



Burg
GROUP

*Your specialist in natural
vinegar and syrups*

CSR Report 2022

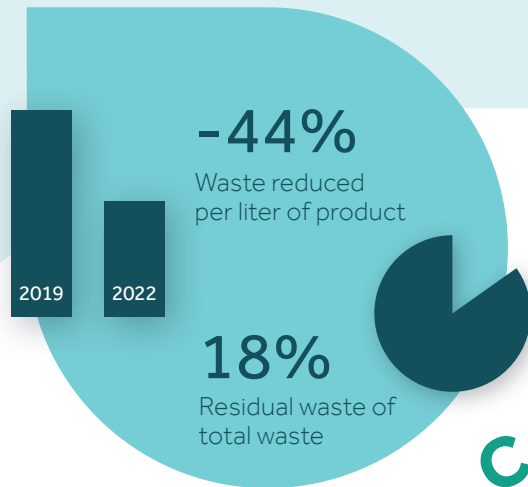
75 years of commitment
to sustainability



Final version
April 2023

1 / Highlights of 2022

Circular



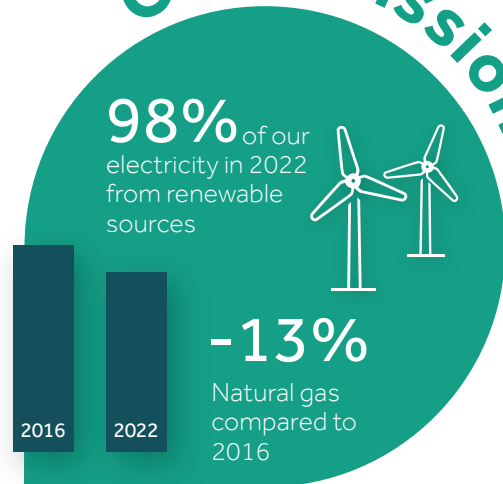
People



Products



CO₂ emissions



Commercial



Packaging

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In this second public sustainability report, Burg Group shares its goals and results on sustainability and gives a glance on upcoming activities. We kindly invite you to read this report and get in touch if you have any questions, thoughts or ideas. Please do not hesitate to send an email to: info@burggroup.eu.

2 / CEO & Sustainability Manager:

Taking steps in a turbulent year

We are pleased to present to you this second sustainability report of Burg Group. 2022 has been a year with ups and downs. This year, we celebrated the 75th anniversary of our company, a milestone to be proud of and a good moment to reflect on our growth path. The year also marks our switch to renewable electricity for all our factories. However, we also faced challenging developments: the war in Ukraine, inflation, high energy prices and supply chain disruptions. Due to our strong strategy, committed colleagues and partners, we still made progress in our journey, as you can read in this report. It has definitely been a year to remember!



Why is sustainability becoming more and more important for Burg Group?

Patricia: In 2022, we celebrated the 75th anniversary of our family company. My father-in-law started the company in Alkmaar in 1947 and in the past 75 years we have grown in terms of produced volume of vinegar and syrups, in the number of colleagues and the level of professionalism in our organization. This growth also means increased responsibility, as our impact has increased as well, both on people and the environment. Therefore, our sustainability strategy is key to how we operate and is embedded in all our processes.

Andrea: Our vision is that the world will become healthier, tastier or cleaner with Burg natural vinegar and syrup. The four pillars of our sustainability policy are important drivers in this: 100% circular, 100% CO₂-neutral, 100% responsible products and 100% responsible packaging.

Last year Burg Group took steps to embed sustainability even further throughout the company. How did you do this?

Patricia: In the past year, we included more sustainability goals in the various department targets and we evaluated business risks resulting from climate change and other sustainability-related impacts. This led to more attention on, and integration of, our sustainability goals. However, the past year was also dominated by sharp price increases due to COVID-19, the war in Ukraine and disrupted supply chains. Prices of our ingredients, energy use and building materials increased and this had an impact on our investment plan, including our investments in renewable energy and sustainable packaging.

Circularity and energy received much attention in 2022. What results on these topics were achieved in the past year?

Andrea: We are proud that, despite the challenging market conditions, we still managed to achieve great results in our journey to become a sustainable leader in 2035. Our colleagues from different factories worked hard to reduce our waste streams and ensure better recycling of the remaining waste. This has resulted in a major reduction of waste: we have almost halved the amount of waste per liter of produced product compared to 2019. From April onwards, we bought 100 percent renewable electricity for all our factories and invested in more energy-efficient equipment in our factories.

How did Burg Group make a positive impact with its products and packaging?

Patricia: For us, responsible products mean that they contain good ingredients and bring value to the consumer. We always work closely with our suppliers to ensure high-quality ingredients against a fair price. In the challenging market conditions of the past year, we saw the benefit of having long-term relationships with our suppliers. It also helped that we source around 80 percent of our ingredients within Europe. However, we had to increase our prices towards customers, which made it harder to use even more expensive recycled material for our packaging. But we managed to keep working towards our goals and switched from virgin PET to recycled PET packaging for more and more of our products.

What are your plans for the coming year?

Andrea: Last year, we had to postpone several projects, but at the end of the year we decided to increase our investments in more sustainable equipment in our factories and in our supplies. This will be visible in our electricity use and use of recycled PET and recycled HDPE for our packaging in the coming months and years.

Patricia: Our Management Team will continue to discuss how to accelerate our sustainability efforts. For instance, we have planned a materiality analysis and sustainability strategy review. In our journey, we find it important to take steps in a balanced way and in collaboration with each other. Together with our colleagues and stakeholders we want to leave a clean heritage for the next generation.



