crop year is different. So we cannot deliver exactly the same quantities every year because sometimes we have more and sometimes less land available for starch potato cultivation. The 0.2 tonnes less delivery obligation per share does help - even though some in our district had hoped for more, say 0.5 tonnes. On the other hand, Avebe can continue to count on predictable quantities of raw materials. For members, on the other hand, it is an advantage that in poor harvesting conditions, for example if not everything can be harvested, the 3.8-tonne obligation is already met. The new arrangement means fewer shares need to be parked or returned in such years. This is also good for Avebe and ultimately good for its members."

## 6. ESG



## 6.1 Sustainability at Royal Avebe

In this section we report on our environmental, social and governance objectives, actions and results, usually expressed by the English terms Environmental, Social and Governance (ESG). From the 2025/2026 financial year, Royal Avebe will voluntarily report according to the new European directive: the Corporate Sustainability Reporting Directive (CSRD). This directive will bring more transparency and comparability in the sustainability performance of organisations. Thus, we are taking further and further steps in our sustainability reporting.

### Sustainability in our strategy

Sustainability is a fundamental part of our Accelerate and Strengthen strategy.

With our plant-based products, we reduce the ecological footprint of our customers in the food industry and in the construction and packaging sectors. For the latter, it is also important to mention that our products are bio-based and circular. We aim to reduce our footprint in line with the Paris Climate Agreement, for our own operation and for our customers. Thus, we focus on structurally lowering our energy consumption, reducing water intrusion and the circular use of residual streams.

On the cultivation side, we are also mindful of changes in the climate. Our subsidiary Averis develops new varieties that are more resistant to drought and potato diseases, for example. But which also deliver higher yields in potato starch and potato protein per hectare using fewer crop protection products. In total, Avebe has set up seven sustainability programs within the current strategy, which focus on making our entire value chain more sustainable. These programs and the set targets associated with them have been approved by the executive committee and supervisory board in the strategy process. For each program, a program manager is responsible for implementation. The program managers are accountable to the Director Sustainability. The Director Sustainability informs and reports to the Executive Committee on the progress of the overall sustainability program. Avebe's board is responsible for implementing the strategy Accelerate and Strengthen, which is supervised by the supervisory board. At least once a year, the board reports

on the implementation and status of the strategy to the supervisory board. Read more about the Accelerate and Strengthen strategy [here](#).

### Science-based Targets initiative

Besides embedding sustainability in our strategy, our climate ambition is also visible through our commitment to the Science Based Target initiative (SBTi) this year. This involves setting and having emissions targets validated in line with the Paris Climate Agreement, which aims to keep global warming below 1.5 degrees Celsius. Our commitment to the SBTi shows our confidence in a more sustainable future with specific targets and action plans towards the 2030 climate goals.

### Gold EcoVadis score

Avebe achieved another gold EcoVadis score in 2024. This recognition places us among the top 5 per cent of assessed companies in our sector.

EcoVadis internationally assesses sustainability performance in the areas of environment, human and labour rights, ethics and procurement. Through collaboration with suppliers and customers, Avebe strengthens sustainability performance throughout the chain. At Avebe, we work continuously to improve sustainability. The gold EcoVadis score is a confirmation of these efforts for the whole organisation.



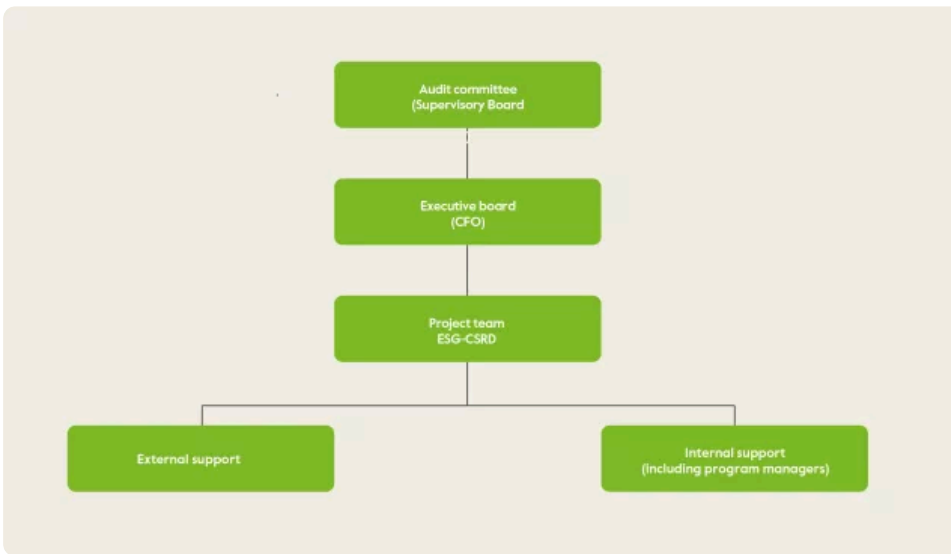
## 6.2 ESG Governance

ESG is integrated into Avebe's governance structure. Here we also refer to the [Corporate Governance chapter](#) in this annual report, where we explain the main elements of our governance structure.

### ESG-CSR project group

In October 2022, we started the ESG-CSR project with a project group

The project team from Avebe consists of staff from the Finance, Internal Audit and Sustainability departments. This under the responsibility of the Chief Finance Officer (CFO). Furthermore, a broad group of internal experts within Avebe is involved in the process. We also make use of external support. Below is the organogram of the project structure:



As a first important step, a dual materiality analysis (DMA) was conducted to identify the material ESG topics for Avebe.

### Securing required sustainability knowledge

The board of directors, executive committee and supervisory board attend several meetings each year where sustainability topics are discussed. These include both internal and external meetings. The program managers report on the material impacts, risks and opportunities they see in their strategic program. Other topics discussed include sustainable agriculture, energy management, biodiversity, waste, transport and (future) laws and regulations.

In addition, within Avebe, the sustainability strategy is fully integrated into the planning and control cycle. This means monthly reporting to the board, the executive committee and the supervisory board on key performance indicators related to sustainability. The knowledge carriers in the fields of water, energy, circularity, sustainable procurement

and sustainable agriculture also periodically share knowledge from the strategic sustainability programs with the Executive Board and the Executive Committee.

Furthermore, specific knowledge in the field of sustainability, developments therein and also applicable laws and regulations is vested in the Sustainability department and the ESG-CSR project team. From here, we report periodically to the Management Board and the Supervisory Board on the progress of the implementation of CSR, important developments in the field of ESG and monitoring on performance indicators in relation to sustainability.



## 6.3 Double materiality analysis

Periodically, we use a materiality analysis to determine which topics our stakeholders find most impactful for Avebe. From the Global Reporting Initiative (GRI) standards, only outward impact, Avebe's influence on its environment, is included for determining material topics. To properly prepare for the requirements of the CSRD, we conducted a double materiality analysis last financial year.

### Dual materiality

A dual materiality analysis determines which sustainability topics are most important to an organisation. As the name suggests, this analysis is carried out from two different perspectives. On the one hand, an outward impact analysis, which determines Avebe's impact on its surroundings

(people and environment) with regard to a specific theme. This impact may be caused by Avebe in its own operations, but Avebe may also be associated with the impact. In that case, the impact happens in the organisation's value chain. And on the other hand, an analysis of the impact inwards. This looks at the financial consequences for Avebe related to a theme. Thus, a sustainability theme is assessed from two perspectives. The higher the score, the more important this theme is for our cooperative.

### Process

The steps Avebe went through to arrive at the material topics are shown visually below:



### Step 1: understanding context and list topics

For our materiality analysis, we mapped Avebe's environment. This includes understanding our value chain, our [value creation model](#) and the identifying stakeholders. Our main stakeholders are: our members, employees, customers, suppliers, credit institutions and regulatory bodies. Other stakeholders with whom we actively engage in dialogue and cooperation include knowledge institutions, social organisations, NGOs, residents of our production sites and industry organisations, such as VNCI and BO Akkerbouw. Furthermore, we take into account other stakeholders whose interests may be affected by Avebe's activities and its direct and indirect business relationships within its value chain.

We then drew up a list of potential material topics (longlist). Through internal analysis, we reviewed and adapted the longlist from the new Accelerate and Strengthen 2023-2028 strategy and discussions with the sustainability programs' program managers. We conducted the external analysis based on a desktop review. In doing so, we consulted known and available sources including (draft) standards and guidelines. Furthermore, we reviewed publicly available information from suppliers and peer companies, taking into account company size, type of companies and sustainability maturity. The outcome of these analyses resulted in a list of potential material issues for Avebe.

### Step 2: stakeholder dialogue and prioritisation

In two comprehensive workshops, one focused on environmental topics and the other on social- and governance-related topics, we worked with internal experts and external advisers to assess the potential internal and external impact of the material topics. In identifying the impact, we took into account both Avebe's own impact and the indirect impact arising from our supply chain. We also assessed and discussed the severity of the effects, taking into account their scope, scale and irreversibility. Financial risks and opportunities were assessed based on their likelihood of occurrence and their potential financial impact on Avebe. We determined the potential financial impact by looking at the size of possible financial gains or losses. We measured this by identifying the change in resources available to Avebe (natural, social and economic). Following this, we prioritised topics for both impact materiality and financial materiality. In the discussions, we took into account the actual and potential impacts for the coming year, but also for the next five years and beyond. The scores and prioritisation as a result were recorded by the project team. Based on this, a shorter list of material topics was drafted (shortlist).

### Step 3: outcomes validation

The outcomes from the workshops were then presented and discussed in the Social Advisory Council (MAR). The MAR includes representatives from key stakeholder groups. Through the MAR, we gather insights from interested stakeholders to arrive at new insights or test ideas. In this session, a diverse group of external stakeholders was present (government, NGOs, university, business, farmers), but there were also internal stakeholders, e.g. from the management and supervisory boards. The final scoring and outcomes were determined based on input from project team, workshop sessions, discussions with the MAR and other work. The outcomes were then submitted to the executive committee, audit committee and supervisory board for validation and thus made definitive.

Below is an overview of the outcomes from the dual materiality analysis. We explain the various topics in more detail afterwards. Together with our stakeholders, we continue to monitor and validate the material topics. The elaboration of the material topics and the action plans are also monitored and adjusted where necessary



## 6.4 Material issues

Subject	Materiality
<b>Environmental</b>	
Climate change mitigation	Impact and financial material
Energy management	Impact and financial material
Resource security	Impact and financial material
Water abstraction	Impact and financial material
Water pollution	Impact and financial material
Circular waste streams	Financial material
Plant-based products industrial	Financial material
<b>Social</b>	
Safe working	Impact and financial material
Food safety	Impact material
Attractive employer	Impact and financial material
Plant-based foods	Impact and financial material
<b>Governance</b>	
Business ethics	Impact and financial material

### 6.4.1 Climate change mitigation

#### Impacts, risks and opportunities

Climate change from the focus on CO<sub>2</sub> reduction impacts both our own operations and our value chain.

Producing (modified) starch and protein costs energy and therefore results in CO<sub>2</sub> emissions. This concerns both our own emissions and indirect emissions. Our main risks are climate-related regulatory changes, as are regulations to reduce emissions in production and agricultural activities. There are also (substantial) costs associated with high CO<sub>2</sub> emissions, for example by having to purchase CO<sub>2</sub> allowances. By saving energy and a (cost-efficient) switch to sustainable energy sources, we can reduce CO<sub>2</sub> emissions.

#### Strategy

Our Accelerate and Strengthen strategy includes our sustainability targets for 2030, as that year is a key measuring point towards climate neutral in 2050. Avebe's ambition is to have CO<sub>2</sub> reduction targets in line with no more than 1.5 degrees Celsius of global warming, in line with the Paris Climate Agreement. We have committed to the Science Based Target initiative (SBTi) and are now in the process of aligning our targets with the SBTi criteria. We are targeting a CO<sub>2</sub> reduction target of 30 per cent for

the period 2023-2030, with 2022/2023 being the baseline year. This is the target for scope 1 emissions (direct greenhouse gas emissions from our operations). Scope 2 emissions (indirect emissions from electricity consumption) from Avebe are already 0 and the target for 2030 is to remain so.

For our scope 3 emissions (indirect emissions of CO<sub>2</sub>, caused by business activities of another organisation), we also have the ambition to reduce 30 percent. By making this scope distinction, we are in line with the way governments formulate targets for the reduction of greenhouse gases. We have included in the strategy the CO<sub>2</sub> and energy reduction program 'Towards climate neutral', and scope 3 is included in the 'Sustainable procurement' program.

### Approach and action plans

From the strategic program, a concrete plan has been drawn up to meet the reduction targets for scope 1 (and 2) emissions. This plan is divided into two parts: 30 per cent reduction by 2030 with underlying a plan of action with concrete required measures and investments. One example is the planned investment in an electric steam boiler at our Foxhol production site in 2024. We are also looking for other improvements in our processes and activities, for example from our World Class Operations Management (WCOM) program, which aims to further efficiency and effectiveness of our production processes. This will enable us to save around 1.5 per cent of energy (and also CO<sub>2</sub>) per year. For the goal of climate neutrality in 2050, we have mapped out options for Avebe to produce entirely CO<sub>2</sub>-neutral. We are closely following developments in this area. The first steps towards electrification have been taken by implementing membrane technology and e-boilers. There are plans for further electrification. Grid congestion is a potential bottleneck in this respect. Currently, two solar farms at Avebe sites are already connected through Avebe's electricity grid.

We are investigating what opportunities there are for further connection of local renewable electricity production. We are now mapping our scope 3 emissions. At the same time, we have already started to make savings by, for example, taking this into account in tendering processes with suppliers. In the coming year, we will continue to look for opportunities to reduce, reuse or recycle packaging. We are also looking at ways to reduce the impact of internal transport and seeking sustainable partnerships for external transport.

### Goals and realisation

The following targets have been set for 2030: CO<sub>2</sub>-reduction target of 30 per cent for scope 1 and scope 3 and a scope 2 emission of 0.

In FY 2023/2024, scope 1 CO<sub>2</sub> emissions were 160 kilotonnes and 0.20 tonnes of CO<sub>2</sub> per tonne of product. The scope 2 CO<sub>2</sub> emissions were 0. This concerns the emitted CO<sub>2</sub> (scope 1 and 2) corrected for what was produced for third parties (other companies on site). The emission factor for Guarantees of Origin (GOs) for green electricity was set at 0. The scope 1 CO<sub>2</sub> emissions are 19 percent lower than last year. This is largely explained by the lower production volumes in this financial year. However, scope 1 CO<sub>2</sub> emissions per tonne of product were 4 per cent lower, in line with our targets.

## 6.4.2 Energy management

### Impacts, risks and opportunities

We have translated energy management into the availability, affordability and consumption of energy at Avebe. Excessive costs make us vulnerable because we use a lot of energy. Because we use a lot of energy, and because of the resulting CO<sub>2</sub> emissions, we have a negative impact on the environment and climate change. A key risk is climate-related changes in laws and regulations. This can result in rising costs for energy consumption. It can also cause problems in obtaining permits for future investments. In addition, grid congestion may pose a risk with regard to the future availability of electricity, especially if, in the course of the energy transition, our cogeneration plants are phased out.

### Strategy

Energy management is strongly linked to the theme of climate change, see the 'Mitigating Climate Change' theme above. For the new strategic period 2023-2028, we have set sustainability targets for 2030, as that year is an important measuring point for us. Apart from CO<sub>2</sub> reduction, we aim at least 1.5 per cent on energy consumption at each production site every year. We have included in the strategy a CO<sub>2</sub> and energy reduction program 'Towards climate neutral'.

### Approach and action plans

Improving energy efficiency is part of the WCOM program. The basis for this is expansion of inline energy metering and local energy dashboards for monitoring energy consumption. In addition, a number of energy-saving investments are planned in the multi-year investment plan. For the availability of sufficient electricity in relation to the grid congestion issue, we are investigating opportunities for further connection of local renewable electricity production to Avebe's grid in addition to the already connected solar farms at Avebe sites.

### Goals and realisation

Heading towards 2030, the following target has been set: save 1.5 per cent of energy consumption annually.

In financial year 2023/2024, total energy consumption was 758,372 MWh. Total energy consumption is 16 per cent lower than the previous year. This is largely explained by the lower production volumes in this financial year. Despite the lower production volumes, energy consumption per tonne of product was 1.1% lower than last year, in line with our strategic targets.

## 6.4.3 Resource security

### Impacts, risks and opportunities

Avebe's members face additional agricultural policies, the effects of climate change, high growing costs and competition in the field with other crops. These factors affect Avebe's short- and long-term supply of raw materials. Avebe needs to gain early insight into the possible changes in raw material supply and manage accordingly with a good payout for members, robust potato varieties and take its role towards a sustainable starch potato crop. Insufficient steps in this gives the risk of loss of attractiveness of starch potato cultivation. Lower volume of starch potatoes also has financial impact as it affects, among other things, the coverage of our plants and potential sales volumes.

In addition to the risks mentioned above, Avebe's required cultivation by its members also has an indirect impact on the environment, and we are committed to reducing the impact and adapting to climate change. The cultivation of starch potatoes has an impact on climate, water and soil, among other things. Developments in this area include experimentation and education on new, more sustainable cultivation techniques and providing appropriate support for the introduction of new varieties bred by our breeding company Averis.

## Strategy

We constantly monitor the development of Avebe acreage in the short, medium and long term and anticipate this with our added value strategy in the market. Our aim is to improve the financial attractiveness of cultivation at an accelerated pace and in large steps and to maintain potato starch acreage at a level that is healthy for the cooperative.

Furthermore, we actively work (together) with our members and chain partners on profitable and sustainable starch potato cultivation. This is all about yield and return in a sustainable cultivation plan. We keep the soil healthy, limit the impact on nature and the environment and promote positive effects as much as possible.

All this should fundamentally ensure a good payout price for our members' potatoes. This is essential to secure the raw material supply for Avebe. Our strategy includes the following objectives for this purpose:

- keep the starch procurement/area at strategic level;
- lower footprint in our farmers' cultivation;
- intensify the support process for new varieties.

## Approach and action plans

We are committed to improving disease resistance of our Averis varieties, breeding and promoting robust varieties with less impact on the climate (e.g. through reduced required nitrogen application), our current business set-up with organised transport and our reliable image as a potato starch processor.

Avebe facilitates the exchange of knowledge and experience on topics such as climate, soil, water, crop protection and weed control. We proactively support our members in finding answers to crop challenges that come their way and to which we, as a cooperative, want to and can contribute.

## Targets and achievement

To track our strategic objectives, the following targets have been set:

- Development of performance indicator up to and including financial year 2027/28 by +€25;
- 5,000 hectares of acreage with new Averis varieties;
- 50 active participants in the Pilot Biodiversity Monitor\* and working towards national coverage within arable farming.

Over the past year, the performance indicator stood at €118.62, a step down from last year but underlying, we see the right steps to continue the strategic development.

By crop year 2023, a total of 8,706 hectares of potato starch acreage has been planted with the 11 new Averis varieties on the market.

There are currently 37 active participants in the Biodiversity Monitor, see further box included here.

### \*Pilot Biodiversity Monitor

In Drenthe, 37 arable farmers participate in the Biodiversity Monitor. They are scoring organic matter balance, environmental impact, soil cover, crop diversity and nature and landscape management. The farmers are taking part to gain more knowledge about more sustainable cultivation, and ultimately participation should result in a plus on the balance sheet.

## 6.4.4 Water withdrawals

### Impacts, risks and opportunities

Avebe draws in a lot of water for the production process. But on net, we return more water to the environment because a starch potato contains a lot of water. The risk and impact are particularly in the necessary intake of water for our production process. There is more ecological and social pressure on the use of water, partly due to dry summers.

Water is necessary for our production process. Water scarcity is a risk for Avebe. If we cannot withdraw enough water, it might lead to reduced production or even production stoppages.

### Strategy

To reduce the impact of our operations, we have for years set targets for reducing our intakes of water. Avebe has included the importance of reducing water withdrawals and using them as efficiently as possible in the program 'Every drop counts', which is part of the strategic program Plant-based sustainable growth.

### Approach and action plans

To meet our targets, we are particularly committed to reducing salinity in wastewater. Read more about this in the material topic 'Water pollution'. We are in the process of drawing up concrete plans for each production site. For our largest production site, the plan of action has been finalised. Furthermore, we continue to focus on stable operations to minimise water requirements. We also aim to optimise cooperation between our production sites to reduce water requirements.

### Goals and realisation

A 30 per cent saving in 2030 compared to the reference year 2022/2023, equivalent to 6 million Mm<sup>3</sup> of water, was included as a central target. In the 2023/2024 financial year, total water abstraction was 13.2 Mm<sup>3</sup>, which is 17 per cent less than in the previous financial year (15.9 Mm<sup>3</sup>). This volume in million m<sup>3</sup> (Mm<sup>3</sup>) refers to the total of drinking water, well water and surface water from Avebe's six production sites. Water withdrawal decreased in the 2023/2024 financial year. This is mainly due to our product mix: the production of less modified starch and potato protein leads to the use of less water.

## 6.4.5 Water pollution

### Impacts, risks and opportunities

The last strategy period (Binding and Building 2018- 2023) showed that reducing water abstraction without considering other processes leads to higher concentrations of salt in our wastewater. This leads to salinisation of the water bodies where we discharge our wastewater. Both our purification processes, especially within potato protein production, and much of our starch modification processes lead to high concentrations of salt in wastewater. We now save so much water that further reduction of our water intake is not possible without reducing the amount of salt in our wastewater. This means we need to look at both our (protein) purification and our starch modification in a different way.

We need to contribute to the local availability of water and government standards for water runoff are likely to be further tightened in the coming years. This involves risks, such as investments to continue to meet future requirements.

### Strategy

Avebe has included the importance of water outflow in the 'every drop counts' program, as part of its strategic program Plantbased sustainable growth. Our goal is to facilitate Avebe's desired growth while remaining compliant with permits. The strategic goal for 2030 is to reduce enough salt so that we can achieve our water conservation ambition.

### Approach and action plans

For each production site, we started making a plan in the 2023/2024 financial year that focuses on saving water by reducing the amount of salt. The solutions will be product-specific and we look at each site.

