



CSR report

2022



Food that **Matters**

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Foreword: Our CEO on the challenges we faced in 2022 and how Vion is responding to them by building sustainable supply chains.

Overview of 2022



Overview of 2022: An overview of changes and achievements in 2022.

Our people



Our people: Our people strategy has been tightened up to ensure we apply and follow a clear way of working throughout the company. The strategy reflects our core values of which, step by step, have become part of our company-wide DNA.

Materiality analysis and material topics



Materiality analysis and material topics: Based on input of our most important stakeholders, we identified Vion's actual and potential impacts on society and defined the relevant CSR topics.

Vion's strategy to create value



Vion's strategy to create value: we see it as our role to connect farmers with our customers and consumers, and to build future-proof protein chains that meet these requirements and provide Food that Matters.

CSR topics



CSR topics: Per each material topic, we describe our policy, activities, targets and progress on the KPI's.

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Foreword

I feel privileged to work for a company with a heritage like ours. More than a century ago, farmers joined forces for the good of their communities. At the time, they faced multiple challenges to deliver fresh food to their markets and customers. So, they began working together in their farming communities to share their experience, knowledge and methods. This heritage continues to be relevant. Thanks to their hard work and the efforts of these pioneers, we have grown into the food company we are today. A food company that serves more than 100 million consumers daily.

We need to act faster

Our strength continues to be the farmers in our home countries of the Netherlands, Germany and Belgium. And just as we did a century ago, we are working with our customers to build supply chains that benefit every supply chain partner so we can face the challenges of tomorrow's markets, too.

The market dynamics in 2022 were extreme. Rising wages drove a huge increase in our labour costs. At the same time, we faced employee shortages, volatile pricing, supply chain problems, limits on pork exports outside Europe due to the outbreak of African Swine fever in Germany, and a scarcity of raw materials. The outbreak of the war in Ukraine, in February, caused an energy crisis and triggered historically high inflation. As in many other industries, products and services became more expensive, which in turn meant we had to raise our prices to our customers. For the second year in a row, external circumstance impacted our profitability. Our profitability derives from our strategy, which is to contribute to a sustainable development with our farmers and customers and incorporates attributes like animal welfare, food safety, climate protection, healthy diets and good working conditions.

Stakeholder engagement

This year's report incorporates the view of more stakeholders than in previous years, with those stakeholders originating from a broad spectrum of our society. We asked external and internal stakeholders to tell us what impact they feel our company has on a wide range of themes. These included food safety, animal welfare, employment and working conditions, healthy diet, climate, biodiversity, fair pricing, resource use and waste. The input of our stakeholders is used in our Materiality analysis and material topics (see page 34). This analysis underpins our strategy for the coming years and gives focus to this report and our improvement calendar.

Understanding the performance of our organisation is key to assessing our contribution to sustainable development. To this end, and together with a consultancy, we organised an internal survey in 2022 called *Organisation Health Index*. The goal was to gain a deeper insight into internal perceptions on our sustainable development, and then use what we learned in our strategy evaluation. The input gained contributed to our strategy development (see page 39).

The opinions of our external and internal stakeholders have not only helped to shape this year's corporate sustainability report, but they will also have an impact on the mid to long-term strategy of the company. I want to thank everyone for their input and for making the time to give us a deeper understanding of the themes in this report, plus new insights that we can take forward and develop further.

Societal developments and reporting structure

Our industry, like others, is affected by trends in society and the contemporary political debate. As a company, we follow the guidelines of government institutions and global initiatives. Our CSR report is based on the Global Reporting Initiative (GRI) and includes our contribution to the Sustainability Development Goals set by the United Nations. We have committed to the Science Based Target initiative during this reporting year to limit our CO₂ emissions by 2030 and become a net-zero-emission company by 2045. We have set targets on our emissions in scope 1, 2, and 3, see Climate (see page 83). Our next step in the CSR reporting process is to comply with the European Union's Corporate Sustainability Responsibility Directive. As a company, we fully support this. I believe we have a commitment and a responsibility to be as transparent as possible in order to help our society and industry to prosper.

“A responsibility to be as transparent as possible”

Global markets and business conditions affecting Vion

African Swine Fever caused an excess of pork supply in the European market. Concurrently, the Chinese pork sector began to recover, which resulted in lower prices for pork products. Although we saw similar price challenges in our beef markets, driven by increasing feed prices and inflation, we were able to respond to these challenges. At the same time, we saw a decrease in herd sizes in our home markets, especially in Germany, due to farmers exiting the industry as a consequence of market conditions. I expect our industry will undergo some fundamental changes until a new balance is realised.

New regional sustainable concepts for farmers and customers

On a positive note, 2022 saw some successful implementations of our strategy for regional sustainable concepts. One involved the launch of a chain in regional origin and high quality beef in Bavaria, Germany (see Bayerischer Ochse (see page 41). This enables us, with our farmers to work together on animal welfare and climate standards while providing better market opportunities for our customers and consumers who value regional concepts. The other proof point for our strategy came in the Netherlands, where we started a new regional beef concept for one of our customers. In addition to benefiting animal welfare, climate standards and consumer choice, our regional food supply concepts aim to reduce transport times, limit food waste and enable fair pricing.

'Change that Matters' programme to drive changes for better performance

This report represents one year in the long history of this company. For more than a century, my predecessors have worked with farmers and customers in support of sustainable development. This continues to be true. Our challenge today, however, is to act faster when markets change and, by doing so, to become the pioneers of our sustainable food systems of tomorrow. As we look to the future, we are committed to accelerating our pace of transformation to become the most sustainable and resilient food company by 2030. This means embracing innovation, digitalisation and sustainability practices to improve efficiency, reduce environmental impact, and to create value for all our stakeholders. In October 2022 we launched Change That Matters, to improve our performance and accelerate our strategy. Change That Matters is designed to ensure Vion's future during the transformational times ahead and to be ready for sustainable growth, in order to give farmers a future perspective and consumers more choices in wholesome food.

I want to thank everyone who contributed to Vion during 2022 and for helping us on our journey.

Sincerely,

Ronald Lotgerink
Chief Executive Officer

About Vion



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Who we are

Company profile

Headquartered in Boxtel, the Netherlands, Vion is an international food company with production sites in the Netherlands, Germany and Belgium, and sales support offices and representatives in 16 countries around the globe (see International sales support offices and representatives (see page 14) for all entities. Our Pork, Beef, Food Service and Retail business units produce fresh pork and beef, meat products and plant-based foodstuffs for the retail, food service and meat processing industries. We provide *Food that Matters* for a world in which people enjoy safe and healthy food from sustainable sources. To ensure this, we have set up future-proof protein supply chains that neither deplete resources nor put undue pressure on the planet.

In our view, food must be tasty and healthy, and produced with care and respect for animals and people. As part of this, food must be sourced via enhanced demand-driven supply chains that provide a fair income to farmers and other supply chain partners, and which reduce the environmental impact. We are dedicated to making food production more sustainable in our industry. Only by making a difference to consumers will we be able to create a better future for farmers.

Vion's sole shareholder, Stichting Administratiekantoor SBT, is a trust office that has issued depository receipts for its shares to NCB Ontwikkeling, the investment fund of ZLTO (Zuidelijke Land- en Tuinbouworganisatie). The association's approximately 12,000 members are agricultural entrepreneurs in Noord-Brabant, Zeeland and the southern part of Gelderland, all in the Netherlands.

Vion Holding N.V. is a Dutch public limited liability company. Although we are not listed on the stock exchange, Vion adheres to the Dutch Corporate Governance Code wherever doing so makes sense to ensure transparency to our stakeholders. This report concerns Vion Food Group. For all entities see Entities included in the report and consolidation approach (see page 161).



11,838

Employees (FTEs),
including flex workers



7,645

Own employees



4,193

Flex workers



5.3

Revenue for 2022
(in billions of euros)



Over 100 million

consumers per day enjoy our meat



12

Production
sites



11

Production
sites



2





Production
sites



4

Production
sites

Our four Business Units

	 Pork	 Beef	 Food Service	 Retail
Products	Pork, raw materials & finished products	Fresh beef, semi-finished and finished products	Frozen meat and vegetarian products e.g. hamburger patties, schnitzels, ham hocks, spare ribs, minced-meat products, poultry and vegetarian/ plant protein-based products	Prepacked fresh meat and plant-based products
Customers	Retail, foodservice, food processors	Retail, foodservice, food processors	Food service and quick service restaurants, catering, home delivery services	Retail-companies
Regions	Europe, Asia, Oceania, Africa	Europe, Canada	Germany and neighbouring countries	Germany, The Netherlands and neighbouring countries
Plants	Apeldoorn, Boxtel, Groenlo, Scherpenzeel (NL) Ahlen, Crailsheim, Emstek, Holdorf, Landshut, Perleberg, Twist, Vilshofen (DE)	Tilburg, Enschede, Dokkum (NL) Altenburg, Bad Bramstedt, Buchloe, Crailsheim, Eching-Weixerau, Furth im Wald, Hilden, Memmingen, Waldkraiburg (DE) Zottegem (BE)	Großostheim, Holzwickede (DE)	Groenlo, Boxtel, Leeuwarden (NL) Großostheim (DE)
Employees (FTEs)	7,115 (incl. flex-workers)	2,671 (incl. flex-workers)	633 (incl. flex-workers)	1,188 (incl. flex-workers)
Headquarters	Boxtel (NL)	Buchloe (DE)	Großostheim (DE)	Groenlo (NL)
Corporate	<p>Vion's operating Business Units are supported by 232 employees (2022), mainly based in Boxtel, the Netherlands, providing the following corporate services:</p> <ul style="list-style-type: none"> · Leadership and Strategic Planning · Information Management and Technology (IM&T) · Finance (Group Control, Treasury, Legal and Tax, and Credit Risk Management) · Communications · Human Resources · Quality Assurance · Result Delivery Office (responsible for the implementation and monitoring of strategic initiatives and projects) · Internal Audit 			

Overview of 2022



May

- First Belgian pigs delivered to organic meat producer De Groene Weg
- Vion sponsors 5,000 food packages for refugees from Ukraine
- 'ME-AT the alternative' launches first locally grown faba beans chain for burgers, sausages and minced meat alternatives on the shelves of a major retailer



March

- Vion Boxtel puts three electric terminal tractors into use leading to a 100% emission-free shunting of the refrigerated trailers on the grounds of the production location in Boxtel.



September

- Leon Cuypers (43) started as new Chief Operating Officer (COO) for the Business Unit Pork, succeeding John de Jonge (53).
- De Groene Weg launches Dutch organic beef chain. Our aim is to ensure that all calves born on organic farms in the Netherlands are raised organically.
- Martine Snels has stepped down as a member of Vion's Supervisory Board to pursue opportunities abroad.

October

- Vion's most well-known export brand Food Family celebrates its 25th anniversary. In 35 countries across the world customers place their trust in Food Family's guaranteed high quality. From China to Greece, Canada, and Australia.
- Vion wins 1x gold, 4x silver and 3x bronze at the World Steak Challenge and demonstrates that our beef is among the best in the world. The 8 medals were awarded by the jury of sixty top chefs, butchers, food journalists and selected experts.



December

- Jan Marcelis has been appointed to succeed Pascal de Clerck, who will leave Vion Adriaens.



- De Groene Weg participates in a 'calf with cow' project. The calves spend the first three months of their lives growing up with their mother in the pasture until they no longer need her milk. After the first three months, the calves will grow organically at a livestock farm for two and a half years before being purchased by De Groene Weg.



Production locations

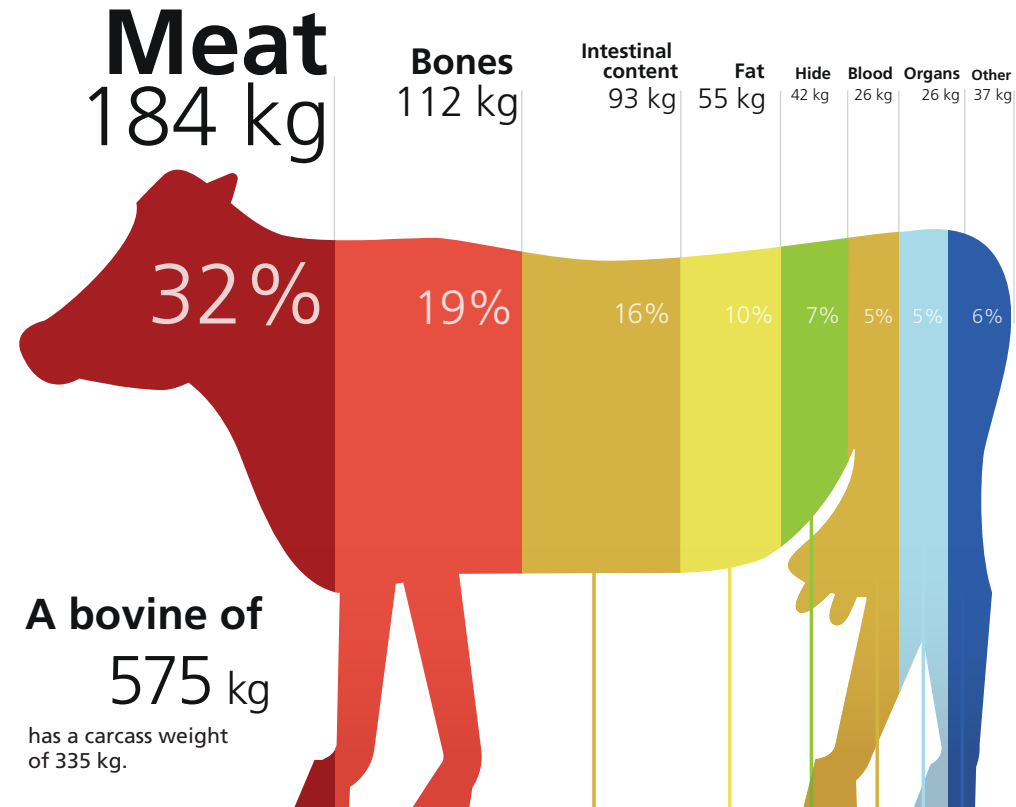


International sales support offices and representatives



Our products

We valorise all parts of the animal by utilising them in the best possible way. An average pig weighing 119 kg produces 62 kg of meat; and an average bovine weighing 575 kg produces 184 kg of meat. The remaining raw materials are used for a wide range of other products.