Patricia Surendonk
CEO Burg Group



Andrea Bolhuis
Sustainability Manager

3 / About Burg Group

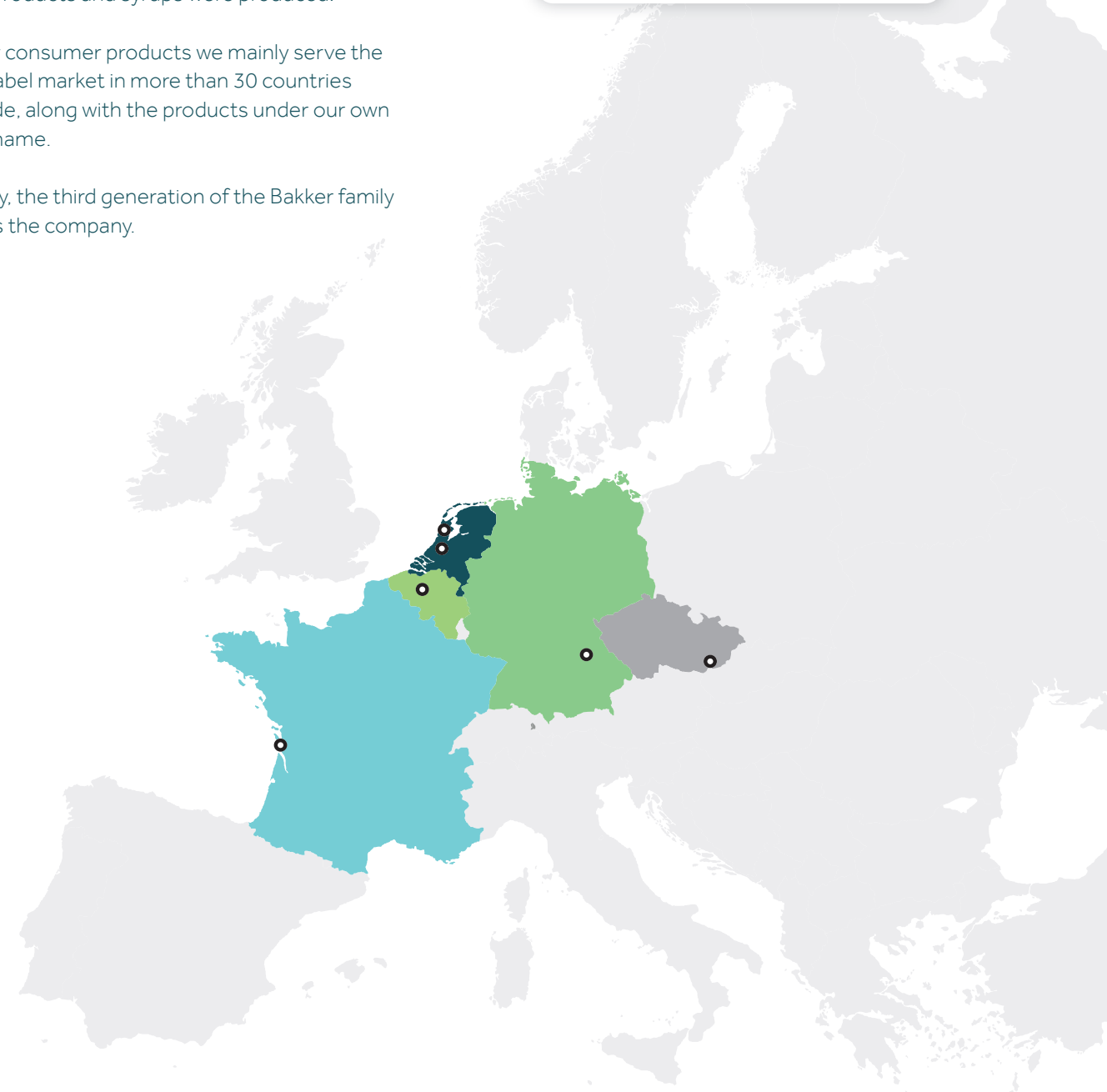
In 1947, a new kid on the block arrived in the vinegar industry. That year, Cees Bakker acquired the vinegar plant Groenland en Zn and changed the name to De Burg. In the following decades, the company experienced rapid growth, resulting in the current production locations:

- Burg Azijn (NL)
- Burg Sirop (NL)
- Burg Vinegar Belgium (BE)
- Burg Vinaigres France (FR)
- Burg Ocet (CZ)
- Burg Essig (DE)

At these six locations, Burg Group produces vinegar for food, cleaning vinegar and fruit syrups. In 2022, over 375 million liters of natural vinegar, vinegar-related products and syrups were produced.

With our consumer products we mainly serve the private label market in more than 30 countries worldwide, along with the products under our own (brand) name.

Currently, the third generation of the Bakker family co-owns the company.



4 / Our products and applications

Burg Group produces fruit syrups, food vinegar and cleaning vinegar in six factories. In both the syrup and vinegar supply chains we do our utmost best to produce responsibly. We ask all our suppliers to acknowledge our 'Supplier Code of Conduct' and we work towards a substantial reduction in Scope 3 emissions by 2035. Our goal is to become CO₂-neutral in our own (scope 1 and 2) emissions. One step towards this is that all the electricity we use is already coming from renewable sources.

Syrup

We are proud of our delicious syrups, with many surprising flavors for children and adults to enjoy every day. Burg Group distinguishes itself with syrups that are organic and natural, with fewer calories and optimal flavor.



For our **syrups** we use > 200 ingredients.

Our ingredients come from suppliers throughout EU and beyond.

In our factory in Ter Aar, ingredients are mixed according to specific recipes.

Our syrups are packed in different types of bottles, including metal cans, glass and PET. Our goal is to increase the % of recycled material used.

Our syrups are sold largely under private label.

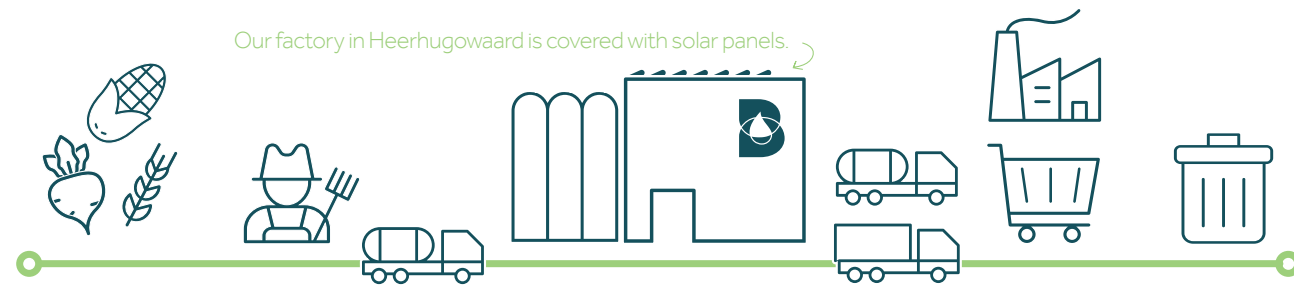
35% of our syrups show a disposal logo.

