



Burg
GROUP

*Your specialist in natural
vinegar and syrups*

Sustainability Report 2021

Corporate Social Responsibility



April 2022



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1 / CEO Foreword

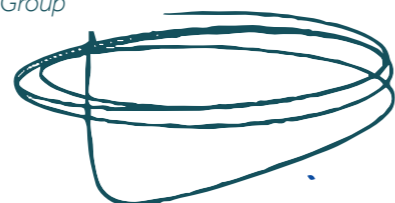
I'm excited to tell about our beautiful products, our natural vinegar with all its uses and our tasteful syrups with so many flavours. I'm even more keen to share how we produce these products, with great attention to people and the environment. Our organization is on a journey to do this better every day. I'm therefore pleased that now, for the first time, we are presenting a public sustainability report. It states the interesting travel stories of our local sites and clear numbers on how we are performing and where we are heading. It is in the DNA of our family business to have a long-term vision and be aware of our future.

In the past year the urgency of climate change has become increasingly clear, with the publication of the report by the Intergovernmental Panel on Climate Change (IPCC), the United Nations Climate Change Conference COP26 and the extreme weather events. As a company, we find it important to do what we can to stop global warming, which is why we are working hard to make our production CO₂-neutral. Partly due to a renovation of our factory in Heerhugowaard we have been able to reduce our electricity with 21% since 2016 (per liter produced product). Besides this we have changed more and more of our energy contracts to electricity from renewable resources in 2021.

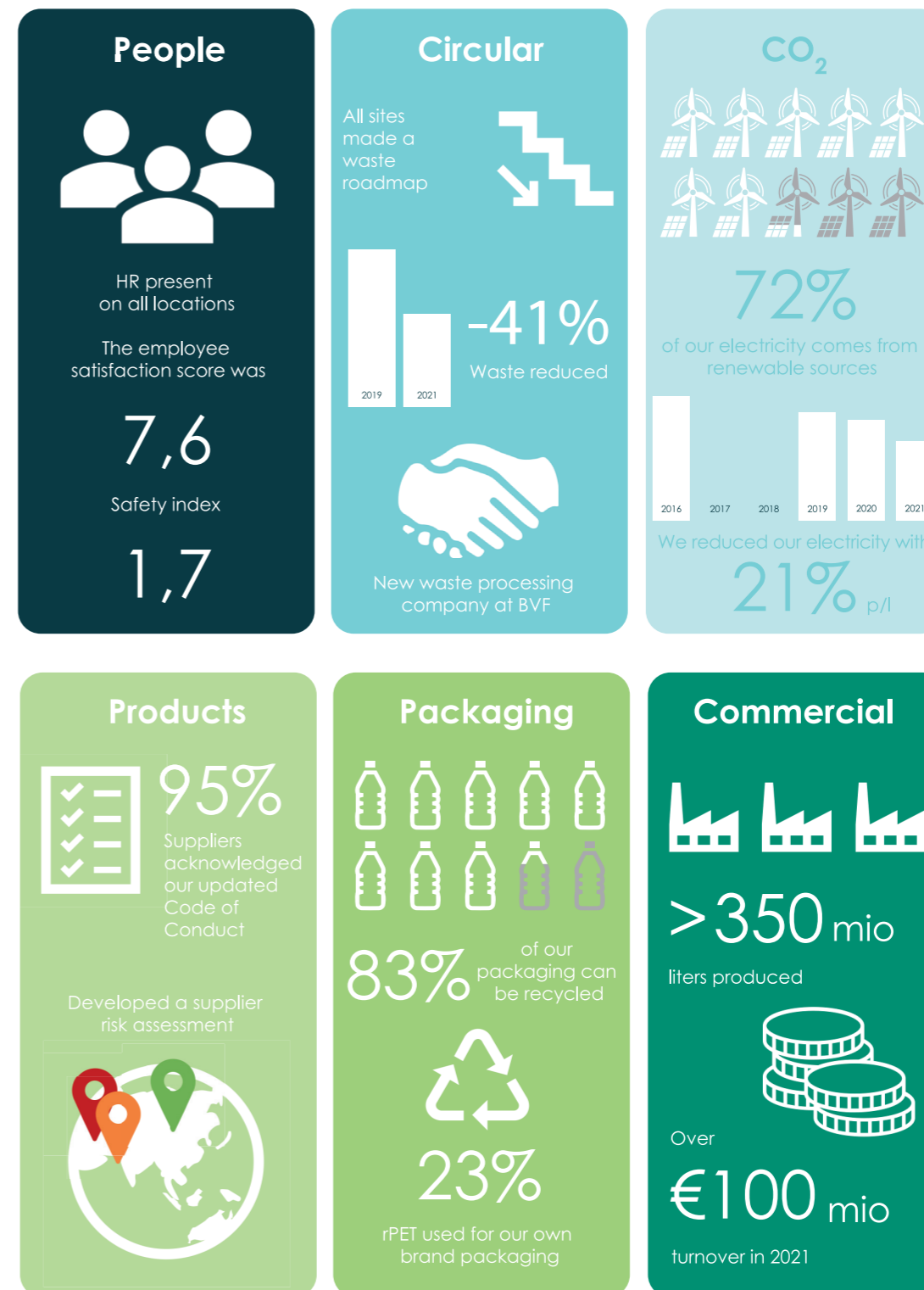
Our vision is that the world will become healthier, tastier or cleaner with Burg natural vinegar and syrup. The four pillars of our sustainability policy are important drivers in this: 100% circular, CO₂-neutral, responsible products and responsible packaging. Since its development in 2016, we have increasingly embedded our sustainability policy into our organization. I am therefore happy that this report can show where we stand in our sustainability journey and some of the hurdles that we still face. One of the things that has proven hard to accomplish is to include a disposal logo on all labels, as not all our customers support this or due to lack of space on the label.