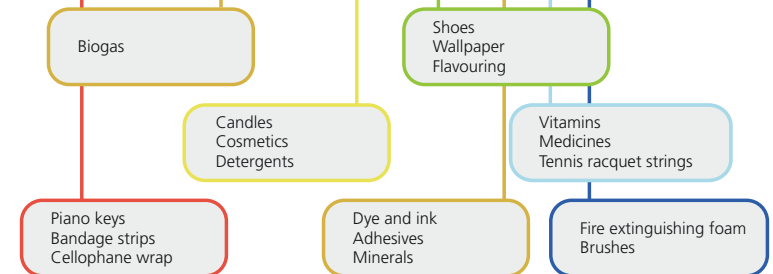
Besides beef, the by-products with the highest turnover are:

Skin

Organs

Intestines

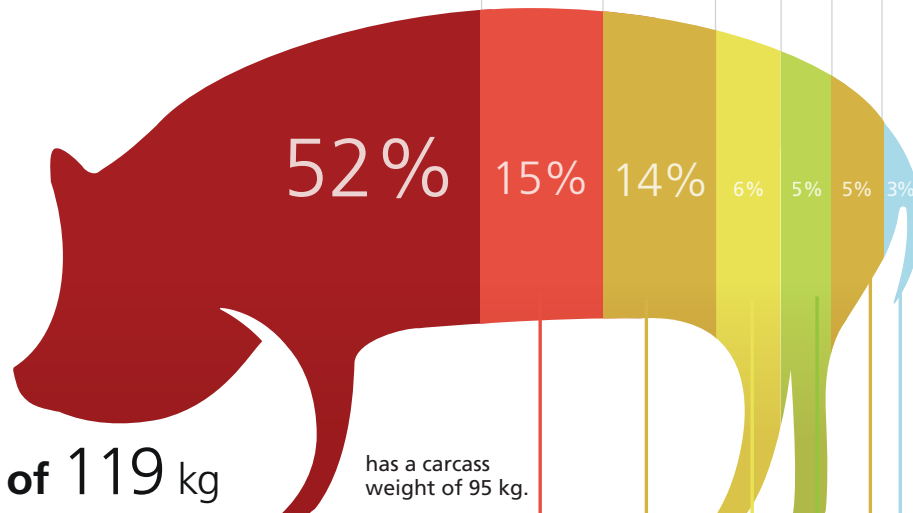
The by-products are used for a wide range of other products. Some examples are mentioned at the right.



Meat
62 kg

Bones 17 kg
Organs 16 kg

Ears, nose, tail 8 kg
Blood 6 kg
Fat 6 kg
Skin and hair 4 kg



A pig of 119 kg

has a carcass weight of 95 kg.

Besides pork, the by-products with the highest turnover are:

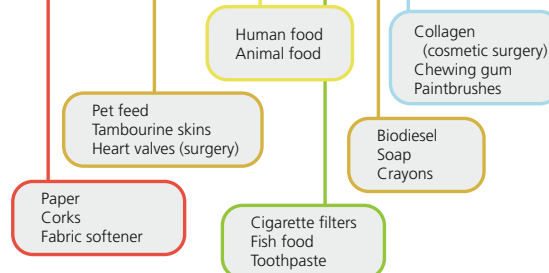
Heads

Organs

Intestines

The by-products are used for over 180 different products. Some examples are mentioned at the right.

Besides meat, Vion also produces also a range of vegan products, such as: hamburger, minced meat, crispy fillet schnitzel, fillet pieces and chipolata sausages.



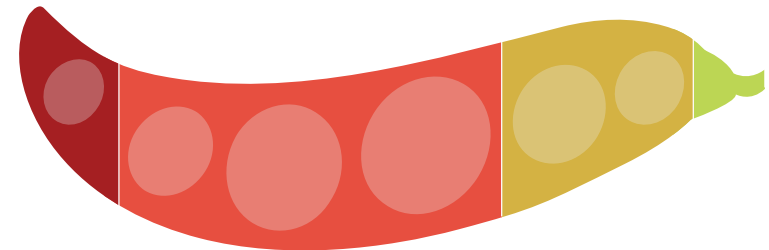
Faba bean
(*Vicia faba*)

Water
11%

Carbohydrates:
58%

Protein:
26%

Fat:
2%



Our brands and supply chain concepts



Food Family is Vion's best known and most respected brand. It turned 25 years old in 2022, and celebrated its silver jubilee in the international meat market. As a brand, it has reputation for delivering trusted quality. Food Family products are widely available in over 35 countries around the world and the meat originates from farmers in the Netherlands, Germany and Belgium with whom we have long-lasting partnerships. Our portfolio covers a wide range of pork and beef products that comply with strict controls and processing procedures to ensure the highest standard. Food Family: trusted quality since 1997.



The **Good Farming Balance** supply chain concept responds to specific international market demands for pork. Each country has its own preferences regarding the way in which meat is prepared and consumed. Together with pig farmers, we ensure the production of high-quality meat in balance with the quantities that a specific market needs, in line with customer specifications. This requires focused alignment.



The **Good Farming Star** supply chain concept, which was introduced in 2010, pays extra attention to animal welfare and sustainability. Within this concept, Vion works with some 140 Good Farming Star pig farmers in the Netherlands and has developed dedicated supply chains with several Dutch retailers. In supermarkets, the meat carries the 1-star award of the Dutch Beter Leven (Better Life) quality mark.

The main differences compared with regular pork farming are:

- The pigs have more space.
- The animals live in an enriched environment in which they can express their natural behaviour.
- Boars are not castrated.

Furthermore, the programme complies with sustainability requirements such as green energy and RTRS soy in the value chain. Good Farming Star offers known-origin meat from a selected group of Dutch farmers that is produced in a controlled and transparent supply chain.



De Groene Weg – a Vion subsidiary – focuses exclusively on meat of 100% organic quality. All links in the supply chain comply with European legislation regarding the EU organic quality mark and are independently supervised by the appropriate authorities. Under organic animal farming, animals have the physical space they need to display animal behaviour and can go outside whenever they want. The animals receive organic feed that is grown without artificial fertilizers and certain pesticides. In this way, organic farmers aim to contribute to a healthy ecosystem and biodiversity.



Robusto is our premium brand within our Pork business unit and delivers premium quality meat with the right percentage of fat and intramuscular fat. The rich and authentic taste of our Robusto products is the result of exclusive care within our highly professional food chain, with farmers working according to the highest standards. Robusto products are distributed worldwide. For instance, the hams are used in Spain and Italy to create premium dried hams, and the bellies are used in South Korea for local specialties.



BBQ Star offers a wide range of premium barbecue products, including spiced rubs and marinades for the true barbecue lover. The brand is widely available in the retail market. Our BBQ Star range consists of beef products from the Simmental breed, with cuts like côte de boeuf, rib eye, picanha and T-bone steak.



ME-AT (the Alternative) produces high-quality plant-based meat alternatives with the taste, texture and eating experience of traditional meat. This provides alternative sources of protein for flexitarians, vegetarians and vegans. The assortment consists of multiple plant-based products ranging from burgers, sausages, minced meat substitutes and schnitzels, to different types of chunks (beef, chicken, lamb and fish) and even to boneless spareribs. Over the last year, more 'whole meat cut' products (boneless spare rib, pork chop, plant-based entrecôte) have been added to the portfolio.



Weylander products are made of premium beef that has been matured in the packaging for flavour and tenderness. Weylander is available in various supermarkets in the Netherlands.



GOLDBEEF stands for premium beef specialities. Its diversity is expressed in the wide range of cattle breeds, quality programmes, categories and origins. In addition to this, special maturing methods, such as dry ageing, can further improve products and offer many different options when it comes to meat cuts and their use.

The GOLDBEEF umbrella brand offers a variety of concepts to support differentiation and create added value with concepts like, for example, "100% Dry Aged" or "100% Simmental". The use of premium raw material enables our meat experts to make a hand-picked selection that guarantees high quality. Buyers or consumers can rely on a trusted brand with a long tradition, and, through this experience, the great taste of tender beef.



Schweinegold is one of our local jewels and provides fresh pork to exclusive markets and the meat industries in countries like Japan and Korea.



Beilerei represents traditional butchers and premium quality meat. An online-only shop, it provides the finest hand-selected meat to the consumer. With precision and expertise, our master butchers find the best pieces and process them in traditional ways. As well as common cuts, the Beilerei offers modern cuts and innovations. It is an individual approach that truly distinguishes Beilerei from the rest. At the beginning of 2023 the decision has been made to stop Beilerei as a sales channel for premium cuts due to the high inflation leading to less demand for the products of Beilerei.



Encebe Vleeswaren uses its in-depth knowledge of meat products and extensive experience in traditional processing to supply high quality cooked sausages, cooked hams, liver products, dry sausages and smoked bacon and other smoked products. In addition, it develops specialities and client-specific products in collaboration with the customer. Encebe complies with all our quality standards and can utilise all Vion supply chains, including offering plant-based deli meats. These are delivered to wholesalers and retailers in our home markets and abroad. For the food industry, it produces meal components to customer requirements.

besthides

BestHides is a globally active supplier of chilled and wet-salted hides and wet-salted veal skins from northern, central and southern Germany. Whether for high-class smooth-grain leather for car interiors, leathers for the finest shoes and garments or leather for furniture, the BestHides product portfolio offers a huge range of hides and skins.



SALOMON FoodWorld stands for inspiration, success and emotion. This brand offers more than just specialised food solutions. As a market leader in food services, SALOMON FoodWorld has been shaping the catering sector with ideas, recipes and innovations for more than 40 years. Its mission is to excite customers from different countries about its successful product pillars: Burgers, Finger Food and Schnitzel & more.



The **FVZ Convenience** brand stands for real enjoyment. FVZ is a specialist and personal forward-thinker that makes people happy with high-quality, value-adding and sustainable modern classics for the dinner table. As a market leader in frozen schnitzel in the German foodservice market, FVZ offers a wide range of frozen products, including schnitzel and steak, minced meat, meat specialties and vegetarian and vegan products - always with the aim of making our customers and their guests happy.



Our people

Along with our company wide strategy 'Food that Matters', our people strategy has also been tightened up to ensure a clear 'Way of Working' throughout the company. Our Way of Working is defined and secured by our driving core values 'Sharp, Connected & Brave'. We raise expectations, while at the same time facilitating and stimulating the employee journey.

The longer term impact of the COVID-19 period and other challenging circumstances (in the economic and also social domains) continue to affect our people, their families, and our business, however our way of working based on trust, cooperation and respect has consistently proven to be a solid basis for our proud and eager workforce.

Our people make the difference

The nature of our business requires a lot of craftsmanship and discipline. The biological nature of pigs and cows result in a unique situation in that every animal and every part is different and needs to be treated with know-how and craftsmanship, guaranteeing animal welfare and food safety at all times. All the international food markets we serve have their own meat consumption habits based on their rich historical cultures. These diverse market demands are met by our employees who create a lot of different and market specific high-quality products. On our production lines and in our storage

rooms, employees are continuously improving our semi-finished and finished products to make the perfect match between products, markets, customers, and consumers. This is not only done within our Beef and Pork disciplines, but also within the disciplines of Food Service and Retail as well as our total indirect workforce. All disciplines have their own characteristics and challenges for our employees.

Our management is equally crucial, because of the high level of complexity of the industry. Our essential business is mainly a disassembly operation with the objective of creating maximum value from an animal. Like butchers in past centuries, we do this with a genuine respect for the animal and consider it our duty to use every part of it for optimum value for our suppliers, customers, and consumers. In such an operation, we know the price paid for livestock, but the total revenue – the sum of each component – is market dependent. To maximize this value, we sell our products to 6,500 customers in 100+ countries. There are many different types of customers, such as retailers, food service, traders, wholesalers, and customers in industries which further process our products. Due to constant market fluctuations, this 'valorisation exercise' has different outcomes during the year and, since Vion handles large volumes, management decisions have a significant impact

Why do our people make the difference?