## 6.4.6 Circular waste streams

### Impacts, risks and opportunities

Important waste streams for Avebe are sludge and tare. We process the wastewater from our processes in wastewater treatment plants. This creates sewage sludge. By the growth of our vegetable protein products, we produce more wastewater and therefore more sewage sludge. Currently, sludge is a residual stream with a negative value for Avebe, mainly because it can contain heavy metals, which means we cannot always use it in a circular way and therefore have to pay a fee for its disposal.

In addition, when potatoes are delivered to our factories, sand, foliage and stones come along unintentionally. We call this tare. Tare is a waste stream because it is difficult to find a valuable or low-cost application for it. The circular application of residual flows and reducing costs is therefore a financial opportunity for Avebe.

### Strategy

Avebe produces residual streams with a net negative economic value. Our goal is to avoid these residual streams or find applications where we can (re)use these residual streams at the highest possible value. This will result in minimising or eliminating the use of primary (new) raw materials, thereby increasing Avebe's circularity. In our Accelerate and Strengthen strategy, we have included a number of targets in relation to our residual streams in our program 'increasingly circular':

- set up internal reporting around 'resource use and circular economy';
- minimise the use of primary raw materials;
- improve the operating margin of our residual streams.

### Approach and action plans

Initially, we identified the net negative value for Avebe for the various residual streams, set specific targets for each residual stream and then, based on a positive business case or a 'licence to operate' float, drew up a concrete plan for valorising or minimising the residual streams. These plans will be further geëffected in the coming years, such as certificating sludge from our production and originating from agriculture as fertiliser.

### Goals and realisation

Valorise residual streams with a net negative value to increase circularity up to 2030 with the following concrete goal:

- 30 per cent cost reduction compared to the 2022/2023 baseline year.

Currently, these targets are being further elaborated and specified to collect the right data. In terms of volumes, the following has been achieved for tare and sewage sludge:

- In the 2023/2024 financial year, total sewage sludge (gross weight in tonnes) was 71,876, 30 per cent less than in the previous financial year (103,041), mainly driven by lower production volume.
- In the 2023/2024 financial year, tare (>#/span### tare of potato weight) was 6 per cent, which is 32 per cent more than in the previous financial year (4.6 per cent). Weather conditions during harvest had a major negative impact on the tare rate.

## 6.4.7 Plant products industrial market

### Impacts, risks and opportunities

Our industrial customers are looking for better, cleaner alternatives from the (consumer) market demand for more sustainable products. Avebe plays an important role in the consumer demand for plant-based alternatives, because with potatoes we have a unique raw material and the application knowledge. We have and are developing a portfolio of products that responds to this. As Avebe, we have the opportunity to expand our place as market leader in sustainable ingredients for industrial applications.

## Strategy

We have a clear strategy to use our product offering to maximise Avebe's added value in the vegetable construction and food packaging industries. We do this by achieving volume and margin growth in the two segments mentioned above, by focusing on vegetable and sustainability trends and working with our customers on product solutions from our raw material base.

## Approach and action plans

We work from a collaborative approach to commerce, market development and marketing. Specifically, this runs through the following action plans.

- From business development, define areas where Avebe's products and expertise can offer a unique solution;
- Work with customers to identify their specific requirements and wishes and collaborate on solutions.

### Goals and realisation

Currently, a process has been started to formulate concrete goals so that the right data can then be collected and discussed about this can be reported.

## 6.4.8 Working safely

### Impacts, risks and opportunities

Safety has been a key focus within Avebe for many years. We want all employees, suppliers and visitors to be able to do their work safely and go home safely. Despite this, accidents happen and have a negative impact on the safety and health of employees. A lack of safety measures creates risks for the individual and for Avebe as a whole. These consequences include production stoppages, penalties, legal liability and loss of reputation. This can damage confidence in Avebe and its products and thus negatively affect our revenues.

We strive for a safe workplace to effectively manage risks. Productivity and efficiency of processes also improve when employees and visitors are well aware of safety rules and protocols.

## Strategy

Safety is part of the healthy breeding ground of the Accelerate and Strengthen strategy and therefore embedded in our operations. We strive for a safety culture based on trust, credibility and transparency. Our main objectives in this are:

- minimising injuries and other safety incidents;
- ensuring the continuity of our business operations;
- developing authentic leadership in line with Avebe's core competences.

Our ultimate goal is to minimise the number of incidents, preferably having zero safety incidents. Read more about our Accelerate and Strengthen strategy in [chapter 4](#).

## Approach and action plans

We take the following approach:

### *Behaviour-based safety programme*

In this financial year, we started implementing a behaviour-based safety program across the organisation entitled 'Life Saving Rules'. These rules are a set of very important agreements and practices that we, as Avebe, do not compromise on. This means that we always follow the Life Saving Rules, even when it can be difficult or lead to loss of production. If we do, you yourself but also your colleagues can go home safely at the end of a working day. The rules behind the Life Saving Rules concept already existed, but were sometimes formulated too generally. Strict adherence to requirements means we need to create clarity in these requirements and then solve the barriers that employees encounter.

### *Safety training*

We have reviewed the existing training matrix and made additions for various positions as to what training is necessary to work safely and responsibly. We train our employees on safety topics at least once a year. We offer these via our internal digital learning platform and they are compulsory in nature. This way, we enforce that every employee can work on site with the right knowledge on safety.

### *Digital work permits*

Part of the 'Life Saving Rules' is improving the quality of the work permit. A work permit defines how safe maintenance

work can be carried out. In this context, we have introduced a digital work permit process at all Dutch production sites, which has replaced the paper version. The major advantage that a digital work permit process offers us lies in the mandatory workflow with mandatory fields and the use of checklists that are 'automatically' invoked depending on activities. Besides being mandatory, this helps us make our employees' work easier.

#### Goals and realisation

For the 2023/2024 financial year, Avebe's target is an accident frequency index TRIFR (Total Recordable Injury Frequency Rate) of 0.8. The TRIFR is an international standard based on the number of incidents per 200,000 hours worked at our sites. This target applies to all Avebe employees and others working at our sites.

The TRIFR outcome in 2023/2024 was 0.9, slightly higher than the target, but 0.2 better than the previous year. There were no fatal accidents or accidents with serious consequences involving a recovery period longer than six months. The top three incidents were falls and trips, exposure to chemicals and cutting. Analysis of these incidents shows that many are preventable by strengthening the basics. For example, by clearly communicating the Life Saving Rules.

## 6.4.9 Food safety

#### Impacts, risks and opportunities

For years, there has been a growing awareness of sustainability, health and also stricter food legislation; often translated as food safety. Although we do not supply end consumers directly, we do have a great responsibility to supply products that meet the quality standards and legislation around food safety. If problems occur in relation to food safety, this has a negative impact on our customers and/or environment. There are health risks associated with quality standards that are not met. Through internal and external audits, Avebe is FSSC22000 certified as a food-safe

producer/supplier. The requirements are getting stricter and food safety problems can lead to health damage, reputation damage and reduced confidence in our products.

#### Strategy

Safety is part of the healthy breeding ground of the Accelerate and Strengthen strategy and therefore embedded in our operations. We strive for a safety culture based on trust, credibility and transparency. Our main focus on food safety is ensuring food safety compliance in line with laws, regulations and customer requirements.

Read more about our Accelerate and Strengthen strategy in [chapter 4](#).

#### Approach and action plans

We take the following approach to implementing our food safety strategy:

##### *Building a food safety culture*

Avebe continues to build on strengthening a food safety culture. Building a food safety culture goes beyond implementing food safety protocols and procedures; it emphasises integrating a safety mindset into employees' daily practices and attitudes. A strong food safety culture includes a commitment from everyone in our organisation to prioritise and maintain food safety standards. This means attention to hygiene, cleanliness and compliance with established food safety rules and guidelines. From the central QESH (Quality, Environment, Safety and Health) organisation, unambiguous compliance with these rules and guidelines is ensured through clearly defined procedures and work instructions.

##### *Internal and external audits*

In addition to the external audits conducted annually on our food safety certification, Avebe is strongly committed to additional food safety compliance audits by the internal audit department.

### Goals and realisation

We aim to minimise the number of recalls related to food safety, with a target of 0 recalls. We also want to reduce the number of (major) external audit findings, with a target of 0 findings.

This financial year saw two recalls related to food safety. In the first, insect particles had been observed in the product produced at one of our toll producers. To prevent potential risks related to food safety, this batch was recalled. The situation normalised and had no further consequences. The second incident was related to the use of a processing aid not known to the customer. Although the dosage of this processing aid was in line with laws and regulations and did not create an obligation for us to declare, we failed to inform our customers sufficiently well regarding the residues (possibly) present.

This financial year also saw an external audit finding. This related to the animal feed audit in Ter Apelkanaal and concerned a minor finding from an earlier audit that was insufficiently followed up the following year. This finding is now no longer present due to appropriate follow-up.

## 6.4.10 Attractive employer

### Impacts, risks and opportunities

The composition of the workforce, now and in the future, is crucial. Avebe will see an ageing workforce in the coming years, while there are shortages on the labour market for several professional groups. In addition, the world is changing faster than ever before; rapid digitalisation and artificial intelligence (AI), climate change, a 'challenge for talent' and competition on arable land. Ensuring sufficient numbers of high-quality skilled staff and then developing and retaining them requires considerable efforts. Insufficient attention to this may lead to loss of attractiveness on the labour market and an inefficient organisation. In addition, as an employer, we have a major impact on our employees. Our impact is focused on providing an inclusive working environment and facilitating employee development.

### Strategy

To keep Avebe strong and future-proof as an organisation, we have set up the overarching strategic program 'Strengthen the organisation'. This program looks at further establishing an organisation that makes best use of the talent of our people. It includes the following objectives:

- effective Play to Win leadership supported by an integrated leadership development program, tailored to the different levels, personal development plans and appropriate to the future organisational set-up;
- efficient and effective design of the organisation with the right people in the right place at the right time including an understanding of the required skills and competences;
- the Avebe Academy as a learning platform where talent management, training, personal development and compliance requirements come together;
- a recruitment and selection policy in line with the future design of the organisation and our diversity policy.

### Approach and action plans

We adopt the following approach and action plans for strengthening our organisation:

#### *Leadership development program*

A leadership development program for Avebe has been designed and is under implementation, focusing on personal leadership and development. All executives, the Executive Committee (EC), Leadership Team (LST), Management Group and all team leaders in the Netherlands participate in this program. The program focuses on leadership development based on Avebe's five Play to Win core competencies: reflect, realise, connect, change and renew. The program aims to strengthen authentic leadership and create one Avebe; we implement this at different levels within the organisation based on the Play to Win concept.

#### *Avebe Academy*

We started developing and setting up the 'Avebe Academy' in this financial year. In the coming years, this platform will be equipped with practical learning modules focused on the five Play to Win core competences and will allow employees to shape their own development. Among other things, we offer workshops, training courses, internships, special projects and other (online) learning opportunities, linked to personal development plans and job-related curriculums.

#### *Strategic personnel planning*

We take into account the most optimal structure of our organisation within our strategic formation planning process. We do this by aligning the organisational structure with our objectives, with the ultimate goal of improving efficiency and effectivity; operational excellence. Drivers behind the organisational design are digitisation/ automation of processes, the right span of control of the management layers and the urgency to improve our organisation (a little) every day. In short, an organisation ready for the future; an agile, efficient and effective Avebe.

#### *Recruitment and selection program*

We are working on a recruitment program that focuses on career paths, social contributions and personal development to attract the right workforce and leaders of the future, in line with our expected organisational set-up.

We are also aligning our recruitment program with the diversity policy and establishing an effective and future-proof recruitment process.

### Goals and realisation

This has translated into the following targets for financial year 2023/2024, among others:

- net average absenteeism below 5 per cent;
- conducting an employee satisfaction survey (MTO) every two years;
- mandatory training/e-learning 90 per cent on time and fully completed;
- at least 18 per cent of our management positions occupied by a woman;
- securing an integral leadership program related to our values, core competences and Play to Win behaviours.

The realisation in financial year 2023/2024 is as follows:

- net absenteeism 5.0 per cent;
- MTO is scheduled for autumn 2024;
- mandatory training/e-learning 83.3 per cent completed on time and in full;
- 20 per cent women in senior management positions;
- all executives went through an intensive leadership program of six training days and several intervention moments.

## 6.4.II Plant-based nutrition

### Impacts, risks and opportunities

Global demand for more sustainable, nutritious and natural products is rapidly increasing. The plant transition is a key component in reducing climate-related emissions. This is an important opportunity for Avebe. Our arable cooperative is at the heart of this changing and growing market. With potato starch and protein, we can offer unique properties and our customers can achieve their goals by offering sustainable and plant-based products to consumers. As a market leader in the production of potato starch and protein products, Avebe bears a responsibility in accelerating the transition to more plant-based. With our strong foundation and influence in the chain from 'sand to customer' and our commitment to sustainability and innovation, we are a powerful player in this transition. We are proud of the role we are playing towards healthier, more sustainable and plant-based food and the positive impact we are making.

We constantly see new opportunities to meet the changing needs of our customers and consumers from innovative solutions and from a sustainable and transparent supply chain.

### Approach and action plans

Both strategic programs include specific products and applications in which we aim to achieve sustainable growth in vegetable solutions with potato starch and protein for the food industry together with our customers.

### Strategy

In our Accelerate and Strengthen strategy, two strategic programs specifically target growth in plant-based food products: 'Good food++' and 'New applications'. The first focuses on accelerating and strengthening the commercialisation of our current good food portfolio by working with (potential) customers on plant-based solutions. The New applications program also focuses on adding value to our potato starch and protein products in new applications in the food industry.

### Goals and realisation

We want to accelerate sales of our potato starch and protein solutions in both existing and new applications. In doing so, we focus on an optimal mix of customers and applications. We offer solutions to help customers transition to plant-based products. Our objectives have been translated into specific growth targets in sales volume and contribution margin per product. A process has currently been started to set concrete targets so that the right data can then be collected and reported on.

## 6.4.12 Business ethics

### Impacts, risks and opportunities

Avebe stands for fair and transparent business practices. This means that we carefully manage the interests and rights of employees, suppliers, farmer members, customers and our environment. An appropriate corporate culture is crucial in this respect. This translates into being a reliable employer, supplier and partner, and gives Avebe a good social role and position. We also stand for responsible lobbying activities and contacts with local and national politics. For us, business conduct and responsible lobbying is very important. Good business ethics allow us to distinguish ourselves positively within our sector. One risk is that Avebe is not seen as a company that advocates honest and transparent business practices.

### Strategy

The cooperative is known as a transparent and democratic form of enterprise with a long-term strategy. That is why Avebe applies the principles and best practices contained in the Governance Code of the National Cooperative Council. This increases the transparency and quality of governance and supervision in our cooperative.

Doing business with honesty and integrity and with respect for people and the environment is central to us. This cannot simply be captured in procedures and guidelines. That is why we are committed to a culture of respect and trust, where there is no room for undesirable behaviour and non-integrity. We actively propagate associated norms and

values and provide employees with channels for questions or reports. Our approach is implemented by offering training courses, independent confidential counsellors and complaints procedures, among other things. All this rests on a solid foundation of policies and procedures that set out Avebe's norms and values.

### Corporate governance policy

Our organisational structure, our values and business principles and standards of behaviour we apply towards stakeholders are included in our Corporate Governance policy. All codes of conduct are shared with employees and can be found on our website.

### SpeakUp and whistle-blower scheme

Avebe has a SpeakUp scheme that allows anyone to anonymously report serious violations that cannot be reported in any other way. This can be done both by phone and via a secure website, without the intervention of a human operator. Avebe also operates a whistleblower scheme.

### Responsible Sourcing Policy

We have a responsible procurement policy, with requirements to our suppliers from Corporate Social Responsibility (CSR) firmly embedded in it. In our view, this is crucial for the way we do business. Responsible procurement and outsourcing is one of the most important factors contributing to our CSR. The way we do business should improve the lives of the people in our supply chain and not harm the environment unnecessarily. Our Responsible Sourcing Policy (RSP) provides the guidelines we follow and describes the responsibility we take on in our supply chain. Corporate Social Responsibility is an integral part of our business activities. This Responsible Sourcing Policy is fully in line with our Corporate Governance Code. We require our suppliers to comply with the principles included.

## Approach and action plans

We take the following approach in relation to business ethics:

### *Business conduct training*

Employees receive online training in responsible business behaviour. We offer these via our internal digital learning platform and are mandatory in nature. For example, there is a training course 'Competition' that deals with competition law and how to deal with suppliers, competitors and other external partners. An example of another training is 'Avebe: vision, safety and responsibility', which informs employees about Avebe's policy, strategy and various rules. It covers topics such as: internal code of conduct, discrimination, whistleblowing, working conditions, absenteeism, privacy and social media.

### *Sanctions policy*

Avebe has a sanctions policy whereby all our customers and suppliers are automatically screened daily against the current international sanctions lists.

### *Stakeholder management and engagement*

Avebe is actively engaged in advocacy and lobbying work for our farmer members and the cooperative on agricultural laws and regulations, water, energy transition and the future of crop products. Our efforts focus on:

- **Agriculture:** Avebe is involved in agricultural policy-making and regulation. We strive for a balanced approach that considers both the interests of our farmer members and their earning power, the sustainability of our products and making agriculture more sustainable while ensuring the achievement of national and European targets.
- **Water:** Avebe is involved in water-related policy-making and regulation. This includes water quality (including the Nitrates Directive and the Water Framework Directive), as well as the displacement series and water availability of our production sites. We aim for a balanced approach that safeguards both the interests of our farmer members and their earning power, as well as sustainability and the achievement of national and European targets.

- **Energy transition:** Avebe supports the transition to sustainable energy sources and is working towards a more efficient use of energy within our processes. We follow developments in the Energy Act and implement measures to reduce our carbon footprint, throughout the chain.
- **Plant-based future:** as a producer of potato starch and protein, we contribute to the transition from synthetic and petrochemical products to plant-based alternatives. In this, Avebe also collaborates with peers and stakeholders to promote innovative solutions, as in the [Fascinating](#) program.

Attached is our [stakeholder table](#), in which we further explain our commitment to these topics.

### Goals and realisation

We want to build a strong foundation on how we do business and ensure transparent operations. This is difficult to capture in concrete and measurable objectives. Should reports come in through any of our schemes, our aim is to follow up appropriately on what is reported.

During this financial year, the whistleblower scheme was used once. This related to a possible corruption incident. The complaint was found to be unfounded after investigation.

## 7. Risks, opportunities and uncertainties



## 7.1 Risks, opportunities and uncertainties

Carrying out business activities and achieving the targets entails opportunities and risks. Royal Avebe aims to seize the opportunities that present themselves while considering the risks involved.

Risk management is part of how Avebe wants to implement its strategy and it is important for achieving its short-term and (medium) long-term objectives. Avebe wants to identify these risks in time, analyse them and manage them effectively and efficiently. This way, we are better able to translate the strategy within the organisation into opportunities and risks and to achieve and monitor the objectives.

### Risk management

Risk management is applied throughout the organisation, under the responsibility of the board and the executive committee and under the supervision of the supervisory board up to the workplace. At Avebe, the coordination of the risk management system is the responsibility of the Internal Audit & Risk Management director, who reports to the executive committee and the audit committee. The Internal Audit & Risk Management Director is tasked with securing the risk management process, facilitating risk sessions and providing reports. The performance of the risk management system is actively monitored. To increase risk awareness, periodic workshops are held to discuss risks, assess them and take action. The results of the risk management system and the fraud risk assessment are periodically reported to the board and the audit committee. This way, the audit committee and the supervisory board are actively involved in Avebe's risk management process.

Risk management is carried out along three pillars: strategic risk management, major investment projects and operational risk management, including compliance with legislation and regulations. Financial and sustainability risks are also taken into account, including reporting risks and an annual fraud risk assessment.

### Risk tolerance

Risk tolerance is reviewed periodically in Avebe's executive committee and leadership team. The results of this assessment are accounted for in the audit committee of the supervisory board. In making decisions, a balance is sought between Avebe's strategic targets and the associated risks and opportunities with the set risk tolerance.

### Main risks

This section outlines the main risks and the accompanying control measures identified in the risk management process. The selection is based on estimates of the probability that the risk will manifest itself and the possible impact if it does. The overview of risks is divided into four categories: strategic, operational, compliance and financial risks. The financial risks are explained on pages 95 and 96. We schetsen de belangrijkste risico's en bijbehorende beheersmaatregelen, die voortkomen uit het risicomanagementproces. Deze selectie is gemaakt op basis van inschattingen van de kans dat het risico optreedt en de mogelijke impact als het risico plaatsvindt. Het overzicht van de risico's is opgedeeld in vier categorieën: strategische, operationele, nalevings- ('compliance') en financiële risico's. Financial risks are disclosed in the financial statements, notes to the consolidated balance sheet, under 'Financial instruments'.