93% of our packaging is recyclable.



Vinegar

At Burg Group, we believe in the strength of natural vinegar. We manufacture our natural vinegar to an exceptionally high degree of acidity of 24%. We sell our vinegar to food manufacturers in bulk, and to retail as bottled food vinegar. Our cleaning vinegar and biocide against green algae can be found in retail and do-it-yourself stores.



Our factory in Heerhugowaard is covered with solar panels.

The main ingredient in natural (spirit) **vinegar** is ethanol from sugar, grain or maize.

We conducted a Life Cycle Analysis of our vinegar to identify where the main environmental impact occurs.

In our brewery, acidity bacteria are added to the ethanol. Together with water and air, they ferment it to vinegar.

Approximately **97%** of produced vinegar across all our vinegar factories is natural spirit vinegar, 3% is synthetic vinegar.

We minimize the waste in our factories. In 2025 we aim for **0%** residual waste.

We sell food vinegar, cleaning vinegar and vinegar in bulk.

81% of our vinegar packaging is recyclable.



5 / Our strategy and governance

Our **vision, mission** and **BHAG**¹ form the basis of our thoughts and actions within Burg Group. The vision of Burg Group is having a healthier, tastier or cleaner world. We want to make this happen by playing a leading role in a sustainable and fair way with natural vinegar and syrups. Besides this, we strive for a clean heritage by playing a worldwide leading role in sustainability and fairness with our natural vinegars and syrups in the markets selected by us.

We measure our results according to the six strategic pillars of our balanced score card. Together they form the strategy house, which includes sustainability.



As part of our Sustainability pillar, we work on four sub-pillars: circular, CO₂-neutral, responsible products, and responsible packaging.

This sustainability policy was established in 2016. In 2023 we will perform a double materiality analysis to identify if our current sustainability strategy still has the right focus.



¹ Big Hairy Audacious Goal; the star we navigate towards.

Sustainability governance at Burg Group

Within Burg Group, we want all departments to work on the relevant sustainability topics and achieve the goals of our overall sustainability policy. These sustainability goals are a factor in the bonus policy of our general management and the local management teams of our factories.

Sustainability Steering Committee

Our Sustainability Steering Committee consists of the Chief Executive Officer (CEO), the Chief Operations Officer (COO), the Chief Commercial Officer (CCO), and the Chief Financial Officer (CFO). The CFO was added to the Steering Committee in 2022 because sustainability monitoring and reporting is becoming more and more important. The Sustainability Manager chairs the Steering Committee meetings. The Steering Committee meets quarterly to evaluate the progress on our sustainability targets and adjust course when needed. In addition, the Committee provides guidance on the strategic direction and takes final decisions related to sustainability.

Taskforce Sustainability

The Taskforce Sustainability includes specialists from various disciplines within Burg Group, chaired by the Sustainability Manager. Its members lead projects, make progress on our sustainability goals and steers in terms of content. The Taskforce Sustainability meets once every three weeks.

Sustainability Ambassadors

Each Burg site has a Sustainability Ambassador who emphasizes the sustainability strategy on the local site and provides input to the Group Sustainability Manager about important local sustainability issues. The ambassadors also help organize local events and communicate about our sustainability results.

Sustainability as collective effort

In the first half of 2022, an MSc student was hired to review our sustainability governance. She reviewed its effectiveness and identified improvement points for the Sustainability Steering Committee, Taskforce, Ambassadors, and Sustainability manager. This helped to better clarify roles and responsibilities. One of the conclusions was that in the past years we succeeded in creating awareness and enthusiasm within Burg Group for our sustainability goals. As a next step, we agreed that more focus was needed on translating the high-level goals into concrete steps, integrated in our regular business processes. In response, the Taskforce Sustainability made an overview of all sustainability goals and identified business owners for each goal. These business owners were asked to make roadmaps to ensure concrete actions, with milestones that were defined and agreed upon. This helped to create understanding of responsibilities and to translate high-level targets into actionable plans.



6 / Our people

Around 280 employees help create a professional organization with a friendly atmosphere. Although we operate internationally, Burg Group has short lines and open communication. We are social and innovative.

Our goals are:

- Organization validation: annual validation per department
- Team development: team performance at desired/ stated level
- Development: Personal Development Plan (PDP) is set per employee
- Culture and leadership: the culture supports the company goals
- Employee Journey: Burg Group is known as an attractive employer.



"My work as Health, Safety & Environment specialist is very diverse: it goes from ecology to fire protection and sustainability. My role allows me to work both at the production areas and in the office, which is a great combination that shows me the many facets of Burg Ocet. We are a modern and progressive company. This shows, for example, in our sustainability efforts and in the investments we made in the equipment of our factories. There are a lot of opportunities for me to grow and learn. This year, I have done training in Occupational health & safety, and in sustainability. Next to the many opportunities to work on personal growth, there is a lot of attention for the wellbeing of employees. Being part of an international organization allows me to travel and learn from other production sites as well. Whenever I visit our colleagues in Germany, it is nice to see the factory there and get new ideas. It is important to be connected with our international colleagues and learn from each other. I am happy that I am able to contribute to a more safe and sustainable production site, whilst having friendly colleagues that support me in my growth."