Decisions parameters

When making their decisions, management has to deal with a complex set of parameters. Purchase prices depend on herd sizes and slaughtering numbers. Our sales prices in 100+ markets are dependent upon a demand influenced by import needs, consumption, religious choices and exchange rates. For this reason, Vion needs managers who can deal with a high number of variables to make crucial business decisions, such as resource allocation and management of the business mix.

It goes without saying that handling this level of complexity requires a high degree of knowledge and skills. On the one hand, Vion is continuously attracting and nurturing young talent; on the other hand, we have customized educational programmes, such as our Meat Master Academy. Having the right people in the right place taking the right leadership responsibility is highly important for the future of our company. One example of how we support this is our extensive, longer-term Culture and Leadership programme: 'People Matter'. This programme focuses both on senior management and operational management in order to strengthen our Way of Working and encourage good employment practices. Another example which makes us really proud is our 'Young Vion Club', this is a rather new community with enthusiastic and ambitious

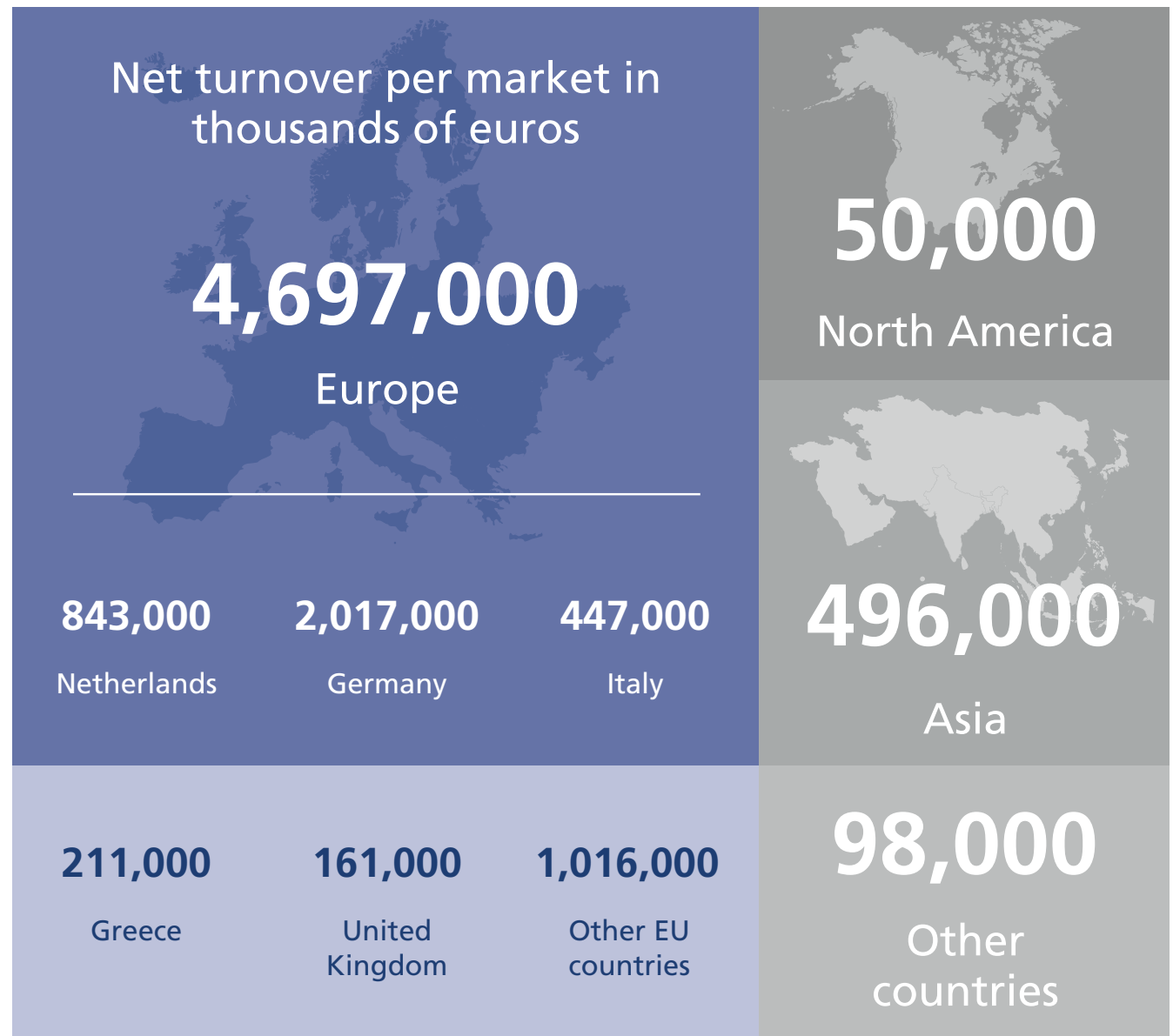
colleagues up till 35 years, inspiring each other and bonding by Vion oriented and broader learning sessions and engaging social activities.

Making the difference

Our people really do make the difference. This is not only because of their knowledge and skills, but also for their pride, professionalism and – last but not least – for their service to the consumer. Our people are passionate about our food solutions and understand the importance of our far-reaching corporate social responsibilities.

Markets served

We supply the retail, foodservice and meat processing industries in our home markets of the Netherlands, Germany and Belgium, as well as in other countries in Europe and the rest of the world. Our operations have market access to all relevant global food markets.





Vion's context

Vion's context

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Long-term value
creation through
trusted chains

Supply chain

Vion is a major player in the supply chain for meat, meat products and plant-based alternatives. We have long-term relationships with farmers, logistic partners and customers, and together we provide safe and healthy food to consumers all over the world.

Our main suppliers are live-animal suppliers. Almost all our farmers are located in our home countries of the Netherlands, Germany and Belgium. The number of livestock farmers in our home markets is decreasing, while the average number of animals per farm is increasing. In 2022, almost 8,500 pig farmers and over 47,500 cattle farmers delivered animals to Vion.

We source soy from North America (free of land-use change) for our plant-based Me-AT product lines. Since 2021, we also source faba beans from the Netherlands. The next step is to expand this increased regional sourcing to our product lines in our other home markets.

Around 90% of our customers are in Europe, with our main ones being retailers. In the Netherlands, around 90% of all our meat products are sold through supermarkets. In Germany, the figure is 80%. Other sales channels are foodservice, the meat processing industry and global customers.



Our stakeholders

Vion has many stakeholders next to our partners in the supply chain.

We have identified our stakeholders based on our existing direct and indirect relationships, and separated them according to:

- The extent to which a stakeholder is likely to show an active interest in the organisation's strategy;
- A stakeholder's influence on Vion's activities.

The most important stakeholders are the ones that show both an active interest in Vion and which have a large influence on our activities. These include our consumers, customers, farmers, suppliers, employees, NGOs, local communities and financial stakeholders. We talk with many of these stakeholders and work with them in fulfilling our purpose of providing *Food that Matters* by implementing our strategy of Building Balanced Chains and to reach our CSR targets. We have an active dialogue with all our relevant stakeholders.

On many material topics, we work closely with our customers, suppliers and other stakeholders, like the ZLTO (Southern Agriculture and Horticulture Organisation), to improve and reach our targets. Vion also participates in round table discussions. Our top management and specialists are invited to

speak at conferences and seminars on agriculture and wholesome food, which opens up opportunities for dialogue. We participate in discussions on, for example, food safety, meat consumption, plant-based meat, animal welfare, public health and sustainability. We also talk about building balanced supply chains with customers and governments in our home markets. This engagement supports the identification of relevant CSR topics and the selection of material topics that form the basis of our CSR strategy. It also helps us to evolve our approach to these topics.

In addition, Vion offers specific stakeholders the opportunity to share their opinions on these material topics. For instance, we conduct interviews in our quarterly German farmers' magazine, 'ProAgrar', and invite our suppliers to meetings about next steps in our supply chains regarding animal welfare, food safety and climate action. Alongside this, we continuously monitor developments on the behaviour and/or attitude of consumers in our home markets of the Netherlands, Germany and Belgium.

See Stakeholder engagement (see page 136) in the online appendix for a detailed overview of our stakeholders and how we engage with them.

Membership associations



Stakeholder dialogues

In 2022, we again sought to actively involve our stakeholders in fulfilling our purpose of providing *Food that Matters* and our strategy of Building Balanced Chains for long-term value creation. We discussed our strategy, challenges and targets with different stakeholder groups in different settings organised by us or our stakeholders. We also surveyed diverse stakeholder groups to learn from all parts of society about the impact we have on certain topics.

We work closely with many of these stakeholders to implement our strategy, realise improvements and reach our targets. Our CEO and CFO regularly take part in these dialogues and below we give some examples of such meetings in 2022.

Government stakeholders; community building and chain initiatives

Our CEO took part in several meetings with Dutch government ministers:

- At the first meeting, in early 2022, we discussed the future of agriculture and the challenges we face, including the nitrogen challenges.
- In March, the agriculture minister invited our CEO, professor Laurens Slood and LTO chairman Sjaak van der Tak to talk about sustainable value creation.
- In September, our CEO was invited to meet independent moderator Johan Remkes, of the LNV ministry, to be part of talks between the agricultural sector, provincial governments and other stakeholders. The objective was to reach a common understanding and way forward regarding the nitrogen crisis, which is impacting on the outlook for Dutch agriculture and the Dutch economy.
- In December 2022, our CEO met with Johan Remkes and leaders from the agriculture sector. The topic was Remkes' report on the future of farming.

Industry stakeholders; European Meat Network

- Vion's CEO chaired several meetings of the European Meat Network (EMN) in 2022. EMN is a non-profit network of European meat companies involved in the slaughtering and processing of beef, pork and lamb. In the EMN, we discuss, under Chatham House rules, topics that have an impact on our long-term strategy, such as:
 - The long-term position of the European meat sector;
 - Developments in relation to the regulatory status of meat within the European Union and in relation to third countries;
 - Sustainability of meat.

Supply chain stakeholders; talks with retailers on supply chain initiatives

Our purpose is to provide *Food that Matters* by bringing people together to build future-proof supply chains. Vion's strategy of Building Balanced Chains is based on the concept of demand-driven chains. Retail companies have an important position in building supply chains based on consumer demand and societal trends.

- To this end, our CEO had several talks with retailers in the Netherlands and Germany to discuss future sustainable supply chains for meat and plant-based meat alternatives.
- In September, our CEO joined a special community-building meeting with the Minister of Agriculture, Henk Staghouwer, Petra Berkhout of Wageningen University and Roy Meijers of NAJK (Dutch Agriculture Youth Contact). The subject was inspiring supply chain initiatives and the prerequisites for a competitive Dutch agricultural sector.

Agri-food industry stakeholders; CEOs of multinationals in the agri-food business

Our CEO is a member of AgriNL, a network of CEOs in the Dutch agri-food business who want to create a joint vision of a sustainable Dutch agri-food industry for the future. Ideally, this strategy and Vion's long-term strategy should be aligned. We meet four times a year to discuss agricultural themes and network with stakeholders in the Netherlands.

Financial stakeholder meetings; sustainable targets are part of our strategy

Vion's CFO is active in discussions about how to develop the industry sustainably and align our long-term strategy with our sustainability objectives. During trading updates, our CFO discusses targets that are based on our sustainability objectives. Our promissory note (Schuldschein loan) is based on sustainable targets and our commitment to these targets. Sustainability is a core part of the finance discussions in our trading update meetings with banks.

Developments in the market

The market in 2022 developed in a negative way for our suppliers, our people, our customers and the consumer. External factors like historically high inflation, caused by the outbreak of the war in Ukraine, drove up our labour costs and energy costs.

The aging population and related shortages of finding colleagues, also had huge impact. Next, declining herd sizes in our home markets caused by farmers ending their business resulted in higher scarcity of animals and higher purchasing costs. Under these extreme circumstances we were able to speed up our strategy and work together with our customers to overcome some of the challenges we faced. We had to raise our prices several times. Therefore we are grateful to work with trusted partners in our supply chains, to meet these challenges together, and to overcome them by working together in our supply chains. On the following pages, we outline the main developments and their impact on the company.

Political measures to reduce the carbon footprint

All across the globe, measures are being taken, and will continue to be taken, to reduce and to stop global warming. Targets were set in the Paris Agreement and confirmed and strengthened at the Glasgow Summit in 2021. The European Union set out its view in the Green Deal. This aims for a 55% reduction of the carbon footprint by 2030 and carbon neutrality by 2050.

Short-term effect

- The need for substantial investments in farms and in the whole supply chain infrastructure, including animal feed supply chains and local feed circularity.

Long-term effect

- Huge challenges regarding the production of foodstuffs in general, and especially for food of animal origin.

Based on the current performance of the north-west European animal production supply chains, a 55% reduction of the carbon footprint, based on Life Cycle Analysis, should be within reach for major animal-based

proteins such as pork, beef, poultry, eggs and dairy.

Political measures for reducing nitrogen emissions and halting deforestation

We not only face major global issues like the carbon footprint. Regional environmental issues, such as reducing nitrogen emissions, also play a major role in the development of food supply chains. Local nature preservation and the reduction of nitrogen emissions will impact the future of many farms, other businesses and people's housing. On a regional level, the environmental impact of farming represents a major challenge.