## 7.2 Main risks

Risk	Causes and consequences	Risk Causes and consequences Control measures	Trend
<i>Strategic risks</i>			
Failure to achieve strategic objectives (together towards more value, strengthening the foundation, accelerating towards plant-based and new horizons)	<ul style="list-style-type: none"> <li>• Changes in relevant legislation and regulations and uncertainty surrounding agricultural policy have a major impact on our members and therefore also on the yield from the area for Avebe.</li> <li>• Macro-economic developments (such as inflation, recession, interest rate developments, exchange rates) put pressure on Avebe's return and therefore on the return of our members.</li> <li>• Extreme weather conditions (drought or precipitation) and difficult to control soil diseases can lead to a significant reduction in the supply of starch potatoes.</li> <li>• Insufficient financing for the necessary investments can result in us not achieving strategic objectives.</li> <li>• Because the market is dynamic and uncertain, making investments in relevant and well-timed products is extremely important.</li> <li>• Sustainability requires sufficient awareness. If not, there is no urgency and investments are under pressure.</li> </ul> <p>This can lead to not achieving one of the strategic objectives (on time), damage to reputation, loss of turnover, customers, members, suppliers and employees.</p>	<ul style="list-style-type: none"> <li>• Based on scenario analyses (such as: what to do in the event of lower potato yields or extreme drought), we draw up a management plan.</li> <li>• Increasing product focus and cost awareness within Avebe to continue to achieve sufficient returns for our members.</li> <li>• Optimising the cultivation yield per hectare.</li> <li>• (Continued) development of new resistant starch potato varieties.</li> <li>• Putting the customer first and striving for optimum customer satisfaction.</li> <li>• Focusing on the quality of our project management to complete projects on time, within budget and in accordance with quality requirements.</li> <li>• Innovation policy based on market needs and a proper balance between short-term and long-term innovation.</li> <li>• Implementation of measures through transparent project management with measurable KPIs.</li> <li>• Monitoring of the effect of our implementation strategy by an internal strategic agency.</li> <li>• Sustainability is an integrated part of our strategy and has been translated into KPIs. Monitoring this is part of the planning &amp; control cycle.</li> <li>• Public affairs activities in relation to, for example, legislation and agricultural policy.</li> </ul>	►
Rising prices and availability of raw materials	<ul style="list-style-type: none"> <li>• The war in Ukraine and other geopolitical tensions have consequences for global trade, which has put pressure on the prices and availability of raw materials (other than potatoes).</li> <li>• The increase in prices and the scarcity of raw materials has led to an increase in the cost price of our products. This may result in it no longer being profitable or, in the worst case, not being possible to produce certain products. Price fluctuations cannot always be passed on to the customer in full or in a timely manner, which may affect the result.</li> </ul>	<ul style="list-style-type: none"> <li>• An active purchasing policy that ties in well with our S&amp;OP process enables us to identify bottlenecks in the availability of raw materials at an early stage.</li> <li>• Continuous monitoring of cost developments in the market enables us to identify price developments and shortages in the raw materials market in good time.</li> <li>• Partly in light of our sustainability objectives, we actively invest in sustainable solutions to reduce our energy demand.</li> <li>• The rising prices for raw materials are passed on to Avebe's customers where possible.</li> <li>• The risk of rising energy costs is partly mitigated by covering our future energy needs.</li> <li>• The costs for energy prices are assessed daily, whereby we actively determine our purchasing strategy.</li> </ul>	►
<i>Operational risks</i>			

Risk	Causes and consequences	Risk Causes and consequences Control measures	Trend
Cyber security risk	<ul style="list-style-type: none"> <li>• High degree of automation in primary business processes.</li> <li>• Insufficient security of software, hardware and networks can lead to security risks.</li> <li>• Insufficient awareness of employees regarding cyber security risks.</li> <li>• A continuous race between external intruders and the security measures that are taken.</li> </ul> <p>This can lead to hacked systems, downtime of production processes, theft of crucial data, damage to reputation, loss of market advantage and financial damage.</p>	<ul style="list-style-type: none"> <li>• We have set up an IT security department that monitors the security of Avebe and its systems.</li> <li>• An external agency provides 24/7 monitoring of (unauthorized) access to Avebe systems.</li> <li>• Processes and procedures for updating software and hardware.</li> <li>• Strengthening our firewalls and network segments.</li> <li>• Increasing awareness among staff by making them aware of security risks.</li> <li>• Periodic vulnerability scans and penetration tests.</li> <li>• Only authorized employees have access to the server rooms.</li> </ul>	▲
Data center/ICT system failure	<ul style="list-style-type: none"> <li>• A calamity at the location of our data center, for example due to a power failure, explosion or flooding.</li> <li>• A facility in the data center that fails due to technical or process causes.</li> </ul> <p>This can lead to the (complete) non-functioning of operational production, the networks at office locations and foreign locations.</p>	<ul style="list-style-type: none"> <li>• Fire and extinguishing facilities have been installed.</li> <li>• A backup for the power supply has been set up.</li> <li>• Additional systems in the data center to absorb a system failure (redundancy).</li> <li>• The data center is well maintained.</li> <li>• Backups of office data are made and stored at a location other than the data center.</li> <li>• A disaster recovery plan has been drawn up.</li> <li>• Only authorized employees have access to the server rooms.</li> </ul>	►
Increase in the number of employees who are not sufficiently competent to do their work for Avebe	<p>Changing working conditions due to new processes, technology or organizational structure.</p> <p>Employee illness, partly due to an aging workforce.</p> <p>Lack of clarity among employees because performance objectives are not sufficiently specific.</p> <p>Appraisal interviews that do not take place on time.</p> <p>Insufficient information/insight for managers to steer on the competencies and training requirements of employees.</p> <p>This can lead to lower productivity, more production errors and limited insight into training requirements and requirements. Insufficient alignment of employee training with the needs of the organization leads to incorrect strategic formation planning.</p>	<ul style="list-style-type: none"> <li>• Interventions by company social work.</li> <li>• Employees are offered a Periodic Medical Examination.</li> <li>• The Time Task Competence methodology is used to gain insight into the cause of absenteeism or inadequate performance.</li> <li>• We set up strategic formation planning and use this as a management tool.</li> <li>• At the production locations we use a deployability matrix to determine workplace suitability.</li> <li>• We use a digital learning platform (LMS) for training and education.</li> <li>• Process around the conversation cycles with employees.</li> <li>• Use of Case Management within Avebe.</li> </ul>	►

Risk	Causes and consequences	Risk Causes and consequences Control measures	Trend
Personal safety	<p>Employees of Avebe and third parties run safety risks when carrying out work in the factories and on the factory site, for example due to:</p> <ul style="list-style-type: none"> <li>• Open production processes: e.g. maintenance/cleaning of washing drums and vacuum dryers</li> <li>• Risk assessment is not up-to-date which creates possible causes for injuries</li> <li>• Changes to procedure are not always correctly implemented</li> </ul> <p>This can lead to personal accidents, sanctions by the Labour Inspectorate (and related reputational damage), business interruption or (civil) lawsuits.</p>	<ul style="list-style-type: none"> <li>• A BNO/BHV organisation has been set up for each site.</li> <li>- Avebe has implemented safety zoning at production sites and procedures around personal protective equipment and periodic safety rounds.</li> <li>- A safety awareness programme is being implemented.</li> <li>- Contractors and suppliers receive safety instructions.</li> <li>- In case of unsafe situations, these are reported and followed up.</li> <li>- Safety studies are carried out in the form of HAZOP studies and Risk Inventories and Evaluations.</li> <li>- Explosion safety documents are provided.</li> </ul>	▶
Contamination of products (in production process or storage)	<ul style="list-style-type: none"> <li>• Insufficient food safety in the production of our products.</li> <li>• If the security of external silos fails, criminals can gain access.</li> <li>• Terrorists or criminals who contaminate or poison our products (food fraud).</li> </ul> <p>Contamination leads to loss of value of Avebe products and reputational damage. In the worst case, it can lead to the processing of contaminated Avebe product, resulting in (health) risks and the recall of products.</p>	<ul style="list-style-type: none"> <li>• Physical access security at the factories and storage locations.</li> <li>• Avebe is AEO and FSSC22000 (food safety) certified by internal and external audits.</li> <li>• Investments are made in measures that guarantee food safety.</li> <li>• Several standard procedures (e.g. for recalls and complaint handling) have been set up, including escalation via a crisis management process.</li> </ul>	▶
<i>Compliance risks</i>			
Fraud and corruption	<ul style="list-style-type: none"> <li>• There is a risk of theft of resources and knowledge of the organisation (such as tools, buyers, patents and competition-sensitive product information).</li> <li>• Reporting fraud.</li> <li>• Fraud relating to products within the food industry (food fraud).</li> <li>• In countries without their own sales organisation, Avebe uses foreign agents.</li> </ul> <p>This can lead to various consequences such as financial losses and reputational damage.</p>	<ul style="list-style-type: none"> <li>• All codes of conduct are shared with employees (Corporate Governance Code, Whistleblower Procedure, Internal Code of Conduct, Speak-up Scheme and Competition Manual).</li> <li>• Workshops are organised for external employees.</li> <li>• An IT Security and Privacy policy has been drafted and implemented.</li> <li>• A sanctions policy has been drafted and implemented in the ERP system, with continuous monitoring on customers and suppliers in relation to most up-to-date international sanctions lists.</li> <li>• Contracts with agents are drawn up on the basis of an established standard, including a right-to-audit.</li> <li>• A background check is carried out for both new and existing agents.</li> <li>• Separation of functions in processes, we explicitly separate management functions from disposition functions.</li> <li>• Periodically, our fraud risk analysis and related control measures are reviewed via internal audit.</li> </ul>	▶

Risk	Causes and consequences	Risk Causes and consequences Control measures	Trend
Changing legislation and regulations	<p>Changes in legislation and regulations can have consequences for the activities of Avebe, our members and our contracting parties. Avebe complies with legislation and regulations on, among other things, food safety, the environment, production processes (including ATEX), safety of plant and equipment (for example BRZO) and HR.</p> <p>Failure to comply with legislation and regulations can lead to the (temporary) loss of the license to operate at the production sites, examples of this include:</p> <ul style="list-style-type: none"> <li>• Major Accidents Risk Decree/Seveso: failure to meet the requirements set out in the Decree</li> <li>• ATEX (dust explosion):</li> <li>• Backlog of required ATEX modifications;</li> <li>• No ATEX-based design/materials/tools for changes/maintenance.</li> </ul>	<ul style="list-style-type: none"> <li>• Changes in relevant legislation and regulations are actively monitored and assessed.</li> <li>• All critical issues and changes in legislation and regulations relevant to us are discussed with the authorities in a timely manner in order to agree on licensing conditions with them.</li> <li>• A safety management system that meets the requirements of BRZO/Seveso has been implemented at our production sites.</li> <li>• Explosion safety documents are provided.</li> <li>• We raise ATEX awareness by training our employees.</li> <li>• Reducing dust formation is an ongoing point of attention during maintenance and adjustment of the production process.</li> <li>• Cleaning procedures and safety inspection rounds.</li> <li>• The safety management system is subjected to periodic internal and external audits.</li> </ul>	►

▲ = Risk has increased ▼ = Risk has decreased ► = Risk remained the same

## 8. Corporate Governance



## 8.1 Report of the supervisory board

It was a challenging year, in which we found that it is precisely in challenging times that it is important to continue to respect each other, trust each other and give each other space. After all, as a collective, we can create more value in the future.

### Difficult decisions

For the first time in Royal Avebe's history, we adjusted the price forecast prior to the campaign. While adjusting the price naturally has an impact on confidence, we are convinced it was the right decision. It was a tough decision, in which we opted for openness, transparency and the continuity of the company. The one-off transaction in Turkey, in which we sold our entity there, also strengthened the company. The negative result of this fell in the current financial year, making the impact inevitable for our members.

### Strengthened financial base

These two decisions obviously have a direct impact on the performance indicator, but at the same time they also provide a strengthened financial base going forward. The 25 euro growth target for the performance indicator still stands firm.



” As a collective, we can create more value in the future

### Confirmation of the new strategy

When market demand collapsed due to the global recession, the new strategy Accelerate and Strengthen had only just been launched. As a result, the strategic steps had to be implemented even faster, and we succeeded. For instance, the supply conditions have been adjusted to give our members more flexibility. From crop year 2024, the delivery obligation has been revised downwards and multi-year contracts with two years' notice have also been introduced for our Dutch factories. The strategy takes into account not only a decrease in volume, but also opportunities in the market to generate more returns with less volume. Last year, there were concerns in the market, but now we fortunately see more opportunities than threats.

### Opportunities and threats

Avebe's challenges are not so much in the application of our products, but much more in the supply of our raw materials. Societal discussions play a role here: about crop protection products, climate change, rising costs and crop-related diseases. In the Netherlands, think also of the potential impact of the 8th Nitrates Action Program and, in Germany, of irrigation restrictions. By contrast, our customers see a strong and professional company that puts the customer first. Avebe's Innovation Center, for instance, provides maximum support to our customers by developing solutions to specific customer questions. Our story is also increasingly landing in regional and national politics.

### Cost awareness

The supervisory board sees that cost savings are being made. Processes have also been and are being organised more efficiently. Employees are aware of costs at an individual level, so targets on budgeted savings have been achieved. Production lines are used more efficiently and effectively and, in addition, internal processes run better, leaders are included in a leadership program and plans with proven results are followed up better.

### Consultations

- The supervisory board held 15 meetings last year. Specific attention was paid to a number of financial parameters, such as solvency and the cost structure. There were also many discussions about a more efficient Avebe, including the new organisational structure. During these meetings, the supervisory board made one site visit in Malmö, one site visit in Ter Apelkanaal and had one session with the youth council. In addition to this session, the young people organised a youth day, where a lot of energy was noticeable.
- The audit committee met three times last year. We talked extensively about digital security, the rise of artificial intelligence (AI) and our own cybersecurity. The supervisory board is also trained in cybersecurity. The audit committee has also paid close attention to financing and working capital, budgets and how the audit plan is implemented and what areas of emphasis should be included.
- The selection, remuneration and appointments committee had four meetings last year. During these, time was invested in the recruitment and selection of a successor to Peter Poortinga. This successor was found in Hidde van der Wal. He has extensive experience in the global ingredients business and therefore fits the profile drawn up well. Issues such as talent management, remuneration for the directors and inclusiveness were also on the agenda.
- The appeals committee met six times last year. Most of the sessions were spent dealing with objections to fines imposed by the board for failing to comply with the delivery obligation, despite the collective waiver. Only when, in the eyes of the supervisory board, culpable under-delivery has occurred will the fine be upheld in full.

### Appointments and reappointments

During the annual meeting, Peter Poortinga was thanked for his valued commitment in recent years and Hidde van der Wal was appointed as a new member. In addition, Johan Emmens was reappointed for two years.

### Confidential advisor

Angelique Heckman fulfils the role of confidant for the works council. She is ready to offer works council members a safe and independent place to discuss concerns, dilemmas and possible integrity issues. Two meetings were held with a delegation from the supervisory board, the works council and the board of directors.

### Strength of the cooperative

As supervisory board we want to emphasise that Avebe's strength lies in the cooperative. Sometimes it is love and sometimes it is loyalty that keeps us together. In doing so, every member has a say and that sometimes causes strong emotions. As far as we're concerned, this indicates a high level of commitment and responsibility. Avebe wants to pay maximum for starch potatoes and we are fully committed to that. We have a long relationship with mutual dependence. As supervisory board, we would therefore like to thank everyone for their commitment and loyalty in the past year.

*Marijke Folkers-in 't Hout, chair*

## 8.2 Governance and assurance

### Members' council

As a cooperative of starch potato growers, our members' council forms the highest body in Royal Avebe. The members have a right of say on important subjects such as the appointment of supervisory directors, the adoption of the financial statements and decisions on subjects laid down in the articles of association. The members' council also serves as a sounding board for the cooperative's management. The members' council is composed of members elected by district. The members' council also has a youth council. The youth council is a breeding ground for administrative talent within the cooperative. The members of this council represent the prospective and young members.

### Cooperative board

The (cooperative) board of Royal Avebe, consisting of David Fousert (chair and also CEO) and Rob van Laerhoven (member and also CFO), represents the cooperative and implements the decisions.

### Executive committee

The board, together with the directors of the departments HR, Agro, Commerce, Innovations and Operations, form the executive committee. The executive committee is responsible for safeguarding the strategy and its tactical and operational aspects and the accompanying policy.

### Supervisory board

The supervisory board of Avebe consists of nine members, five of whom are members of the cooperative. The supervisory board oversees the management and pursuance of the strategy, the policy of the cooperative and its subsidiaries. The supervisory board is also responsible for the remuneration and appointment of board members (as the board's employer) and approving financial statements and the budgets. The supervisory board members are appointed by the members' council and it elects a chair from among its members. In addition to its formal role, the supervisory board also provides solicited and unsolicited advice on the strategy to be pursued and the cooperative's policy.

### Ethics and Integrity

Our [Corporate Governance Policy](#) sets out our organisational structure, values and business principles, and the standards of behaviour we apply towards stakeholders. Avebe also operates a whistleblowers' scheme. Avebe is also committed to the UN Global Compact guidelines. This is a voluntary platform for the development, implementation and reporting concerning corporate responsibility.

### Borging strategie Versterken en Versnellen

The cooperative board, the executive committee and the employees involved have defined targets for each strategic pillar. Eleven programs have been developed to give substance to the strategic goals. Various teams, led by the Strategic Business Owners and program managers, have been tasked with carrying out these programs and make investments to achieve the set goals. Within our investment portfolio, a specific pillar has been introduced for sustainability investments. In this way we take advantage of the sustainability opportunities. The program managers manage the projects within the programs and report progress to the executive committee during monthly strategy meetings, at which the sustainability director and PMO director are also present. In these meetings, the progress of the various programs is discussed and the necessary decisions taken relating to the organisation's strategy, including sustainability. The director of sustainability ensures the progress of sustainability targets and reports to the CEO. The executive committee bears final responsibility for the entire strategy and therefore for making Avebe more sustainable.

### Remuneration policy

Our remuneration policy for the board of directors is based on both financial and non-financial performance criteria. The four criteria for the past year place emphasis on critical processes and developments.

1. Performance price, in the short and long term
2. PerfectaSOL<sup>®</sup>, the protein strategy
3. Healthy solvency
4. Development of new strategy

These criteria have been implemented in full among the entire senior management of Avebe, making the success of the strategy a shared challenge.

### **Diversity policy**

Avebe believes it is vital to work with a diversity of employees with diverse perspectives arising from different ages, experiences, backgrounds, genders, sexual preference, characters etc. There is room for everyone within our company. We offer every employee equal opportunities to develop talents and strive for an open, safe and inclusive working environment. In order to reflect society at all levels, we encourage the recruitment and retention of a wide diversity of employees.



## 8.4 Supervisory board

**M. (Marijke) Folkers-in 't Hout, 1983 (f)**

Chair, appointed in 2016

**D. (Dirk) Kloosterboer 1954 (m)**

Vice chair, appointed in 2018, retiring November 1, 2024

**H.W. (Hans-Wilhelm) Giere 1959 (m)**

Vice chair, appointed in 2014

**J. (Johan) Emmens 1969 (m)**

Appointed in 2015

**M. (Martin) Möllering 1964 (m)**

Appointed in 2016

**P. (Peter) Poortinga 1961 (m)**

Appointed in 2013, until December 14, 2023

**H. (Hidde) van der Wal , 1960 (m)**

Appointed December 14, 2023

**A.G. (Angelique) Heckman 1968 (f)**

Appointed in 2020, works council confidant

**N. (Nanne) Sterenberg 1967 (m)**

Appointed in 2020

**R.P. (Robert) Smith 1960 (m)**

Appointed in 2018

**L. (Lennart) van der Ree, 1975 (m)**

Secretary, appointed in 2018, until January 1, 2024

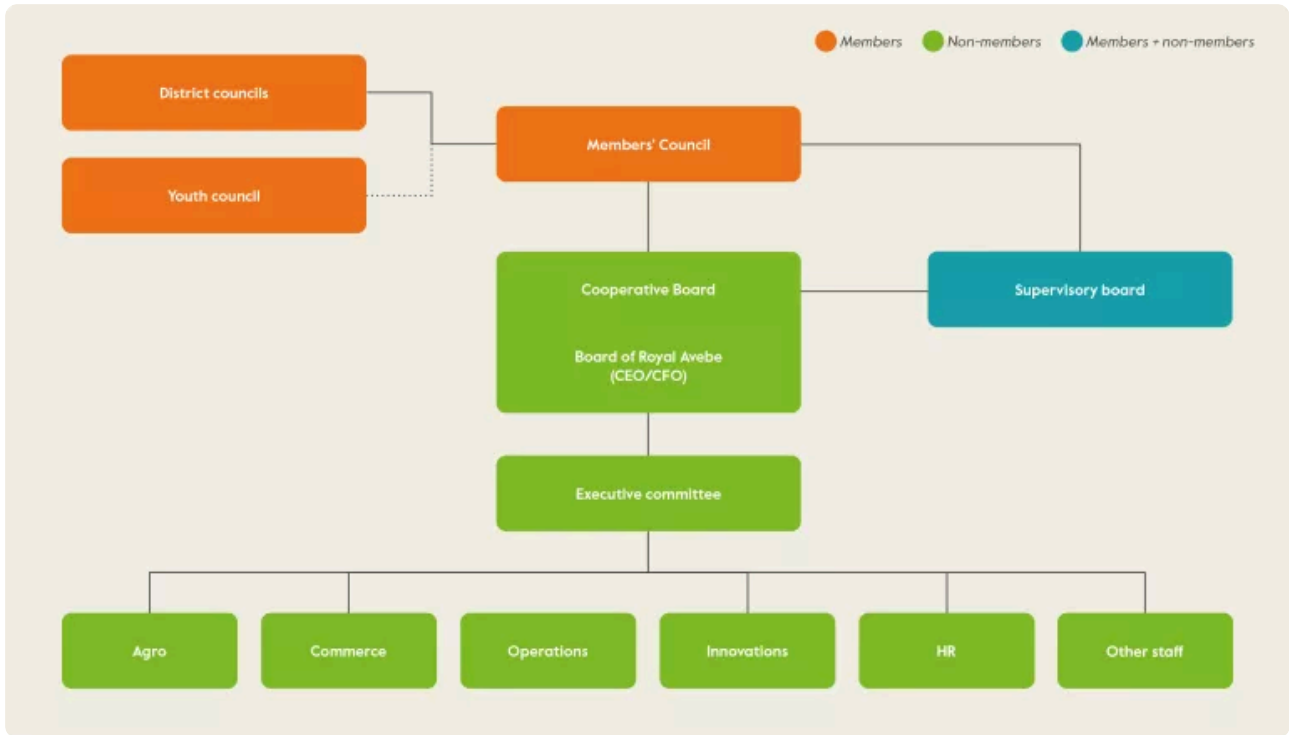
**J. (Johan) Russchen, 1965 (m)**

Secretary, a.i. appointed January 1, 2024



*The supervisory board of Royal Avebe. From left to right: Hidde van der Wal, Angelique Heckman, Nanne Sterenberg, Johan Emmens, Robert Smith, Johan Russchen, Marijke Folkers-in 't Hout, Hans-Wilhelm Giere and Martin Möllering (Dirk Kloosterboer is not on the picture)*