Markéta Buriánková
Health, Safety & Environment specialist
Burg Ocet

Our people

| | Burg Group | Burg Azijn (NL) | Burg Siroop (NL) | Burg Vinegar Belgium (BE) | Burg Vinaigres France (FR) | Burg Ocet (CZ) | Burg Essig (DE) |
|--------------------------------------|------------|-----------------|------------------|---------------------------|----------------------------|----------------|-----------------|
| Number of FTE (average) ² | 50 | 42 | 41 | 19 | 52 | 54 | 19 |

² Calculation is based on all our permanent employees, calculated to full-time employment. The number is based on the average FTE throughout the year.

Diversity and inclusion

| | 2020 | 2021 | 2022 |
|---|-------------------------------------|-------------------------------------|-------------------------------------|
| Composition of management team, by gender | 25% female, 75% male | 25% female, 75% male | 25% female, 75% male |
| Composition of Supervisory Board, by gender | 0% female, 100% male | 0% female, 100% male | 0% female, 100% male |
| Composition of general management, by gender | 17% female, 83% male | 17% female, 83% male | 14% female, 86% male |
| Composition of general management, by age | 4%: 20-35 59%: 36-50 37%: >50 | 5%: 20-35 51%: 36-50 44%: >50 | 5%: 20-35 57%: 36-50 38%: >50 |
| Number of reports related to discrimination / unwanted behavior | 4 | 1 | 0 |

Our management team (CEO, COO, CCO, CFO) and Supervisory Board have not changed in composition in the past years. Our general management has changed slightly due to normal employee turnover. In our hiring process, we focus on new colleagues that can support the growth and increased professionalism of our organization. Especially in the current tight labor market, we were not able to put as much focus on attracting a diverse workforce as we wanted. However, we have changed our vacancy text to better address female applicants.

In the past year, there was a societal debate and attention for (un)safe working cultures in the Netherlands. Since several years, we have an external counsel where our employees can address sensitive issues. In 2022, we paid extra attention to a safe working culture and reminded our colleagues of our external counsel and the possible ways to report unwanted situations. Our external counsel has received no reports in the past year related to discrimination or unwanted behavior.

Employee satisfaction

| | 2020 | 2021 | 2022 |
|---|--------|--------|--------|
| Percentage participation | 83,9% | 81,0% | 76,5% |
| Average employee satisfaction score on a scale of 1 -10 | 7,6 | 7,6 | 7,7 |
| Net promotor score (NPS score) | +36,7% | +38,2% | +39,5% |

Our overall employee satisfaction score increased slightly in 2022. In general, we received the feedback that employees value the strategic direction of Burg Group. We do see differences between individual factories. For instance, big renovations in our factories demand additional tasks and flexibility of our colleagues, which can sometimes be challenging and therefore results in a slightly lower satisfaction score. We monitor this closely to ensure our colleagues enjoy working for Burg Group. The results of our employee satisfaction survey are discussed in all teams to better understand them and decide upon follow-up actions.

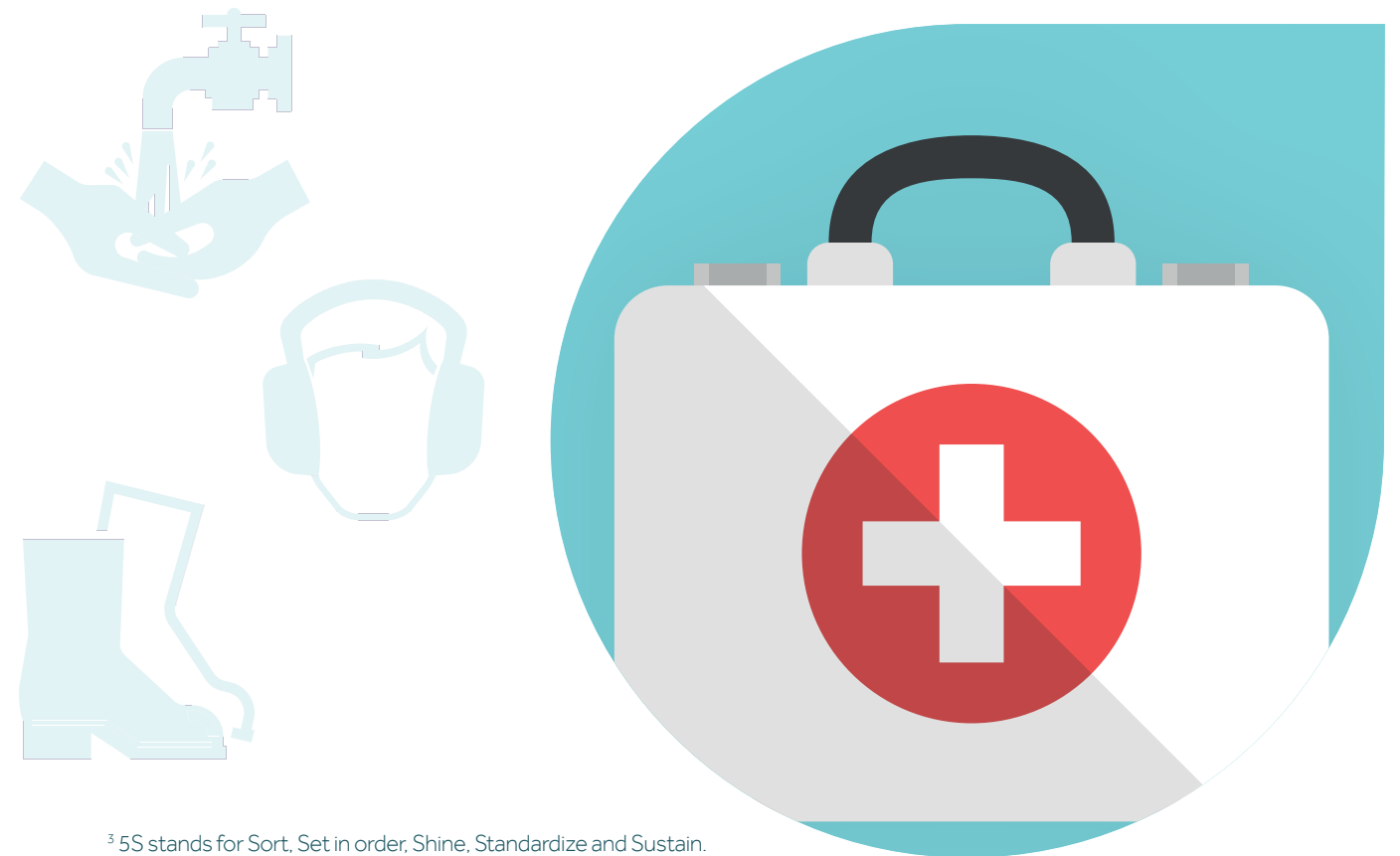
Our safety situation

Our goals are:

- More safety awareness
- Better safety index score

| | 2020 | 2021 | 2022 |
|---|------|------|------|
| Safety awareness: number of registered unsafe situations (in the areas of safety and environment) | 388 | 734 | 983 |
| Safety index (number of accidents per 200.000 worked hours) | 1,7 | 1,7 | 1,6 |

Prevention of accidents and illness resulting from our activities and products is our priority. In 2020, we started a safety program, and we introduced a new reporting system in 2021. We encouraged all colleagues to report every unsafe situation to increase safety awareness. This has resulted in a sharp increase in the number of registered and solved unsafe situations. Reports include situations that create a risk of stumbling or where stored items are not safely secured. We are happy that our colleagues are more able to identify unsafe situations and that they report them so follow-up actions can be taken. We have also analyzed our Lost Time Accidents (LTAs). It showed that most LTAs happened with new colleagues. Based on this, we have improved our induction training for new colleagues. In 2022, we kicked off our 5S³-program, that focuses on better designating, marking, cleaning and standardizing of objects in our factories. This improves both efficiency and safety, as areas and objects are more clearly marked and people know better where to find and store things.



³ 5S stands for Sort, Set in order, Shine, Standardize and Sustain.

7 / 100% circular

We want to be part of a circular economy by using 100% renewable raw materials for our products and packaging, and by not wasting anything in our factories.

Our goals are:

- 0% residual waste in 2025
- 30% waste reduction in 2035 (compared to baseline year 2019)

Our waste

| | Goal | 2020 | 2021 | 2022 |
|---|--------------|------|------|------|
| Percentage of residual waste compared to total waste ⁴ | 0% in 2025 | 25% | 25% | 18% |
| Total waste reduction compared to baseline year 2019 (measured in waste per litre of produced product) ⁵ | -30% in 2035 | -17% | -36% | -44% |

The percentage of residual waste was reduced significantly in the past year. In the majority of our factories, we kicked-off working groups with colleagues from different departments that have analyzed the waste streams and initiated projects to reduce these streams. Insights were that there were not always enough waste containers within walking distance to separate waste correctly. We also managed to find new waste processing companies or worked with our current partners to recycle materials that were previously part of our residual waste stream, such as PP straps in the Netherlands and glassine paper in France. As we continue to roll-out this program, we expect to make more progress again next year. We have planned another analysis on our residual waste stream and have re-organized our waste collection areas for several of our factories.

We also significantly reduced our total amount of waste. Already by 2021 we achieved our 2035 goal of reducing our waste per liter of product by 30%. However, we will continue our efforts to further reduce our waste, as we feel this inspires our colleagues to do the right thing. We have also started the conversation with our suppliers on how to reduce the packaging materials that we receive from them. The suppliers that we reached out to informed us that packaging reduction has not been top of mind for them, so reductions first need further analysis. However, as we continue to analyze our waste streams, we expect that further reduction in the coming years is possible. As part of our sustainability strategy review in 2023, we want to assess if we can make this target more ambitious.



⁴ We define waste as everything that leaves our factory except our produced products and liquid waste (vinegar and syrups that cannot be sold). It includes foil, PET, other plastics, wood, cardboard/paper, glass, metal, hazardous waste, equipment sold to others and residual waste.

⁵ Please note that we had to make a correction in the waste reduction data over 2020 and 2021, compared to last years' report due to a change in the calculation method for our produced liters.

"With a project group we have started an ambitious project to minimize the waste streams in our syrup factory. As team leader at the factory in Ter Aar, I am responsible for one of the production teams. We create high-quality products while at the same time we try to minimize our impact on the environment. To realize that goal, we have mapped our waste streams together with our waste processor GP Groot. Our team used the gained insights to take various actions in our factories. This resulted in less waste and more recycling. For instance, PET is now better separated and recycled, as well as plastic straps, foils and small pieces of carton. By measuring our different waste streams more clearly, GP Groot could accelerate their development of recycling techniques for those streams. We continuously investigate whether we can even further optimize our streams.

This project has been an organization-wide effort, not only by our colleagues at production. Our colleagues from procurement have also joined in to find solutions. Currently we are talking to our suppliers to see if we can use different packaging for our ingredients, so that those can be re-used. I'm proud that all colleagues are committed to this project and on the great results we are seeing."

Mohamed Boukachar
Team Leader
Burg Sirop



"At GP Groot we work towards a circular, energy-neutral, and climate-proof future. GP Groot offers services such as waste collection and recycling. Burg Group is one of our clients from which we collect waste at different production locations in the Netherlands. At GP Groot we assist companies in separating waste at the source. In this way, the waste can be recycled more easily and turned into new products. Together with Burg Group, we implemented different steps to realize high-quality waste streams. This is better for the environment and saves money. Waste segregation shows that sustainability can go hand in hand with production optimisation. Although the goal of Burg Group to have zero residual waste by 2025 is an ambitious one, it is possible. Burg Group was one of our first clients that put serious effort into it and the results show that these efforts are paying off. In my view, Burg is an example for other companies."

Justin Vrasdonk
Key Account Manager
GP Groot

8 / 100% CO₂-neutral

We want to reduce our direct and indirect CO₂ footprint (for scope 1 and 2⁶) to zero and substantially reduce our indirect emissions (scope 3⁶).