Short-term effect

- An increased need to further develop animal supply chains that use fewer natural resources and make more use of the regional circular economy.

Long-term effect

- Waste management. Manure is a fundamental issue in animal supply chains

and needs to be addressed further on a local scale to reduce its environmental impact.

The concern around the preservation of the rainforest is an issue for several retailers and foodservice companies. We will act on this proactively in concert with our stakeholders.

Third-party labour regulation

As of 2022, in Germany we have direct employment, meaning that all employees are on our payroll. Vion has taken over responsibility for the housing and commute of our migrant workers who do not have housing or transport. In the Netherlands our employment policy is to hire an increasing number of subcontracted workers on our direct payroll.

Short-term effects

- Higher labour costs and less flexibility to absorb production peaks.
- Difficulties to attract sufficient workers and efforts for arranging housing and transportation.

Potential long-term effects

- A level playing field on worker conditions in Germany, which benefits Vion as our standards were already above the industry average.
- Improved opportunities for our workers' education and training, which improves skills, efficiency and job development.
- An increasing need for robotisation due to labour shortages and higher labour costs.

The price of food

By serving millions of consumers every day needed animal or plantbased proteins, we feel a responsibility towards society. In the following months after the outbreak of the war in Ukraine we saw unprecedented inflation hitting the markets, rising raw material prices combined with huge energy prices, especially in Europe. Our buying and selling colleagues worked under very challenging circumstances to balance the prices for our suppliers and customers which sometimes resulted in adaptations due to extreme volatility in our markets.

Potential short-term effects

- High inflation and price volatility in the markets.
- Disruption to distribution and flow of goods.
- Substantial additional energy costs for all chain partners and rising food prices

Mid and long-term effect

- More focus on value instead of volume.
- A transformation into a more agile and flexible food company that can weather the storms in the global marketplace.
- More regional sourcing of wholesome food and more informed choices for consumers to choose price levels and related attributes like sustainability.

Animal diseases with economic and commercial consequences

Animal diseases, such as African Swine Fever and influenza, have a major impact on animal production in important production regions. Influenza mainly affects poultry, and the effect on the availability and growth of poultry production can be substantial and thus influence the global protein market. African

Swine Fever (ASF), meanwhile, has spread further in Europe, and Central America and still continues to circulate in large parts of East Asia. In Germany, the virus has now affected an area from north to south of approximately 250 km along the Polish border and across three different states. It is likely that ASF will not disappear from Germany in the short term, so the whole pork supply chain needs to adjust to this new reality. For Vion, the presence of these animal diseases has short-term and long-term effects.

Potential short-term effects

- The continued decline of German pork production, which could reach as much as 25% in the near future. Germany had already seen substantial reduction in pork production during the first 18 months of the disease, and this will not cease any time soon.
- The reduction of full-carcass use due to the inability to export pork to other countries. This hinders the valorisation of major parts of the pig.

Besides Germany, ASF has spread widely in other important pork production and consumption regions.

Data transparency

Both animal diseases and environmental demands underline the need for a clear view of the inside workings of the whole animal supply chain. The need to use and be transparent about data in the supply chain is obvious: to ensure we know where a product has come from and to accurately calculate the carbon footprint of the final consumer product. Sustainability is not only an issue for us, as a food producer, or the farmer, but for all stakeholders in the supply chain.

Several of our customers have demanded greater transparency in the supply chain. This is motivated by a desire to ensure animal welfare and food safety, and to accurately source products and services in the supply chain. These issues can only be addressed with the help of robust data standards throughout the supply chain. We are actively designing a new standard for process and product integrity. This standard, developed with IFS (International Featured Standards), will become the new benchmark for identifying additional product attributes. Called IFS-PIA (Product Integrity Assessment), the standard

will secure the long-term commitment of the whole supply chain to substantiating all product-related consumer marketing claims: about the product, in advertisements, on websites, in social media and so on. This standard also acts as a guarantee to farmers that committing to these supply chains will be sustainable from an economic perspective. Several supply chains managed by Vion and our customers have been further strengthened by dedicated farmers who have committed to serving these customers.

Short-term effects

- New standards for information on carbon footprint of foodstuff
- Carbon footprint information for the customer

Long-term effects

- Better economic perspectives for farmers
- Greater transparency in the whole supply chain

Long-term trends that impact Vion

In addition, long-term developments in the food market that have an impact on Vion.

We see an increase in the following trends and so have developed our CSR strategy around these major long-term trends accordingly. Our approach regarding these developments is described in the relevant parts of the chapter 'CSR topics'.

Trends	Risks for Vion	Opportunities for Vion	Approach
Demand for food safety.	Quality issues or changes in quality perceptions by our customers or the authorities.	Vion is seen as a trusted partner with regard to food safety. Food safety to be embedded in codes of practice at all Vion production sites.	See chapter Food safety (see page 77)
Demand for traceability and product integrity.	Risk of having to withdraw products should product integrity issues arise.	Vion sources locally, is building balance chains, and uses blockchain for Good Farming Star.	See chapter Traceability and product integrity (see page 118)
Interest in animal welfare.	Risk of lower acceptance of animal production, especially in our home markets.	Vion is a frontrunner in animal welfare and also offers plant-based products as an alternative.	See chapter Animal welfare (see page 56)
Interest in climate change and biodiversity loss.	Shift in consumption to more environmentally friendly products, especially in our home markets.	The German and Dutch animal supply chains are very efficient, resulting in a relative low carbon footprint for products produced in our home markets.	See chapter Climate (see page 83) and Biodiversity (page ##)
	Risk of declining local animal supply due to a decrease in livestock farming caused by lower nitrogen-emission limits.	Growing interest in organic products which Vion delivers via De Groene Weg.	
Changing meat consumption patterns.	Risk of lifestyle diseases such as obesity and diabetes.	Fresh food items have a health-promoting effect.	See paragraph Healthy diet (see page 128)
Interest in safe and healthy working conditions.	Risk of injuries	Healthy employees are more productive.	See chapter Employment and working conditions (see page 98)
Attention regarding attracting and retaining human capital.	Risk of lack of operational personnel causing problems in operation planning.	Streamline and automate processes to balance production needs and the availability of qualified staff.	See chapter Employment and working conditions (see page 98)
Interest in fair pricing.	Unrest in supply chain.	Vion offers farmers a choice of pricing systems from which to choose and farmers can connect in dedicated supply chains.	See chapter Fair pricing (see page 126)
Market cyclicity.	Risk of decreasing margins.	Opportunity to increase margins.	See chapter Fair pricing (see page 126)

Materiality analysis and material topics

Based on frequent contact with our most important stakeholders, the key concerns of other stakeholders, grievances, input from experts and a stakeholder questionnaire, we identified Vion's actual and potential impacts on society and defined the relevant CSR topics. See the chapter Due diligence (see page 46) for a summary of the risk assessment regarding people, animals and the environment. Compared to last year, some relevant topics have been renamed and the list has been extended to align with the potential impacts, our CSR strategy and the upcoming European Corporate Sustainability Reporting Directive.

Social topics

Food safety: The control of supply, processing and storage to produce healthy and wholesome food.

Animal welfare: Control of the well-being of each individual animal from farm to slaughter, including organic farming and the use of antibiotics.

Traceability and product integrity: Identification and control of the flow of goods through the supply chain. Additional control of specific attributes, such as organic production, in the supply chain. Assurance that the product label accurately reflects what is actually in the package.

Healthy diet: The nutritional value of food products for consumers.

Employment and working conditions: Our own workforce management, health and safety, learning and development, diversity and inclusion and housing of our workforce.

Local communities: Communities affected by the business activities of Vion or our supply chain partners.

Workers in the value chain: The working conditions, equal opportunities and human rights of workers/employees in the supply chain.

Environmental topics

Biodiversity and deforestation: Preservation of the natural environment, including the prevention of pollution leading to degradation (like ammonia/nitrogen).

Climate: Global warming caused by greenhouse gas emissions, including energy use and transportation.

Water resources: Amount of water withdrawn from and discharged into surface water, ground water, sea water or third party water, water consumption and waste water treatment.

Resource use and waste: Circularity, including the use of packaging material and the waste management of food and other forms of waste.

Pollution: The introduction of pollutants into the air, water and soil, and the use of substances of concern that may be harmful to human health and/or the environment. The emissions of greenhouse gases and nitrogen/ammonia are covered in the topics 'climate' and 'biodiversity and deforestation'.

Economic topics

Fair pricing: Price fluctuations and a fair distribution of margins across the supply chain, including a fair price for farmers and affordable food for consumers.

Indirect economic impacts: The impact of Vion on the productive potential of the economy.

Tax: Tax strategy and practices in each country in which Vion operates and/or owns businesses, including strategy on tax compliance.

Assessing the significance of the impacts in a materiality analysis

To select the material topics from all the relevant topics, we performed a materiality analysis involving the representatives of different departments and a diverse group of stakeholders and experts. We evaluated the significance of each topic in relation to the other topics based on the severity of the impact and the likelihood of it having a potential negative impact on people, planet, animals or the economy, whether caused by Vion or our value chain. This is called the inside-out impact materiality.

To determine the ranking, we used a questionnaire to ask a diverse group of stakeholders and experts to rank the topics on the significance of their potential impact on society. The top six topics form the material CSR topics for which we develop a policy, targets and activities, and monitor our results. We share our

approach to all the relevant CSR topics in this report. The most material topics receive more attention than those that are less material. For more information on the stakeholders involved, the materiality analysis and the prioritisation for reporting, see Page 137.

Vion's material topics

The list of material topics has changed compared with the previous CSR report. This reflects the fact that some of the relevant topics have been renamed, plus the outcome of the new materiality analysis.

Our material topics are:

1. Animal welfare
2. Food safety
3. Climate
4. Employment and working conditions
5. Biodiversity and deforestation
6. Traceability and product integrity

Changes to the previous report

The topic 'Climate' covers greenhouse gas emissions from scopes 1, 2 and 3. In the previous report, scopes 1 and 2 were covered in the material topic 'Carbon footprint of processing' and scope 3 in the material topic 'Sustainable farming'.

'Biodiversity and deforestation' is a new material topic.

The former material topics 'Water usage of processing' and 'Fair pricing' are now classified as other relevant topics, but have still been included in this report.

A man with short brown hair, seen from the back, wearing a green long-sleeved shirt. He is looking over a field of sheep. The sheep are in a fenced area, some are lying down and some are standing. The background shows a line of trees under a blue sky with white clouds.

Vion's strategy to create value

Vion's strategy to create value

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In the middle of the supply chain, we orchestrate and balance what our customer demands and what the suppliers can produce

Vision, purpose and positioning

Our vision	In a global marketplace and on a planet that is under pressure from the overuse of resources, we believe in a world where people enjoy safe and healthy food from sustainable sources.
Our purpose	By bringing people together to build future proof protein chains, we provide Food that Matters.
Our positioning	In our view; Food that Matters is tasty and healthy, comes from upgraded demand-driven chains, provides a fair income for farmers and other chain partners, is produced with respect for animals and people and sets standards on reducing environmental impact.
Strategic focal point: Building Balanced Chains	We implement Building Balanced Chains to give farmers a future and customers a difference.
<p>Our role: guide, providing clarity and direction in a complex world and serving as a beacon for others in the food chain</p> <div> <div>Healthy and tasty food</div> <div>From upgraded demand driven food chains</div> <div>Providing a fair price for farmers and other chain partners</div> <div>Produced with respect for animals and people</div> <div>Setting the standards on reducing environmental impact</div> </div>	

Vion's strategy 2020-2024 towards a sustainable future:

In 2019, we launched our Building Balanced Chains strategy, anticipating the transition in our industry. Meat is an effective source of essential nutrients. In a global marketplace with a growing population, production of nutritious food needs to respect the limits of natural resources, while people enjoy safe, tasty and healthy food from sustainable sources. Our meat products, produced according to high Dutch and German production standards, should be affordable to consumers of all income levels. While global demand for meat

is increasing, herd sizes are decreasing in Germany, and to a lesser extent, in the Netherlands, while growing in other geographies albeit at a rate below the demand growth.

In the coming years, our industry in the Netherlands, Germany and Belgium must realign with the supply of animals and focus further on improving the sustainability of our food production regarding animal welfare, emissions, biodiversity, and social responsibility.

Change that Matters

Following the global market developments in 2022 with high inflation, increasing costs, labour shortages,

volatile pricing, decreasing herd sizes, climate impact, biodiversity issues and animal diseases, we decided to accelerate our strategy in October 2022 through the introduction of a strategic programme called: Change that Matters (CtM). The programme is designed to accelerate our strategy in order to become the most sustainable meat company in Europe and serves 3 goals:

1. Improve our performance to healthy returns for the company in 2025;
2. Improve our Operating Model with effective chains (BBC) between farmers and customers;
3. Accelerate the building of sustainable chains by optimising farmer relations, improving valorisation (optimal use of animal parts) tailored to our customers needs.