In the coming years we will further professionalize our organization and our sustainability actions by embedding our goals into daily business operations and by improving data reporting. We will conduct analyses on our waste with the aim to further reduce it or better separate it, work with our suppliers to improve their sustainability performance, and to further increase the amount of recycled material in our packaging. In this journey we find it important to take our steps in a balanced way and in collaboration with each other. We want to continue our development, make the right choices and take responsibility so that we are not only commercially successful with our products and company, but are also of societal value.

Patricia Surendonk
CEO Burg Group



3 / Highlights of 2021



2 / 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 turbulent growth, resulting in the current production locations:

- Burg Azijn (NL)
- Burg Siroop (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 2021, over 350 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, along with the products under our own (brand) name.

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



4 / Our strategy

Our **vision, mission** and **BHAG**¹ form the basis of thinking and acting within Burg Group. The vision of Burg Group is to make the world healthier, tastier and cleaner with natural vinegar and syrup. Besides this we strive for a clean heritage by playing a worldwide leading role in a sustainable and fair way with our natural vinegar 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 pillar Sustainability we work on four pillars: circular, CO₂-neutral, responsible products and responsible packaging. This sustainability policy was established in 2016. In 2021 we have reviewed and slightly revised our sustainability pillars and the underlying targets. This enables us to adhere more to our stakeholder expectations and incorporate our packaging strategy in a stronger way. With pillar 3 we now focus on sustainable production of our products across the full upstream supply chain and pillar 4 is about our targets on sustainable packaging.



¹Big Hairy Audacious Goal is our dot on the horizon.

5 / Our people

We are proud of our employees, some of whom have been part of Burg Group for over 40 years. Despite the strong growth and professionalization that our organization has displayed, the feeling of the family business has never disappeared and attention to our employees still remains key.

We want to be a good employer with attention to atmosphere, education, safety, quality and vitality. Our People Strategy focuses on five themes that help us achieve our strategic goals.

Our goals are:

- Organisation 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.



² We see the management teams at our local sites as the local management.

1. Organization (structure) is validated for future-proofness and gaps. HR is now present at all our locations, adding more support and local expertise for managers and employees. Job descriptions are rewritten from task-oriented to responsibility-oriented for all locations, giving our employees more autonomy and empowering them to take responsibility. Coming year we will implement the final stage of the structure change.

2. Team development is evolving from traditionally managed teams to teams that pro-actively make improvements. Our HR colleagues are trained to support this process. We aim to realise a next phase of growth within these teams in 2022.

3. Personal development for all our employees was put on the agenda in 2021, especially in the areas of safety (safety-conscious culture), feedback and culture training. These steps are related to both our safety objectives as well as the development of our people in the field of cooperation, taking responsibility and the freedom to make choices. We will now develop suitable training- and development policies.

