

Vision and value for today and tomorrow

CSR report

22

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Partner in sustainability

Sander Hulsebos

Chief Executive Officer

'For Hoogwegt, vision and value is about more than just business. With more than 55 years of experience and our global presence, we have a clear insight in the challenges the world faces today. This report shows how we use our unique position in the food sector and our strengths as a company to make a positive impact.'

'Being a market leader and a solid partner for many different stakeholders, Hoogwegt has the position to make a positive impact in the field of environmental, social and governance issues. We utilize our scale, our knowledge and our unrivalled supplier and customer base to embed sustainability in our industry.'

We believe that it is important for companies to be transparent about their sustainability goals, actions and results. We are proud to present to you our first CSR report, in which you can read about our strategy and goals, our achievements so far and our plans for the next years. This serves as a beacon towards a sustainable future, both for ourselves as well as our stakeholders.

Our strategy proves that sustainable growth goes hand in hand with responsible business operations. The results that we see, inspire us to take the next steps, both in our dairy and plant-based portfolio.





A strong basis

Hoogwegt company profile



We are Hoogwegt

We are a globally operating supplier of dairy and plant-based ingredients and products, active in 130 countries. Hoogwegt is privately owned and has been active since 1965. We take pride in being extraordinary in everything we do, with the best interest in mind for suppliers, buyers, employees, consumers, society and the environment.

We maintain longtime relationships with our international network, based on trust, reliability and flexibility. We strive to exceed expectations by delivering quality products, at a good price, in the right place and time, paired with smart global logistics services, tailor-made risk management solutions and relevant market insights.

Being present in every part of the world, we are well aware of environmental and social issues. We continuously scan the market, both for short-term developments as well as for game-changing megatrends and the associated developments they bring. Wherever possible, we work together to explore and develop new and sustainable options.

We believe that dairy will remain a cornerstone of the global diet. At the same time, we signal the shifting trend towards plant-based alternatives and feel the shared responsibility to provide an answer to the food-producing challenges the world faces. Plant-based options form a valuable and growing addition to our global product portfolio.

Everyday, we are dedicated to the strong relationships with our partners, the exceptional products and services we offer, the continuous development of our employees and partners, and our responsibility for the world we live in.

Core values

The Hoogwegt core values reflect our ambition and beliefs. Our sustainability activities are anchored in our core values.



We share

We get inspired by new ideas and stimulate innovation. We share relevant information and knowledge within our company and with our stakeholders. We always proactively search for ways to have a positive impact on our employees and on the world around us.



We exceed

We take initiative, learn and continuously raise the bar for ourselves. We cooperate internally and with other parties to create added value and to achieve the highest standards in service, quality and food safety. We use our unique position, strength and knowledge to make a positive impact in the world.



We discover

We are openminded and curious to discover and develop new and improved solutions for products, logistics, risk management and other parts of our service. We embrace a dynamic world and get energized by change. We build long term relationships and cooperate with knowledge partners, start-ups and communities to develop solutions for social and environmental challenges.

Hoogwegt strengths

Vision and value

Hoogwegt specializes in providing business to business services for dairy and plant-based ingredients. We add vision and value by providing high-quality products, real-time market intelligence, smart logistics services, and tailor-made risk management solutions.

Reliability

Hoogwegt has a solid base. We can rely on a sound financial position and the expertise of a worldwide network of commercial, technical and logistics experts. We have more than 55 years of experience in the dairy market.

Global presence, local connection

We are proud to have a strong global presence while also maintaining deep local connections. We believe that by combining the best of both worlds, we can provide our customers with the highest level of service and support. With our extensive worldwide network and a focus on understanding and meeting the specific needs of each community we serve, we strive to build meaningful relationships and make a positive impact.

Product range

Hoogwegt provides a wide range of essential milk powders, functional dairy ingredients, butter fats, cheeses, liquid dairy products and plant-based products. These are available in a variety of qualities, specifications, and pack sizes. We consistently strive to expand our product offering in order to surpass market expectations.

Sustainability organisation

Hoogwegt holds a deep commitment to corporate social responsibility (CSR). We have established a CSR Steering Committee, including three members from the Management Board, to set ESG priorities and supervise the implementation of CSR initiatives. Additionally, a specialized task force has been assembled to address the important subject of environmental impact.