At the beginning of 2023 we established a dedicated team under leadership of our new Chief Transformation Officer (CTO) in our Executive Committee, who will drive and execute the initiatives of CtM. Over 275 colleagues are contributing to the programme which resulted in a strong operational plan. In the improved Operating Model the chain strategies will form the core of the business and our way of working. We introduced a new country structure with Germany and Benelux (Belgium, Netherlands and Luxembourg) that will integrate our Pork, Beef and Retail Business Units in countries. The Ingredients activities are carved out to form a new business unit in order to create a better focus and more growth opportunities for our ingredients business. To further increase our capabilities around innovation and sustainability we will establish a Science and Sustainability function in our Executive Committee.

Give farmers a future and consumers a difference

Delivering the best products, fresh on your plate, demands the shortest possible supply chains. Balanced chains are demand-driven and address the key needs and concerns of our customers, consumers, society and governments. This implies that we tailor products to consumer preferences and meet requirements regarding traceability, animal welfare, biodiversity, carbon footprint and regionality. Collaboration, information and valorisation are key ingredients in Building Balanced Chains. Collaboration, to create trust, long-term security and mutually beneficial goals. Information, to optimise the entire supply chain, from farm to fork, and to provide reliable insight to consumers on how their food is produced. Valorisation, to balance supply with demand and so create optimal value from all parts of the animal, from 'Head to Tail'.

Collaboration

As a trusted partner at the midpoint of food supply chains, we connect specific farmers to a specific group of customers. Together, we aim to build tailor-made, customer-specific chains that create and deliver products with unique propositions and added value concepts. Examples include specific origin, higher animal welfare or lower carbon footprint. We also connect other industries that we deliver to and other applications for collaboration.

Information

BBCs depend on advanced IT systems that connect every supply chain partner to one another. The data exchange between feed producer, farmer, animal trader, slaughterhouse, meat processor, retailer and consumer needs to be open and transparent. In the coming years, these data systems should provide consumers with reliable information on food safety, animal welfare, sustainability and product integrity. The consumer has the right to know how their food is produced. It is our responsibility, together with our supply chain partners, to provide this information.

Valorisation

Closer collaboration and information-sharing in the supply chain helps to align supply and demand better. It improves visibility on chain optimisation opportunities and ensures all parts of the animal are used in the best possible way. This results in lower costs, less waste, increased transparency and, ultimately, optimal value creation from animals across the chain. Strong chains are less volatile and depend less on price increases or decreases. Supply chain partners are assured of a fair price and financial security.

Examples of our balanced chains strategy

We have built a number of balanced supply chains in recent years. Examples include Robusto, Geprüfte Qualität Bayern, Good Farming Star, Initiative Tierwohl Haltungsform Stufe 2, De Groene Weg

(Organic) and a plant-based meat alternatives supply chain based on Dutch-sourced faba beans. More recently, we and our partners have launched an Initiative Tierwohl Haltungsform 3 chain for oxen, in Germany. In September 2022, De Groene Weg began building a chain for organic beef and lamb from the Netherlands.

Dedicated team led by CTO installed to improve business performance

The pivotal position of Vion in the protein chain, gives us the responsibility to shape the future of our industry. The rapidly changing market environment and concurrent challenges this brings for the entire sector, requires us to accelerate our strategy. This entails taking concrete actions to build strategic relationships with farmers and customers, capture efficiencies in the chain, and place agricultural sustainability at the center of our work, whilst improving business performance in all areas. At the end of 2022 we have established a dedicated team, led by our newly appointed Chief Transformation Officer, to coordinate and drive this.

Strategic highlights 2022

Expansion in eastern Germany

In 2022, Vion Retail increased its production capacity by expanding in Altenburg, Germany. Consumer trends are increasingly shifting towards sustainable products that are produced locally under high animal welfare standards. German retailers today pay close attention to animal welfare. They also want to be seen as being local and regional. This begins by selling and producing local products. The expansion in Altenburg opens eastern Germany to creating future-proof partnerships with the country's largest retailers. The additional takeover by Business Unit Beef of a livestock dealer in eastern Germany further strengthens Vion's regional sourcing position and market prospects.

Acquisition of Vriesoord cold storage

In summer 2022, Vion expanded its freezing capacity at logistics subsidiary Distrifresh by taking over the activities of cold storage specialist Vriesoord, in 's Hertogenbosch, the Netherlands. Through this strategic move, we are reducing our CO₂ footprint, safeguarding the quality of our products and minimising our transportation costs. By organising our freezing and storage activities centrally, close to existing production locations, we improve our logistics enormously. The supply chain is shorter, which leads to fresher meat and more efficient production. This way of working is also more sustainable and

cost-effective because using the new cold storage in 's- Hertogenbosch reduces the distances travelled in truck transport kilometres.

Organic Dutch Beef Chain

For a number of years, De Groene Weg has operated two strong chains in the Netherlands for pork (over 110 pig farmers) and lamb (over 35 sheep farmers). In 2022, De Groene Weg took the next step by setting up a third chain, for Dutch organic beef, covering both dairy and beef cattle farmers. Through this, De Groene Weg is responding to consumers' growing demand for regionality and lower carbon footprints, as well as to organic dairy farmers wanting to raise and valorise their offspring organically into the beef supply chain.

And in a separate additional development, De Groene Weg has begun to participate in a 'Calf with Cow' project. This initiative enables calves born at a Dutch organic dairy farm to grow under organic standards, including spending the first three months of their lives in the pasture with their mother.

Bayerischer Ochse

In October 2022, Vion, a retailer and VVG Oberbayern-Schwaben launched a premium regional programme for ox meat in Germany. "Bavarian Ox" will become another example of why strong, sustainable and demand-driven supply chains deliver greater value for everyone involved, from farmers

to the products that food retailers can offer their consumers. With "Bavarian Ox", we not only guarantee regional origin, but also the high-quality taste of an excellent meat. It is a premium product due to both the additional effort put in by farmers and to improved animal welfare - the animals come exclusively from farms that meet Haltungsform 3 standards.

Recognised BBC concepts

De Groene Weg

De Groene Weg – Meat of 100% organic quality. One of Vion's subsidiaries – focuses exclusively on meat of 100% organic quality. All links in the chain comply with the European directives of the EU organic quality mark and are also independently checked for this. Within organic animal husbandry, the animals are given the space to show their own animal behavior and can always go outside whenever they want. The animals receive organic feed that is grown without artificial fertilizers and chemical-synthetic pesticides. In this way, organic animal keepers make a positive contribution to the improvement of biodiversity.

De Groene Weg has a unique way of working by ensuring a balance between supply and demand, our starting point. We know the market and, as a chain director, ensure that there is a balance between the demand from the market and our supply. In addition, all links in the chain share the same mission. At De

Groene Weg we oversee the entire chain and know our farmers by name. We make long-term agreements with producers and retailers, so that farmers can also be sure that they have sales for their meat. This ensures security and stability.

When farmers join De Groene Weg, we not only offer a purchase guarantee but also conclude a contract for an indefinite period. Our farmers receive a stable and fair price, which is in line with the development of the market. Four times a year, based on market developments and the development of costs in the chain, we set the right price for our farmers. Thanks to this 'every-day-fair-pricing' principle, you as a farmer in our chain can count on a stable price for a longer period of time.

In September 2022, De Groene Weg started building a chain for organic beef from the Netherlands.

Good Farming Star

The **Good Farming Star** supply chain concept, which was introduced in 2010, pays extra attention to animal welfare and sustainability. Within this concept, Vion works with some 140 Good Farming Star pig farmers in the Netherlands and has developed dedicated supply chains with several Dutch retailers. In supermarkets, the meat carries the 1-star award of the Dutch Beter Leven (Better Life) quality mark.

The programme complies with sustainability requirements such as green energy and RTRS soy in the value chain. Good Farming Star works with a carefully selected group of Dutch farmers to offer known-origin meat that is produced in a controlled and transparent supply chain.

Robusto

Robusto is a premium pork brand and delivers premium quality meat with the right percentage of fat and intramuscular fat. The rich and authentic taste of our Robusto products is the result of exclusive care within our highly professional food chain, with farmers working to the highest standards. Robusto products are distributed worldwide. For instance, the hams are used in Spain and Italy to create premium dried hams, and the bellies are used in South Korea to make local dishes.

Simmental PUR with Geprüfte Qualität Bayern (GQB) certificate

Simmental PUR with GQB certificate is a regional beef programme that combines beef from Simmental and Bavarian origin (certified according to GQ-Bayern – 'Geprüfte Qualität Bayern'), which Vion developed with two farmers' organisations and the food retail sector.

ME-AT (the Alternative)

ME-AT (the Alternative) produces high-quality plant-based meat alternatives with the taste, texture and eating experience of traditional meat. This provides alternative sources of protein for flexitarians, vegetarians and vegans. The assortment consists of multiple plant-based products ranging from burgers, sausages, minced meat substitutes and schnitzels, to different types of chunks (beef, chicken, lamb and fish) and even to boneless spareribs. Over the last year, more 'whole meat cut' products (boneless spare rib, pork chop, plant-based entrecôte) have been added to the portfolio.

In 2020, ME-AT began setting up a supply chain for plant-based proteins originating from Dutch soil. The first Dutch faba beans were harvested in 2021, and in February 2022 the first products were launched on the Dutch retail market. ME-AT will further expand its product range with proteins from local sources. The first steps have also been made to expand this concept into Germany and Belgium. ME-AT products are available under private label at supermarkets, cash-and-carry and restaurant outlets in over 15 European countries.

Attributes developed within the supply chains

Blockchain

In 2021, Vion deployed blockchain technology to connect the Good Farming Star pork supply chain to the internet. By digitally connecting and exchanging data with our Good Farming Star supply chain partners, we can increase the efficiency of the entire supply chain and guarantee the origin and integrity of our meat. This in turn creates trust. The Good Farming Star supply chain is the first of its kind to be connected using blockchain technology. Our other supply chains will follow in the next few years.

DNA traceability

The integrity of our products and processes matters to customers and consumers. Throughout the supply chain, we have implemented process integrity control systems with verification by product balances within the IFS-PIA standards. In addition to these assessment standards, we have added product integrity monitoring based on DNA testing of animals and end products. The DNA of all Good Farming Star and organic sows is analysed and stored in a DNA data bank. With this, we check that the final product, as sold to consumers, truly complies with Vion standards. In short: DNA is the ultimate check for, and proof of, integrity throughout the supply chain.

CSR strategy and targets

In executing our corporate CSR strategy of Building Balance Chains, we consider the economic, social and environmental impacts of our decisions. In this way, we create more value, both for our supply chain and for society at large, and we fulfil our purpose of providing Food that Matters. Across our material topics, we set targets on which we want to continuously improve in the coming years.

Material topic	KPI	Result 2022 Trend versus 2021 ↑ Better performance ↓ Lower performance ▢ Stable performance	Target for 2023	Related to SDG target	External trends	Risk/opportunity for Vion
Animal welfare	% of animals for which no restunning was needed	99.9% ↑	99.9%		<ul style="list-style-type: none"> Growing interest in animal welfare. 	<ul style="list-style-type: none"> Risk of overall meat demand decreasing, especially in our home markets. Opportunity as we are a frontrunner in animal welfare and also offer plant-based products as an alternative.
Food safety	% compliance with Vion's internal microbiological standards for product hygiene. These exceed the legal minimum requirements	88% ↑	90%	2.1	<ul style="list-style-type: none"> Growing demand for food safety worldwide. 	<ul style="list-style-type: none"> Quality issues or changes in quality perceptions by our customers or the authorities. Opportunity as food safety is embedded in the codes of practice at all Vion production sites.
Employment and working conditions	% absentee rate per country	NL 6.7% ↓ DE 5.8% ↓ BE 3.6% ↓	NL 6.5% DE 5.0% BE 4.0%	8.8	<ul style="list-style-type: none"> Shortage of potential workers and increased focus on safe and healthy working conditions. 	<ul style="list-style-type: none"> Risk of personnel shortages causing potential problems with operational planning. Opportunity as healthy employees produce more.
Traceability and product integrity	% of the sales volume originating from plants certified according to a specific product integrity standard	87% ↑	88%		<ul style="list-style-type: none"> Growing demand for traceability and product integrity. Trust in food is key for consumers. 	<ul style="list-style-type: none"> Risk of product withdrawals if product integrity issues arise. Opportunity as Vion sources locally, is building balanced chains and is using blockchain for Good Farming Star.
Climate	Absolute scope 1 + 2 CO ₂ e emissions	127,200 tCO ₂ -e	114,300 tCO ₂ -e	7.2, 12.2 and 13.3	<ul style="list-style-type: none"> Growing interest in climate change. 	<ul style="list-style-type: none"> Risk of overall meat demand decreasing, especially in our home markets. Opportunity as greenhouse gas emissions of north-western European livestock farming are relatively low compared to other regions in the world.
Biodiversity and deforestation	For our vegan products we are deforestation free as of 2023. For our animal supply chain as of 2025	↑	Vegan: 100%	2.4 and 15.2	<ul style="list-style-type: none"> Growing focus on biodiversity loss. 	<ul style="list-style-type: none"> Risk of declining local animal supply due to a decrease in livestock farming because of reductions to permitted nitrogen emissions.