## 8.5 Organisation chart



## 8.6 District councils and youth council

### District councils

#### North

S. Wieringa (chair)  
 H.F. Bakker  
 D.D. Bouwman  
 E.H. Emmens  
 H.J. Hoiting (vice chair)  
 C. Kamphuis  
 K. de Jonge  
 Mw. J. Smant  
 H.J. Takens  
 Mw. A. Groenwold

#### East

H.G. Begeman (chair)  
 D.P.J.R. Beuling  
 W. Dinka  
 J.E.B. Drent  
 J. Koop  
 J.R. Kunst<sup>1</sup>  
 G.H.M. Manning (vice chair)<sup>3</sup>  
 J. Nieboer Jzn.<sup>1</sup>  
 A. Timmerman<sup>4</sup>  
 Mw. W. Krabben  
 N. Naber<sup>2</sup>  
 K. Bruining<sup>2</sup>

#### Central

J.A. Daling (chair)  
 A. de Boer  
 W. van Dalen  
 H. van der Horst  
 R.H. Kunst  
 R. Otten  
 H.J. Prins<sup>1</sup>  
 B.F.J.M. van der Sterren (vice chair)  
 H. Strating  
 A.R. Polling  
 A. Sijbring<sup>5</sup>

#### South

R. Kuper (chair)  
 B. van Dijk (vice chair)  
 J. Bartelds

B. Michel<sup>1</sup>  
 A.J. van Roekel  
 E. Snijders  
 E.H.M. Schwieters  
 J. Karstenberg  
 H. Grotenhuis  
 M.A. Kruizenga  
 M. Nijkamp<sup>2</sup>

#### KPW

F. Schröder (chair)  
 O. Glühe<sup>6</sup>  
 H. Geldermann  
 B. Kaufmann (vice chair)  
 J. Meyer  
 C. Basedau<sup>1</sup>  
 H. Milatz  
 J. Keil  
 M. Hennings  
 H. Küper<sup>2</sup>  
 J-W. Schorling<sup>5</sup>

#### Weser-Ems

B. Specken (chair)<sup>3</sup>  
 C. Kaiser (vice chair/chair)<sup>4</sup>  
 J. Kruse  
 J. Langeborg  
 G. Lehmkuhl  
 L. Pott<sup>1</sup>  
 R. van Werde  
 M. Krüssel<sup>2</sup>  
 N. Schmitz<sup>2</sup>

### Youth council

#### North

M.J.J. Berg (chair)  
 R. Jager  
 A. Vegter<sup>1</sup>  
 J. Kuiper<sup>2</sup>

**East**

R. Kruit  
J.T. Hulshof  
G.H. Sterenborg<sup>1</sup>  
M. Drenth<sup>2</sup>

**Central**

A. de Buck  
J. Kunst<sup>1</sup>  
A.J. Hoving  
L. Beijering<sup>2</sup>

**South**

T. Lohues  
J. Klumpers<sup>1</sup>  
W. Katerberg  
R. Bruining van den Berg<sup>2</sup>

**KPW**

J. Gaafke  
F. Dierks  
G. Tebel  
L.B. Heint

**Weser-Ems**

M. Harren  
H. Fecker  
M. Schulte

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<sup>1</sup> Resigned as of December 14, 2023

<sup>2</sup> Appointed as of December 14, 2023

<sup>3</sup> Chairman until resigned as of September 1, 2023

<sup>4</sup> Vice chair until August 31, 2024 and chair as of September 1, 2024

<sup>5</sup> Auditor as of March 1, 2024. No formal rights yet, appointment to follow by December 2024

<sup>6</sup> Will resign in December 2024

## 9. Financial statements



## Consolidated balance sheet as at 31 July 2024

*After proposal result appropriation*

Amounts x € 1.000	Ref.	31-07-2024	31-07-2023
<b>Assets</b>			
<b>Fixed assets</b>			
<b>Intangible fixed assets</b>	1	4	8
<b>Tangible fixed assets</b>	2		
Land and buildings		37.080	38.118
Plant and machinery		177.193	185.433
Other fixed assets		9.643	10.862
Assets under construction		41.738	36.738
		<b>265.654</b>	<b>271.151</b>
<b>Financial fixed assets</b>	3		
Other participating interests		151	151
Other loans		329	1.672
Deferred tax assets		5.055	5.216
		<b>5.535</b>	<b>7.039</b>
<b>Total fixed assets</b>		<b>271.193</b>	<b>278.198</b>
<b>Current assets</b>			
<b>Inventories</b>	4		
Starch		78.382	81.162
Modified starch		120.521	150.077
By-products		55.861	63.293
Other products		44.583	45.671
		<b>299.347</b>	<b>340.203</b>
<b>Receivables</b>	5		
Trade receivables		92.599	94.026
Other receivables		8.091	9.713
Prepayments and accrued income		80	111
		<b>100.770</b>	<b>103.850</b>
<b>Cash and cash equivalents</b>	6	347	1.967
<b>Totaal current assets</b>		<b>400.464</b>	<b>446.020</b>
<b>Total assets</b>		<b>671.657</b>	<b>724.218</b>

Amounts x € 1.000	Ref.	31-07-2024	31-07-2023
<b>Liabilities</b>			
<b>Group equity</b>			
Shareholders' equity	7	247.287	222.019
<b>Provisions</b>			
Transition	8	3.303	4.151
Deferred tax liabilities		812	593
Pensions		1.446	1.342
Onerous contracts		2.861	190
Disposal costs		9.737	11.600
Other		7.015	9.267
		<b>25.174</b>	<b>27.143</b>
<b>Current liabilities</b>			
Debts to lending institutions	9	317.658	361.494
Trade creditors		54.880	66.610
Pension liabilities		1.127	5.417
Taxes and social security		449	1.888
Other debts	10	16.530	31.223
Accruals and deferred income		8.552	8.424
		<b>399.196</b>	<b>475.056</b>
<b>Total liabilities</b>		<b>671.657</b>	<b>724.218</b>

## Consolidated profit and loss account 2023/2024

Amounts x € 1.000	Ref.	2023/2024	2022/2023
Gross turnover	11	822.817	855.166
Direct selling expenses		-41.423	-51.413
<b>Net turnover</b>		<b>781.394</b>	<b>803.753</b>
Movement in stocks of finished goods		-39.768	94.327
Capitalized production		2.449	1.708
Other operating income	12	3.870	2.749
		<b>-33.449</b>	<b>98.784</b>
<b>Total operating income</b>		<b>747.945</b>	<b>902.537</b>
Raw materials and consumables		-442.449	-570.357
Subcontracted work and other external costs	13	-102.097	-123.210
Salaries	14	-93.607	-95.928
Social security contributions and pension costs	14	-27.953	-27.516
Depreciation and impairment of assets	15	-42.857	-42.941
Other operating expenses		-4.481	-6.916
<b>Total operating expenses</b>		<b>-713.444</b>	<b>-866.868</b>
<b>Operating result</b>		<b>34.501</b>	<b>35.669</b>
Interest and similar income		6.243	3.834
Interest and similar expenses		-20.688	-13.404
<b>Financial income and expense</b>		<b>-14.445</b>	<b>-9.570</b>
<b>Result on ordinary activities before taxation</b>		<b>20.056</b>	<b>26.099</b>
Result of participation	16	-13.711	-
Income tax expense	17	-3.750	-5.312
<b>Cooperative result after taxes</b>		<b>2.595</b>	<b>20.787</b>

## Consolidated cash flow statement 2023/2024

Amounts x € 1.000	Ref.	2023/2024	2022/2023
<i>Cash flow from operational activities</i>			
Operating result		34.501	35.669
Depreciation and other changes in value of fixed assets	15	42.857	42.504
Book results disposal of fixed assets		-21	-
<b>Changes in working capital</b>			
Changes in inventories	4	39.223	-108.392
Movement in receivables	5	-306	15.221
Movement in current liabilities		-23.264	1.437
		<b>15.653</b>	<b>-91.734</b>
<b>Movement provisions</b>			
Contribution provisions	9	5.852	8.916
Withdrawals from provisions		-7.812	-8.104
		<b>-1.960</b>	<b>812</b>
Corporate income tax paid		-2.405	-4.516
Interest paid		-14.569	-8.311
		<b>74.056</b>	<b>-25.576</b>
<i>Cash flow from investment activities</i>			
Investments in fixed assets	2	-38.174	-40.066
Disposals of fixed assets	2	800	1.089
Disposals of Group companies	16	7.549	-
Loans granted and repayments received	3	1.342	-40
		<b>-28.483</b>	<b>-39.017</b>
		<b>45.573</b>	<b>-64.593</b>
<i>Cash flow from financing activities</i>			
Final payment to members	22	-8.249	-4.725
Reimbursement of share premium	22	-1.549	-1.549
Return on share premium	22	-165	-258
Other		6.423	3.266
		<b>-3.540</b>	<b>-3.266</b>
<b>Net cash flow</b>			
		<b>42.033</b>	<b>-67.859</b>
Exchange rate and translation differences		183	-2.796
<b>Change in net cash position</b>			
		<b>42.216</b>	<b>-70.655</b>

## Notes to the consolidated financial statements

### General notes

#### Objective and activities

Royal Avebe aims to provide its members with their material needs. Avebe tries to achieve this goal by concluding agreements with them and processing raw materials into starch and other products.

#### Registered office, legal form and registration number at the Chamber of Commerce

Coöperatie Koninklijke Avebe U.A. has its actual registered office at Prins Hendrikplein 20, 9641 GK in Veendam, the Netherlands and is registered with the trade register under number 02300804.

#### Reporting period

These financial statements relate to the 2023/2024 financial year, which ended on the balance sheet date of July 31, 2024. All financial information in euros has been rounded to the nearest thousand

#### Consolidation principles

The consolidation includes financial data of Avebe together with its group companies and other legal entities over which it exercises control or which it centrally manages. Group companies are legal entities over which Avebe can directly or indirectly exercise dominant control, it has the majority of voting rights or can control the financial and operational activities in any other way. This also takes into account potential voting rights that can be exercised immediately on the balance sheet date. The group companies and other legal entities over which it can exercise dominant control or over which it has central management are 100% included in the consolidation. The share of third parties in the group equity and in the group result is stated separately.

Intercompany transactions, intercompany profits and mutual receivables and debts between group companies and other legal entities included in the consolidation are eliminated, to the extent that the results have not been achieved through transactions with third parties outside the group. Unrealised losses on intercompany transactions are also eliminated other than in cases where a special impairment has taken place. The accounting policies of

group companies and other legal entities included in the consolidation have been changed where necessary to align with the applicable group accounting policies. For a list of consolidated group companies, please refer to 19. Financial fixed assets.

#### Mergers and acquisitions

A merger or acquisition involves the merging of separate companies into one economic entity, resulting in the acquisition of an integrated set of activities, assets and/or liabilities capable of generating revenue.

From the acquisition date, the results and identifiable assets and liabilities of the acquired company are included in the consolidated financial statements. The acquisition date is the moment when predominant control can be exercised over the company in question.

The acquisition price consists of the amount of money or the equivalent thereof that has been agreed for the acquisition of the acquired company, plus any directly attributable costs. If the acquisition price is higher than the net amount of the fair value of the identifiable assets and liabilities, the excess is capitalised as goodwill under intangible fixed assets. If the acquisition price is lower than the net amount of the fair value of the identifiable assets and liabilities, the difference (negative goodwill) is recognised as a deferred liability item.

The companies involved in the consolidation remain included in the consolidation until they are sold; deconsolidation takes place when decisive control is transferred.

### Cash flow statement

The cash flow statement has been prepared using the indirect method. The change in net cash position in the cash flow statement consists of the change in debts to lending institutions (excluding the term loan facility) less the change in cash and cash equivalents. These debts to lending institutions are included as part of the cash, as these funds are also used in daily cash management. Cash flows in foreign currencies are translated at an estimated weighted average rate of the reporting period. Exchange rate differences on cash are shown separately in the cash flow statement. Interest paid and received and income taxes are included in cash from operating activities. The return on share premium and the repayment of share premium are included under the cash flow from financing activities. Transactions not resulting in inflow or outflow of cash are not recognized in the cash flow statement.

### General accounting principles for the preparation of the consolidated financial statements

#### General

The consolidated financial statements are prepared in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards (RJ), as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving'), including RJ 620 Cooperatives.

Assets and liabilities are measured at historical cost or production cost, unless stated otherwise in the further accounting policies. An asset is recognised in the balance sheet when it is probable that future economic benefits will flow to Avebe and the asset has a cost or value whose amount can be reliably determined. Assets that do not meet these requirements are not included in the balance sheet but are classified as off-balance sheet assets.

A liability is recognised in the balance sheet when it is probable that its settlement will be accompanied by an outflow of resources embodying economic benefits and the amount at which settlement will take place can be determined reliably. Liabilities also include provisions. Liabilities that do not meet these requirements are not included in the balance sheet but are accounted for as off-balance sheet liabilities.

An asset or liability included in the balance sheet remains included on the balance sheet if a transaction does not lead to a significant change in the economic reality with regard to the asset or liability. Such transactions also do not give rise to the recognition of results. The assessment of whether there has been a significant change in economic reality is based on the economic benefits and risks that are likely to occur in practice and not on benefits and risks that cannot reasonably be expected to occur.

An asset or liability is no longer included in the balance sheet if a transaction results in all or virtually all rights to economic benefits and all or virtually all risks relating to the asset or liability being transferred to a third party. However, an asset or liability remains recognised on the balance sheet if transactions do not lead to a significant change in the economic reality with regard to the asset or liability in question.

Income is included in the profit and loss account when an increase in economic potential, associated with an increase in an asset or a decrease in a liability, has occurred, the amount of which can be reliably determined. Expenses are recognised when a reduction in economic potential, associated with a decrease in an asset or an increase in a liability, has occurred, the size of which can be reliably determined. The revenues and costs are allocated to the period to which they relate.

References are included in the balance sheet, profit and loss account and cash flow statement that refer to the explanatory notes.

#### Comparison with previous year

The valuation principles and method of determining the result are the same as those used in the previous year.

#### Going concern

The accounting policies used are based on the going concern assumption.

#### Use of judgments and estimates

In applying the principles and policies for preparing the financial statements, the executive committee of Avebe makes different estimates and judgments that may be essential to the amounts disclosed in the financial

statements. This mainly concerns the valuation of assets, the valuation of inventories and provisions. If it is necessary in order to provide the transparency required under Book 2, article 362, paragraph 1 of the Dutch Civil Code, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

## Foreign Currency

### Presentation and functional currency

The consolidated financial statements are presented in euros, which is the functional and presentation currency of Avebe. Items included in the financial statements of group companies are measured using the currency of the primary economic environment in which the respective group company operates (the functional currency).

### Conversion and processing of exchange rate differences

Foreign currency transactions; transactions in foreign currencies are stated in the financial statements at the exchange rate of the functional currency on the transaction date. Monetary assets and liabilities in foreign currencies are converted at the closing rate of the functional currency on the balance sheet date. The translation differences resulting from settlement and conversion are credited or charged to the income statement. Non-monetary assets measured at historical cost in a foreign currency are converted at the exchange rate on the transaction date.

Business operations abroad; Assets and liabilities of consolidated subsidiaries with a functional currency different from the presentation currency are translated at the rate of exchange prevailing at the balance sheet date; income and expenses are translated at the average rate during the year. Exchange rate differences with regard to the conversion of the assets of foreign participating interests and with regard to receivables on and loans to participating interests with an equity character are included in equity as a legal reserve for translation differences.

### Related parties

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also entities which can control Avebe are considered to be a related party. In addition, statutory directors of Avebe are

related parties. Significant transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is necessary in order to provide the required insight.

## Financial instruments

Financial instruments include both primary financial instruments (such as receivables and debts) and derivative financial instruments (derivatives).

In the notes to the various balance sheet items, the fair value of the instrument in question is explained if it differs from the book value. If the financial instrument is not included in the balance sheet, information about the fair value is given in the notes to 'Off-balance sheet rights and obligations and contingent assets and liabilities'.

### Primary financial instruments

For the principles of primary financial instruments, reference is made to the treatment per balance sheet item of the 'Accounting policies applied to the valuation of assets and liabilities'.

### Derivative financial instruments (derivatives)

The treasury activities, including currency and interest management as well as financing of the group and its operating companies, are centrally coordinated from the Netherlands. The policy approved by the board is aimed at hedging currency positions that arise as a result of purchases and sales in foreign currencies.

Currency call options and forward exchange contracts are mainly used as hedging instruments. Taking speculative positions is not permitted. The derivative financial instruments (currency forward contracts, currency call options, gas commodity contracts and interest rate swaps) are exclusively concluded with financial institutions that are lenders to Avebe. Derivatives are included in the balance sheet upon initial recognition recorded at fair value, the subsequent valuation of derivative financial instruments ('derivatives') depends on whether the underlying derivative is listed on a stock exchange or not. If the underlying is listed on the stock exchange, the derivative is recorded at fair value. If the underlying is unlisted, the derivative is recorded at cost price or lower market value.

The method of accounting for changes in the value of the derivative financial instrument depends on whether hedge accounting is applied to the derivative financial instrument or not.

Avebe applies hedge accounting. This is documented at the time of entering into a hedging relationship. Avebe periodically determines the effectiveness of the hedging relationship by means of a test. This can be done by comparing the critical characteristics of the hedge instrument with those of the hedged position, or by comparing the change in fair value of the hedge instrument and the hedged position. If there is an indication of ineffectiveness, this possibly ineffective part is determined by means of a quantitative ineffectiveness measurement.

The foreign currency risks on a net investment in business operations abroad are hedged, with exchange rate differences being included in the legal reserve for translation differences in equity.

### Accounting policies applied to the valuation of assets and liabilities

#### Intangible fixed assets

Intangible fixed assets are measured at historical cost less depreciation and impairments. With regard to the determination as to whether an intangible fixed asset is subject to an impairment, please refer to relevant section 'Impairment of fixed assets'.

#### Research and development expenditure

Expenditure on research for new products and new production techniques is recognised as costs. Development expenditure is only capitalised if it is beyond doubt that an identifiable asset will be created that will provide future economic benefit for Avebe and the costs can be determined reliably.

#### Tangible fixed assets

The tangible fixed assets are measured at acquisition costs or production costs plus additional costs less straight line depreciation based on the expected life and impairments, taking into account any residual value. If important

components of a tangible fixed asset can be distinguished from each other and differ in useful life or expected use pattern, these components are depreciated separately.

Land is not depreciated. The annual straight-line depreciation is based on the expected useful life of buildings of twenty-five years and of machines and installations of ten years. The other fixed assets are depreciated over ten years or less, depending on the asset type.

With regard to the determination as to whether a tangible fixed asset is subject to an impairment, please refer to the relevant section 'Impairment of fixed assets'.

Periodic major maintenance is activated according to the component approach. The total expenditure is allocated to the component parts. Major maintenance costs on assets that have been fully depreciated is capitalised and depreciated according to the depreciation period for the type of asset in question, provided that this extends the useful life.

#### Financial fixed assets

Participating interests in group companies and other participating interests in which significant influence exercised on the business and financial policy are measured according to the net asset value method, but not lower than zero. In the event that 20% or more of the voting rights can be exercised, it may be assumed that there is significant influence. The net asset value is calculated in accordance with the accounting principles that apply for these financial statements.

If the measurement of a participation according to the net asset value is negative, it is stated at nil. If and insofar Avebe is fully or partially responsible for the debts of the participation or has the firm intention of enabling the participation to settle its debts, a provision is recognised for this.

Participating interests over which no significant influence can be exercised are valued at historical cost and, if applicable, after deduction of impairment losses.

The other receivables included under financial fixed assets include loans granted and other receivables. These receivables are initially measured at fair value less transaction costs (if material). These loans are subsequently measured at amortised cost price, which is, in general, equal to the nominal value. If there is a discount or premium when loans are granted, this is credited or charged to the result during the term as part of the effective interest. Transaction costs are also included in the initial valuation and charged to the result as part of the effective interest. If there is an impairment, valuation takes place at the realisable value (see also the section Impairment of fixed assets); write-down takes place at the expense of the profit and loss account.

We refer to the paragraph Deferred taxes for the valuation basis for deferred taxes.

#### Impairment of fixed assets

Avebe assesses on each balance sheet date whether there are indications that an asset may be subject to impairment. If such indications are present, the realisable value of the asset is determined. If it is not possible to determine the realisable value for the individual asset, the realisable value of the cash-generating unit to which the asset belongs is determined. An impairment occurs if the carrying amount of an asset is higher than the realisable value; the realisable value is the higher of fair value less cost to sell and the value in use.

The realisable value is initially based on a binding sale agreement; if there is no such agreement, the realisable value is determined based on the active market, whereby usually the prevailing bid price is taken as market price. The costs deducted in determining net realisable value are based on the estimated costs that are directly attributable to the sale and are necessary to realise the sale.

For the determination of the value in use, an estimate is made of the future net cash flows in the event of continued use of the asset/cash generating unit; these cash flows are then discounted using a discount rate. The discount rate does not reflect risks that have already been taken into account in the future cash flows. An impairment loss is

directly recognized in the profit and loss account while the carrying amount of the asset concerned is concurrently reduced.

If it is established that an impairment that was recognised in the past no longer exists or has reduced, the increased carrying amount of the asset concerned is set no higher than the carrying amount that would have been determined if no impairment value adjustment for the asset concerned had been reported.

Also, for financial instruments, the company assesses at each balance sheet date whether there are objective indications of impairment of a financial asset or a group of financial assets. If any such evidence exists, the impairment loss is determined and recognised in the profit and loss account.

#### Inventories

Inventories (stocks) of raw materials and consumables are measured at historical price or production cost based on the FIFO method (first in, first out) or lower realisable value. The acquisition or manufacturing price consists of all costs associated with the acquisition or manufacture as well as the costs incurred to bring the stocks to their current location and condition. The lower realisable value is determined by individual assessment of the stocks. The stocks of goods for resale are individually measured at historical cost or lower net realisable value.