Our goals are:

- 100% renewable electricity in 2022
- 0% natural gas used for heating our buildings in 2025
- 30% energy reduction in 2035 (compared to baseline year 2016)
- CO₂eq neutral scope 1 and 2 emissions⁶ in 2035
- Substantial reduction of scope 3 emissions⁶ in 2035



"Since the beginning of 2020, Burg Vinegar Belgium purchases and uses 100% renewable electricity from ENGIE. In Belgium, ENGIE has a local, diversified, and flexible production park with one of the lowest CO₂ emission values in Europe. By using solar panels, wind- and water turbines, and biomass, the renewable energy is generated. The electricity that Burg Vinegar Belgium purchases is produced close to the vinegar production location at Roosdaal. By choosing for locally generated and 100% renewable electricity, Burg Group saves about 700.000 kg CO₂-eq per year compared to grey energy. ENGIE has the ambition to consolidate its position as the largest green power producer and continues to invest in renewable energy. The step taken by Burg Group shows that there is an interest in saving CO₂-emissions by using differently generated electricity. Clients such as Burg Group really accelerate the demand for renewable energy, thereby contributing to the sustainable energy transition."

Our electricity usage

| | Goal | 2020 | 2021 | 2022 |
|--|--------------|------|------|------|
| % renewable electricity compared to total electricity usage | 100% in 2022 | 39% | 72% | 98% |
| Electricity reduction compared to baseline year 2016 (per produced litre product) ⁷ | -30% in 2035 | -11% | -10% | -9% |

As of April 2022, all of the electricity that we buy comes from renewable sources, an important milestone that helps to significantly reduce our CO₂-emissions. Because we did not switch as soon as January, our total electricity usage over 2022 comes for 98 percent from renewable resources, instead of the 100 percent we were aiming for. However, we are still happy that, despite the challenging electricity market, we were able to make the switch for all our sites and have anchored the demand into our future electricity contracts.

⁶ CO₂ -calculations commonly take into account 3 scopes. Scope 1 are the direct emissions from the organization, scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 emissions are all indirect emissions that occur in the value chain of the company, such as suppliers and customers.

⁷ Please note that we had to make a correction in the electricity reduction data over 2020 and 2021, compared to last years' report due to a change in the calculation method for our produced liters.

We have also worked on electricity reduction, but with less results than previous years. Demand for cleaning vinegar was lower than expected, which resulted in lower production volumes while our factory remained fully operational (and using electricity). We also installed new equipment that needed testing while it did not yet produce output. However, all in all we have reduced our electricity use since the baseline year 2016. We expect that our electricity use will further decrease in the coming year as we have invested in energy-efficient innovations in our production process. Another reason to expect a reduction is that we have decided to stop producing preforms for our PET bottles in our factory in Heerhugowaard.

Our natural gas usage

| | Goal | 2020 | 2021 | 2022 |
|---|--------------|------|------|------|
| % of sites that use natural gas for heating | 0% in 2025 | 100% | 83% | 83% |
| Natural gas reduction compared to baseline year 2016 (per produced liter of product) ⁸ | -30% in 2035 | -5% | -8% | -13% |

We use natural gas for two purposes: to heat our buildings, and one factory uses gas for our production process. In the past year, we discussed with all plant managers what investments are needed to switch from gas to electricity heating. We realized that initially we committed to eliminate gas use only for heating our offices, but we decided to expand this to all our buildings, including production areas and warehouses. As we produce heat in our production process, we are exploring how to use this for heating our offices and other buildings. For some of our factories we aim to combine this with planned renovations.

We have one factory where gas is not only used for heating, but also in the production process. As we would like to further reduce our greenhouse gas emissions, we are exploring alternative options for our gas boiler, such as an e-boiler or heat pump. In the past year, we had meetings with several companies to explore these alternatives. Because of the high investment costs for this, we will use the coming year to gain insights into the possibilities for a more sustainable solution. Meanwhile, we are also reducing the amount of gas that we use. We have invested in better isolation of our pipes as well as other measures. This has resulted in a reduction of 13 percent compared to 2016 (produced liter).

Our CO₂ emissions

| | Goal | 2020 | 2021 | 2022 |
|--|---------------------------------|--------------------------|------|------|
| CO ₂ -emissions scope 1 and 2 (tonne) | CO ₂ neutral in 2035 | No information available | 2691 | 1594 |
| CO ₂ -emissions scope 3* (tonne) | Substantial reduction in 2035 | No information available | 1851 | 1972 |

* Includes (outsourced) transport between our factories, commuting, business travel, paper.

In 2022, we worked with Climate Neutral Group to calculate our company carbon footprint over 2021. Our aim is to have our emissions reduced as much as possible and to compensate remaining emissions by 2035. Four activities contribute most to our emissions: transport (between our factories and by our own trucks), electricity, gas, and commuting. We have gradually moved away from fossil electricity since 2019, which resulted in a substantial reduction of our emissions. In 2023, we will make a high-level mapping of our scope 3 emissions in order to identify the main contributors and set a more specific reduction target.

⁸ Please note that we had to make a correction in the gas reduction data over 2020 and 2021, compared to last years' report due to a change in the calculation method for our produced liters.

9 / 100% responsible products

Our aim is that our products can be used safely and don't have a negative impact on the environment. We work with suppliers to ensure that our ingredients are produced in a responsible way.

Our goals are:

- 100% of our suppliers acknowledge our supplier code of conduct in 2022
- 100% of our suppliers are included in our risk-analysis tool in 2022
- 100% of our products comply with our sustainable product criteria in 2035



"The Nierstichting is a foundation that strives for healthy kidneys for all. Natural vinegar is a perfect way to add flavor to dishes, without using salt. In 2022, together with, among others, Burg Group, we organized the Restaurant Driedaagse to make people aware of their salt consumption. Over 100 restaurants participated. The chefs received a toolkit containing two bottles of Burg Group's Tromp & Rueb vinegar to use in their dishes. A nice way to show how vinegar can be a flavor enhancer for your meal without using salt. Burg Group also gave a guest lecture to chefs in training to make them more aware of the usefulness and positive aspects of vinegar. In addition, since 2020, the logo of the Kidney Foundation is on the bottles of Tromp & Rueb vinegar. We are happy with that. This shows how we collaborate to stimulate healthy choices. We don't just put our logo on anything. It has to be meaningful. And this is!"