Facts & figures



1965
established



€3.5 bn
annual turnover



20%
is plant-based



130K
TEU/year



#1
privately held
dairy commodity
provider



1.7 mln
metric tons of
dairy product



6
continents



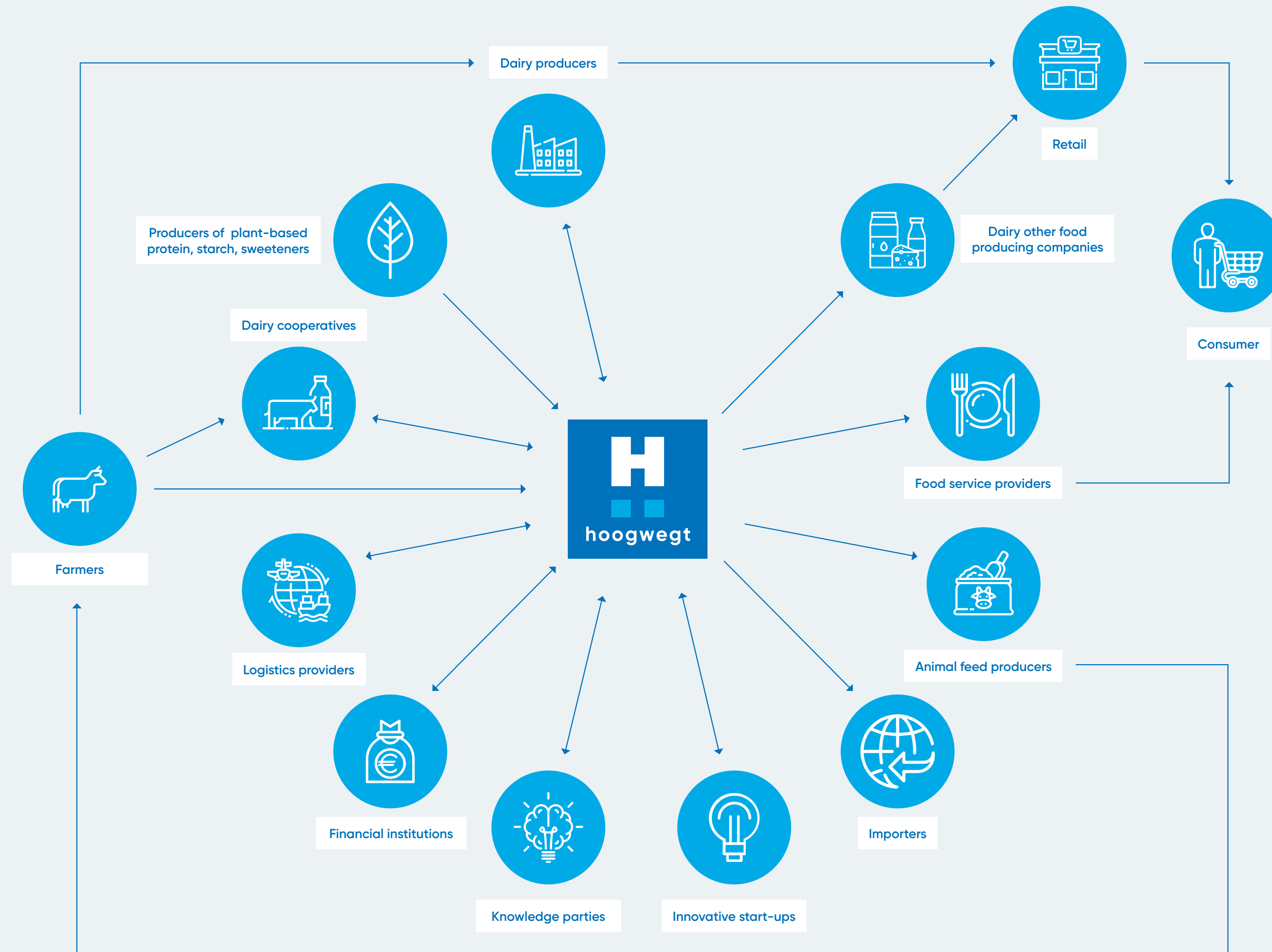
160+
countries



485
fte

Hoogwegt position in the supply chain

Our pivotal position gives us a unique insight in the upstream and downstream supply chain. These insights include environmental and social challenges that we signal, as well as solutions that are being developed in several disciplines and industries. We serve as a linking pin between parties and use our possibilities to make a positive contribution where we can.





Making impact where it matters

Sustainable points of focus

Making impact where it matters

Using our strengths

Staszek Chlapowski,
Chief Operations Officer
and chair of CSR Steering
Committee

'If you do what you are good at, you have the largest impact. The material choices that Hoogwegt makes in the field of sustainability, reflect our type of business and our company strengths.'

'Hoogwegt can make a significant positive impact by deploying our strengths: a professional organisation with a broad worldwide network, advanced insight in the market and the tools to provide information to all our stakeholders. We pair this with a pro-active attitude, innovation skills, a strong position in the supply chain and the skill to connect people.'

We have also looked at the topics that are most material in terms of impact. For this, we have analysed our industry to discover what the most important challenges are. These challenges are linked to our strengths and our position in the value chain.

Based on this, Hoogwegt has developed a CSR strategy that revolves around three pillars of sustainability: environmental impact, food safety, and people & communities. We anticipate achieving significant impact in these areas, in collaboration with our strategic stakeholders both within and outside the supply chain.'

CSR(D) Roadmap

To ensure the credibility and effectiveness of our sustainability strategy, we recognize the importance of seeking an unbiased viewpoint. In pursuit of this goal, we have partnered with an external partner, who will assist us in reporting the progress of our CSR strategy in compliance with the Corporate Sustainability Reporting Directive (CSRD).



Sustainable trinity

Our Hoogwegt CSR strategy is based on the following three pillars.



Environmental impact

In the field of environmental impact, Hoogwegt's focus is on reducing CO2e-emissions. Within our industry, the most significant impact can be achieved by addressing emissions associated with the production and transportation of the goods we market. We invest in research to develop options with a lower carbon footprint and provide information to our clients to make informed decisions. We use our pivotal position in the value chain to link suppliers and buyers to set up their own long-term strategic sustainability initiatives.

Read more in the chapter Environmental impact.



Food Safety

Food safety has always been a very important topic for Hoogwegt. We believe that good health and well-being start with safe and healthy food. As a linking pin between suppliers and buyers, we have an important role in safeguarding food safety and we go the extra mile to ensure it. We have implemented a globally certified food safety program. We provide our business partners with reliable and timely food safety information and we have strict procedures in case of a food incident in our supply chain.

Read more in the chapter Food safety.



People & Communities

As a company with an international presence and activities in 130 countries, we have a direct impact on our employees, their families and local communities. For our staff, we focus on good working conditions, fair salaries and ample opportunities for training and development. To support local communities, we create positive initiatives together with local partners. For example a program to empower individuals with a distance to the labour market or providing emergency supplies in humanitarian situations.

Read more in the chapter People and communities.



Value for today and tomorrow

A model for change

Value for today and tomorrow

This model encapsulates our use of input and throughput for sustainability, leading to measurable output and impact.

INPUT

The capital we use to realize our sustainability ambitions.

Human capital: Hoogwegt has a motivated and engaged team of more than 450 people, present on 6 continents and active in more than 130 countries.

Intellectual capital: We have more than 55 years of experience, ample product knowledge and a keen eye on developments in the market. Our own research & development laboratory is used to develop new and sustainable products.