Starch, modified starch and by-products are measured at historical price or production cost, where necessary after deduction of a provision for obsolescence or, if applicable, at lower realisable value. The realisable value is the estimated sales price less directly attributable sales costs. The portion for potatoes included in the cost price is the approximate cost price based on the multi-year average purchase price of central wheat for which Avebe has made estimates for the average production per hectare and the variable costs. The fixed-cost mark-up incorporated in the cost price is based on a normative production per financial year.

Since 2008, Avebe has been allocated a certain amount of emission rights from the government (generally free of charge) with regard to annual CO<sub>2</sub> emissions. Such emission rights can be traded freely. After the calendar year,

the actual CO<sub>2</sub> emission level is determined. The companies are required to submit emission rights to match their level. If a company has a deficit, a fine must be paid and with certain restrictions, the deficit will be charged to the rights issued for the subsequent year.

The purchased emission rights are included as inventories as these emissions allowances are considered to be an input in the production process, similar to inventories. The emission rights allocated by the government free of charge are initially valued at the actual cost (generally nil). Additional bought emission rights are initially valued at acquisition cost.

The subsequent valuation takes place at cost price; these rights are only used/applied when they are surrendered to settle the obligation accrued due to the actual emissions. An obligation is only formed for the actual emissions to the extent that they exceed the by the government allocated emission rights, to be valued at the current value of the emission rights (yet to be obtained).

#### Receivables

Receivables are initially measured at the fair value of the consideration to be received. Receivables are subsequently measured at the amortised cost price. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised using the effective interest method. Provisions for bad debts are deducted from the carrying amount of the receivable. Other securities shown under the receivables are measured at their fair value.

#### Cash and cash equivalents

Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Cash at banks and in hand is measured at nominal value.

#### Shareholders' equity

Issued financial instruments that are designated as equity instruments by virtue of the economic reality are presented under shareholders' equity. Payments to holders of these

instruments are deducted from the shareholders' equity as part of the profit distribution.

Issued financial instruments that are designated as a financial liability by virtue of the economic reality are presented under liabilities. Interest, dividends, income and expenditure with respect to these financial instruments are recognised in the profit and loss as financial income or expense.

#### Share premium

Amounts contributed by the shareholders in excess of the nominal share capital, are accounted for as share premium . This also includes additional capital contributions by existing shareholders without the issue of shares or issue of rights to acquire shares.

#### Legal reserve for translation differences

The legal reserve concerns unrealised exchange results on net investments in foreign group companies and issued loans, as well as realised and unrealised exchange results on forward exchange contracts concluded to hedge the currency risk on the above-mentioned investments and loans. When a participating interest (group company) is sold, the cumulative translation differences relating to that investment are transferred to the profit and loss account and presented there as part of the result from sale of participation.

#### Provisions

##### General

Provisions are recognised for legally enforceable or constructive obligations that exist at the balance sheet date, and for which it is probable that an outflow of resources will be required, and a reliable estimate can be made. Provisions are measured at the best estimate of the amount that is necessary to settle the obligation as per the balance sheet date. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation, unless the time value of money is not material. Where the effect of the time value of money is not material, provisions are measured at their nominal value.

### Transition

The transition provision relates to the estimated costs of transition plans made before the end of the reporting year for certain parts of the organisation, which were communicated before the financial statements were drawn up. This also relates to employees with whom agreements are or have been made at an individual level. The provision for continued payment of wages during illness is recognised for liabilities existing at the balance sheet date for continued payment of wages in the future to employees who, at the balance sheet date, are expected to be permanently unable to carry out work due to illness or occupational disability.

Included in this provision are any possible severance payments due to these employees. The provision also relates to the heavy professions regulation- and generation scheme as included in Avebe's collective labor agreement, which relate to continued payment of salaries to eligible employees who are (partially) released from work earlier than their retirement date.

### Deferred taxes

Deferred taxes are recognised for temporary differences between the value of the assets and liabilities under tax regulations on the one hand and the book values applied in these financial statements on the other. The computation of the deferred taxes is based on the tax rates prevailing at the end of the reporting year or the rates applicable in future years, to the extent that they have already been enacted by law. Active and passive deferred taxes within the same fiscal entity and with the same background are offset. Deferred tax assets are recognised insofar as it is probable that future taxable profits will be available to offset the available tax losses.

### Pensions

On the Dutch pension schemes the provisions of the Dutch Pension Act (Pensioenwet) apply and Avebe pays premiums based on (legal) requirements, a contractual or voluntary basis to pension funds and insurance companies. The premiums are recognised as personnel costs as soon as they become due. If premiums already paid exceed the premium payable to the pension administrator, the excess is recognised as a prepayment if these lead to a refund or reduction of future payments. Premiums not yet paid are

included as a liability on the balance sheet. Avebe has measured these pension plans according to the liabilities approach. The premium due for the reporting year is recognised as an expense. Changes in the pension provision are also included in the profit and loss account.

The obligation includes the present value (at current market rates) of the expenditures that are probably required to settle the obligation. Pension schemes of subsidiaries abroad, which are comparable to the way in which the Dutch pension system is designed and operates, are also processed according to the liabilities approach. For foreign pension schemes that are not comparable, a best estimate is made of the existing obligation as at the balance sheet date, based on an actuarial valuation methodology generally acceptable in the Netherlands.

### Onerous contracts

A provision for onerous contracts is recognised in the balance sheet when the expected benefits to be achieved from a sales agreement are lower than the unavoidable costs of meeting the obligations under the agreement.

The provision is valued at the present value of the expected net costs of continuing the contract, or, if this is lower, at the present value of the expected costs of terminating the contract, being any compensation or penalty resulting from failure to compliance with the contract.

The costs of meeting the obligations of a contract include the costs directly related to the contract. These costs consist of both:

- the incremental costs of meeting the obligations of a contract, for example direct labor and material costs; as
- an allocation of other costs that are directly related to meeting the obligations of a contract, for example an allocation of the depreciation expenses of a tangible fixed asset that is used, among other things, in the performance of the contract.

### Disposal costs

The provision for disposal costs is determined on the basis of the expected disposal costs of residual flows (waste and other) from the supply of potatoes and the production process. This provision is stated at nominal value.

### Other

The other provisions relate to the provision for anniversary payments and asbestos costs. The provision for anniversary payments is included at the present value of the expected payments during the employment. The calculation of the anniversary provision takes into account, among other things, expected salary increases, survival chances based on the Prognosetafel AG 2022 with mortality experience adjustments and the chance of staying. When calculating the present value, the market interest rate of high-quality corporate bonds of 3.35% was used as the discount rate.

The provision for asbestos costs was determined on the basis of the expected costs for the asbestos removal of buildings. This provision was included at nominal value.

### Long-term and short-term liabilities

Debts are initially recognised at fair value and subsequently measured at the amortized cost price. Transaction costs which can be directly attributed to the acquisition of the debts are included in the initial recognition.

The difference between the carrying amount and the mature redemption value is accounted for as interest cost in the profit and loss account on the basis of the effective interest rate during the estimated term of the debts.

### Leasing

Lease contracts in which a large part of the risks and rewards associated with ownership are not for the benefit of or incurred by Avebe are recognised as operational leasing. Lease payments are recorded on a straight-line basis, taking into account reimbursements received from the lessor, in the consolidated profit and loss account for the duration of the contract. Avebe has no financial lease contracts.

### Accounting principles for determining the result

#### Net turnover

Net turnover comprises the income from the supply of goods after deduction of discounts and such like and of taxes levied on the turnover and after elimination of intra-group transactions. Revenue from the sale of goods is recognised if the amount or the result can be reliably determined.

The turnover is processed for the amount to which Avebe expects to be entitled in exchange for transferring goods, this is the transaction price. This amount excludes amounts collected on behalf of third parties. The transaction price consists of a fixed fee and possibly variable fees. Credit risk is not taken into account when determining the transaction price. The starting point for determining the transaction price is that the goods will be delivered in accordance with the relevant agreement.

Revenues from the goods supplied are recognised when (substantially) all significant risks and significant rights to economic benefits in respect of the goods have been transferred to the buyer. The cost price of these goods is allocated to the same period.

#### Other operating income

Other operating income includes results that are not directly related to the delivery of goods or services in the context of normal, non-incident business activities. These revenues are allocated to the reporting period in accordance with the terms of the agreement. Gains and losses from the incidental sale of tangible fixed assets are included in other operating income.

#### Raw materials and consumables

The cost of sales includes the cost price of the goods sold and delivered, consisting of direct material consumption, direct wage and machine costs and other direct and indirect costs that can be attributed to production. The costs of raw materials and consumables are calculated according to the FIFO method (first in, first out) and are allocated to the period to which they relate. The amount included here for the purchase of starch potatoes is determined on the basis of the campaign price plus surcharges and plus or minus the effect of the calculation of the potato component in the finished product. For the valuation basis, please refer to the paragraph Inventories.

#### Subcontracted work and other external costs

This includes costs incurred to generate operating income, insofar as these costs have been charged by third parties and cannot be regarded as costs of raw materials and consumables. These costs are allocated to the period concerned.

### Salaries and wages

Salaries, wages and social security contributions are charged to the income statement based on the terms of employment, where they are due to employees and the tax authorities respectively.

For the remuneration with accrual of rights, end-of-year bonus and bonuses, the expected expenses during the employment period are taken into account. An expected compensation as a result of bonus payments is recognised if there is an obligation to pay that compensation arise on or before the balance sheet date and a reliable estimate of the obligation can be made. Additions to and releases from obligations are charged or credited to the profit and loss account.

If a reward is paid for which no rights are accrued (for example, continued payment in the event of illness or disability), the expected costs are recognised in the period over which this reward is due.

A provision has been formed for the liabilities existing on the balance sheet date in respect of future commitments to continue to pay remunerations to personnel who, on the balance sheet date, are not expected to be able to perform work duties because of illness or occupational disability. This provision includes any termination benefits to be paid to these employees.

### Depreciation on intangible and tangible fixed assets

Intangible fixed assets and tangible fixed assets are depreciated from the date of initial use over the expected future economic life of the asset. Land is not depreciated. Future depreciation is adjusted if there is a change in estimated future useful life.

### Other operating expenses

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

### Government subsidies

Operating subsidies are recorded as income in the income statement in the year in which the subsidised costs were incurred or income was lost or when there was a subsidised operating deficit. Income is recognised when it is probable that it will be received. The amounts received in advance (both short-term and long-term) are included under accrued liabilities. Operating subsidies are presented in the profit and loss account as a deduction from the related costs.

Subsidies on investments will be deducted from the historical cost price of the assets to which the subsidies relate or presented as amounts received in advance and are systematically included in the profit and loss account over the useful life of the asset.

### Interest income and expenses

Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

### Exchange rate differences

Exchange differences that arise from the settlement or translation of monetary items are recorded in the profit and loss account in the period in which they occur, unless hedge-accounting is applied.

### Result of participation

On September 28, 2023, the shares of Avebe Nisasta Sanayii ve Ticaret Limited Sirketi were sold to Brenntag Specialities. The total result from this sales transaction is included in the result from sale of participation.

### Income tax expense

Tax on the result is calculated per country based on the result before tax in the profit and loss account, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the

deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate. Tax settlements within the fiscal unity in Avebe are processed.

#### **Share in result of non-consolidated participations**

Where significant influence is exercised over associated companies, the group's share in the associated companies' results is included in the consolidated profit and loss account. This result is determined on the basis of the accounting principles applied by Avebe. Where no significant influence is exercised, the dividend income is accounted for in the profit and loss as financial income and expenses.

#### **Subsequent events**

Events that provide further information on the actual situation at the balance sheet date and that appear before the financial statements are being prepared, are recognised in the financial statements.

Events that provide no information on the actual situation at the balance sheet date are not recognised in the financial statements. When those events are relevant for the economic decisions of users of the financial statements, the nature and the estimated financial effects of the events are disclosed in the financial statements.

## Notes to the consolidated balance sheet as at 31 July 2024

### I. Intangible fixed assets

A summary of the movements of intangible fixed assets is given below::

Amounts x € 1.000	Software licenses
Acquisition costs	4.374
Cumulative depreciation and impairments	-4.366
<b>Balance as at 31 July 2023</b>	<b>8</b>
Investments	-
Depreciation	-4
<b>Balance as at 31 July 2024</b>	<b>4</b>
Acquisition costs	4.374
Cumulative depreciation and impairments	-4.370
<b>Balance as at 31 July 2024</b>	<b>4</b>
<i>Depreciation period</i>	<i>5 years</i>

### 2. Tangible fixed assets

The movements in the tangible fixed assets are as follows:

Amounts x € 1.000	Land and buildings	Plant and machinery	Other fixed assets	Assets under construction	Total
Acquisition costs	115.325	808.012	68.779	38.017	1.030.133
Cumulative depreciation and impairments	-77.207	-622.579	-57.917	-1.279	-758.982
<b>Balance as at 31 July 2023</b>	<b>38.118</b>	<b>185.433</b>	<b>10.862</b>	<b>36.738</b>	<b>271.151</b>
Investments	283	5.806	1.463	30.622	38.174
Commissioning of assets under construction	1.087	21.472	2.072	-24.631	-
Exchange rate differences	-	4	1	-1	4
Depreciation	-2.233	-34.736	-4.171	-	-41.140
Impairment	-	-145	-578	-990	-1.713
Book value of disposals	-175	-641	-6	-	-822
<b>Balance as at 31 July 2024</b>	<b>37.080</b>	<b>177.193</b>	<b>9.643</b>	<b>41.738</b>	<b>265.654</b>
Acquisition costs	116.492	834.413	72.866	42.744	1.066.515
Cumulative depreciation and impairments	-79.412	-657.220	-63.223	-1.006	-800.861
<b>Balance as at 31 July 2024</b>	<b>37.080</b>	<b>177.193</b>	<b>9.643</b>	<b>41.738</b>	<b>265.654</b>
<i>Depreciation period</i>	<i>0-25 years</i>	<i>10 years</i>	<i>3-10 years</i>	<i>n/a</i>	

Based on developments in the potato starch market, part of Royal Avebe's assets have been written down to their recoverable amount in this financial year or in previous years.

### 3. Financial fixed assets

A summary of the movements in the financial fixed assets is given below:

Amounts x € 1.000	Other participating interests			Total
	Other participating interests	Other loans	Deferred tax assets	
<b>Balance as at 31 July 2023</b>	<b>151</b>	<b>1.672</b>	<b>5.216</b>	<b>7.039</b>
Additions and supplies	-	100	-	100
Repayments and withdrawals	-	-1.443	-	-1.443
Movement credited/debited to the result	-	-	-161	-161
<b>Balance as at 31 July 2024</b>	<b>151</b>	<b>329</b>	<b>5.055</b>	<b>5.535</b>

The other loans relate to a loan granted to JoinData U.A. and issued a mortgage loan in connection with the sale of land for the establishment of solar parks. The term of the loan to JoinData U.A. is 9.5 years, the remaining term is 2.5 years. Repayment takes place at the end of the term. The interest rate is 3.25%.

The term of the mortgage loan was 20 years. The interest rate was 0%. The right of mortgage and pledge was established on these lands. The amounts were included for the net present value. The discount rate was 3.5%. In the current financial year, the remaining part of the mortgage loan was repaid, so this claim no longer exists at the end of the financial year.

As of July 31, 2024, all carry-forward losses are valued at EUR 2.4 million (previous year: EUR 4.2 million) and deductible temporary differences are valued at EUR 2.7 million. It is expected that an amount of EUR 0 of this amount on the balance sheet date will be realized within one year.

### 4. Inventories

The inventories valued at a lower realizable value have a carrying amount of EUR 7.4 million on the balance sheet date (previous year: EUR 15.2 million). The total provision for inventories amounts to EUR 4.1 million (previous year: EUR 5.2 million). The provision relates to products that are made as a trial product, products that do not meet the prescribed product requirements or products that are provided with a product based on the age of the product.

The purchased emission rights included in the inventories have a carrying amount of EUR 6.3 million (previous year: EUR 5.4 million) on the balance sheet date.

### 5. Receivables

All receivables have a remaining term of less than one year.

A provision for bad debts of EUR 0.6 million has been deducted from trade debtors (previous year: EUR 0.7 million). This provision is determined on the basis of the collectability of the outstanding receivables. The fair value of the other receivables approximates the carrying amount due to their short-term nature.

### 6. Cash and cash equivalents

The cash and cash equivalents are at the free disposal of Royal Avebe. Cash and cash equivalents consist of cash, bank balances and deposits with a term of less than twelve months. Current account debts with banks are included under debts to lending institutions under short-term debts. Cash and cash equivalents are valued at nominal value.

## 7. Shareholders' equity

The shareholders' equity is detailed in the notes to the company financial statements.

The consolidated statement of total result is as follows:

Amounts x € 1.000	2023/2024	2022/2023
<b>Cooperative result after taxes</b>	<b>2.595</b>	<b>20.787</b>
Conversion differences foreign group companies	315	-5.324
Exchange rate result of hedging financial fixed assets	-129	1.841
Payments received for surrendering of shares	6.423	3.266
<b>Total result</b>	<b>9.204</b>	<b>20.570</b>

## 8. Provisions

Amounts x € 1.000	Deferred							Total
	Transition	tax liabilities	Pensions	Onerous contracts	Disposal costs	Anniversary	Asbestos	
<b>Balance as at 31 July 2023</b>	<b>4.151</b>	<b>593</b>	<b>1.342</b>	<b>190</b>	<b>11.600</b>	<b>4.859</b>	<b>4.408</b>	<b>27.143</b>
Addition	1.999	219	102	2.861	-	660	-	5.841
Withdrawals/releases	-2.847	-	-	-190	-1.863	-522	-2.390	-7.812
Exchange rate differences	-	-	2	-	-	-	-	2
<b>Balance as at 31 July 2024</b>	<b>3.303</b>	<b>812</b>	<b>1.446</b>	<b>2.861</b>	<b>9.737</b>	<b>4.997</b>	<b>2.018</b>	<b>25.174</b>
<i>Current part</i>	<i>2.722</i>	<i>-</i>	<i>-</i>	<i>2.861</i>	<i>1.000</i>	<i>408</i>	<i>531</i>	<i>7.522</i>

The provisions are long-term unless stated otherwise.

### Pensions

Based on the administration agreement with the pension fund and the pension agreement with the employees, there are no additional obligations in the context of extra payment, back-service obligations, (extra) administration costs, additional pension entitlements, disadvantages of individual value transfers. There are no further promised refunds, interest, profit sharing and benefits from individual value transfers that benefit Royal Avebe. Pension accrual takes place on the basis of the average salary system in which a capped premium is paid on the basis of Collective Defined Contribution. The coverage ratio of Stichting Pensioenfonds Avebe is 131.7% on December 31, 2023 (previous year: 125.6%). The policy funding ratio is 131.8% (previous year: 130.5%). The provisions for foreign companies concern a so-called reserve deficit and defined benefit plans. These concern obligations to be financed in the future. The amount involved is EUR 1.4 million (previous year: EUR 1.3 million).

### Asbestos

The provision for asbestos costs has been formed for the expected costs of asbestos removal of a number of buildings at Avebe locations in the Netherlands. The cost estimate for this is based on standard rates and quotations received.

## 9. Current interest-bearing liabilities

Amounts x € 1.000	31-07-2024	31-07-2023
Debts to lending institutions	317.658	361.494

Royal Avebe entered into a revolving credit facility with its principal bankers in September 2020. After the 2-year extension options already exercised, this facility has a remaining term of 2 years with an end date of September 2025. The credit facility has the following breakdown:

- A committed facility of EUR 140 million (Term Loan).
- An accounts receivable and inventory-based facility (Asset Based Loan) of a maximum of EUR 315 million, this facility is also committed.
- A facility for guarantees of EUR 15 million.

In November 2022, Avebe activated the existing accordion facility for EUR 95 million, completed by two new banks that have entered into the current financing agreement.

The consortium of banks within the credit facility consists of four banks. The activated accordion facility is fully invested within the Asset Based Loan. The activated facility therefore falls within the conditions of the revolving credit facility. The following covenants have been agreed for this facility:

- Solvency must be at least 20% on January 31.
- Solvency must be at least 30% on July 31.
- The cooperative result after taxes must be at least zero.

Specific calculation rules have been agreed with the banks for the calculation of the ratios. Royal Avebe met all conditions in the covenant on the balance sheet date and during the financial year; the cooperative result after taxes amounts to EUR 2.6 million and the solvency is 36.4%. Solvency is calculated on the basis of the prescribed covenant.

The interest payment in the financing contract is based on 1 month Euribor plus a margin of 1.2% to 1.7%. The variable interest rate has been partly converted into a fixed interest rate via interest rate swaps. Post balance sheet date, an agreement was reached regarding the refinancing of the revolving credit facility; see the section 'Subsequent events' for further details.

The current interest-bearing liabilities have a remaining term of less than one year. The fair value of the current liabilities approximates the book value due to their short-term character.

## 10. Other debts

The other debts consist of the following components:

Amounts x € 1.000	31-07-2024	31-07-2023
Debt to members	1.038	9.963
Production-related debts	992	2.192
Personnel-related debts	2.554	3.814
Other	11.946	15.254
	<b>16.530</b>	<b>31.223</b>

The debt to members consists of the following components:

Amounts x € 1.000	31-07-2024	31-07-2023
Final payment to members	1.038	8.249
Return on share premium	-	165
Share premium repaid	-	1.549
	<b>1.038</b>	<b>9.963</b>

The other debts and accruals and deferred income have a term of less than one year. EUR 0.5 million is of a long-term nature. The fair value of the other debts approaches the book value due to their short-term character.

### Off-balance sheet commitments

Royal Avebe has provided the following securities to the banks: right of mortgage on the property in the Netherlands and pledging of inventories and receivables in the Netherlands. These securities have been maintained.

The long-term commitments in connection with operational lease and rental agreements of mainly industrial buildings and warehouses amount to EUR 86.3 million, of which EUR 12.1 million matures within one year. An amount of EUR 38.6 million matures between one year and five years and an amount of EUR 35.6 million matures after more than five years.

Based on our cooperative model, there are purchase obligations for the purchase of potatoes. This concerns both delivery obligations and rights based on shares of our farmer members, but also contractual obligations with members and third parties. The size of these purchase obligations depends on the actual quantity and quality of the potato deliveries as well as the price to be determined for the upcoming campaign.