The material topics represent our strategic priorities - the areas in which we strive to minimise negative impacts or optimise positive impacts. They are crucial to the day-to-day success of our business. That is why, in our CSR policy, we both prioritise these topics and explain in detail our policy and activities regarding them. This information can be found in the chapter CSR topics. To remain a successful frontrunner, we use recognised standards and methods to manage and measure our progress. These include food safety standards, integrity standards, animal welfare standards and CO₂ footprint calculations.



Due diligence

The executive committee executes its responsibility by creating an effective and professional company structure which identifies and mitigates risks within the supply chain. A matrix structure is in place, with the relevant staff and operational disciplines having separate direct reporting lines to the executive committee, the management board and the supervisory board.

Due diligence policy and management systems

All executives and supervisory board members receive quarterly reports on material CSR topics. These topics cover the risks of issues which might occur within the supply chain and which could have a negative impact. Corresponding risks have been identified for each CSR topic and a due diligence policy and control programme are in place. This is explained in detail in the specific sections on each material topic.

Identification of risks with potentially negative impact

The hazard analysis for food safety, which includes the supply chain, is updated annually. This process is not only supervised within Vion; it also forms part of the supervisory programmes that are applied by, for example, national food authorities and the USDA-FSIS. These food authorities regularly review the functionality and effectiveness not only of Vion's food safety standards (Vion-HACCP), but also animal welfare standards. Additionally, every year, our health and safety experts review the RIE (Risico Inventarisatie en Evaluatie - Risk Assessment and Evaluation) of the working conditions within Vion. With regard to working conditions and human rights in the supply chain, we participate in the food industry IMVO programme. To investigate environmental impacts, we have a collaboration in place to identify the main factors that affect greenhouse gas emissions in the pork and beef supply chains.

Activities taken to prevent, stop or mitigate possible abuse

Compliance with standards prevents, stops or mitigates possible abuse in the supply chain. We therefore work with supply chain partners and other relevant stakeholders in setting and implementing certification standards. We are active at board level in organisations for international standards for food

safety and product integrity (e.g. IFS, International Featured Standards Berlin), and in pre-farm gate standards that include food safety, animal welfare and working conditions (e.g. GlobalGAP, Cologne and Foundation 'Beter Leven Keurmerk', The Hague). Responsibility for implementing these standards rests with their boards and technical committees, of which we are also an active partner.

With respect to environmental impacts, like greenhouse gas emissions, we work with the European Commission and other stakeholders to set the PEFcr standard. Together with animal welfare charities in Germany, the Netherlands and other European countries, we have developed a common strategy to improve in these sustainability topics.

Monitoring the implementation and results of activities

KPI results on material CSR topics that might have a negative impact are reported to the management board on at least a quarterly basis. Every quarter, the management board receives a dashboard showing CSR KPIs and the implementation status of actions taken to mitigate instances of non-compliance. In addition, CSR KPIs are a fixture on the agenda of every business unit's monthly business review meetings.

Informing stakeholders of activities and results

We publish IFS and BRC audits and the results of inspections conducted at Vion sites on our dedicated transparency websites. These are open to the public. We also assess the level of compliance with regard to worker health, animal welfare, product integrity and the sustainability of products supplied to Vion. The results are reported to suppliers. And, in instances of non-compliance, we discuss with them how to remediate any negative effect in the supply chain and control the situation.

Remediation procedures

In cases of non-compliance at a supplier (e.g. antibiotic use), Vion talks with the supplier to remediate any negative effects. The remedial actions are specifically aimed at controlling the effects of the non-compliance. In addition, preventative actions are taken to stop any recurrence.

Our procedure for dealing with cases of non-compliance with food safety

- Risk identification: when an instance of non-compliance occurs, we immediately try to identify the risk that occurred.
- Risk assessment: based on the identified risk, we assess its nature and the effect.
- Risk containment: to contain the risk, we take track-and-trace and product-flow data into account. Regular communication with customers and suppliers is an important part of risk containment.
- Risk elimination: once the full extent of the risk has been identified, we eliminate the risk. Several measures can be taken here, such as a recall, reprocessing and disposing of the product involved.
- Return to the normal situation: depending on the risk, preventive measures can be implemented and the production process restored.

Further actions to be taken with these process steps include:

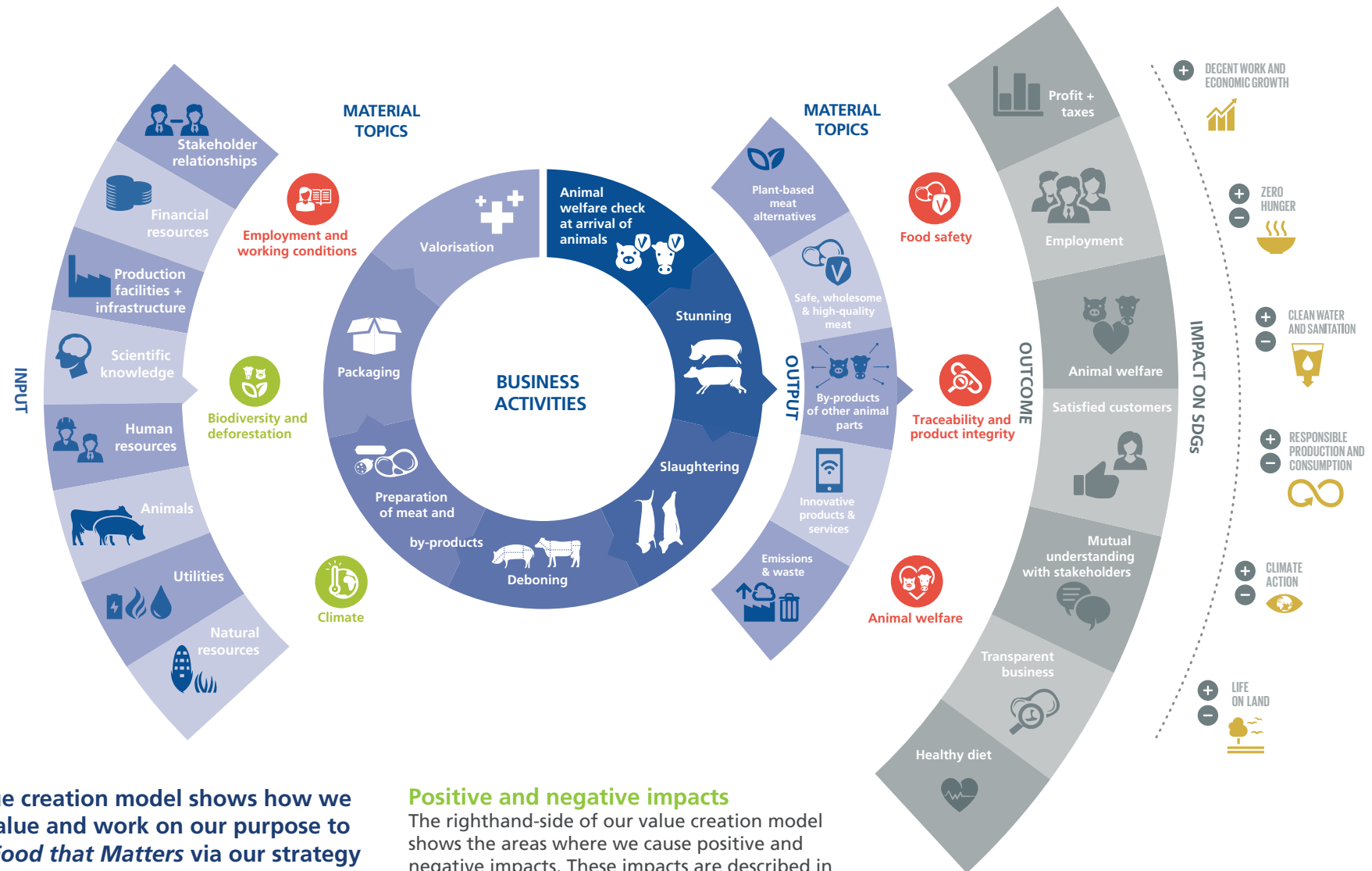
- Contacting the relevant authorities, standard-setting bodies and certification bodies.
- Preparing internal and external communications.
- Contacting customers to inform them of the impact of a situation, such as product withdrawal.
- Organising a controlled containment and risk-elimination structure.
- Informing insurance bodies and legal advisers as necessary.
- Reflecting on the issue, plus evaluating the effectiveness of all measures taken during and following the emergence of the issue.

Risks for people, animals, and environment

Likelihood			
Potential negative impact	Low	Medium	High
High	Animal welfare	Income of farmers Health of workers	Greenhouse gas emissions Biodiversity loss
Medium	Food contamination Antimicrobial resistance Incorrect product information		
Low			
Social and environmental risks	Possibly caused by	Approach	
Animal welfare	Farmers, transporters, Vion	Read more about our approach to animal welfare in our supply chain in the chapter Animal welfare (see page 56)	
Greenhouse gas emissions	Farmers, transporters, Vion	GHG emissions mostly originate at farms, and cattle farms more so than pig farms. Read more about our approach in the chapter Climate (see page 83)	
Biodiversity loss	Feed producers, farmers, transporters, Vion	The production of soy for livestock feed can be a cause of deforestation, while ammonia emissions at livestock farms and nitrogen emissions from transport can cause biodiversity loss. Read more about our approach to mitigate these risks in the chapter Biodiversity and deforestation (see page 115)	
Income of farmers	Vion, customers, consumers	The number of farmers is declining, in part because of a lack of successors. Read more about how we help farmers achieve a more stable income in the chapter Fair pricing (see page 126)	
Food contamination	Vion, customers, consumers	Food safety is our top priority. Read more about our approach in the chapter Food safety (see page 77)	
Antimicrobial resistance	Farmers	See our approach to minimising the risks regarding antimicrobial resistance in the chapter Animal welfare (see page 56)	
Health of workers	Vion and its workers	We continuously work to improve safety for our workers. Read more about our approach in the chapter Employment and working conditions (see page 98)	
Incorrect product information	Suppliers, Vion, customers	See how we prevent erroneous product information in the chapter Traceability and product integrity (page ##)	

We have set internal KPIs to minimise any negative impacts. Minimising and monitoring negative impacts forms part of our strategy and approach for each material CSR topic. You can find more detailed information in the section on the CSR topics (see page 55).

Value creation model



Our value creation model shows how we create value and work on our purpose to deliver *Food that Matters* via our strategy of Building Balanced Chains.

Positive and negative impacts

The righthand-side of our value creation model shows the areas where we cause positive and negative impacts. These impacts are described in more detail in each material topic, as well as in the next chapter 'Sustainable Development Goals'.

Sustainable Development Goals

Our strategy and activities with regard to the CSR topics are related to some of the Sustainable Development Goals (SDGs). These 17 goals, to be achieved by 2030, were set by the United Nations to create a better world for everyone. These goals can only be achieved if governments, companies, NGOs and individuals each take responsibility for their role and work together. We show how our strategy and activities relate to the Sustainable Development Goals. On the material topics relating to the SDGs, we have set ourselves concrete targets.



2 ZERO HUNGER

End hunger, achieve food security, improve nutrition, and promote sustainable agriculture



With our policy on food safety and antibiotics, we help ensure access to safe, nutritious food (target 2.1). Our target on food safety relates to this specific SDG target.



Meat protein plays a role in a healthy diet, especially for children and older persons and can prevent malnutrition (target 2.2).



With our strategy on organic meat and biodiversity, we support agricultural practices that help maintain ecosystems (target 2.4).



With our initiatives on fair pricing, we help to ensure the proper functioning of food commodity markets and to help limit extreme food price volatility (target 2.c).



6 CLEAN WATER AND SANITATION

Ensure availability and sustainable management of water and sanitation for all



We continuously target water-use efficiency (target 6.4). Our focus on and awareness for sustainable water usage relates to this specific SDG target.

7 AFFORDABLE AND CLEAN ENERGY

Ensure access to affordable, reliable, sustainable and modern energy for all



With our target on scope 2 emission reduction, we will contribute to an increase of the share of renewable energy in the energy mix (target 7.2).

8 DECENT WORK AND ECONOMIC GROWTH

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



Our efforts and results on working conditions contribute to safe and secure working environments and lead to improved labour rights for workers, including migrant workers, and those in precarious employment (target 8.8). Our employment strategy and targets on health and safety relate to this specific SDG target.



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Ensure sustainable consumption and production patterns



With our focus on resource use and waste (valorizing the whole animal), limiting energy and water usage, we work on the sustainable management and efficient use of natural resources (target 12.2). Our target on climate relates to this specific SDG target.



We adopt sustainable practices and report yearly on our progress on sustainability (target 12.6).



By communicating about the carbon footprint of our value chain and products, we contribute to people having the relevant information and awareness for sustainable development and lifestyles (target 12.8).

13 CLIMATE ACTION



Take urgent action to combat climate change and its impacts



With our policy on climate and by investigating and promoting ways to reduce the GHG footprint of livestock farming, we improve awareness-raising and institutional capacity on climate change mitigation and impact reduction (target 13.3). Our target on climate relates to this specific SDG target.

15 LIFE ON LAND

Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation, and halt biodiversity loss



With our commitment to deforestation-free supply chains, we work, together with farmers, on halting deforestation (Sustainable Development Goals target 15.2). Our target on biodiversity relates to this specific SDG target.