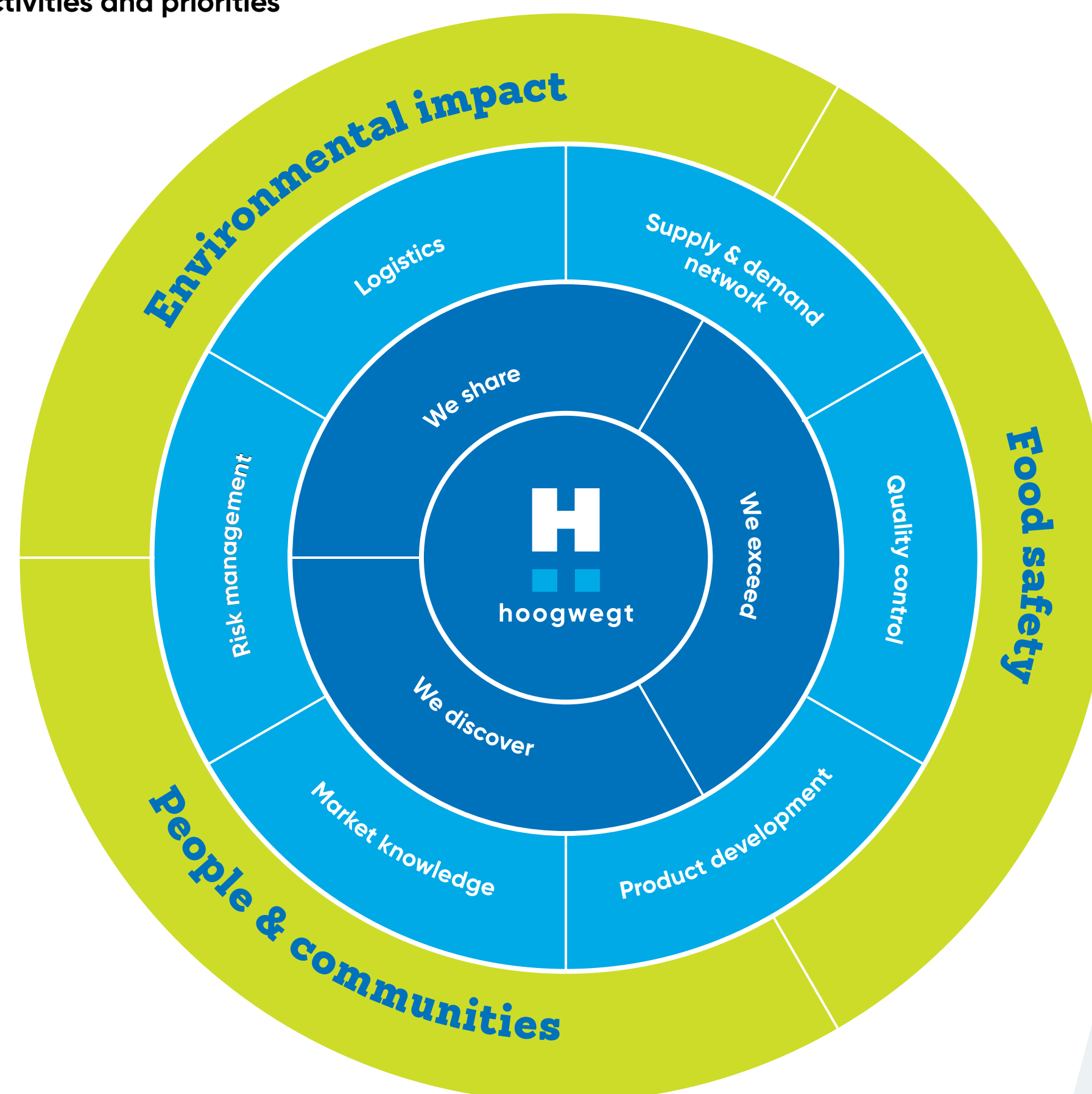
Financial capital: Hoogwegt is a solid and sound organization with a strong financial position. We have allocated resources towards supporting sustainability initiatives.

Network capital: We use our strong network of suppliers, buyers, financial institutions and knowledge partners to exchange knowledge and to develop joint sustainable initiatives.

Organisational capital: Hoogwegt is an agile and flat organisation, allowing for fast c-level decision-making. We have a dedicated CSR-team in place.

THROUGHPUT

Our activities and priorities



OUTPUT

Direct impact on our stakeholders

Environmental: We collaborate with the Sustainable Dairy Partnership and BigMile to calculate our Scope 3 emissions. We strongly believe in the importance of measurable and comparable footprints and have encouraged our suppliers to also join the SDP. Additionally, we have implemented a business travel awareness program for our employees. Our goal is to connect suppliers and buyers in long-term sustainability initiatives, and we are actively working with our logistics providers to create transportation options with lower emissions. As part of our research and development program, we focus on sustainable product innovation and offer plant-based options through our subsidiary, Meelunie. Ensuring that our clients have a variety of sustainable choices is a priority for us.

Food safety: We have a full global food safety program in place. This involves food safety assessments for all our suppliers worldwide, certified by the Global Food Safety Initiative (GFSI). Currently, 86% of our eligible dairy suppliers has been GFSI-certified. The remaining 14% is expected to

be certified in 2024. In addition, Service Level Agreements are in place for preferred production suppliers and logistics partners. The Safety Always Promise guarantees that we provide all necessary food safety information with every delivery that we make. Traceability and recall simulations are conducted yearly and provide input for continuous improvement.

People & Communities: We offer our employees healthy working conditions and remuneration that is on or above par according to local standards. Together with social organisations such as the Refugee Talent Hub, we empower people with a distance to the labour market. Our cooperation with knowledge institutions such as Wageningen University & Research leads to an exchange and development of knowledge. Incidentally, we work together with regional partners to provide support in crisis situations. Examples are the supply of dairy products to Sri Lanka and Ukraine.

IMPACT

Long-term impact on sustainable development

12 Responsible consumption and production

We actively manage and reduce our environmental impact, emphasizing responsible consumption and production patterns. We offer buyers sustainable options and encourage employees to act responsibly. This commitment is in direct support of SDG 12, fostering a more sustainable approach to resource utilization.

13 Climate action

Through our comprehensive approach, encompassing the calculation, reduction and offsetting of emissions across different scopes, we are taking significant steps in addressing climate change. This aligns with SDG 13, reflecting our dedication to urgent action for a more sustainable and resilient future.

2 Zero hunger

Our active participation in initiatives like the Sustainable Agriculture Initiative (SAI) and Sustainable Dairy Partnership (SDP) underscores our commitment to promoting sustainable practices in the dairy industry. By doing so, we contribute to SDG 2, working towards a future with zero hunger and fostering responsible agricultural supply chains.

3 Good health and well-being

We support consumer safety and well-being by implementing stringent food safety and traceability measures, including GFSI-certification. For employees, we focus on healthy working conditions, including sports activities. These ambitions relate to SDG 3, good health and well-being.

8 Decent work and economic growth

Our emphasis on excellent terms and conditions, job opportunities for those with a distance to the labour market, and mentorship programs, align with SDG 8, promoting decent work and economic growth.

17 Partnerships for the goals

Hoogwegt actively collaborates with universities and knowledge institutions for co-creation and knowledge exchange. With regional partners and social organisations, we contribute to various social goals. With suppliers, buyers and business partners, we develop long-term sustainable products and services. This relates to SDG 17, partnership for the goals.