Guarantees have been issued up to an amount of EUR 0.9 million. Avebe has entered into commitments worth EUR 5.5 million in the context of current investments.

Until 1992, Avebe used bills of exchange to pay potato money. An amount of approximately NLG 1.3 million (EUR 0.6 million) in bills from this period has not yet been collected. These bills are still subject to interest commitments.

### Fiscal Unity

Avebe, with its 100% Dutch participations, forms a fiscal unity for corporate tax purposes. Under the standard terms and conditions, the company and its affiliated subsidiaries are each jointly and severally liable for taxes owed by the combination and for the processing of taxes within the fiscal unity. The parent company makes payments based on the tax results of the Dutch participations.

## Financial instruments

For the explanation of primary financial instruments, please refer to the specific explanation per financial statement line item. Below is the group's policy with regard to financial risks. The group's financial instruments and the associated financial risks are also explained.

### *General*

The main financial risks to which the group is exposed to are currency risk, interest rate risk, credit risk and liquidity risk. The group's financial policy is aimed at mitigating the impact of currency and interest rate fluctuations on the result in the short term and at following market exchange rates and market interest rates in the long term. The group uses financial instruments to manage the financial risks associated with business activities. The group does not take speculative positions with financial instruments.

### *Translation hedging (currency risk)*

Avebe hedges the currency risk on net investments in foreign group companies and loans provided by means of forward exchange contracts, where this is possible in view of the associated costs. Hedge accounting is applied for these forward currency contracts, with exchange rate differences being processed in the legal reserve for translation differences for the effective part of the hedge relationship. The ineffective part of the hedge relationship is accounted for directly in the profit and loss account.

### *Transaction hedging (currency risk)*

Currency risks arising from purchases and sales are hedged depending on the expected period in which these purchases and sales will take place. Positions not included on the balance sheet are hedged using options and forward contracts. Avebe applies cost price hedge accounting for these derivative financial instruments. Hedge instruments are not revalued as long as the hedged position has not yet been included in the balance sheet. For options, the difference between the spot rate applicable at the time of concluding the financial instrument and the forward rate at which the financial instrument will be settled is capitalised and will be amortised over the term of the contract. The ineffective part of the hedge relationship is accounted for directly in the profit and loss account. Paid option premiums are capitalised under trade receivables and amortised over the term of the option contract. The depreciation costs of the option premium are recognised in the profit and loss account under gross turnover. Forward contracts are measured at the rate applicable on the balance sheet date. Realised gains or losses on derivative financial instruments used to hedge off-balance sheet positions are deferred until the time when the gains or losses on the hedged positions are recognised in the profit and loss account.

### *Interest risk*

The interest rate policy aims to limit the risk of interest rate fluctuations. Avebe applies cost price hedge accounting for the financial instruments (interest rate swaps) that ensure that the interest paid on variable interest credit facilities is converted into a fixed interest rate. The ineffective part of the change in value of the interest rate swaps is recognised in the profit and loss account under financial income and expenses.

### *Credit risk*

To mitigate the credit risk for its sales, Avebe has taken out credit insurance with a reputable credit insurer and in principle sales only take place to customers who meet a creditworthiness test. This may be deviated from in individual cases, but in such a case additional security will generally be obtained.

### *Liquidity risk*

Avebe ensures that sufficient liquidity is always available to meet the obligations and that sufficient financial room remains available under the available facilities to always remain within the agreed covenants.

#### *Market value of financial instruments*

The 'notional amounts' included in the overview below are the underlying values for which the contracts for financial instruments have been concluded. The market values indicate how much would be paid or received from independent counterparties in exchange for terminating the contracts as of the balance sheet date, without further obligations. This market (fair) value of the instruments reflects the unrealised result on revaluations of the contracts at the exchange rates applicable on the balance sheet date.

Amounts x € 1.000	Notional amount	Market value
Currency forward contracts	25.973	-181
Currency call options	93.018	1.215
Interest rate swaps	140.000	5.877
Gas commodity contracts	31.712	-3.051

The above fair values, as determined by external parties, have been determined using available market information and current valuation methods. All financial instruments that Royal Avebe holds as of July 31, 2024 are fully effective, and no fair value changes have been recognized in the profit and loss account.

#### **Subsequent events**

After the balance sheet date, an agreement was reached regarding the refinancing of the revolving credit facility. Commitment Letters have been issued by the participating banks based on a Term Sheet dated October 18, 2024, which provides a financing structure similar to the facilities running until mid-September 2025.

The term is three years (with two one-year extension options) from the date of signing the agreement, expected in early 2025. The Term Loan will be repaid at EUR 7 million per year. Remaining amounts of the facilities must be repaid at the end of the term. The interest rate is based on 1-month Euribor plus a margin. This new financing agreement does not affect Avebe's financial position as of the balance sheet date.

#### **Related party transactions**

There have been no transactions with related parties that are not transacted under normal market conditions.

## Notes to the consolidated profit and loss account

### II. Gross turnover

The breakdown of gross turnover by sales category is as follows:

Amounts x € 1.000	2023/2024	2022/2023
Starch	205.662	244.837
Modified starch	532.200	510.058
By-products	84.955	100.271
	<b>822.817</b>	<b>855.166</b>

	2023/2024	2022/2023
European Union	47%	46%
Rest of Europe	6%	6%
Rest of the world	47%	48%
	<b>100%</b>	<b>100%</b>

### 12. Other operating income

The other operating income consists of the following:

Amounts x € 1.000	2023/2024	2022/2023
Commissions, royalties and other	3.182	2.749
Result sale of fixed assets	688	-
	<b>3.870</b>	<b>2.749</b>

The commissions, royalties and other consists largely of a one-of payment.

### 13. Subcontracted work and other external costs

The most important costs included under subcontracted work and other external costs relate to maintenance, third-party services, storage and transport, IT licenses, hired personnel and insurance.

#### Audit fees

Amounts x € 1.000	2023/2024		2022/2023	
	KPMG Accountants N.V.	Other KPMG-network	KPMG Accountants N.V.	Other KPMG-network
Audit of the financial statements	344	62	322	58
Other audit services	-	9	-	-
Tax services	-	41	-	32
Other non-audit services	-	5	-	10
	<b>344</b>	<b>117</b>	<b>322</b>	<b>100</b>
<b>Total</b>		<b>461</b>		<b>422</b>

The fees listed above relate to the procedures applied to Royal Avebe and its consolidated group entities by accounting firms and external auditors as referred to in Section 1, subsection 1 of the Audit Firms Supervision Act ('Wet toezicht accountantsorganisaties - Wta') as well as by Dutch and foreign-based accounting firms, including their tax services and advisory groups. These fees relate to the audit of the 2023/2024 financial statements, regardless of whether the work was performed during the financial year.

#### 14. Salaries

The number of employees who employed during the financial year was on average 1,285 (previous year: 1,318). Of this total, 285 (previous year: 297) work outside the Netherlands. Social security contributions and pension costs include EUR 13,661 (previous year: EUR 13,809) in pension costs. The average number of employees can be divided as follows based on the organization within Royal Avebe.

	2023/2024	2022/2023
Operations	895	938
Commerce	108	119
Group	282	261
	<b>1.285</b>	<b>1.318</b>

#### 15. Depreciation and impairment of assets

Depreciation and impairment of assets consist of the following components:

Amounts x € 1.000	2023/2024	2022/2023
Depreciation tangible fixed assets	41.140	41.254
Impairment on tangible fixed assets	1.713	1.245
Depreciation intangible fixed assets	4	5
	<b>42.857</b>	<b>42.504</b>
Book result on divestment of assets	-	437
	<b>42.857</b>	<b>42.941</b>

#### 16. Result of participation

The result of participation consist of the following components:

Amounts x € 1.000	2023/2024	2022/2023
Positive result from sale of participation	-3.391	-
Legal reserve for translation differences	17.102	-
<b>Total result of participation</b>	<b>13.711</b>	<b>-</b>

On September 28, 2023, the shares of Avebe Nisasta Sanayii ve Ticaret Limited Sirketi were sold to Brenntag Specialities. The net sales result of the sale of all shares in Avebe Nisasta Sanayii ve Ticaret Limited Sirketi is accounted for under the result of participation. Due to the sale of the interest in Avebe Nisasta Sanayii ve Ticaret Limited Sirketi, the associated part of the legal reserve for translation differences is accounted for in the profit and loss account.

## 17. Income tax expense

The corporate income tax of EUR 3.8 million (previous year: EUR 5.3 million) charged to the result is the balance of settlements within the fiscal unit and the processing thereof via the valued carry-forward losses as well as the calculated corporate income tax of the foreign subsidiaries. The losses still to be settled amount to EUR 9.3 million as of 31 July 2024 (previous year: EUR 16.3 million) and are valued at the applicable corporate income tax rate of 25.8%. The temporary differences between financial statements (commercial) and tax returns (fiscal) of EUR 10.3 million are valued at the same applicable rate. The remaining temporary differences of EUR 23.7 million (previous year: EUR 30.1 million) have not been valued due to uncertainty regarding future settlement options. Compared to the applicable tax rate, the 2023/2024 financial year results in a different effective tax rate of 59.1%, caused by tax deductions and the development of temporary differences.

The effective tax rate is 59.1%. The numerical connection between the applicable and the effective rate:

	2023/2024	2022/2023
Applicable tax rate in the Netherlands	25,8%	25,8%
<i>Tax effect of:</i>		
• Different applicable tax rates abroad	31,3%	-8,6%
• Results under the Dutch participation exemption	-20,1%	-6,3%
• Non-deductible amounts/permanent differences	24,6%	4,4%
• Effect of change in valuation of losses, credits or temporary differences	66,8%	4,3%
• Utilisation of carry-forward losses from previous years	-37,7%	4,5%
• Correction previous periods	-18,4%	-2,0%
• Other effects	-13,2%	-1,7%
<b>Effective corporate tax rate</b>	<b>59,1%</b>	<b>20,4%</b>

The Pillar 2 income taxes apply to Royal Avebe from financial year 2024/2025. The cooperative has assessed the expected impact of the Pillar 2 income taxes for the group and notes that this has no impact on the financial statements. The effective tax burden is higher than 15% and the cooperative does not file Pillar 2 income taxes on behalf of other group companies. Nor are Pillar 2 income taxes charged to the cooperative.

## Company balance sheet as at 31 July 2024

*After proposal result appropriation*

Amounts x € 1.000	Ref.	31-07-2024	31-07-2023
<b>Assets</b>			
<b>Fixed assets</b>			
<b>Intangible fixed assets</b>		4	8
<b>Tangible fixed assets</b>	18		
Land and buildings		27.350	28.045
Plant and machinery		152.864	161.148
Other fixed assets		6.289	6.841
Assets under construction		37.033	33.537
		<b>223.536</b>	<b>229.571</b>
<b>Financial fixed assets</b>	19		
Participating interests in group companies		86.769	86.608
Other participating interests		150	150
Receivables from group companies		17.814	21.191
Other loans		325	1.668
Deferred tax assets		5.044	4.198
		<b>110.102</b>	<b>113.815</b>
<b>Total fixed assets</b>		<b>333.642</b>	<b>343.394</b>
<b>Current assets</b>			
<b>Inventories</b>	20		
Starch		64.816	58.439
Modified starch		109.617	133.215
By-products		54.590	60.971
Other products		40.581	41.021
		<b>269.604</b>	<b>293.646</b>
<b>Receivables</b>	21		
Trade receivables		85.516	84.486
Other receivables		4.296	4.644
Prepayments and accrued income		98	129
		<b>89.910</b>	<b>89.259</b>
<b>Cash and cash equivalents</b>		-	-
<b>Total current assets</b>		<b>359.514</b>	<b>382.905</b>
<b>Total assets</b>		<b>693.156</b>	<b>726.299</b>

Amounts x € 1.000	Ref.	31-07-2024	31-07-2023
<b>Liabilities</b>			
<b>Shareholders' equity</b>			
	22		
Share capital		23.438	23.438
Share premium		19.848	19.848
Legal reserve		-6.184	-23.472
Other reserves		210.185	202.205
		<b>247.287</b>	<b>222.019</b>
<b>Provisions</b>			
	23		
Transition		3.303	4.151
Onerous contracts		2.861	190
Disposal costs		9.737	11.600
Other		6.571	8.818
		<b>22.472</b>	<b>24.759</b>
<b>Current liabilities</b>			
	24		
Debts to lending institutions		317.760	361.485
Trade creditors		48.051	57.734
Payables to group companies		35.031	17.890
Pension liabilities		620	4.915
Taxes and social security		98	1.820
Other debts	25	14.228	28.102
Accruals and deferred income		7.609	7.575
		<b>423.397</b>	<b>479.521</b>
<b>Total liabilities</b>		<b>693.156</b>	<b>726.299</b>

## Company profit and loss account 2023/2024

Amounts x € 1.000	Ref.	2023/2024	2022/2023
Gross turnover	26	774.395	800.003
Direct selling expenses		-45.558	-54.881
<b>Net turnover</b>		<b>728.837</b>	<b>745.122</b>
Movement in stocks of finished goods		-23.602	93.927
Capitalized production		2.449	1.708
Other operating income		1.743	448
		<b>-19.410</b>	<b>96.083</b>
<b>Total operating income</b>		<b>709.427</b>	<b>841.205</b>
Raw materials and consumables		-451.151	-558.531
Subcontracted work and other external costs	27	-91.726	-110.965
Salaries	28	-74.335	-76.444
Social security contributions and pension costs	28	-22.818	-22.394
Depreciation and impairment of assets	29	-37.339	-37.435
Other operating expenses		-3.014	-5.470
<b>Total operating expenses</b>		<b>-680.383</b>	<b>-811.239</b>
<b>Operating result</b>		<b>29.044</b>	<b>29.966</b>
Interest and similar income		6.419	4.556
Interest and similar expenses		-20.557	-13.325
<b>Financial income and expense</b>		<b>-14.138</b>	<b>-8.769</b>
<b>Result on ordinary activities before taxation</b>		<b>14.906</b>	<b>21.197</b>
Income tax expense	30	-694	-3.592
Result of participations		-11.617	3.182
<b>Cooperative result after taxes</b>		<b>2.595</b>	<b>20.787</b>

## Notes to the company financial statements

### General accounting principles for the preparation of the financial statements

The company financial statements are prepared in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

The principles of measurement and determination of the result are the same for the company financial statements and the consolidated financial statements. For the principles for the measurement of assets and liabilities and for the determination of the result, reference is made to the principles of measurement and determination of result as included in the notes to the consolidated balance sheet and profit and loss account, unless stated otherwise below.

### Participating interests in group companies

Participating interests in group companies in which significant influence is exercised on the business and financial policy are measured according to the net asset value method, but not lower than zero. This net asset value is calculated based on the principles of the cooperative. If the measurement of a participation according to the net asset value is negative, it is stated at nil. Other long-term interests are also taken into account that must actually be regarded as part of the net investment in the participation. If and insofar Royal Avebe is fully or partially responsible for the debts of the participation or has the firm intention of enabling the participation to settle its debts, a provision is recognised for this. When determining the size of this provision, provisions for bad debts already deducted from receivables from the participating interest are taken into account.

## Notes to the company balance sheet as at 31 July 2024

### 18. Tangible fixed assets

The movements in the tangible fixed assets are as follows:

Amounts x € 1.000	Land and buildings	Plant and machinery	Other fixed assets	Assets under construction	Total
Acquisition costs	76.525	656.890	50.189	34.815	818.419
Cumulative depreciation and impairments	-48.480	-495.742	-43.348	-1.278	-588.848
<b>Balance as at 31 July 2023</b>	<b>28.045</b>	<b>161.148</b>	<b>6.841</b>	<b>33.537</b>	<b>229.571</b>
Investments	159	3.560	1.282	27.092	32.093
Commissioning of assets under construction	1.087	19.736	1.783	-22.606	-
Depreciation	-1.789	-30.794	-3.039	-	-35.622
Impairment	-	-145	-578	-990	-1.713
Book value of disposals	-152	-641	-	-	-793
<b>Balance as at 31 July 2024</b>	<b>27.350</b>	<b>152.864</b>	<b>6.289</b>	<b>37.033</b>	<b>223.536</b>
Acquisition costs	77.618	680.171	54.062	38.039	849.890
Cumulative depreciation and impairments	-50.268	-527.307	-47.773	-1.006	-626.354
<b>Balance as at 31 July 2024</b>	<b>27.350</b>	<b>152.864</b>	<b>6.289</b>	<b>37.033</b>	<b>223.536</b>
<i>Depreciation period</i>	<i>0-25 years</i>	<i>10 years</i>	<i>3-10 years</i>	<i>n/a</i>	

Based on developments in the potato starch market, part of Royal Avebe's assets have been written down to their recoverable amount in this financial year or in previous years.

### 19. Financial fixed assets

A summary of the movements in the financial fixed assets is given below:

Amounts x € 1.000	Participating interests in group companies	Other participating interests	Receivables from group companies	Other loans	Deferred tax assets	Total
<b>Balance as at 31 July 2023</b>	<b>86.608</b>	<b>150</b>	<b>21.191</b>	<b>1.668</b>	<b>4.198</b>	<b>113.815</b>
Additions and supplies	-	-	796	100	-	896
Repayments and withdrawals	-	-	-4.173	-1.443	-	-5.616
Disposal of a participating interest	-5.836	-	-	-	-	-5.836
Share in result of participation	5.681	-	-	-	-	5.681
Exchange rate differences	316	-	-	-	-	316
Movement credited/debited to the result	-	-	-	-	846	846
<b>Balance as at 31 July 2024</b>	<b>86.769</b>	<b>150</b>	<b>17.814</b>	<b>325</b>	<b>5.044</b>	<b>110.102</b>

As of July 31, 2024, all carry-forward losses are valued at EUR 2.4 million (previous year: EUR 4.2 million). The deferred tax asset is formed on the basis of tax legislation whereby deductible losses from the past can be carried forward indefinitely.

Temporary differences are valued at EUR 2.7 million. It is expected that an amount of EUR 0 of this amount on the balance sheet date will be realized within one year.

The following companies are included in (other) participations in financial fixed assets:

Name	Location	Participation in %
Aktiebolaget Stadex	Malmö	100,00
Avebe America Inc.	Princeton (actually Cranbury)	100,00
AVEBE Asia Pacific Holding B.V.	Veendam	100,00
Avebe European Sales Centre GmbH	Meerbusch	100,00
Avebe (Far East) PTE Ltd.	Singapore	100,00
Société Avébé France SARL	Evry	100,00
Avebe (Shanghai) Co. Ltd.	Shanghai	100,00
Avebe Italia S.r.l.	Milan	100,00
Avebe Japan Co. Ltd.	Yokohama	100,00
Avebe Kartoffelstärkefabrik Prignitz/Wendland GmbH	Dallmin	100,00
Avebe North America Inc.	Dover (actually Cranbury)	100,00
AVEBE S.A.	Barcelona	100,00
Avebe UK Ltd.	London	100,00
Averis Saatzucht GmbH	Visbek	100,00
Averis Seeds B.V.	Veendam	100,00
GFL Anlagen KG	Lüchow	100,00
GFL mbH	Lüchow	100,00
Stichting Averis	Veendam	100,00
Coöperatie JoinData U.A.	Amersfoort	7,14

The Averis Foundation was founded on March 9, 2022, to date no activities have taken place in Stichting Averis. On September 28, 2023, the shares of Avebe Nisasta Sanayii ve Ticaret Limited Sirketi were sold to Brenntag Specialities.

## 20. Inventories

The inventories valued at lower realizable value have a carrying amount of EUR 7.4 million on the balance sheet date (previous year: EUR 15.2 million). The total provision on inventories amounts to EUR 3.2 million (previous year: EUR 4.6 million). The provision relates to products that were made as a trial product, products that do not meet the set product requirements or products that are provided for based on the age of the product.

The purchased emission rights included in the inventories have a carrying amount of EUR 6.3 million on the balance sheet date (previous year: EUR 5.4 million).

## 21. Receivables

All receivables have a remaining term of less than one year.

A provision for bad debts of EUR 0.6 million has been deducted from trade debtors (previous year: EUR 0.7 million). This provision is determined on the basis of the collectability of the outstanding receivables. The fair value of the other receivables approximates the carrying amount due to their short-term nature.

## 22. Shareholders' equity

Share Capital	Total shares	Value	Total shares	Value
	2023/2024	2023/2024	2022/2023	2022/2023
Balance as at August 1	103.253	23.438	103.253	23.438
Mutations shares	-	-	-	-
<b>Balance as at July 31</b>	<b>103.253</b>	<b>23.438</b>	<b>103.253</b>	<b>23.438</b>

During the financial year, 2,793 shares were transferred to other shareholders with the approval of the board of directors. All issued shares have been fully paid up. The number of shares in-house is 16,395.

### Share premium

Amounts x € 1.000	2023/2024	2022/2023
Balance as at August 1	19.848	21.396
Received upon transfer of shares	-	-
Repayment from proposed profit appropriation	-	-1.549
<b>Balance as at July 31</b>	<b>19.848</b>	<b>19.848</b>

The share premium consists of a free part of EUR 19.8 million (previous year: EUR 19.8 million).

### Legal reserve

The balance of legal reserve for translation differences is:

Amounts x € 1.000	2023/2024	2022/2023
Balance as at August 1	-23.472	-19.989
Conversion differences foreign group companies	315	-5.324
Exchange rate result of hedging financial fixed assets	-129	1.841
Sale of participation in profit and loss account	17.102	-
<b>Balance as at July 31</b>	<b>-6.184</b>	<b>-23.472</b>

During the financial year, an amount of EUR 17.1 million of the translation differences reserve was included in the profit and loss account as a result of the sale of the Turkish subsidiary Avebe Nisasta Sanayii ve Ticaret Limited Sirketi.