4. Culture and leadership development is crucial for providing our employees the job satisfaction, energy and partnerships to move forward together, achieve our goals and continue our development. We want to matter as individuals and as collective. Both our corporate culture and our leadership development add great value to this. In terms of leadership training, our management teams on all sites, up to and including local management², have worked hard this year to take their leadership to the next level, supported by external experts. This will help our teams and our people to be at their best. In 2022 we will continue with the leadership development and living our ingredients (our internal values).

5. Employee Journey is the experience the employee has with our organization. From the orientation phase to even after termination of employment, it is crucial that every employee experiences Burg Group as a good employer with an eye for health, safety and equal opportunities. We also find it important that employees experience a pleasant informal working atmosphere in which entrepreneurship and taking advantage of the (creative) freedom to add value within the organization are applauded. The coming year we will focus on the recruitment process and ensuring a good on-boarding process for new employees.

Our people

	2019	2020	2021
Composition of management team, by gender	25% female, 75% male	25% female, 75% male	25% female, 75% male
Composition of Supervisory Board	0% female, 100% male	0% female, 100% male	0% female, 100% male
Composition of general management	No information available	17% female, 83% male	17% female, 83% male
Composition of general management, by age	No information available	4%: 20-35 59%: 36-50 37%: >50	5%: 20-35 51%: 36-50 44%: >50
Number of reports related to discrimination / unwanted behaviour ³	No information available	4	1

Employee satisfaction

	2019	2020	2021
Percentage participation	90.9%	83.9%	81.0%
Average employee satisfaction score on a scale of 1 -10	7,4	7,6	7,6
Net promotor score (NPS score)	+21,7%	+36,7%	+38,2%

Our safety situation

We regard the safety of our employees as a basic requirement for corporate responsibility and belief is that all accidents can be prevented. Prevention of accidents and illness resulting from our activities and products is our priority. In 2020 we started a safety program. As part of this we have introduced a new reporting system in 2021 and gave more safety trainings, among other things. Based on the number of reports of unsafe situations, we conclude that the safety awareness of our employees has risen sharply since 2018. We are very happy with this.

	2019	2020	2021
Safety awareness: number of registered unsafe situations (in the areas of safety and environment)	346	388	734
Safety index (number of accidents per 200 thousand worked hours)	0,9	1,7	1,7

³ All reports related to discrimination / unwanted behaviour receive serious attention and are acted upon in accordance with our internal policies. This includes an objective assessment of the issue, and listening to both parties involved. Appropriate measures are taken where necessary, based on the principle that unwanted behavior will not be accepted.

6 / 100% circular



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

Our goals are:

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

A lot was done in 2021 to meet our goals. All our locations made a Waste Roadmap, conducted an analysis of their residual waste and developed better guidance on waste separation. This made us achieve our goal of 30% waste reduction!

We only see that reducing residual waste is more difficult than we expected. Coming year we will discuss with our suppliers how to get less material into our factories. And we will discuss with our waste processing partners how we can recycle even more of our waste. One project that we are proud of was executed in France:

New waste processing partners at Burg Vinaigres France

At our vinegar plant in France we reviewed our waste processing partners in 2021. Based on this review, we entered a partnership with a new waste processor, who better aligns with our ambitions on waste reduction and recycling. Our new waste processor is a leader in this respect in France and works for a range of organizations in the private and public sector. It can properly process a large variety of materials and focuses on innovation to improve their recycling processes.

For us, this new partnership resulted in better sorting and recycling of PET bottles and PEHD cans, representing approximately 14 tons in 2021. As the company has its own recycling facilities in France, we have more insight into the final destination of each waste stream. PET for example is recycled in Limay, and PEHD in Segré-en-Anjou Bleu. Another result of our waste processing review is that we found a supplier that can process our glassine paper waste, the paper to which our adhesive labels are attached. In 2021 this partner enabled us to recycle approximately 9 tons of glassine paper that was formerly added to our residual waste stream.

Our waste

	Goal	2019	2020	2021
Percentage of residual waste compared to total waste	0% in 2025	26%	25%	24%
Total waste reduction compared to baseline year 2019 (measured in waste per litre of produced product)	-30% in 2035 (compared to 2019, measured in waste per litre produced product)	Baseline	-19%	-41%

7 / 100% CO₂-neutral



We want to reduce our direct and indirect CO₂ footprint (for scope 1 and 2⁴) to zero and substantially reduce our indirect emissions (scope 3⁴).