Environmental impact

Embedding sustainability in our industry

Environmental impact

Transparency, cooperation and optionality

Gert-Jan Willemse,
Commercial Director and
member of CSR Steering
Committee

'The dairy industry has an undeniable impact on the environment. As a strong and stable market party, we utilize our scale, knowledge and our global supplier and customer base to help embed sustainability in our industry.'

'First of all, this means we look at ourselves to improve our corporate sustainability performance. Compared to our other goals, this impact may be relatively less significant. However, it is imperative for us to prioritize our own direct impact before offering support to others in achieving the same. Ways to reduce our own footprint are our sustainable head office in The Netherlands (built in 2020) and the electrification of our car fleet. Additionally, any remaining emissions have been compensated for through the acquisition of carbon credits.

Another domain we will reduce our emissions in is business travel. In 2023, Hoogwegt introduced the Business Travel

Awareness Guide. This decision tool helps colleagues choosing sustainable travel alternatives such as online meetings, train, carpooling or electric car, depending on the type of meeting, distance and travel time.

Most impact in production

However, this is just a part of our sustainability ambition. Most of the environmental impact can be realised in our value chain. The largest part of these emissions are related to the production of dairy, primarily methane emissions by cows. Other factors are the production processes of dairy products such as cheese and milk powder, and the transportation of goods.

We feel a responsibility to use our expertise and our position in the market to stimulate sustainability in every field and to develop sustainable alternatives. We always look for the measures that have most impact and that are closest to our core business and values.





Sustainable Dairy Partnership

Hoogwegt is a member of the Sustainable Agriculture Initiative (SAI) that brings together over 170 member companies and organisations leading the way in sustainable agriculture worldwide. One of the projects of the SAI is the Sustainable Dairy Partnership (SDP).

The goal of the SDP is continuous improvement in dairy sustainability. Its members work on standardizing and harmonizing the way we calculate and report on sustainability in the dairy trade and industry. The concrete result will be a Dairy Sustainability Framework with harmonized calculation methods for 11 sustainability criteria. This will replace separate, repetitive, and expensive audits to meet varying customer expectations, and thus facilitate efficient sustainable sourcing.

Hoogwegt fully endorses this goal and actively contributes to the SDP platform. We have joined the initiative as a member and stimulated partner suppliers to also join SDP. Gert-Jan Willemse, commercial director of Hoogwegt, joined a workstream to contribute to developing the Dairy Sustainability Framework.

Cooperation in Sustainable Dairy Partnership

Most carbon emissions are created at the source (cows) and we need to obtain data that shows us exactly what those emissions are. Also, we need to understand the differences in the CO₂e-impact of various types of milk. For example, milk from grass-fed cows has a lower carbon footprint than milk from cows that get processed feed. Such questions we cannot answer by ourselves. Therefore, we actively participate in the Sustainable Dairy Partnership (SDP) of the Sustainable Agriculture Initiative (SAI). Together, as an industry, we are working on uniform standards to be used in the CO₂e calculation and reporting.

This type of information will in future be part of the information shared via MyHoogwegt Portal, our digital service to clients that was launched in 2023. The goal is to enable our clients to easily obtain quantifiable, comparable data on CO₂e-impact of the entire supply chain of their purchase.

The protein transition

A couple of years ago, nobody knew the word, today 'protein transition' is high on the agenda of many food

producers. In short, it refers to replacing animal protein sources such as meat and dairy with plant-based proteins. More and more of such plant-based options are offered by Hoogwegt. Our subsidiary Meelunie is fully specialised in plant-based ingredients. This means our clients have a range of options to choose from.

We have our own laboratory in Arnhem where we conduct product research and development, often in close cooperation with clients. Even more revolutionary are the developments on a molecular level. We invest in start-ups that explore methods to create milk or milk protein without the need for a cow or a plant. These developments are still in the experimental phase, but we understand the importance of investing now to pave the way for future large-scale usage of these techniques.

Strategic cooperation

Even though calculating the CO₂e-impact of individual products is valuable, we also acknowledge that sustainability is primarily a matter of investment and long-term commitment. If you are a farmer who invests in a sustainable way of working, this means you take a risk. On the other hand, clients want to be sure that if they profile

themselves with a sustainable product range, they have a guaranteed supply of sustainable alternatives. We, as a global trading partner, see our value in acting as a linking pin between these parties. We have an in-depth and up-to-date knowledge of the market, we have expertise in risk management and finance and we are on site in different parts of the world. Therefore, we see a role for ourselves as a 'matchmaker'. The next years, we will be working on shaping this role.

Lower-emission transportation options

Hoogwegt handles more than 2 million metric tons of dairy products per year and we organize the related logistics as a service to our clients. We also offer warehousing services. Our scale enables us to make a big impact.

Most of the transportation is executed for us by third party logistics providers. These are strategic partners as well as logistic providers we work occasionally with. We want to make an impact by offering more sustainable alternatives wherever possible, in close cooperation with our logistic partners, suppliers and clients. Possibilities for this are: replacing road transport by barge or rail, improving load factors and reducing empty kilometres. With this information, we will offer our clients sustainable transport

options, including information on the impact they have on CO2e-emissions, delivery times and pricing.

Sustainability information broker

The key words of our sustainability vision are transparency, cooperation and optionality. Hoogwegt is a trading company. Our strength is that we connect different types of supply and demand. Some clients have a strong commitment to sustainability, the funds to invest in it and are at the forefront of innovation. Other parties, mainly in developing countries, may have food security and low pricing as a priority.

We do not want to exclude clients or force them to work according to the same sustainability standards as ourselves. Our focus is on offering different options, facilitating innovation and cooperation, and being transparent about the environmental impact of every part of our supply chain. Hoogwegt acts as a sustainability information broker, enabling ourselves and our supply chain partners to make informed and sustainable decisions.'

Head office

Hoogwegt's head office in Arnhem opened on 1st May 2020. Sustainability was a key factor of the design. We want this to be an example for our other offices and an inspiration for our visitors from around the globe. The office consists of 4.750 m2 of office space and 3.000 m2 underground parking. The gas-free building uses renewable electricity (wind) and has solar panels on the roof that produce 10% of the total energy consumption.



Emission definitions

In order to allow combining of the global warming impact of different greenhouse gases (GHG), emission levels are converted into CO2 equivalents (CO2e). This conversion is based on the 'Global Warming Potential' (GWP), i.e. the measure of warming that is contributed by each gas to the greenhouse effect. For example, the emission of 1 kg of methane (CH4) is equal to 28 kg CO2 equivalents.