Isabelle van Waesberge
Relationships Manager Nierstichting



Our suppliers

| | Goal | 2020 | 2021 | 2022 |
|--|--------------|--------------------------|------|------|
| Suppliers that acknowledge our Supplier Code of Conduct (as percentage of total number of suppliers) | 100% in 2022 | No information available | 95% | 94% |
| Suppliers included in our risk-analysis tool (as percentage of the total number of suppliers, excluding Burg Siroop) | 100% in 2022 | No information available | 100% | 100% |

In 2020 we have revised our supplier code of conduct, in which we explicitly refer to the guidelines of the Organization for Economic Co-operation and Development (OECD Guidelines for Multinational enterprises). In 2021, we asked all our suppliers to acknowledge this supplier code of conduct. Since then, it is an integral part of our supplier contract. Our internal Code of Conduct and supplier Code of Conduct can be found on our website. We realize that there are always a few suppliers that have not yet signed the Code of Conduct at our time of measuring, as they are new and have not yet had the chance to send the documents back.

In 2022, we included sustainability in the supplier risk review process for the first time. In this process we mapped environmental and social risks based on several indicators in our risk analysis tool. It includes for instance information on the type of supplier, supplier location, available certifications and the history of our relationship. With a multi-disciplinary group of colleagues from quality assurance, purchase, and sustainability, we validated the high-risk suppliers and discussed what actions are required. Actions include an improvement process to be able to achieve certain certifications, and changes in our sourcing process. We also hired a student to further improve the risk analysis tool and review process. In 2023, we will include suppliers from Burg Siroop into the tool and improve user friendliness and efficiency of the process.

Our product formulations

| | Goal | 2020 | 2021 | 2022 |
|---|--------------|-----------------------------|------|------|
| % of products that comply with our sustainable product criteria | 100% in 2035 | Will be measured as of 2024 | | |

In 2021, we developed a framework for sustainable product criteria. These criteria focus on the type of raw materials, effectiveness of our end products, nutritional value, and shelf-life extension. One example of our ambitions is to include natural spirit vinegar in all our products instead of the synthetic vinegar that is now sometimes used in our cleaning products. In 2022, approximately 97% of all produced vinegar was natural spirit vinegar. In the past year, an updated process for new products was introduced within Burg Group. We want to include our sustainable product criteria in this process and have already done so at a high-level. However, we have not been able to include quantitative targets yet. We plan to include these in 2023 and start measuring them in 2024.

To get more insight into the environmental performance of our products, depending on the ingredients we use, we have commissioned Life Cycle Assessments (LCAs) of our syrup (in 2021) and vinegar (in 2022). This helped us to see which ingredients are big contributors to negative environmental impact and where in the supply chain these impacts occur. It also gave us more insight into our scope 3 emissions compared to our own company emissions.

10 / 100% responsible packaging

We aim for all our packaging to be 100% renewable and fully circular.

Our goals are:

- Improve recyclability of our packaging
- Increase the volume of recycled material
- Stimulate packaging with lowest (environmental) impact
- Weight reduction of our primary packaging
- Improve communication on our primary packaging

Our packaging goals are very ambitious, as we realize that packaging waste is a growing environmental issue and many consumers are worried about it. Unfortunately, we made less progress than we hoped, mainly due to the difficult market conditions in the past year. Many of our suppliers increased prices and we had to negotiate higher prices with our customers as a consequence. Given these circumstances, it was very hard to increase prices even more by switching to more expensive yet more sustainable packaging.



Anne-Laure Soriano
Packaging development & purchase coordinator
Burg Vinaigres France

"As Packaging development & purchase coordinator, I have various responsibilities. One of them is working on R&D for the packaging of our vinegars, where we search for a sustainable packaging solution for our clients while complying with the regulations. Since September 2022, all our products for the French market have the Triman logo and Disposal logo on their packaging to help consumers dispose the empty packaging in the correct waste bin. To realize these changes, we worked together with our colleagues from Quality and Sales, our customers, and the designer of the packaging. These logos indicate that the packaging is recyclable and should be thrown into the correct bin, for either glass or plastic. In France, it is now mandatory to put these logos on the product, which meant that we had to change the packaging of all our own brands and private labels. Using simple, visible, and uniform labels throughout France makes it easier for customers to dispose their packaging correctly. That way, new products can be made from waste, which is good for the planet. Upcoming regulations focus on increasing the amount of recycled material in our packaging. As of 2025, the industry must use recycled content in PET packaging and work on packaging weight reduction. We can comply with this regulation by innovating and through communication and alignment with our clients. For our own brands, we are already a frontrunner when it comes to recycled content!"

Our packaging - recyclability

| | Goal | 2020 | 2021 | 2022 |
|---|-------------|------|--------------------------|------|
| Recyclable packaging (measured in % of total produced products) | 80% in 2022 | 78% | 83% | 84% |
| % Unbleached paper/cardboard | 75% in 2024 | 44% | No information available | |

The recyclability of our packaging has increased slightly as some of our packaging stocks have now finished and we can move to new packaging that is easier to recycle. After 2020, we no longer measured the amount of unbleached cardboard. However, we have a project planned with our cardboard supplier for 2023 to improve recyclability.

Our packaging - recycled material

| | Goal | 2020 | 2021 | 2022 |
|--|--------------|------|------|------|
| % Recycled PET for our own brands primary packaging (measured in weight) | 50% in 2022 | 18% | 23% | 34% |
| % Recycled PET for private label primary packaging (measured in weight) | 25% in 2022 | 11% | 15% | 21% |
| % Recycled PE for primary packaging (measured in weight) | 50% in 2023 | 0% | 0% | 2% |
| % Recycled plastic for secondary and tertiary packaging (measured in weight) | 75% in 2024 | 2% | 14% | 21% |
| % Recycled glass for primary packaging | 100% in 2024 | 63% | 63% | 63% |
| % Recycled metal for primary packaging | 100% in 2024 | 67% | 66% | 55% |
| % Recycled paper/cardboard | 75% in 2024 | 58% | 57% | 60% |

In the past year, we were able to move to PET bottles made from recycled plastic for our own brands as well as our private label products. Although we did not meet our targets on recycled PET (rPET), we did make some great steps. We also analyzed which products have the most impact on our PET numbers, so that we can focus on those products (such as cans for our cleaning vinegar) in the coming year.