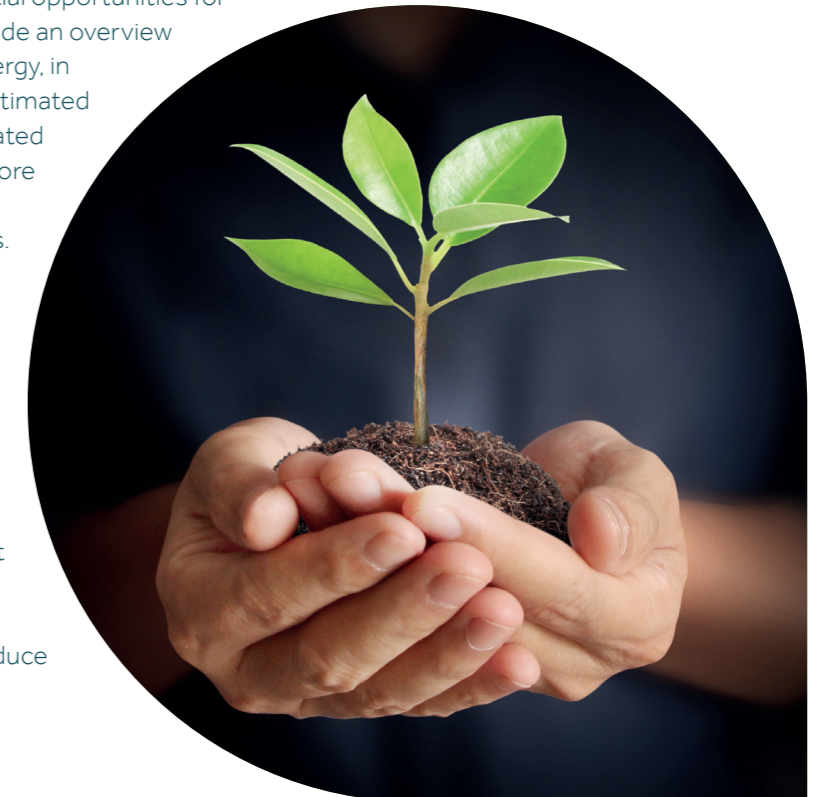
Our goals are:

- 100% renewable electricity in 2022
- 0% natural gas used in offices in 2025
- 30% energy reduction in 2035 (compared to baseline year 2016)
- CO₂ neutral scope 1 and 2 emissions⁴ in 2035
- Substantial reduction of scope 3 emissions⁴ in 2035

In the past year we worked hard to change our electricity contracts to electricity from renewable resources. In the course of 2022 we will buy solely electricity from renewable sources and will meet our target. We have also studied the possibilities to use heat from our factories to warm our offices. Besides this we contracted an external partner to gain insight into our CO₂-emissions. Another big project where all our sites contributed to is the development of our Energy Roadmap:

Energy Roadmap

Our target to reduce our energy usage by 30% (per litre of produced product) is still far away, but we are keen to start reduction as soon as possible. For this, we developed an Energy Roadmap in 2021 for the coming five years. All our sites had an energy scan conducted by an external advisor to gain insight into their energy usage and potential opportunities for improvement. Based on this, each site made an overview of actions they want to take to reduce energy, in which year, the expected costs and the estimated reduction. Important components are related to replacement of current machines by more energy-efficient types, and upscaling to increase the efficient use of our machines. We have also included innovative solutions and are planning to introduce an energy awareness training on all sites. Per action we have checked whether it is already included in the approved investment plan or whether it needs to be included in the budgets separately, to ensure the measures will actually be implemented. Taken altogether we expect to reduce energy use around 20% in the coming five years based on this roadmap. This is a good step towards our goal to reduce our energy by 30% in 2035!



⁴CO₂-calculations commonly take into account 3 scopes. Scope 1 are the direct emissions from the organisation, 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.