Three scopes are defined for greenhouse gas (GHG) accounting and reporting purposes.

Scope 1:

Direct greenhouse gas emissions

Direct GHG emissions occur from sources that are owned or controlled by the company, such as emissions from combustion in owned or controlled boilers, furnaces, vehicles, etcetera, and emissions from chemical production in owned or controlled process equipment. At Hoogwegt, the main

Scope 1 emissions are:

- Heating (combustion)
- Fuel combustion by company cars

Scope 2:

Electricity indirect greenhouse gas emissions

Scope 2 accounts for GHG emissions from the generation of purchased electricity consumed by the company: electricity that is purchased or otherwise brought into the organizational boundary of the company. Scope 2 emissions physically occur at the facility where electricity is generated. At Hoogwegt, the main Scope 2 emissions are:

- Electricity purchased for offices (including heating and cooling)
- Electricity purchased for company cars

Scope 3:

Other indirect greenhouse gas emissions

Scope 3 is an optional reporting category. They are a consequence of the activities of the company, but occur from sources not owned or controlled by the company. Examples are extraction and production of purchased materials, transportation of purchased fuels, and use of sold products and services. At Hoogwegt, the main Scope 3 emissions are:

- Traded products
- Transportation and warehousing
- Business travel (mainly air)
- Employee commuting
- Office supplies



Environmental impact

Starting point for impact

In order to be able to determine what to improve, Hoogwegt had carried out baseline measurements for Scope 1 and 2 emissions.

Net scope 1 and 2 emissions Hoogwegt 2021-2022

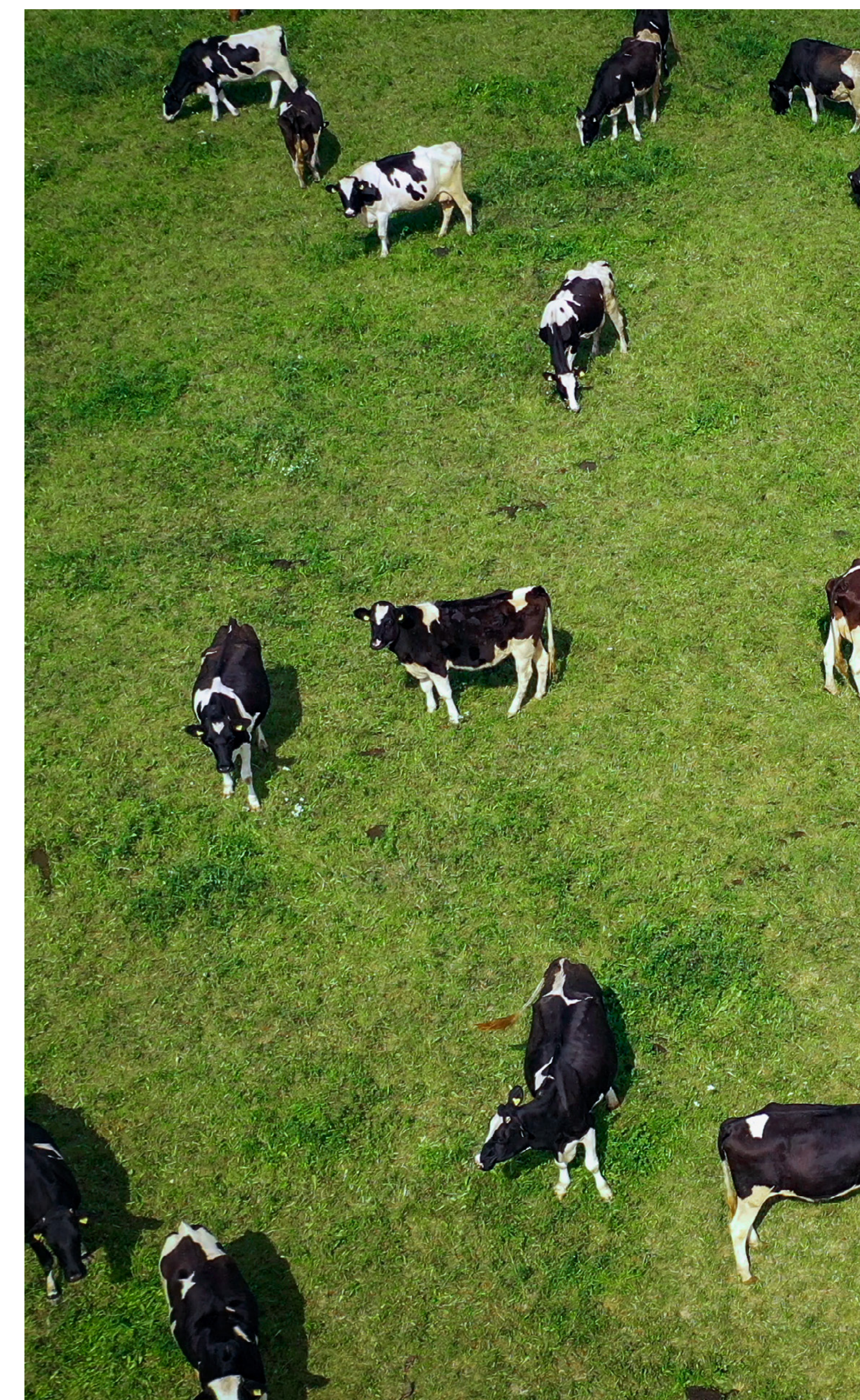


Definition	Arnhem	Antwerp	Paris	Warsaw	Lake Forrest	Buenos Aires	Beijing	Shanghai	Singapore	Newtown	Gross Total	Meelunie	Nett Total
Scope 1 Heating (combustion)	-	3	-	-	-	-	-	-	-	-	3	22,7	25,2
Fuel combustion by company cars	177	17	18	46	25	10	1	4	2	20	321	17,7	338,7
Total scope 1	177	20	18	46	25	10	1	4	2	20	324	40,4	364
Scope 2 Electricity purchased for office (incl. heating and cooling)	163	2	2	34	-	1	2	-	1	3	208	95,7	303,2
Electricity purchased for lease cars	47	-	-	-	-	-	-	-	-	-	47	5,9	53,2
Total scope 2	211	2	2	34	-	1	2	-	1	3	255	101,6	356,4
Total scope 1 + 2	388	22	20	80	25	11	3	4	3	23	579	142,0	720,4
Scope 4 Avoided emissions													
Renewable Energy Certificates	-158										-158	-30,0	-188,4
Nett emissions (mt CO₂e)	52	2	2	34	-	1	2	-	1	3	96	71,6	532,0

Period: 1 October 2021 – 30 September 2022 (following the accounting year). Excluding the 50% subsidiaries Lone Star Dairy Products. The figures have been calculated according to the GHG protocol and are checked by expert company PW Advies.