By supporting biodiversity together with farmers, we work on reducing the degradation of natural habitats and halt the loss of biodiversity (target 15.5).



With our policy and initiatives on fair pricing we promote fair and equitable sharing of the benefits in our food supply chains (target 15.6). Our targets on fair pricing relate to this specific SDG target.





CSR topics

CSR topics

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Animal welfare

Impact on society and Vion's role

We focus strongly on animal health, animal welfare and local origin. By actively playing a role in improving animal welfare, in third-party certification schemes to minimise risks at farm level, in transport and slaughtering, we have a positive impact in the industry. However, we also have a negative impact, as eating meat involves killing animals. We use the policies and steps set out below to ensure we do our utmost to assure the welfare of each individual animal.

Our policy, commitment and objectives

Control of and transparency around animal welfare are key issues in our strategy to create trust in our products and supply chain. We want to take the lead in animal welfare discussions, and we take responsibility for controlling the welfare status in the supply chain. Our goal is to scale up our animal welfare programmes so that by 2025, at least 25% of the meat we sell (measured by sold value) is certified under a recognised animal welfare, and to increase this figure to 50% by 2030.

Our animal welfare strategy consists of several levels of control allied to a number of objectives. The philosophy underlying this is that transparency in the supply chain improves animal welfare. We are therefore committed to gathering and sharing information on animal welfare aspects via digital systems with the rest of the supply chain. By collecting all relevant data and sharing the right data, farmers can improve their management systems, including reducing their use of medicines and improving animal welfare. In 2022, the executive committee invited leading members of the Dutch ministerial council for animal affairs to update us on the latest developments with respect to animal welfare in the Netherlands.

Our policy goes beyond the slaughtering process to also cover animal welfare at farms and during transportation. Under this we aim to:

- Control the welfare of each individual animal.
- Assist farmers in the continuous process of improving animal welfare.
- Provide hauliers with information and continuous education to evaluate and improve the transportation of animals.
- Give assurance to customers, consumers and society with respect to the control of animal welfare in the supply chain.
- To create trust by having a professional standing with regard to animal welfare and transparency with all stakeholders.

We have animal welfare KPIs for the transportation, handling and stunning of animals, and we monitor these on a daily basis. It is obligatory for all animals to be properly stunned before slaughtering can proceed. Our aim is to achieve proper stunning at the first attempt. Every month, we report the figures to the executive committee. Regarding the slaughtering process, our target for 2023 is for 99.9% of animals to be properly stunned at the first attempt, so requiring no re-stunning.

Animal-friendly husbandry policy

We follow a number of independent quality schemes for Good Agricultural Practice. These include QS, IKB and GlobalGAP. These schemes build in compliance with legal standards for animal welfare in the handling of livestock within the food supply chain.

Compliance with the animal welfare requirements set out in these programmes is supervised by independent audits of all certified farms. We work closely with our supply chain stakeholders to further define and strengthen the relevant programmes for Good Agricultural Practice, especially IKB, QS and GlobalGAP.

We work with farmers, customers and other stakeholders to stimulate and meet the increasing demand in the market for more animal-friendly meat. We favour using quality labels with standards for animal welfare and we work with stakeholders to develop these standards. Our Good Farming Star concept is based on the criteria of the Beter Leven Keurmerk 1-star label. More than 150 Dutch pig farms in our Good Farming Star supply chain are Beter Leven 1-star certified, and around 100 other farms are also Beter Leven 1-star certified. De Groene Weg not only conforms to the European organic standard, but is also certified with the Beter Leven Keurmerk 3-star label. Furthermore organic piglets are free from tail docking. This is valid for our organic chain De Groene Weg. For more information on these concepts, see the chapter Our brands and supply chain concepts (see page 17).

There is a strong link between animal welfare and livestock health. We therefore encourage farmers to invest in robust breeds. Dual-purpose breeds,

such as Simmental in dairy production, not only provide more tasty beef with production that is more environmentally friendly, but their robustness generally derives from their suffering fewer diseases and a longer lifespan. Around one third of our cattle are dual-purpose or cross-breeds. The others are mainly dairy breeds.

In Germany, we are involved in working groups that aim to increase animal welfare at farm level in line with the “Initiative Tierwohl” concept of German retailers.

We enable the market to choose higher animal welfare standards in beef. We consider customers and consumers to be a very important driver in determining the development of animal welfare labels in the beef market and we are committed to developing this market segment.

The qualification of *weidegang* (access to pasture) is also actively stimulated in the supply chain and to consumers.

Antibiotics policy

EU antibiotics policy

The development of antibiotic resistance is a serious threat to human and animal healthcare. In the last decade, several measures have been taken in the EU to restrict the use of antibiotics. The most important European measure is to forbid the use of antibiotics

as a growth promoter. This intervention, in 2006, led to a significant decline in the use of antibiotics. As part of the move to prevent the emergence of antibiotic resistance, the WHO prepared a list of antibiotics which are seen as critical to humans, such as 3rd and 4th generation cephalosporins. The use of these critical antibiotics is strictly regulated. They may only be used as a 'last resort' in cases of critical disease and only then when a clinical examination and antibiogram are planned. Their use is regulated and monitored by both official authorities and private industry standards.

If farmers do use antibiotics, they must build in a withdrawal period before delivering the animal for slaughter, so that all residues have dissipated. The competent authorities in Germany, Belgium and the Netherlands operate a monitoring programme for the presence of antibiotic residues in pork and beef, so they can see whether farmers are respecting the withdrawal period.

Vion's antibiotics policy

We take our responsibility for food safety and human health very seriously. With respect to antibiotics, there is a clear dilemma between the needs of animal welfare and the use of antibiotics. Sick animals need treatment with antibiotics so as not to compromise their welfare. However, the transmission of antibiotic resistance must also be considered in food safety assurance schemes. We have banned antibiotics that

are considered to be critical for humans in all our pork supply chain programmes, such as Good Farming Star in the Netherlands. In addition, in 2022 we explored the possibility of expanding the list of banned antibiotics to also cover those antibiotics that are projected to be designated as critical to humans by the WHO.

Through several projects with universities, customers and ZLTO, we now know that Vion pork plays a minimal role in the transmission of antibiotic resistance to humans. Nevertheless, we are determined to remain vigilant and are developing a monitoring system to ensure that our products do not contain any antibiotic-resistant genes that are relevant to human health. Such genes form the essence of the problem around antibiotic resistance. To ensure our suppliers work according to our policy, we use a combination of the Dutch governmental monitoring programme plus our own monitoring programme to check for veterinary drug residues in animals slaughtered in the Netherlands. With this risk-based programme, we can ensure that legal withdrawal periods are respected and that the animals in our supply chains do not contain any non-compliant substances.

Transportation policy

How animals are transported is critical to their welfare, as the animals are handled and placed in unfamiliar settings. We have strict guidelines to

minimise the stress animals experience and to ensure animal welfare. There are two important aspects at play with regard to transport: the transport distance and the circumstances in which the animal is transported. Vion's policy is that animals that are in a poor condition must not be transported. The transporter must also fulfill the regulatory requirements for animal transportation. We use our decentralised network of appropriately sized locations to ensure that transport distances for the animals are as short as possible. In the vast majority of cases, the maximum transport distance is 200 km, which is equivalent to a maximum of four hours in transport. Good route planning helps to keep transport times below the legal maximum of eight hours. We publish data about the origin of livestock for each plant on our transparency website. In 2022, we ran an online and face-to-face training programme in Germany for all transporters of pigs and cattle. This covered the fitness of animals to be transported.

We take a broader responsibility with respect to the welfare of animals delivered to us. In addition to a live animal inspection by the official (external/independent) veterinarian, we conduct standardised checks at every unloading of the animals:

- All individuals who handle animals are specifically trained to recognise all relevant aspects of animal welfare.
- Every individual animal is examined to assess whether animal welfare is assured.

- Should there be any doubt whatsoever about the welfare of an individual animal, all resources are available to restore animal welfare, or to stun an animal according to best practices.
- Data concerning the welfare of animals delivered to Vion is shared with both the animal transporter and the originating farm. This data supports improvement programmes on animal health and welfare at the farm and during transport.

Data concerning the condition of animals received by us is not only reported to farmers and transporters, but also published every quarter on our transparency website → www.vion-transparency.com.

Our policy during extreme temperatures

Animals may only be transported when weather conditions allow them to be moved with minimal distress. The changing climate has, in recent years, resulted in there being some days when temperatures are too high to allow stress-free transportation.

Since 2018, we have been working according to a protocol to prevent heat stress during transport. This protocol takes effect when a temperature above 27°C is forecast.

The protocol prescribes measures such as:

- Moving the time when animals are slaughtered from the afternoon to the morning.
- Loading and delivering animals earlier in the morning.

- Transporting fewer animals per truck.
- Keeping fewer animals in the lairage area.
- Additional ventilation and cooling in the lairage area.
- Cooling measures in the truck waiting area (trucks in the shade and extra mechanical ventilation).
- Germany specifically: reduction of the transport duration to a maximum of 4.5 hours, when the outside temperature is 30°C.
- Animal transportation and slaughter to stop should the outside temperature reach 35°C or above.
- In 2022 we held extra information sessions in close cooperation with the transporting companies to train and inform the truck drivers how to deal with extreme weather circumstances after incidents with overheated animals
- In 2022 we took extra measures to ensure a optimised schedule of arrival of animal transport from farm to slaughterhouse during extreme weather circumstances.

Animal welfare policy at slaughter

To secure animal welfare, avoid pain and minimise distress, our employees ensure that live animals under our care are treated according to the 'Five Freedoms':

- Freedom from hunger, malnutrition and thirst.
- Freedom from fear and distress.
- Freedom from physical and thermal discomfort.
- Freedom from pain, injury and disease.
- Freedom to express normal patterns of behaviour.

German institute bsi Schwarzenbek has a handbook for good practice. To a large degree, we work in line with the criteria in this handbook. Examples of our policy include:

- Our slaughterhouses have an animal-friendly infrastructure to minimise discomfort. The unloading area, lairage, stunning and bleeding areas are all designed to calm the animals and get them used to the new environment.
- The lairage is designed and operated to provide a rest period of 1.5 to 2 hours for all individual animals before slaughter.
- Pigs and cattle have room to lie down in the lairage area.
- There are showers in the lairage of pigs to calm the animals after transport.
- CCTV is present in all areas containing living animals.

We control animal welfare at all our slaughterhouses. Measures include:

- Having several employees act as animal welfare officers in each of our slaughterhouses. They are specifically qualified to assess the process and ensure the meeting of all animal welfare guidelines. All animal welfare officers receive regular animal welfare training.
- Training all employees who interact with live animals in animal welfare. Only trained staff are allowed to handle live animals.

- Monitoring the outcome of the Welfare Standard Operating Procedures and reporting on the KPIs.
- Monitoring the effectiveness of stunning and bleeding for all individual animals by trained Vion staff.
- Applying corrective and preventative actions in the case of non-compliance with internal standards. This is mandatory for each of our production sites.
- Consolidating and reporting animal welfare KPIs and additional relevant observations to the executive committee.
- Our expert veterinary team evaluates the performance of the individual farms and transporters concerning animal welfare and animal health. This team also leads research and development projects to define and develop the next steps in animal welfare control.

Stunning policy

We stun every animal in our care before slaughtering. The stunning methods used at our plants comply with the regulations, such as EU regulation 1099/2009. All animals are individually examined by trained staff between stunning and bleeding. For each sign (e.g. eye reflex) that could indicate sub-optimal stunning practices, it is mandatory to immediately re-stun the animal. In almost all pig slaughterhouses, the animals are stunned using high concentrations of CO₂. When using CO₂, a pig falls unconscious within 15 seconds. Midas equipment is used to stun with electricity. This involves delivering both a head-to-head stun and

stunning of the heart. Scientific research by the EFSA (European Food Safety Authority) has concluded that both methods are considered acceptable to stun pigs for slaughter.

Our basic standard for the stunning of pigs is:

- CO₂ back loader with a minimum of four and a maximum of eight animals per gondola.
- CO₂ concentration above 90% so that the pigs quickly lose consciousness. This is above the minimum legislative requirement of 80%.

Our standard for the stunning of cattle is:

- A restraining box with a device that restricts both the horizontal and vertical movement of the animal's head. The animal's head is fixed to improve the effectiveness of stunning.
- A pneumatic captive bolt is used as the stunning device.

Our standard for the stunning of cattle increases the success of the stunning procedures and exceeds the current minimum standards required by legislation.

Netherlands

In the Netherlands, all slaughterhouses are certified to the criteria of the Beter Leven Keurmerk (BLK). In addition, our Apeldoorn and Groenlo slaughterhouses are SKAL certified (an organic label). Achieving BLK certification involves meeting a number of

additional requirements compared with non-BLK certified slaughter:

- An Animal Welfare Officer (AWO) is present at all times during handling of the animals.
- All personnel are trained to work with animals.
- Pigs and cattle are slaughtered on the day of transport.