Our electricity usage

	Doel	2019	2020	2021
% renewable electricity compared to total electricity usage	100% in 2022	0%	39%	72%
Electricity reduction compared to baseline year 2016 (per produced litre product)	-30% in 2035 (compared to 2016, measured in waste per litre produced product)	-12%	-17%	-21%

Our natural gas usage

	Doel	2019	2020	2021
% of sites that use natural gas in offices	0% in 2025	100%	100%	100%
Natural gas reduction compared to baseline year 2016 (per produced litre of product)	-30% in 2035 (compared to 2016, measured in waste per litre of produced product)	+24%	+2%	-7%

Our CO₂ emissions

	Doel	2019	2020	2021
CO ₂ -emissions scope 1 and 2	CO ₂ neutral in 2035	Our emissions are not yet measured consistently, we will report on this next year.		
CO ₂ -emissions scope 3	Substantial reduction in 2035			

8 / 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 2022
- 100% of our suppliers is included in our risk-analysis tool in 2022
- 100% of our products comply with our sustainable product criteria in 2035

Our focus in 2021 has been on the development of our supplier risk-analysis tool and the implementation of this tool across all our international sites. In this tool we map risks, including social and environmental risks, characteristics of our supplier relationship and location. Besides this, we have developed criteria that are used when developing new recipes and products, and we have integrated sustainability into our process of new product development. Finally we have put a lot of time in the supplier outreach campaign related to our updated supplier Code of Conduct:

Supplier Code of Conduct

With our sustainable sourcing policy we encourage ethical business practices and adherence to the Burg Group Code of Conduct. We aim to stimulate the topics of our CSR-policy also among our suppliers and where possible further improve their practices on these topics. 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). The supplier code of conduct is an integral part of our supplier contract. Over the past year we have shared the revised code of conduct with all our suppliers and pro-actively asked them to acknowledge it. This has resulted in many interesting conversations about the similarities related to sustainability and potential areas where we can collaborate. It has triggered suppliers to (re)share their own sustainability policies and certificates with us. We are pleased that the relationships with our suppliers became stronger and that we have inspired them to work even harder on sustainability within their companies.

Our suppliers

	Goal	2019	2020	2021
Suppliers that acknowledge our Supplier Code of Conduct (in percentage of total number of suppliers)	100% in 2022	-	-	95%
Suppliers included in our risk-analysis tool (in percentage of the total number of suppliers, excluding Burg Syrups)	100% in 2022	-	-	100%

Our product formulations

	Doel	2019	2020	2021
% of products that complies with our sustainable product criteria	100% in 2035	Will be measured as of 2022		

9 / 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

In 2021 we have worked with an external advisory firm to implement the packaging strategy into our organization. As part of this we organized working sessions at all our sites, developed a data monitoring tool and wrote various guidance documents. We have also commissioned a Life Cycle Analysis calculation to gain insight into the environmental impact of our main packaging types. Besides this, we now check if we can add a disposal guidance to our labels with every label change. Finally, we have analyzed our full packaging portfolio to understand where we can use even more recycled material.

Introduction rPET

Since 2015 we use recycled material for our bottles for Groenland cleaning vinegar and since 2018 for Tromp & Rueb vinegar in the Netherlands. With this, Tromp & Rueb was one of the first food vinegars that made this step. For our new proposition Vintastic (formerly Groenland) we made the choice to switch from semi-coloured plastic bottles to fully transparent uncoloured bottles that are easier to recycle. With this move we have inspired more companies in our industry to switch to transparent uncoloured bottles and thereby increase the number of recyclable packaging! We will soon be using a 50/50 recycled PET (rPET) blend for several private label brands at Burg Azijn. This allows us, despite difficult purchasing conditions, to use food-grade recycled material for all our primary packaging in the Netherlands at a reasonable price. We are pleased that this puts us ahead of the industry agreements among the Dutch retailers that aim to use at least 40% rPET in plastic bottles and trays by 2022. In doing so we are step by step increasing the amount of rPET in our own brand products as well as private label products.