Offset

The Scope 1 and 2 CO₂e-impact of our global offices in the reporting years 2020-2021 and 2021-2022 has been offset with carbon credits. Together with Climate Neutral Group (CNG) we selected a project that directly contributes to the sustainability of the dairy production: a biogas project that invests in methane fermentation and energy generation in the Netherlands. The biogas produced is converted into sustainable electricity, which is supplied to many thousands of households in the Netherlands. This leads to reduction of CO₂ and methane emissions, reduces fertiliser production and prevents nitrogen emissions from manure and waste.



Environmental impact

Active CO2-reduction of transport

In 2023, big steps have been taken to prepare for CO2-reduction of transportation.

The first step was to determine the right calculation method that works for our type of activities. We researched this in cooperation with Wageningen University & Research. It involved a study by the Wageningen Agri-Food Supply Chain Platform. The purpose of this research was to investigate several widely used reporting methodologies and assess their accuracy and usability. Also, it researched which allocation method should be used to assign emissions to parties within the supply chain.

The conclusion of this report is that the best possible reporting method is the GLEC Framework, in combination with the Merit theory for the allocation between parties.

Transparent calculation method

The Global Logistics Emissions Council (GLEC) is a program where companies and NGO's are dedicated to drive widespread, transparent and consistent calculation and

reporting of Greenhouse gas (GHG) emissions. It offers a harmonized, efficient, and transparent way to calculate and report logistics emissions. An important aspect of this method is that it uses preconfigured and standardized data for various transportation methods. This makes sure that we use consistent data and it enables us to objectively compare transportation methods.

Strategic partnership

Hoogwegt selected BigMile as a strategic partner to determine the CO2e-figures, making use of the GLEC calculation method. The BigMile application will receive input via Hoogwegt's ERP-system. This ensures a reliable calculation based on real transportation movements.

Pilots

In 2023, we also started a number of pilots, exploring reduction possibilities.

Together with a client, supplier and forwarder in Germany, we explored the possibility to reduce empty kilometres in

tanker transports. This pilot took place in 2023. It showed that a relatively small increase in the load factor relates to high CO2e-reductions.

With a supplier, forwarder and external warehouse supplier, we investigate the benefits of using a roller-fork application in the downstream from plant to warehouse. We expect to improve the load factor, resulting in CO2e-reduction. Also, it should prevent damage to bags, thus reducing waste.



Hoogwegt and Meelunie

At Hoogwegt, we believe that dairy will continue to be a fundamental part of the global diet. However, we also acknowledge the emerging trend towards plant-based alternatives. We recognize the added value that these alternatives provide to our clients, which is why we have made investments in growing our plant-based portfolio over the past years. A major step was our acquisition of Meelunie, a reputable global supplier of plant-based starches, sweeteners, and proteins. Their extensive range of products serves various sectors such as food, animal nutrition, and industrial applications, including an expanding selection of organic offerings. Meelunie's vision is centered around contributing to a balanced world, where plant-based solutions have a positive impact. One notable example of their innovation is their 50% ownership in a factory located in Denmark, Meelunie GPI, which specializes in producing plant-based proteins derived from fava beans.

More information on Meelunie's CSR-policy can be found on their website www.meelunie.com

Environmental impact

A new horizon

Hoogwegt takes a fundamental approach to reduce the environmental impact of our industry. We use our large scale and strong position in the market to play a pro-active role. In 2023, our focus has been on determining calculation methods for CO₂e-emissions and executing baseline measurements. For this, we have cooperated with scientific partners and organisations like the Sustainable Agriculture Initiative (SAI) and BigMile.

The next year, we will continue to set up a data structure that provides a correct and transparent overview of our carbon footprint. We will also share such information with our supply chain partners, strengthening our position as sustainability information broker and enabling parties to make informed decisions in terms of products and transportation.

We will continue to reduce our company carbon footprint and to develop sustainable options in the field of product development and multimodal transportation. We will further research how we can have the most impact as a matchmaker, facilitating long-term sustainable cooperation initiatives between suppliers, clients and other value chain partners.





Food Safety

Ensuring safe consumption



Roland Wientjes,
Director Business
Development and member
of CSR Steering Committee

Food Safety

Safe products as highest priority

'Food safety is a top priority for Hoogwegt Group. We secure all stages in the supply chain, from production to delivery, to the highest standards. We achieve this by a solid certification by GFSI, a strict selection of suppliers, and providing transparent information to clients and other stakeholders.'

'For every company active in the food industry, food safety is the most important responsibility. Hoogwegt trades products that people consume; our priority above everything else is to do everything we can to ensure that those products are safe for human consumption.'

As a trading company we are the linking pin between suppliers and clients. In order to ensure the food safety of the goods we trade, we take several measures. In 2023, this has resulted in the following activities.

HACCP and GFSI certification

Reliable and independent certification is the fundament of our food safety policy.

The Hazard Analytic Critical Control Points (HACCP) is EU regulation stating that all companies that produce or handle food need to take adequate food safety measures. It basically is a risk assessment guideline. Each company has to do its own assessment and take adequate measures where needed. Hoogwegt has its own HACCP-assessments in place and asks the same of suppliers. These assessments are audited and certified according to the guidelines of the Global Food Safety Initiative (GFSI).

All 14 eligible Hoogwegt subsidiaries have been GFSI certified in 2023, category IFS Broker 3. The audits have been performed by Kiwa, a renowned Dutch testing, inspecting and auditing firm. The score in all our dairy

entities was 100 of 100 points (80 points is the required minimum). We will have a yearly audit by Kiwa.

We ask of all suppliers that they are GFSI-certified, if GFSI is applicable to them. In 2023, 86% of our eligible dairy suppliers has been GFSI-certified. The remaining 14% has signed the Hoogwegt food safety checklist. In 2024, we strive to raise the number of GFSI-certified dairy suppliers towards 100%.

In some cases, Hoogwegt commissions the production of food products to third party producers, with ingredients delivered by Hoogwegt. The producers involved are all GFSI-certified. In addition, we have SLA's in place for these assignments, including food safety procedures.