### Other reserves

Amounts x € 1.000	2023/2024	2022/2023
Balance as at August 1	202.205	186.566
Cooperative result for the financial year	2.595	20.787
Return on share premium	-	-165
Final payment to members for the financial year	-1.038	-8.249
	1.557	12.373
Payment received for surrendering of shares	6.423	3.266
<b>Balance as at July 31</b>	<b>210.185</b>	<b>202.205</b>

### Distribution of results

The board of directors, with the approval of the supervisory board, in anticipation of the adoption by the members' council, has proposed to distribute the cooperative result after tax as follows:

Amounts x € 1.000	2023/2024
Final payment for members 2023/2024	1.038
Addition to other reserves	1.557
	<b>2.595</b>

The proposed appropriation of the result has been included in the 2023/2024 financial statements

### 23. Provisions

The movements in the provisions are as follows:

Amounts x € 1.000	Transition	Onerous contracts	Disposal costs	Anniversary	Asbestos	Total
<b>Balance as at 31 July 2023</b>	<b>4.151</b>	<b>190</b>	<b>11.600</b>	<b>4.477</b>	<b>4.341</b>	<b>24.759</b>
Addition	1.999	2.861	-	660	-	5.520
Withdrawals/releases	-2.847	-190	-1.863	-516	-2.391	-7.807
<b>Balance as at 31 July 2024</b>	<b>3.303</b>	<b>2.861</b>	<b>9.737</b>	<b>4.621</b>	<b>1.950</b>	<b>22.472</b>
<i>Current part</i>	<i>2.722</i>	<i>2.861</i>	<i>1.000</i>	<i>388</i>	<i>531</i>	<i>7.502</i>

The provisions are long-term unless stated otherwise.

### Asbestos

The provision for asbestos costs has been formed for the expected costs of asbestos removal of a number of buildings at Avebe locations in the Netherlands. The cost estimate for this is based on standard rates and quotations received.

### 24. Debts to lending institutions

Refer to the notes to the consolidated financial statements.

### 25. Other debts

The other debts and accruals and deferred income have a term of less than one year. EUR 0.5 million is of a long-term nature. The fair value of the other debts approaches the book value due to their short-term character. Refer also to the notes to the consolidated financial statements.

### Off-balance sheet commitments

Avebe has provided the following securities to the banks: right of mortgage on the property in the Netherlands and pledging of inventories and receivables in the Netherlands. These securities have been maintained.

Guarantees have been issued up to an amount of EUR 0.9 million. Of the guarantees issued, EUR 0.7 million relates to consolidated participating interests

The long-term commitments in connection with operational lease and rental agreements of mainly industrial buildings and warehouses amount to EUR 82.2 million, of which EUR 11 million matures within one year. An amount of EUR 36.8 million matures between one year and five years and an amount of EUR 34.4 million matures after more than five years.

Based on our cooperative model, there are purchase obligations for the purchase of potatoes. This concerns both delivery obligations and rights based on shares of our farmer members, but also contractual obligations with members and third parties. The size of these purchase obligations depends on the actual quantity and quality of the potato deliveries as well as the price to be determined for the upcoming campaign.

Avebe has entered into commitments worth EUR 4.6 million in the context of current investments.

Until 1992, Avebe used bills of exchange to pay potato money. An amount of approximately NLG 1.3 million (EUR 0.6 million) in bills from this period has not yet been collected. These bills are still subject to interest commitments.

### Fiscal Unity

Royal Avebe, with its 100% Dutch participations, forms a fiscal unity for corporate tax purposes. Under the standard terms and conditions, the company and its affiliated subsidiaries are each jointly and severally liable for taxes owed by the combination and for the processing of taxes within the fiscal unity. The parent company makes payments based on the tax results of the Dutch participations.

### Declaration of liability

Avebe has issued a declaration of joint and several liability as referred to in section 403, book 2 of the Dutch Civil Code in respect of one of its consolidated participations. The declaration concerns Averis Seeds B.V. in Veendam.

### Subsequent events

For the disclosure of the events after balance sheet date refer to note "Subsequent events" in the consolidated financial statements.

## Notes to the company profit and loss account

### 26. Gross turnover

The breakdown of gross turnover by sales category is as follows:

Amounts x € 1.000	2023/2024	2022/2023
Starch	196.348	231.538
Modified starch	508.819	484.330
By-products	69.228	84.135
	<b>774.395</b>	<b>800.003</b>

	2023/2024	2022/2023
European Union	48%	50%
Rest of Europe	6%	6%
Rest of the world	46%	44%
	<b>100%</b>	<b>100%</b>

### 27. Subcontracted work and other external costs

The most important costs included under subcontracted work and other external costs relate to maintenance, third-party services, storage and transport, IT licenses, hired personnel and insurance.

### 28. Salaries

The number of employees working in the Netherlands during the financial year averaged 978 (previous year: 998). The number of employees at the end of the year was 952 (previous year: 979). Of these, no employees are working abroad. Social security contributions and pension costs include EUR 12,290 (previous year: EUR 12,426) in pension costs. The average number of employees can be divided as follows based on the organization within Royal Avebe.

	2023/2024	2022/2023
Operations	689	731
Commerce	42	42
Group	247	225
	<b>978</b>	<b>998</b>

### 29. Depreciation and impairment of assets

Depreciation and impairment of assets consist of the following components:

Amounts x € 1.000	2023/2024	2022/2023
Depreciation tangible fixed assets	35.622	36.186
Impairment on tangible fixed assets	1.713	1.245
Depreciation intangible fixed assets	4	4
	<b>37.339</b>	<b>37.435</b>

### 30. Income tax expense

The corporate income tax of EUR 0.7 million (previous year: EUR 3.6 million) charged to the result is the balance of settlements within the fiscal unit and the processing thereof via the valued carry-forward losses. The losses still to be settled amount to EUR 9.3 million as of 31 July 2024 (previous year: EUR 16.3 million) and are valued at the applicable corporate income tax rate of 25.8%. The temporary differences between financial statements (commercial) and tax returns (fiscal) of EUR 10.3 million are valued at the same applicable rate. The remaining temporary differences of EUR 23.7 million (previous year: EUR 30.1 million) have not been valued due to uncertainty regarding future settlement options. Compared to the applicable tax rate, the 2023/2024 financial year results in a different effective tax rate, caused by tax deductions and the development of temporary differences.

### Other notes

#### Remuneration members of the supervisory board

The remuneration for the supervisory board (nine people) for the 2023/2024 financial year collectively amounted to EUR 330 (previous year: EUR 330). This concerns a fixed fee for their work, including participation in various committees.

In addition to the annually determined compensation, the supervisory board members receive a travel allowance for the kilometers traveled and, if necessary, hotel costs are reimbursed. In addition, the cooperative will bear the costs of any training for supervisory directors or advice to the supervisory board.

#### Directors' remuneration

The fixed gross remuneration (including pension compensation) for the board members collectively amounted to EUR 1,009 gross in the 2023/2024 financial year (previous year: EUR 966). This includes the employer's share of other Royal Avebe social security contributions.

The variable remuneration for the 2023/2024 financial year for the board members collectively amounted to EUR 160 gross (previous year: EUR 416). This variable remuneration for the 2023/2024 financial year will be paid out in 2024, except for part of the long-term incentive plan, which will be paid out when the set annual targets are met for three consecutive years.



## Other information

### Liability of the members

Pursuant to Article 27 of the Articles of Association, the obligation of members and former members of the cooperative to contribute to a deficit after dissolution of the cooperative is excluded.

### Appropriation of net result

A positive balance is made available to the general meeting of members pursuant to Article 23 of the articles of association.

## Independent auditor's report

This is a translation of the Dutch annual financial statements. The English annual financial statements have not been audited. The independent auditor's report is added to the Dutch annual financial statements.



## Annex I About this report

The scope of the annual report is Royal Avebe as a whole: growers, production sites, headquarters, sales offices, the innovation center and subsidiary Averis Seeds B.V. Each year Avebe reports on the financial and sustainability information via the integrated annual report. This annual report presents information about the performance of Avebe, the social impact of that performance and the financial results. The content is based on the material subjects and the information needs of stakeholders

### Scope of the report

This annual report relates to the 2023/2024 financial year: from 1 August 2023 to 31 July 2024. The previous annual report was published on 14 December 2023. There were no significant acquisitions and updates during this period in terms of size, structure and ownership. The chain also remained largely the same as last year.

### Guidelines and verification

This report was drawn up in accordance with the statutory requirements for annual reporting as stipulated in Book 2, Title 9, Article 391 of the Netherlands Civil Code and in accordance with the principles of the Global Reporting Initiative (GRI) Universal Standards 2021. The report was adopted by the members' council at their meeting of 12 December 2024. We are also working towards external verification of the sustainability information.

## Annex 2 GRI index

### GRI-index

<b>Declaration of Use</b>	Royal Avebe has reported in line with the principles of (and with reference to) the GRI standards for the period from 1 August 2023 to 31 July 2024.
<b>GRI 1 applied</b>	GRI 1: Foundation 2021
<b>GRI sector standard(s) applicable</b>	No specific sector standard applied

GRI standard	Disclosure	Location: Integrated Annual Report (and/or website)
<b>General disclosures</b>		
GRI 2: General Disclosures 2021	2-1 Organisation details	<ul style="list-style-type: none"> <li>The figures at a glance: Key figures</li> <li>Imprint</li> </ul>
GRI 2: General Disclosures 2021	2-2 Entities included in the organisation's sustainability reporting	<ul style="list-style-type: none"> <li>The figures at a glance: Key figures</li> <li>Annex 1 About this report</li> <li>Addresses</li> </ul>
GRI 2: General Disclosures 2021	2-3 Reporting period, frequency and contact	<ul style="list-style-type: none"> <li>Annex 1 About this report</li> <li>Imprint</li> </ul>
GRI 2: General Disclosures 2021	2-4 Reformulations of information	<ul style="list-style-type: none"> <li>Annex 1 About this report</li> </ul>
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	<ul style="list-style-type: none"> <li>The figures at a glance: Key figures</li> <li>Strategy Accelerate and Strengthen: This is Royal Avebe   How we create value</li> <li>Strategy Accelerate and Strengthen: Our value creation model</li> </ul>
GRI 2: General Disclosures 2021	2-7 Employees	<ul style="list-style-type: none"> <li>The figures at a glance: Key figures</li> <li>The figures at a glance: Social key figures</li> </ul>
GRI 2: General Disclosures 2021	2-8 External employees	<ul style="list-style-type: none"> <li>The figures at a glance: Social key figures</li> </ul>
GRI 2: General Disclosures 2021	2-9 Board structure and composition	<ul style="list-style-type: none"> <li>Corporate Governance</li> </ul>
GRI 2: General Disclosures 2021	2-10 Appointment and selection of the highest governing body	<ul style="list-style-type: none"> <li>Corporate Governance: Governance and assurance</li> </ul>
GRI 2: General Disclosures 2021	2-11 Chair of the highest governing body	<ul style="list-style-type: none"> <li>Corporate Governance: Governance and assurance</li> <li>Report of the board of directors: Report and Outlook</li> </ul>
GRI 2: General Disclosures 2021	2-12 Role of the highest governing body in overseeing the management of impacts	<ul style="list-style-type: none"> <li>Corporate Governance: Governance and assurance</li> </ul>
GRI 2: General Disclosures 2021	2-13 Delegation of responsibility for impact management	<ul style="list-style-type: none"> <li>Corporate Governance: Governance and assurance</li> </ul>
GRI 2: General Disclosures 2021	2-14 Role of the highest governing body in sustainability reporting	<ul style="list-style-type: none"> <li>ESG: Double materiality analysis</li> <li>Annex 1 About this report</li> </ul>
GRI 2: General Disclosures 2021	2-15 Conflict of interest	<ul style="list-style-type: none"> <li>Corporate Governance: Governance and assurance</li> <li>Annex 5 Management &amp; supervisory board profiles</li> </ul>
GRI 2: General Disclosures 2021	2-16 Communication of critical concerns	<ul style="list-style-type: none"> <li>Corporate Governance: Governance and assurance</li> </ul>
GRI 2: General Disclosures 2021	2-17 Collective knowledge of the highest governing body	<ul style="list-style-type: none"> <li>Corporate Governance: Governance and assurance</li> <li>Annex 3 Stakeholders and collaborations</li> <li>Annex 6 Terms and abbreviations</li> </ul>
GRI 2: General Disclosures 2021	2-18 Evaluation of the performance of the highest governing body	<ul style="list-style-type: none"> <li>Corporate Governance: Governance and assurance</li> </ul>

GRI standard	Disclosure	Location: Integrated Annual Report (and/or website)
GRI 2: General Disclosures 2021	2-19 Remuneration policy	• Corporate Governance: Governance and assurance
GRI 2: General Disclosures 2021	2-20 Process for determining remuneration	• Corporate Governance: Governance and assurance
GRI 2: General Disclosures 2021	2-22 Statement on the Sustainable Development Strategy	• Report of the board of directors: Report of the board of directors
GRI 2: General Disclosures 2021	2-23 Policy commitments	• Corporate governance ( <a href="https://www.avebe.com/about-us/downloads/">https://www.avebe.com/about-us/downloads/</a> ) • Responsible sourcing policy ( <a href="https://www.avebe.com/about-us/downloads/">https://www.avebe.com/about-us/downloads/</a> )
GRI 2: General Disclosures 2021	2-24 Anchoring policy commitments	• Corporate Governance: Governance and assurance • Strategy Accelerate ad Strengthen: The basis of our strategy: safety, sustainability and innovation
GRI 2: General Disclosures 2021	2-25 Processes to remedy negative consequences	• Corporate Governance: Governance and assurance • Corporate governance ( <a href="https://www.avebe.com/about-us/downloads/">https://www.avebe.com/about-us/downloads/</a> ) • Responsible sourcing policy ( <a href="https://www.avebe.com/about-us/downloads/">https://www.avebe.com/about-us/downloads/</a> )
GRI 2: General Disclosures 2021	2-26 Mechanisms for requesting advice and raising concerns	• Corporate Governance: Governance and assurance • Corporate governance ( <a href="https://www.avebe.com/about-us/downloads/">https://www.avebe.com/about-us/downloads/</a> ) • Speak-up Introduction ( <a href="https://www.avebe.com/about-us/downloads/">https://www.avebe.com/about-us/downloads/</a> )
GRI 2: General Disclosures 2021	2-28 List of stakeholder groups engaged by the organisation	• Annex 3 Stakeholders and collaborations
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	• Annex 3 Stakeholders and collaborations
GRI 2: General Disclosures 2021	2-30 Collective agreements	• The figures at a glance: Social key figures
<b>Material topics</b>		
GRI 3: Material Topics 2021	3-1 Process for determining material topics	• ESG: Sustainability at Royal Avebe • ESG: ESG Governance • ESG: Double materiality analysis
GRI 3: Material Topics 2021	3-2 List of material topics	• ESG: Material issues
<b>GRI 300: Topic-specific Standard: Environmental</b>		
<b>Resource security</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	• Strategy Accelerate ad Strengthen: The basis of our strategy: safety, sustainability and innovation • ESG • ESG: Material issues: Resource security
Own indicator	Resource security including direct economic value including performance indicator to growers	• Report of the board of directors: Report and Outlook • ESG: Material issues: Resource security
<b>Energy en CO2 reduction</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	• Strategy Accelerate ad Strengthen: The basis of our strategy: safety, sustainability and innovation • ESG • ESG: Material issues: Climate change mitigation • ESG: Material issues: Energy management

GRI standard	Disclosure	Location: Integrated Annual Report (and/or website)
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	• ESG: Material issues: Energy management
GRI 302: Energy 2016	302-4 Reducing energy consumption	• ESG: Material issues: Energy management
GRI 305: Emissions 2016	305-1 Direct (Scope 1) greenhouse gas emissions	• ESG: Material issues: Climate change mitigation
GRI 305: Emissions 2016	305-2 Indirect greenhouse gas emissions from energy (Scope 2)	• ESG: Material issues: Climate change mitigation
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) greenhouse gas emissions	• ESG: Material issues: Climate change mitigation
GRI 305: Emissions 2016	305-4 Greenhouse gas emissions intensity	• ESG: Material issues: Climate change mitigation
GRI 305: Emissions 2016	305-5 Reducing greenhouse gas emissions	• ESG: Material issues: Climate change mitigation
<b>Water</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> <li>• Strategy Accelerate ad Strenghten: The basis of our strategy: safety, sustainability and innovation</li> <li>• ESG</li> <li>• ESG: Materiële onderwerpen: Water abstraction</li> <li>• ESG: Materiële onderwerpen: Water pollution</li> </ul>
GRI 303: Water and Effluents 2018	303-2 Managing the effects of water discharges	• ESG: Materiële onderwerpen: Water pollution
GRI 303: Water and Effluents 2018	303-3 Water abstraction	• ESG: Materiële onderwerpen: Water abstraction
<b>Circular waste streams</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> <li>• Strategy Accelerate ad Strenghten: The basis of our strategy: safety, sustainability and innovation</li> <li>• ESG</li> <li>• ESG: Material issues: Circular waste streams</li> </ul>
Own indicator	We want to avoid residual flows or find applications where these residual flows can be (re)used at the highest possible value.	• ESG: Material issues: Circular waste streams
<b>Plant-based products industrial</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> <li>• Strategy Accelerate ad Strenghten: The basis of our strategy: safety, sustainability and innovation</li> <li>• ESG</li> <li>• ESG: Material issues: Plant-based products industrial</li> </ul>
Own indicator	Maximise Avebe's added value in the plant-based construction and food packaging industry with its product offering	• ESG: Material issues: Plant-based products industrial
<b>GRI 400: Topic-specific Standard: Social</b>		
<b>Plant-based foods</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> <li>• Strategy Accelerate ad Strenghten: The basis of our strategy: safety, sustainability and innovation</li> <li>• ESG</li> <li>• ESG: Material issues: Plant-based foods</li> </ul>
Own indicator	Maximise the value of food ingredients used in plant-based and eco-friendly end products.	• ESG: Material issues: Plant-based foods
<b>Safe working</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> <li>• Strategy Accelerate ad Strenghten: The basis of our strategy: safety, sustainability and innovation</li> <li>• ESG</li> <li>• ESG: Material issues: Safe working</li> </ul>

GRI standard	Disclosure	Location: Integrated Annual Report (and/or website)
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment and incident investigation	• ESG: Material issues: Safe working
GRI 403: Occupational Health and Safety 2018	403-3 Occupational health services	• ESG: Material issues: Safe working
GRI 403: Occupational Health and Safety 2018	403-4 Worker participation, consultation and communication on occupational health and safety	• ESG: Material issues: Safe working
GRI 403: Occupational Health and Safety 2018	403-5 Employee training on occupational health and safety	• ESG: Material issues: Safe working
GRI 403: Occupational Health and Safety 2018	403-7 Prevention and mitigation of occupational health and safety effects directly related to business relationships	• ESG: Material issues: Safe working
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	• ESG: Material issues: Safe working
<b>Attractive employer</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> <li>• Strategy Accelerate ad Strengthen: The basis of our strategy: safety, sustainability and innovation</li> <li>• ESG</li> <li>• ESG: Material issues: Attractive employer</li> </ul>
Own indicator	Efforts to be an attractive employer now and in the future	• ESG: Material issues: Attractive employer
GRI 404: Training and Education 2016	404-2 Employee skills enhancement and transition assistance programmes	• ESG: Material issues: Attractive employer
<b>Food safety</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> <li>• Strategy Accelerate ad Strengthen: The basis of our strategy: safety, sustainability and innovation</li> <li>• ESG</li> <li>• ESG: Material issues: Food safety</li> </ul>
Own indicator	Ensure food safety compliance in accordance with laws, regulations and customer requirements	• ESG: Material issues: Food safety

## Annex 3 Stakeholders and collaborations

<b>Choice for stakeholders</b>	During the course of the year, Royal Avebe will be in talks with various stakeholders, such as civil society organisations, governments and partners on relevant themes. The choice of stakeholders is based on our relationship, our focus or their role in our sector in general. This continuous dialogue ensures sustainable and transparent communication with stakeholders and contributes to the achievement of our objectives.
<b>Interest of stakeholders</b>	In developing the Accelerate and Strengthen strategy, we consulted various stakeholders. We consider it important to stay in dialogue with these stakeholders and spoke to them also in 2023/2024 about, for instance, our focus and the achievement of targets. In addition, our sounding board group has been a source of information, conversation and outside feedback for decades.