Our packaging

	Doel	2019	2020	2021
Recyclability				
Recyclable packaging (measured in produced products)	80% in 2022	74%	78%	83%
% unbleached paper/cardboard	75% in 2024	No information available	44%	No information available
Recycled material				
% recycled PET for our own brands primary packaging (measured in weight)	50% in 2022	16%	18%	23%
% recycled PET for private label primary packaging (measured in weight)	25% in 2022	9%	11%	15%
% recycled PE for primary packaging (measured in weight)	50% in 2023	0%	0%	0%
% recycled plastic for secondary and tertiary packaging (measured in weight)	75% in 2024	0%	2%	14%
% recycled glass for primary packaging	100% in 2024	63%	63%	63%
% recycled metal for primary packaging	100% in 2024	68%	67%	66%
% recycled paper/cardboard	75% in 2024	48%	58%	57%
% FSC/PEFC certified paper/cardboard	100% in 2022	100%	100%	100%
Weight reduction				
Average weight PET bottle compared to baseline year 2019 (per produced litre product)	To be determined	Baseline year	-4%	-5%
Communication				
% packaging that contain disposal guidance	100% in 2022	31%	30%	33%

10 / Our partners

We care about our employees and other stakeholders. This also means that we want to be a committed entrepreneur and a pleasant neighbour, 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.' This means that we want to be active in three ways:

- 1) With our products natural vinegar and syrup aimed at healthy, tasty, clean.
- 2) As a good neighbour, we want to play a meaningful role in the immediate vicinity of our locations. This can also be important for our employees.
- 3) As a committed entrepreneur, we want to play a meaningful role with our knowledge and skills or with our organization.

Female Cancer Foundation

The Female Cancer Foundation, founded in the Netherlands, has been committing 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 in women. The Foundation strives for a world without cervical cancer by screening, research and education. A team of doctors and health professionals raises awareness among women about the risks of cervical cancer and informs them how to prevent it. For screening, the VIA-method is used (making use of vinegar). Burg is a proud partner of the Female Cancer Foundation.

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 our cooperation we hope to stimulate the use of



vinegar and the cooking of healthy meals. Many people don't know that adding vinegar to your dishes brings out the flavour of the ingredients and therefore they require less salt. With Tromp & Rueb we participate in, among other things, the Nierstichting Restaurant Driedaagse (three-day restaurant event organized by the Dutch Kidney Foundation), and we provide recipes for the Kidney Foundation's recipe booklets.

Good neighbour

We provide financial support to sports clubs where our staff members are active. There are also several charity organizations that we support financially or with our time and knowledge, such as Jeelink, Praethuys Alkmaar, Stichting Familiehuis Noordwest and Rescue Dogs - Service Dogs.

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, Culinaria DE, France (Fedalim) and Culinaria Europe, Federatie Nederlandse Levensmiddelen Industrie (FNLI), Nederlandse Vereniging Frisdranken, Waters en Sappen (FWS), NVZ-Schoon-Hygiënisch-Duurzaam and the Belgian association of food producers, Fevia. In addition, our CEO chairs the business group Bedrijfskring Heerhugowaard.



11/ Governance and reporting

Burg Groep B.V. is a privately held family business, headquartered in Heerhugowaard. In 2021, the company had 264 employees (FTE, including temporary contracts, excluding temporary workers contracted externally). Within Burg Group, several departments are working on sustainability and achieving the goals of our sustainability policy.

Sustainability Steering Committee

Our Sustainability Steering Committee consists of the Chief Executive Officer (CEO), the Chief Operations Officer (COO), and the Chief Commercial Officer (CCO). This Steering Committee meets quarterly to evaluate progress on our sustainability targets and adjust course when needed. In addition, it provides guidance on the strategic direction, and takes decisions related to sustainability.

Taskforce Sustainability

The Taskforce Sustainability includes specialists from various disciplines, chaired by the Sustainability Manager. Its members lead projects, make progress on our sustainability goals and steer content-wise. The Taskforce Sustainability meets once every three weeks.

Sustainability Ambassadors

On each Burg site there is 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.

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 have been identified based on a SWOT analysis and are prioritized in project and investment plans on the basis of cost/benefit and the fit with our policy.
- 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.
- Risk management and control with regard to the environment will be further elaborated and secured in an ISO14001 management system in the coming years.

Scope of reporting

This report concerns the reporting period from 1 January 2021 to 1 January 2022. All sites under 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) en Burg Vinegar Begium NV/SA (BE).

Produced liter product is defined as a combination of acetator output 10% acidic acid, synthetic acid 10% and liters produced syrups.



This Sustainability Report is published by Burg Group.

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Disclaimer

This is the first external report on non-financial indicators published by Burg Group. A 100% accuracy of all data cannot be guaranteed due to the manual data collection on some indicators.

For the results on energy, water and waste we rely on data supplied by third parties.



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