Food safety assessment for non-certified parties

Not all suppliers are eligible for GFSI certification. In these cases, we use our own checklist that these suppliers

About GFSI



The Global Food Safety Initiative (GFSI) is a coalition of action from the Consumer Goods Forum (CGF), bringing together retailers, manufacturers and an extended food safety community.

GFSI has established the GFSI Benchmarking Requirements. This benchmark forms the basis for certification programmes that ensure that companies have done an adequate risk assessment and have taken the right measures to deal with these risks. In order to achieve GFSI-recognised certification, companies must successfully undergo third-party audits against a programme operated by a GFSI-recognised Certification Program Owner. Buyers around the world trust GFSI-recognised certification as a mark of the highest standards in food safety.

Not all suppliers in our industry are eligible to GFSI standards. Only suppliers that provide ingredients and products fit for human consumption, can be audited with GFSI. Other suppliers adhere to Hoogwegt's food safety checklist.

must submit. It includes factors such as a critical control point analysis, traceability and recall procedures. Of the dairy suppliers to which GFSI is not applicable, 100% has signed the Hoogwegt food safety checklist. When we sell products from these suppliers, we inform clients about the fact that the GFSI certification is not applicable.

Warehousing and transportation

Warehousing and transportation can have a big impact on food quality and safety. Hoogwegt has its own logistics company, Seabird International Shipping NV, and works with third party logistics providers.

- With our preferred suppliers (including Seabird) we have detailed Service Level Agreements (SLA's) including measures that can have an impact on food safety, like the condition of the trucks and containers, cleaning procedures and cooling of fresh products. In 2023, we had 31 SLA's in place with providers of logistics services.
- Logistics providers that we work with incidentally, have to commit to our logistics provider checklist, including food safety measures. It is part of the terms and conditions of the contract.

Safety Always promise

Hoogwegt has a Safety Always policy. This means that we always provide all necessary food safety information with every delivery that we make, without any exception.

We secure this promise in our Enterprise Resource Planning (ERP) systems. If any piece of food safety information is missing, we cannot release the product to a client, until the necessary information is supplied. If that is not possible, the product will not be delivered for human consumption. Currently for approximately 88% of our volume this software is up and running. By February 2024 full coverage will be obtained.

For products with a shorter shelf life than five days, an alternative procedure is in place, because of the shorter timelines. In case not all information is present in time, buyers are informed of this, allowing them to review if more checks are needed at the buyer's end.

Food safety information accessibility

Food safety information needs to be accessible at all times for Hoogwegt employees. As a company that has grown fast, Hoogwegt used many different information systems. Most country organisations had their own ERP-system, which made it difficult to share information.

In the first half of 2023, we harmonized this into three main information systems for the three main product categories: liquid dairy, non-liquid dairy and non-dairy products (Meelunie). Everybody in the business unit, in whatever location, can access the same food safety information and make it available to clients.

Traceability

Food safety requires full supply chain transparency. Hoogwegt oversees the supply chain and has superior traceability systems in place. Every delivery has a tracking code that shows who the supplier is, the batch number(s) and related batches. This way, we can track and trace every kilo of product, including samples.

Each year, in all Hoogwegt locations, a traceability test is executed, in a real-life unpredictable situation. The goal is to account for every amount of the product, including

samples distributed to clients. In 2023, all entities had a 100% score.

Recall simulations

Hoogwegt has a recall crisis management protocol in place. Recalls are rehearsed every year, at an unexpected moment. Nobody except the person organising it, is informed beforehand. The procedure is evaluated and provides input for improvement of the protocol. This is one of the aspects of HACCP.

Food fraud

Hoogwegt takes every necessary measure to prevent any type of (deliberate or accidental) food fraud. Hoogwegt's Code of Conduct clearly states that every form of fraud or corruption needs to be prevented. The Code of Conduct training includes examples of possible food fraud or errors that we could encounter, for instance a supplier that might declare a product to be organic when it is not. Our ERP-software includes possibilities to do checks afterwards.

Continuous improvement & training

Every year, we isolate at least one food safety subject to assess and improve.

In 2023, this was the non-conformity procedure. We have standardized it and put extra focus on 'red flags'. Regardless of who receives a notification and in what form, this person needs to be able to assess instantly if a food safety hazard could be involved. We have included this in the yearly (mandatory) food safety training.

For the first year in 2023, this training did not only involve people that have a direct link with food safety, such as trading, production and logistics, but also colleagues from administrative positions. Food safety awareness thus becomes something for everyone.

All participants need to pass a test. Five percent of the people did not pass the test the first time and have been invited for a retraining. This process will continue until everyone has successfully passed.

In addition, we have a program of voluntary trainings with respect to general product knowledge, ingredient expertise and safety. Four hundred of the total of 490 employees have participated in one or more of the voluntary training sessions in 2023. This program is evaluated and adjusted yearly.





People and communities

Empowering individuals and initiatives

People and communities

Caring for people

Jørgen Schneithorst,
HR director and member of
the CSR Steering Committee

'At Hoogwegt, we feel a strong responsibility towards our employees and the communities in which we operate. They are the foundation of our growth and success. Also, we want to extend our positive impact on society by sharing knowledge and by supporting social initiatives.'

'We care for our employees; they provide the talent and knowledge that drive our commercial success. As an employer, we have the responsibility to take good care of them.'

Our care extends beyond our own staff. It is also applicable to our stakeholders and the world we live in. We want to expand our positive impact by supporting social initiatives that resonate with our business. We are

an international company, so we prefer to participate in larger initiatives that are scalable and international, next to some local small-scale projects.

As innovation is part of our corporate success, we also strive to make a meaningful contribution to development of knowledge, for instance by working together on scientific research.

Hoogwegt has originated from a family business and we operate according to family values such as sharing, learning and being open-minded. We constantly look for ways to improve ourselves and the world around us.'



People en communities

Social goals



Excellent terms and conditions in all of our entities

We find it important to offer employees in all our entities an inspiring workplace and a remuneration package that is at least on or above par.



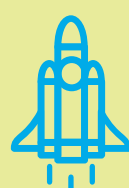
Empowering our employees

We want to empower our employees by creating favourable working conditions and opportunities for development and growth.



A working environment that respects diversity and allows everybody to be who they are

All employees of Hoogwegt need to feel safe, respected and valued.



Offering job opportunities to people who have a distance to the labour market

Hoogwegt strives to empower people with a distance to the labour market.