In 2022, we did not focus on our glass and metal packaging because their volume is low compared to PET. These suppliers are also very energy-dependent and were therefore hit extremely hard by the increase in energy prices.

Our packaging - communication

| | Goal | 2020 | 2021 | 2022 |
|--|--------------|------|------|------|
| % Packaging that contain disposal guidance | 100% in 2022 | 30% | 33% | 38% |

We have worked on the introduction of disposal logos on our packaging. In doing so, we hope to encourage consumers to dispose empty packaging in the correct waste container. We do not have ownership of the label design of the private label products, which is why we focused on our own brands. Of our own brand products, 53 percent now contain a logo. This is 69 percent when excluding our products from Czech Republic, where our colleagues had several conversations with the authorities about including a disposal logo, but were recommended not to do so. We will therefore wait for European or national legislation on including more specific guidance than just the waste basket logo that we currently provide. In our strategy review for coming year, we will assess what is ambitious yet feasible for our packaging strategy.

11 / Our partners

We care about our employees and other stakeholders. This also means that we want to be a committed enterprise and a pleasant neighbor that contributes to our industry, the environment and generally to the Sustainable Development Goals set by the United Nations. Our actions towards this must fit with our mission statement: 'The world becomes healthier, tastier or cleaner with our natural vinegar and syrup. We strive for a clean heritage.' We have several partnerships aimed at this.



Female Cancer Foundation

Burg is a proud partner of the Female Cancer Foundation. The Female Cancer Foundation, founded in the Netherlands, has been committed to helping women around the world detect cervical cancer in an early stage since February 2006. The Female Cancer Foundation is active in developing countries, where the vast majority of cervical cancer victims live. In these countries, this form of cancer is the main cause of death among women. The Foundation strives for a world without cervical cancer by means of screening, research and education. A team of doctors and health professionals raises awareness among women about the risks of cervical cancer and informs them on how to prevent it. For screening, the VIA-method is used (making use of vinegar).



Dutch Kidney Foundation

With our own brand Tromp & Rueb, we are a partner of the Dutch Kidney Foundation because we share a common message: less salt, more taste. Through this cooperation, we hope to stimulate the use of vinegar and the cooking of healthy meals. Many people are unaware that adding vinegar to your dishes brings out the flavor of the ingredients and therefore they require less salt.



Princess Máxima Center

In 2022, we became a Business Friend of the Foundation that raises money for the Máxima Center for pediatric oncology. Unfortunately we have colleagues whose child is battling with cancer or still visits the center for annual check-ups after recovery. As our colleagues are close to our heart, we decided to support the work of the Princess Máxima Center financially. Our name is now visible in their entry hall to those who visit.



Good neighbor

We provide financial support to the sports clubs where our staff members are active. We also support several charity organizations, either financially or with our time and knowledge, such as Praethuys Alkmaar, Stichting Familiehuis Noordwest and Rescue Dogs - Service Dogs. We also donate vinegar and syrups to local food banks where possible.

Committed entrepreneur

We want to be a leading sustainable player in the markets in which we operate. In our opinion, this includes active involvement in various (industry) associations. Together with our industry peers, we are committed to high-quality and sustainable innovations. We are members of Culinaria NL, Kulinaria DE, France (Fedalim) and Culinaria Europe, Federatie Nederlandse Levensmiddelen Industrie (FNLI), Nederlandse Vereniging Frisdranken, Waters en Sappen (FWS), NVZ-Schoon-Hygiënisch-Duurzaam, the Belgian association of food producers, Fevia, and Tuinbranche Nederland. In addition, our CEO chairs the business group Bedrijfskring Heerhugowaard.



12/ Risk management and reporting

Risk management

Risk management is a continuous process within our company. In 2020 we started implementing a risk-aware culture. The aim is to integrate risk management in all business operations. At group level, capacity has been made available to standardize and improve production processes in a structured way. The increased efficiency and effectiveness must contribute to the achievement of all objectives:

- Business risks and opportunities relating to the strategic development of Burg Group have been identified through a SWOT analysis and are prioritized in project and investment plans on the basis of cost/ benefit and the fit with our strategy. These include business risks related to climate change and other sustainability issues.
- Business risks relating to emergencies, economic/ societal developments, and business continuity, are currently mainly managed at the request of the insurers.
- The IFS-certified HACCP-based food safety systems are mature, and food safety is at a high level.
- In the field of working conditions, safety and process safety, all plants have up-to-date risk management via Risk Inventory & Evaluation (RI&E), which is actively managed.
- In 2022, we achieved ISO 14001 certification on environmental management and control, and ISO 45001 for Health and Safety. We also received A.I.S.E. certification for sustainable cleaning products.

Scope of reporting

Burg Groep B.V. is a privately held family business, headquartered in Heerhugowaard. This report concerns the reporting period from 1 January 2022 to 31 December 2022. It is published annually. All sites of the Burg Group are in scope, namely Burg Groep B.V., Burg Azijn B.V. (NL), Burg Essig GmbH (DE), Burg Ocet s.r.o. (CZ), Burg Siroop B.V. (NL), Burg Vinaigres SAS (FR) and Burg Vinegar Belgium NV/SA (BE). Burg Reiniging B.V. (NL) is included but we stopped production there end of 2020, and early 2022 last fixed assets were sold. This report was written by Burg's sustainability manager and reviewed by the management team, all plant managers, QHSE managers and other relevant internal stakeholders. It was approved by the management team and supervisory board.

Definitions

Produced liter product is defined as a combination of fermentor output of 10% acidic acid, synthetic acid 10% and liters produced syrups and non-vinegar based cleaning products (Burg Reiniging B.V.).

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Disclaimer

Full accuracy of all data cannot be guaranteed due to the manual data collection for some indicators. For the results on energy, water, and waste, we rely on data supplied by third parties



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