Stakeholder Group	Method and frequency of contact	Topics discussed and SDGs
<b>Members</b>		
Growers	<ul style="list-style-type: none"> <li>• Via members council twice a year</li> <li>• district council meetings 4 times a year</li> <li>• district/member meetings and demo fields in NL/WE/KPW twice a year</li> </ul>	<ul style="list-style-type: none"> <li>• Cultivation sustainability</li> <li>• CO<sub>2</sub></li> <li>• Environmental impact of crop protection</li> <li>• Once a year on annual financial report</li> </ul> <p>SDG: 6, 7, 12, 15</p>
<b>Customers</b>		
Industrial, feed and food customers	<ul style="list-style-type: none"> <li>• Annual interviews, customer days and customer visits</li> <li>• Trade association (food industry customers; FNLI)</li> </ul>	<ul style="list-style-type: none"> <li>• Among others, food waste, IMVO and lifecycle assessments</li> </ul> <p>SDG: 2, 9, 12, 17</p>
<b>Internal</b>		
Social Advisory Council	<ul style="list-style-type: none"> <li>• Social Advisory Council (organised once)</li> </ul>	<ul style="list-style-type: none"> <li>• Social Advisory Council</li> <li>• Strategy outline</li> <li>• Operational strategy</li> <li>• Avebe's role in provincial area plans</li> </ul> <p>SDG: 6, 7, 9, 12, 13, 15, 17</p>
<b>Partners</b>		
Transporters	<ul style="list-style-type: none"> <li>• Annual reviews for the evaluation and startup of a new campaign;</li> <li>• interim monthly updates</li> </ul>	<ul style="list-style-type: none"> <li>• Reducing waste (tare)</li> <li>• Ongoing trials</li> </ul> <p>SDG: 12</p>
<b>Knowledge institutions</b>		

Hanze University of Applied Sciences Groningen	<ul style="list-style-type: none"> <li>• Online and physical (several times a quarter)</li> </ul>	<ul style="list-style-type: none"> <li>• Cooperation</li> <li>• Internships</li> <li>• Work field committee Masters Food</li> <li>• Lectureship L. Oudhuis</li> </ul>
		SDG: 4, 6, 7, 9, 12, 17
University of Groningen	<ul style="list-style-type: none"> <li>• Online and physical (more times a year)</li> </ul>	<ul style="list-style-type: none"> <li>• Completion of several CCC projects</li> <li>• Sponsorship of PhD</li> </ul>
		SDG: 6, 7, 9, 12, 17
Wageningen Food & Bio-based Research	<ul style="list-style-type: none"> <li>• Online and physical (several times a quarter)</li> </ul>	<ul style="list-style-type: none"> <li>• Participation in various TKI projects</li> </ul>
		SDG: 6, 7, 9, 12, 17
UMCG	<ul style="list-style-type: none"> <li>• Monthly</li> </ul>	<ul style="list-style-type: none"> <li>• Sponsoring a PhD student</li> <li>• Research related to healthy eating</li> </ul>
		SDG: 3, 12, 17
Wageningen University & Research	<ul style="list-style-type: none"> <li>• Online and physical (several times a quarter)</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental pressure cultivation</li> <li>• Resistance breeding</li> </ul>
		SDG: 15
<b>Civil society organisations and NGOs</b>		
Innovatie Veenkoloniën	<ul style="list-style-type: none"> <li>• Online and physical (several times a quarter)</li> </ul>	<ul style="list-style-type: none"> <li>• Area plan</li> <li>• CAP project</li> <li>• Future-proof construction plan</li> </ul>
		SDG: 1, 2, 4, 8, 9, 12, 14, 15, 17
<b>Government</b>		
Ministry of Agriculture, Nature and Food Quality	<ul style="list-style-type: none"> <li>• Online and physical (several times a quarter)</li> </ul>	<ul style="list-style-type: none"> <li>• 8th Action Programme Nitrate Directive</li> <li>• WFD</li> <li>• National strategic plan (new CAP, eco-regulation)</li> <li>• Area plan Innovation Veenkoloniën</li> </ul>
		SDG: 1, 2, 4, 8, 9, 12, 14, 15, 17

Ministry of Economic Affairs and Climate Policy	<ul style="list-style-type: none"> <li>• Online and physical (several times a quarter)</li> </ul>	<ul style="list-style-type: none"> <li>• Energy and Climate,</li> <li>• Network</li> <li>Congestion/Cluster 6</li> <li>• Subsidies</li> </ul>
		SDG: 7, 8, 9, 13, 17
Provinces of Drenthe and Groningen	<ul style="list-style-type: none"> <li>• Online and physical (several times a quarter)</li> </ul>	<ul style="list-style-type: none"> <li>• Innovatie Veenkoloniën</li> <li>• NPLG</li> <li>• Protein transition</li> <li>• Agricultural policy</li> <li>• Energy transition (regional energy strategy/solar parks)</li> <li>• Field margins</li> <li>• Crop rotation</li> <li>• Fascinating</li> <li>• Permits</li> <li>• VKA (Groningen)</li> </ul>
		SDG: 7, 8, 9, 12, 13, 14, 15, 17
Municipalities (Veendam, Midden Groningen, Borger, Odoorn, Aa & Hunze, Westerwolde, Groningen)	<ul style="list-style-type: none"> <li>• Online and physical (several times a quarter)</li> </ul>	<ul style="list-style-type: none"> <li>• Various topics (energy, climate, permits, solar park, water, etc.)</li> </ul>
		SDG: 3, 7, 8, 9, 12, 13, 14, 15, 17
<b>Sector association</b>		
Association for Energy, Environment and Water (VEMW)	<ul style="list-style-type: none"> <li>• 4 times a year</li> </ul>	<ul style="list-style-type: none"> <li>• Electricity, heat and water for industry</li> </ul>
		SDG: 6, 7, 9, 13
Association for theDutch Chemical Industry (VNCI)	<ul style="list-style-type: none"> <li>• 4-8 times a year</li> </ul>	<ul style="list-style-type: none"> <li>• Energy transition</li> <li>• Sustainable (green) chemistry</li> <li>• Innovation in the process industry</li> </ul>
		SDG: 7, 9, 12, 13, 17
Dutch Food Industry Federation (FNLI)	<ul style="list-style-type: none"> <li>• 4-8 times a year</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability</li> <li>• Energy transition</li> </ul>
		SDG: 6, 7, 9, 12, 15, 17

Agriculture Trade Association (BO Akkerbouw)	<ul style="list-style-type: none"> <li>• Contact by various staff members (weekly)</li> </ul>	<ul style="list-style-type: none"> <li>• 7th/8th Nitrates Directive Action Program</li> <li>• Sustainable agriculture</li> <li>• Communication trajectory 'Arable farming of tomorrow'</li> <li>• Measuring biodiversity</li> </ul> SDG: 2, 7, 8, 9, 12, 14, 15, 17
Association of Dutch starch manufacturers (VNZ)	<ul style="list-style-type: none"> <li>• Once a year</li> </ul>	<ul style="list-style-type: none"> <li>• Plant-based proteins</li> <li>• Association affairs</li> <li>• FNLI and Starch Europe updates</li> </ul> SDG: 12
Nutrient Platform NL	<ul style="list-style-type: none"> <li>• 3 times a year</li> </ul>	<ul style="list-style-type: none"> <li>• Residual flows</li> <li>• Closing cycles</li> </ul> SDG: 12
DBC	<ul style="list-style-type: none"> <li>• 6 times a year</li> </ul>	<ul style="list-style-type: none"> <li>• Residual flows</li> <li>• Closing cycles</li> </ul> SDG: 12
Plantum	<ul style="list-style-type: none"> <li>• 4-8 times a year</li> </ul>	<ul style="list-style-type: none"> <li>• Regulations regarding breeding</li> <li>• Phytosanitary matters</li> <li>• Plant breeders' rights</li> </ul> SDG: 2, 3, 15

Starch Europe	<ul style="list-style-type: none"> <li>• EXCO participation (4 times a year)</li> <li>• Participation in various working groups</li> </ul>	<ul style="list-style-type: none"> <li>• A reliable supply of sustainable agricultural commodities from the EU at competitive prices</li> <li>• Financial and policy support to meet decarbonisation targets</li> <li>• A holistic approach to sustainability</li> <li>• A supportive EU trade policy</li> <li>• Predictable regulation Commission and F2F</li> <li>• CBAM</li> <li>• Taxonomy</li> </ul> <p>SDG: 6, 7, 8, 9, 12</p>
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#### Other memberships

- Agro Agenda NoordNederland
- Bundesverband der Stärkekartoffelerzeuger
- Cool Farm Alliance
- Dutch Biorefinery Cluster
- Eurosac
- EVO/EVOFENEDEX (business association for logistics and export)
- Fascinating
- Food Valley NL
- Industrial Federation Fund
- Innovatiehub East Groningen
- NCR (National Cooperative Council for Agriculture and Horticulture)
- Province of Groningen "Er gaat niets boven Groningen"
- U.F.E./CESPU (Union of potato starch factories in the EU)
- UN Global Compact
- VLK (Glues and Cements Association)
- VNO-NCW

## Annex 4 Shared value | Sustainable Development Goals Goals

Royal Avebe aims to have a positive impact in the short and long term. We focus on long-term value creation with our activities in the supply chain and strategic targets for 2023. We link the long-term impact we have to the United Nations (UN) Sustainable Development Goals (SDGs):

### 2. Zero hunger

Everyone should have access to safe, nutritious and sufficient food. Our ambition to continue to grow in good food and plantbased applications contribute to this. We are also committed to sustainable growing methods, a sustainable food system and resilient agriculture.

### 6. Clean water and sanitation

Avebe considers it important to make efficient use of water. The water used for production is well purified. We also re-use some of the water as process water. We continue to strive for higher efficiency in water use.

### 7. Affordable and clean energy

We are committed to renewable energy through our solar parks. This is how we improve access to sustainable energy. We also aim to further reduce carbon emissions.

### 8. Decent work and economic growth

Avebe attaches importance to growers and employees being able to work under good conditions, now and in the future. We accept our responsibility for this and work on

sustainable production chains.

### 9. Industry, innovation en infrastructure

We optimise our processes to develop cleaner and more environmental friendly technologies. We invest in innovations and improve our processes. That way, we not only create sustainable production, but also work on the digital exchange of information.

### 12. Responsible consumption and production

Avebe considers it important to treat raw materials and energy sustainably and efficiently. We focus on the reuse of residual flows, sustainable energy and reduction of water consumption. Our product development, focused on plant-based, also contributes to a more sustainable diet.

### 15. Life on land

Together with our growers, we work on the most sensible and efficient use of the available land. Our ambitions to reduce the environmental impact of cultivation contribute to this.

### 17. Partnerships for the goals

Avebe works actively with governments, knowledge institutions and other organisations to achieve its sustainability ambitions. This is how we can collectively achieve SDGs at local, regional, national and international level.



## Annex 5 Management & supervisory board profiles

Name	Current job	Ancillary positions
<b>Cooperative board and executive committee</b>		
David Fousert	Chief Executive Officer and chair of the board	<ul style="list-style-type: none"> <li>Member of Agri &amp; Food Top Team</li> <li>Director of the Dutch Food Industry Federation</li> </ul>
Rob van Laerhoven	Chief Financial Officer and member of the board	<ul style="list-style-type: none"> <li>Member of the supervisory board of Averis Seeds B.V.</li> </ul>
Mark Tettelaar until 31-08-2023	Chief Operation Officer	<ul style="list-style-type: none"> <li>Director of the Association of the Dutch Chemical Industry</li> </ul>
Klaas Hidde Kuipers from 21-08-2023	Chief Operation Officer	<ul style="list-style-type: none"> <li>Director of the Association of the Dutch Chemical Industry</li> </ul>
Marleen de Rond-Schouten	Managing Director Agro & Strategy from 01-01-2023	<ul style="list-style-type: none"> <li>Director Averis Seeds B.V.</li> <li>Director Averis Saadsucht GmbH</li> <li>Chair of Stichting Innovatie Veenkoloniën</li> <li>Director of BO Akkerbouw</li> <li>Director of Stichting Teeltbeschermingsmaatregelen Zetmeelaardappelen</li> <li>Member of the supervisory board of Van Hall Larenstein</li> <li>Co-owner VOF de Rond-Schouten Zuiderzeeevarken, Wijdenes</li> </ul>
Chris Hollebek	Chief Commercial Officer	<ul style="list-style-type: none"> <li>Vice president Starch Europe from 01-06-2024</li> </ul>
Gerard ten Bolscher until 27-05-2024	Chief Innovation Officer	<ul style="list-style-type: none"> <li>Vice president Starch Europe</li> <li>Member of the supervisory board of Next Food Collective</li> </ul>
Nico Buijs	Chief HR Officer	
<b>Supervisory board</b>		
Marijke Folkers SRB-committee-chair	Co-owner mixed farm, Veendam	<ul style="list-style-type: none"> <li>Chair Agro Agenda</li> <li>Chair CESPU</li> <li>Chair NLB</li> <li>Member of the supervisory board of ForFarmers</li> </ul>
Hidde van der Wal Audit committee	Retired	<ul style="list-style-type: none"> <li>Investor</li> <li>NCD member</li> <li>Member Koninklijke Industriële Groote Club Amsterdam</li> </ul>
Nanne Sterenborg Appeals committee	Owner of arable/nature farm, Onstwedde and Romania	<ul style="list-style-type: none"> <li>CESPU member</li> <li>Member TBM committee</li> </ul>
Hans Wilhelm Giere Appeals committee	Farm owner Manager of Windpark Liesten Giere GmbH & Co. KG Manager Bürgerwindpark Wulfstorf GmbH & Co. KG	<ul style="list-style-type: none"> <li>Chair of supervisory board Vereinigte Saatzuchten eG VSE</li> <li>Chair of the Board Viehverwertung Bevensen-Bienenbüttel eG SRB committee</li> <li>Member of the board of Forstbetriebsgemeinschaft Kalbe/Milde</li> <li>Chair of Bundesverband Stärkekartoffeln BVS</li> <li>CESPU member</li> <li>Representative member BVS at UNIKA</li> </ul>
Johan Emmens Audit committee Appeals committee - Chair	Owner of arable farm Rolde	<ul style="list-style-type: none"> <li>Member of Stichting TBM</li> </ul>
Martin Möllering Appeals committee Audit committee	Betriebsleiter Wirtschaftsbetriebe Meppen	<ul style="list-style-type: none"> <li>Member of the board of VNS (Verein Niedersächsischer Saatgutvermehrter)</li> <li>Member of the board of two water and soil organisations</li> </ul>
Angelique Heckman SRB-committee	Associate partner Coredaet	<ul style="list-style-type: none"> <li>Member of the supervisory board of De Zorgboog</li> <li>Member of the supervisory board of De Domijnen</li> <li>Member of the supervisory board of Sif Group</li> <li>Member of the supervisory board of Witteveen + Bos</li> </ul>

Name	Current job	Ancillary positions
Robert Smith Audit commission - Chair Appeals committee	Retired	<ul style="list-style-type: none"> <li>• Member of the board of Vereniging HZPC</li> <li>• Member of the supervisory board of Stichting ISPT-AF</li> </ul>
Dirk Kloosterboer Appeals committee SRB-committee	Retired	<ul style="list-style-type: none"> <li>• Chair of the Supervisory Board of Bolsius International B.V.</li> <li>• Chair of the Supervisory Board Darling Ingredients International Nederland Holding B.V.</li> </ul>

## Annex 6 Terms and abbreviations

Term	Definition
<b>Accelerate and Strengthen</b>	Avebe's strategy for the period 2023-2028.
<b>Acreage</b>	The total area of agricultural land.
<b>AI - Artificial Intelligence</b>	The development of computer systems that can perform tasks that normally require human intelligence, such as speech recognition, decision-making and pattern recognition.
<b>Annual Operating Plan (AOP)</b>	Our annual plan. This plan is derived from our five-year strategy.
<b>Avebe Academy</b>	A platform that in the coming years will be equipped with practical learning modules focused on the five core competences and will allow employees to shape their own development.
<b>Averis</b>	Averis Seeds B.V., a subsidiary of Avebe, focused on the development and trade of starch potato varieties.
<b>Base price</b>	The base price is the basis of the potato money members receive for their starch potatoes. The base price is set at the beginning of the growing season.
<b>Biobased</b>	Products or materials made wholly or partly from renewable biological resources, such as plants, animals or micro-organisms.
<b>Biodiversity</b>	The variety of life in different forms on earth.
<b>Campaign price</b>	During the potato campaign, Avebe may decide to increase the price for potatoes. This depends, among other things, on developments in the market. The base price and any increase form the campaign price.
<b>Carbon emission</b>	The release of CO <sub>2</sub> in the atmosphere.
<b>Circularity</b>	The principle whereby products, components and materials are reused after their useful life, so that no waste is created and value is preserved.
<b>Clean label</b>	A product with few additives or artificial ingredients
<b>CSRD - Corporate Sustainability Reporting Directive</b>	A reporting guideline for sustainability reporting from the European Union for large organisations.
<b>Double materiality analysis</b>	A method to assess both an organisation's impact on the environment and society (inside-out) and the influence of sustainability issues on the organisation itself (outside-in). This helps identify relevant sustainability issues for both the organisation and its stakeholders.
<b>EC - Executive Committee</b>	The executive committee of an organisation, responsible for the day-to-day management of the cooperative.
<b>EcoVadis</b>	A globally recognised platform that helps companies assess and improve their sustainability performance in the areas of environment, human and labour rights, ethics and procurement.
<b>ESG - Environmental, Social &amp; Governance</b>	A framework used to measure an organisation's sustainability and social impact. It comprises three main areas: environmental, social and governance.
<b>Fermentation</b>	A process in which bacteria, fungi or yeasts convert substances, changing acidity, taste, odour or appearance.
<b>Footprint</b>	The impact of human activities on the environment, measured in terms of pollution, damage to ecosystems and consumption of natural resources.
<b>Guarantee of origin</b>	A digital certificate proving that a certain amount of energy has been generated sustainably. The certificate contains information about the energy source, the production facility, and the production date and place.
<b>Life Saving Rules</b>	A set of safety rules designed to prevent serious injuries and fatalities. These rules focus on critical safety areas such as working at height, energy isolation, and avoiding dangerous situations.
<b>LST - Leadershipteam</b>	Avebe's senior management.
<b>Materiality analysis</b>	Identifying sustainability topics that are most relevant to both the organisation and its stakeholders.
<b>Membership fee</b>	Members who deliver on shares receive a member surcharge of 5 euros per tonne of potatoes. This member surcharge is paid on the A and B volume.

Term	Definition
<b>Performance indicator</b>	The performance indicator tells how Avebe is performing over the years. The performance indicator is a sum of potato money, transport costs and the cooperative result. The performance indicator is standardised on a starch percentage of 19 per cent.
<b>Play to Win</b>	An organisational culture focused on achieving maximum results through innovation, responsibility and proactive behaviour. This culture encourages employees to take risks, think creatively and constantly strive for improvement and success. The Play to win competences are: reflect, innovate, change, achieve and connect.
<b>Potato money</b>	The potato money is the amount that growers receive for their starch potatoes at the average starch percentage in the respective campaign. The potato money consists of the campaign price, the performance components and the distribution from the cooperative result.
<b>SBTi - Science Based Targets initiative</b>	The Science Based Targets initiative provides companies with a clearly defined pathway to reduce their emissions in line with the goals of the Paris Agreement.
<b>Scope 1, 2 and 3</b>	Scope 1: The direct emissions of greenhouse gases at a site. Scope 2: The indirect emissions caused by electricity consumption. Scope 3: The indirect emissions of CO <sub>2</sub> caused by business activities of our suppliers.
<b>SDGs - Sustainable Development Goals</b>	United Nations Sustainable Development Goals.
<b>Sludge</b>	A semi-liquid mass produced as a by-product of water treatment or industrial processes.
<b>Social advisory council</b>	An independent body that provides advice to an organisation on social issues and policies.
<b>Tare</b>	The sand, foliage and stones still sticking to the potatoes when delivered to the factory.
<b>TRIFR - Total Recordable Injury Frequency Rate</b>	A measure of the number of accidents involving absenteeism in a given period.
<b>Wart disease</b>	A disease caused by the fungus <i>Synchytrium endobioticum</i> , which greatly reduces potato yields and makes them unsaleable.
<b>WCOM - World Class Operations Management</b>	A management approach focused on operational excellence.

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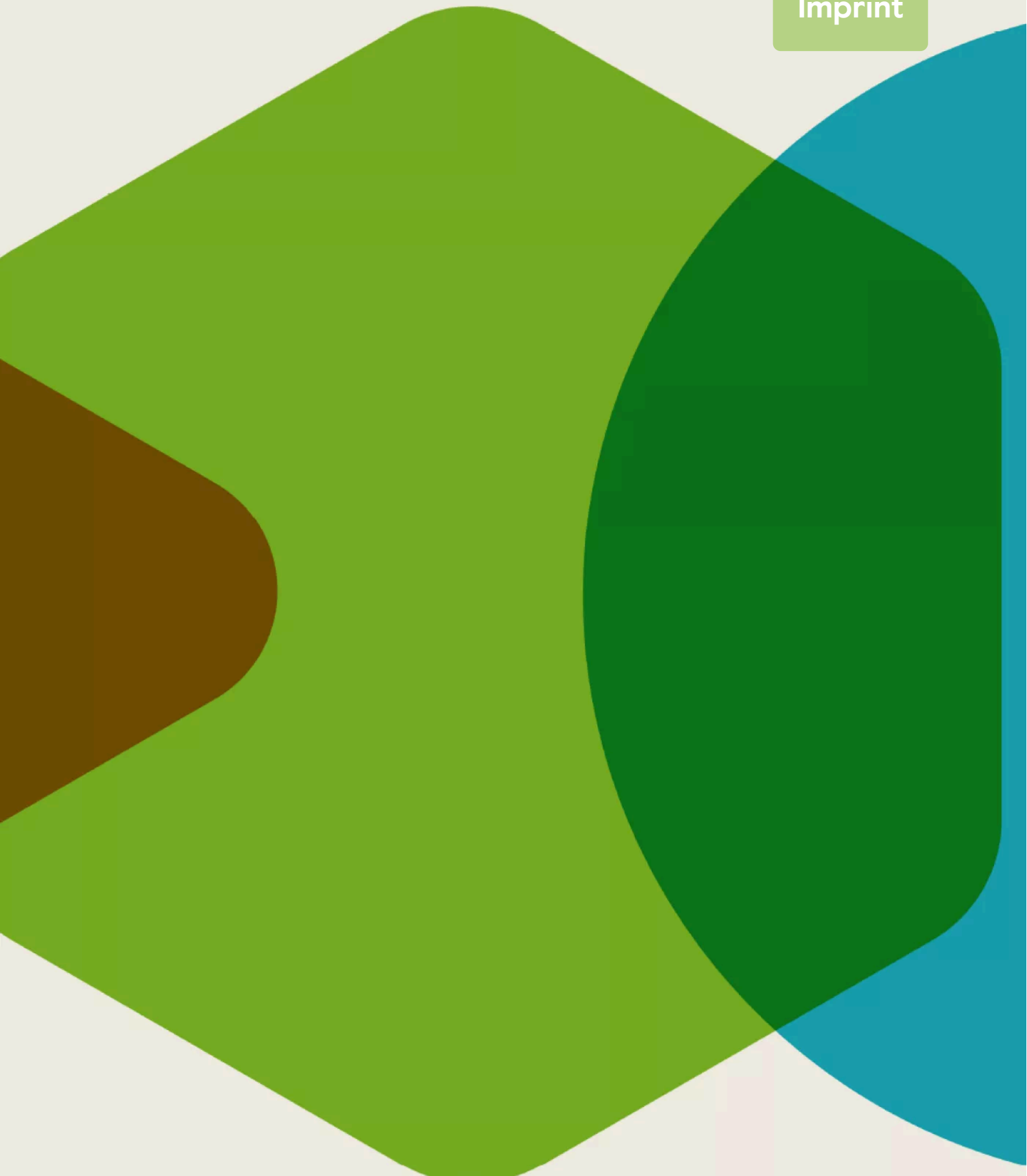
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