Exchanging knowledge with knowledge institutions

Hoogwegt wants to have a long-term cooperation with scientific institutions for exchanging and developing knowledge.



Local and incidental support

Hoogwegt strives to undertake small-scale and local initiatives where they resonate directly with our activities.

People en communities

Empowering people

In the past years, Hoogwegt has started up various projects to attain these social ambitions. These are the projects and initiatives that we have undertaken in the reporting year.



Excellent terms and conditions in all of our entities

Hoogwegt wants to ensure fair salaries for all employees. We use an international independent benchmark (Mercer) to evaluate the salaries of all different roles within our company, in relation to local salary levels. This evaluation shows that Hoogwegt salaries are on or above par in every location.



Empowering our employees

In various ways, we facilitate employees to pursue a healthy and fulfilling lifestyle and career.

At our head office in Arnhem, we offer weekly bootcamp, running and yoga workshops. These are led by professionals, free of charge and accessible to all employees. 10-15% of employees take part in these activities.

Hoogwegt offers a broad program of professional skills and competency training sessions. In 2023,

we introduced a new development program for managers. The tailor-made training is focused on people management skills like communication, team dynamics and change management. There is a leadership training for senior managers including Managing Directors, and a version for team managers. The senior management training has been implemented in all international locations. The training for team managers has started in the Netherlands and will be expanded internationally in 2024.



A working environment that respects diversity and allows everybody to be who they are

We feel that everybody needs to feel safe and valued in our company. We actively promote our corporate values, that you find in the chapter 'A strong basis.' In case somebody does feel unsafe or experiences unwanted behaviour, they can talk to a neutral and independent trusted person who is trained for this. In every international region, a Hoogwegt trusted person is active. Employees are well informed about the possibility and encouraged to use it if necessary.

About Refugee Talent Hub

Refugee Talent Hub is an employers' initiative that brings employers and refugees together, with paid employment as main goal.

Many refugees in The Netherlands are eager to start working, but it is difficult for them to find a paid job. Among other things this is due to a missing link between employers and refugees. After all, when you arrive in a new country you have a small network, making it more of a challenge to meet potential employers. At the same time, many employers in the Netherlands are interested in the untapped potential of refugees, but do not encounter them through their own network.

Refugee Talent Hub started as an independent foundation in 2016. It now works with 52 corporate partners in the Netherlands. In 2022 the hub reached 1.871 refugees, of whom 302 found a job on their professional level.



Offering job opportunities to people who have a distance to the labour market

Since 2021, Hoogwegt has been working with the Refugee Talent Hub in the Netherlands. In 2022, Hoogwegt developed and implemented a mentor program in which 15 Hoogwegt employees became individual mentors of refugees. The mentees have good professional skills, but experience challenges in finding a job that suits their profile. The mentors help them with things like selecting companies to approach, making a resume or preparing job interviews. Of the 15 mentees, two were employed by Hoogwegt. Six of the other 13 found a job during the mentor program.

In 2023 we continued the program, this time with 22 mentees, coached by 22 mentors from the Dutch Hoogwegt and Meelunie organisations. Additionally, we have established the Financial Development Track. This program consists of six Finance Masterclasses for the refugees about subjects such as tax control and data analytics. We will continue the program in 2024.



Exchanging knowledge with knowledge institutions

Innovation and development are important pillars of Hoogwegt's strategy. Our corporate values underline the value we see in having an open mind, discovering new opportunities and sharing knowledge. One of the ways we do that, is by cooperating with knowledge institutions.

Since September 2022, we have an exchange project with Wageningen University & Research and we support the Wageningen Agri-Food Supply Chain Platform. In this cooperation, we offer research opportunities to students and share knowledge with the science community. At the same time, it enriches us as a company with new insights. The cooperation with Wageningen University & Research will be continued in 2024. Additionally, we explore opportunities to work together with other knowledge institutions, also in other countries.



Local and incidental support

Next to the fundamental, international and long-term social initiatives, Hoogwegt also sees value in contributing directly to local communities. In addition, we incidentally work together with partners to provide aid on a local level in humanitarian issues. These are some examples of our 2023 activities.



Weekendschool LeukOmteLeren

Weekendschool LeukOmteLeren is aimed at children in the ages of 10-14 with a disadvantaged background. An intensive three-year program offers them the opportunity to expand their horizon, explore their talents and see new perspectives for their future.

Marleen Bakker, executive assistant at Hoogwegt, organises the yearly company visit of the group to Hoogwegt: 'It is always a great pleasure to host these visits. We give the children a tour of the company, explain to them what we do and show them our food lab. They get to taste ice cream and make a pizza with Hoogwegt ingredients. I can see it inspires them, we offer them a very tangible way to explore their opportunities in career and life.'



Ukraine emergency help

When Russia invaded Ukraine on 24th February 2022, many people fled the country. Large refugee camps emerged at the Ukrainian border. In March 2022, Hoogwegt decided to help with what we do best: delivering dairy products.

We joined forces with our Polish supplier Polmlek and Red Cross Poland. On March 8th 2022, we delivered a truck containing 20,000 liter packs of long shelf life full-cream milk to the warehouse located in Lublin, in eastern Poland, to help Ukrainian refugees.

Milk powder for Sri Lanka

For a number of years, Sri Lanka has been experiencing a deep economic crisis and the majority of the population is struggling to meet daily food needs. (source: UN World Food Programme)

In 2023, Hoogwegt Australia worked together with a local Sri Lanka business partner to donate a total of 7,500 kg whole milk powder. The product was repacked in smaller packages and distributed to disadvantaged individuals, including differently abled children & adults, orphans, expectant mothers, cancer patients and the elderly. In total, 4.603 individuals received a donation.

Helping kids dream big at Life Skills

Hoogwegt's subsidiary Meelunie is based in Amsterdam and wants to bring a positive contribution to their local community. The Life Skills foundation works in Amsterdam Zuid-Oost, which is considered an opportunity-poor area. Life Skills assists children in the ages 10-18 with study and homework support, as well as general coaching and increasing their self-confidence. The demand for the service is high and currently there is a waiting list of 250 kids because of lack of funds.

Meelunie has worked with Life Skills for three years now. As funds are the main issue for Life Skills today, Meelunie started a fundraising campaign involving partners, customers and suppliers. They want to generate at least one euro per metric ton for every sale throughout the month of November 2023. For every euro donated, Meelunie added one.



**Want to know more or get in touch with us?
Please go to hoogwegt.com**



**We add
vision & value.**



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