Germany

Our German slaughterhouses at Perleberg (pigs), Buchloe (cattle), Bad Bramstedt (cattle), Crailsheim (pigs) and Waldkraiburg (cattle) are certified to conform to the Für Mehr Tierschutz label. This means:

- The unloading of animals has to be done within 30 minutes.
- Extra space in the lairage.
- Special training of employees and animal welfare officers.

Supervising animal welfare

We operate a multilayer and independent system for supervising animal welfare. It has four stages:

First party supervision

Our senior animal welfare officers and veterinarians peer review animal welfare at least twice a year at each slaughterhouse. Announced and unannounced

visits are made to check that a site's control system is functioning according to our standards.

Second party supervision

Compliance with customer animal welfare standards (e.g., McDonald's, Tesco, Edeka) is assessed by auditors who liaise with our customers.

Third party supervision

Compliance with independent accredited certification standards that include animal welfare (e.g. QS and IKB). Additionally, there are independent animal welfare standards (Beter Leven Keurmerk/ Für mehr Tierschutz label).



Public supervision

Government veterinarians are present continuously during the slaughterhouse inspections of each live animal. We also have permanent supervision by an official external veterinarian at the slaughter lines of all our slaughterhouses to assess the health and welfare of the slaughtered animal.

Should the competent authorities issue warnings or fines relating to a specific element in our process that needs to be improved, we always publish those inspection results on our transparency website
➔ www.vion-transparency.com.

Activities in 2022

Calves with their own mother

A new project started in October with the calves born at the Mul family's organic dairy farm are not only allowed to grow organically at the Van den Brink livestock farm; they are also allowed to spend the first three months of their lives growing up with their own mother in the pasture. Not only do consumers attach great value to allowing calves to stay with their mothers longer, there also are more and more studies that show that these calves develop greater resistance.

De Groene Weg previously made it known that about 10% of organic calves are also raised organically. The other 90% are sold on the regular market. De Groene Weg believes that there is room for improvement in this respect and has started building a Dutch organic beef supply chain. In doing so, the company meets a need among many organic dairy farmers. Organic dairy farmers Gerard and Mieke Mul from Boterhuys Farm in Warmond are going one step further. Their calves are allowed to stay with their mothers for the first three months of their lives. Gerard: "We think it is important to work as naturally as possible. That is why we now allow calves to stay with their own mother for the first three months, until they no longer need



her milk. This also means that bull calves are allowed to stay with their mothers.”

Activities on husbandry

Vion's performance in the business benchmark on farm animal welfare

The Business Benchmark on Farm Animal Welfare (BBFAW) evaluates the world's leading food producers, retailers and food service companies regarding their management and reporting of farm animal welfare. The report showed that Vion's performance equated in 2022 to Tier 3 of the Benchmark.

De Groene Weg launches Dutch organic Beef Chain

In September De Groene Weg signed an open-ended contract with Erik van der Velde, an organic dairy farmer, and Gert-Jan Stoeten, an organic cattle farmer, De Groene Weg officially started building a Dutch organic beef chain. This way, De Groene Weg responds to consumers' growing demand for regionality, as well as to organic dairy farmers wanting to raise and valorise their calves organically.

Development of the 'healthy pig farming' programme

The Dutch 'Coalitie Vitale Varkenshouderij' (CoViVa - the coalition for healthy pig farming) is a supply chain collaboration between pig farms, breeders, feed suppliers, slaughterhouses, banks and the Dutch

Ministry of Agriculture, Nature and Food Quality. We are one of the partners who developed the CoViVa programme.

The programme represents a balanced approach that will result in a healthier and more innovative pig farming supply chain. The Dutch pig farming sector is a global leader in sustainable and circular agriculture, and stands out internationally for transparency on nutrient and mineral circles, food quality, animal health, animal welfare and its relatively low nitrogen and greenhouse gas footprint. The coalition for healthy pig farming is responsible for implementing this innovation programme.

The CoViVa programme focuses on the following five ambitions:

- High-quality care of the local environment.
- Holding a central position in food circularity.
- Making a substantial contribution to preventing climate change and further the energy transition.
- Robust and healthy pigs in animal-friendly farming.
- Global leader in market orientation and supply chain cooperation.

Activities on transportation

Vion and an external animal welfare institute trained all our German pig and cattle transporters. The primary focus was on the fitness of the animals to be transported.

Extreme temperature protocol

We have updated our extreme temperature protocol for days when temperatures exceed 27°C.

Changes include:

- Lowering loading density during transport by 10%.
- Parking trucks in the shade and next to wind turbines.
- Spraying the road surface underneath parked trucks with water to reduce the temperature.
- Organising the trucks' schedule so they arrive just-in-time and so reduce the waiting time before unloading.
- A maximum transportation time of eight hours for cattle and pigs.
- Germany: reduction of transportation time to a maximum of 4.5 hours when the outside temperature is 30°C or higher.

Should temperatures exceed 35°C, all animal transportation is halted. In 2022, this resulted in reduced slaughtering times, with one shift per day being removed from the schedule during several days of hot weather.

African swine fever

In both Germany and the Netherlands, we participate in the respective government's African Swine Fever prevention team. Together with other stakeholders, we identified road and motorway parking areas as high-risk transmission locations. A number of measures had already been taken, such as installing

boar-resistant waste bins, fences and signs. A number of Vion volunteers and others regularly audit these parking areas and, using an app, report their findings to highway maintenance teams. This is an example of effective cooperation between participants in the pork supply chain and the government.

Activities on slaughtering

The continuous improvement of animal welfare is in our DNA, leading us to take the following initiatives in 2022:

- The passage way for animals after transport at our plant in Bad Bramstedt, Germany, was refurbished.

- We are part of a scientific project with the Friedrich Loeffler Institute to find alternatives to stunning pigs with CO₂.
- We conducted training programmes for animal welfare officers in Buchloe, Germany.
- In collaboration with several universities and other scientific institutes, we train our workers to handle animals kindly. The training is based on the animal's natural behaviour. Everyone who works with live animals receives this training. Exceeding the minimum legal requirements, we have implemented a continuous education programme to ensure all workers are kept up to date on the scientific standards concerning animal welfare.

We publish all official observations by the government, such as warnings, fines and audit results, as well as third-party audits, on our transparency website

➔ www.vion-transparency.com. Through this, any stakeholder can check our performance regarding animal welfare, hygiene and product integrity.

Camera surveillance with artificial intelligence to improve practices presented at Grüne Woche in Berlin

Together with stakeholders including animal welfare NGOs and Deloitte, we have co-developed software, based on Artificial Intelligence, that can analyse every



minute of CCTV footage from our production sites and select anything that could be worthy of further investigation. The selection is reviewed daily and, based on this review, potential corrective actions take place. In January 2023 the tool was presented to minister Christianne van der Wal at the Grüne Woche in Berlin. This new software tool modernises the monitoring of animal welfare through the unique use of Artificial Intelligence, setting a new standard regarding animal welfare monitoring worldwide. Having AI review all footage allows us to improve our animal handling more effectively. As of 2022, all our slaughterhouses are now equipped with this system.

Tail length dilemma

Docking the tails of piglets to prevent biting has a long history in pig husbandry. Tail biting can cause serious problems for the welfare of the pig and the quality of the meat. It is therefore important to prevent tail biting.

A pig's tail has a clear physiological and social function. The tail enables the pig to indicate whether it feels stressed or comfortable. Without a tail, the pig is missing part of its communication palette. For several years, we have encouraged farmers to adjust the point of docking, so that pigs' tails are long enough to enable them to communicate.

The challenge of tail biting lies in the multifactorial causes. Tail biting occurs when pigs feel

uncomfortable. The cause can be disease, farm management, the pig's housing or a mismatch between its genetics, housing or management. Farmers therefore need to follow a tailor-made approach to ensure that any decision to cease docking entirely is the correct one. This is why we believe in taking an incremental approach to increasing the length of the pig's tail. And it is working, because the average length of a pig's tail has increased.

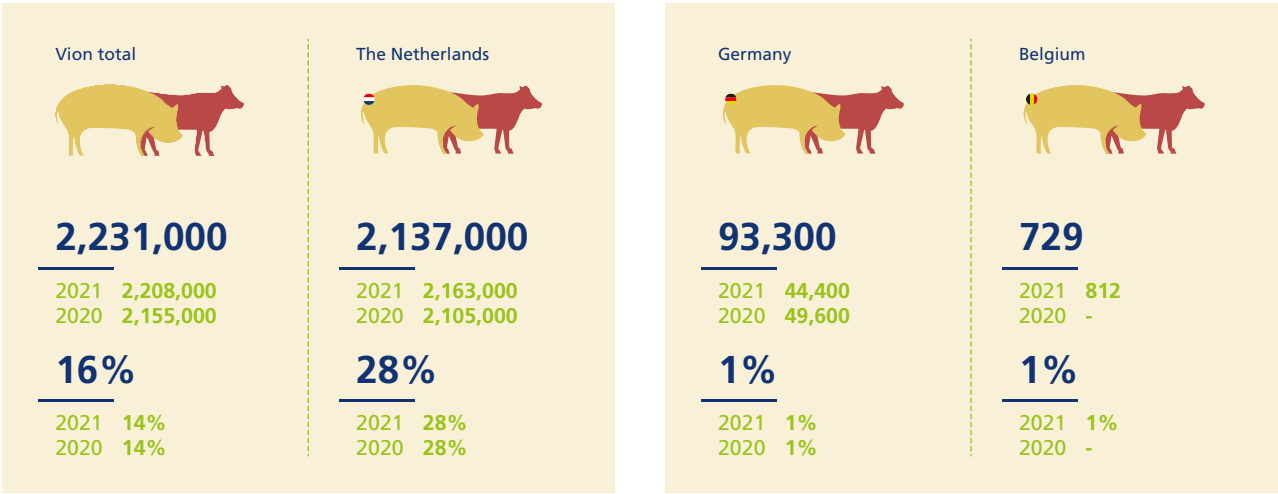
Nevertheless, we still see that tail lengths clearly differ from farm to farm. We need more objective information to persuade farmers to abide by this aim. We need to measure every pig's tail if we are to know exactly what the average length is at every farm. So, to do this, we have developed a fully automatic measuring system. Using a so-called 'vision' system, we measure the tail length of each individual pig. This gives us an insight into the performance of the whole farm. We can then compare farms and get farmers to learn from their peers. We believe that by starting a conversation about tail size that is based on actual information, we can get the remaining farmers to alter their tail docking practices. And this in turn will contribute to a higher standard of animal welfare.

Outlook and improvement plan 2023

- We continue to further develop our smart CCTV software with Artificial Intelligence for the unloading area of the lairage. This offers us a contemporary tool to monitor and continuously improve the welfare of animals that are delivered to slaughter.

Results

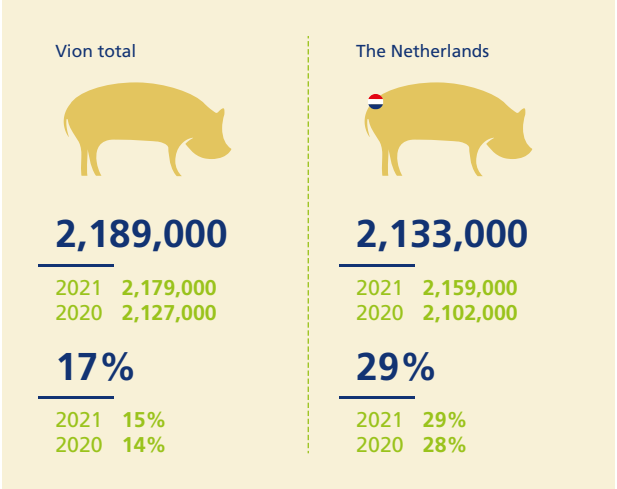
Animals raised under certified higher animal welfare requirements (EU Organic, Beter Leven, Für mehr Tierschutz, Haltungsform 3)



Clarification of results

In Germany in 2022 we saw a higher demand in the market for Haltungsform 3.

Pigs raised under certified higher animal welfare requirements (EU Organic, Beter Leven, Für mehr Tierschutz, Haltungsform 3)



Pigs raised under certified higher animal welfare requirements - the Netherlands - Beter Leven Keurmerk 1



2,000,000

2021 2,025,000
2020 1,967,000

27%

2021 27%
2020 27%

Pigs raised under certified higher animal welfare requirements - the Netherlands - Beter Leven Keurmerk 3



123,000

2021 125,000
2020 126,000

1.7%

2021 1.7%
2020 1.7%

Pigs raised under certified higher animal welfare requirements - Germany - Für mehr Tierschutz



5,100

2021 5,000
2020 9,100

0.1%

2021 0.1%
2020 0.1%

Pigs raised under certified higher animal welfare requirements - the Netherlands - Beter Leven Keurmerk 2



10,200

2021 8,800
2020 9,500

0.1%

2021 0.1%
2020 0.1%

Pigs raised under certified higher animal welfare requirements - Germany - Initiative Tierwohl (ITW)



2,589,000

2021 2,166,000
2020 1,579,000

45%

2021 31%
2020 21%

Pigs raised under certified higher animal welfare requirements - Germany - Haltungsform 3



29,000

2021 -
2020 -

0.5%

2021 -
2020 -

Pigs raised under certified higher animal welfare requirements -
Germany - Organic



22,200

2021	15,100
2020	15,700

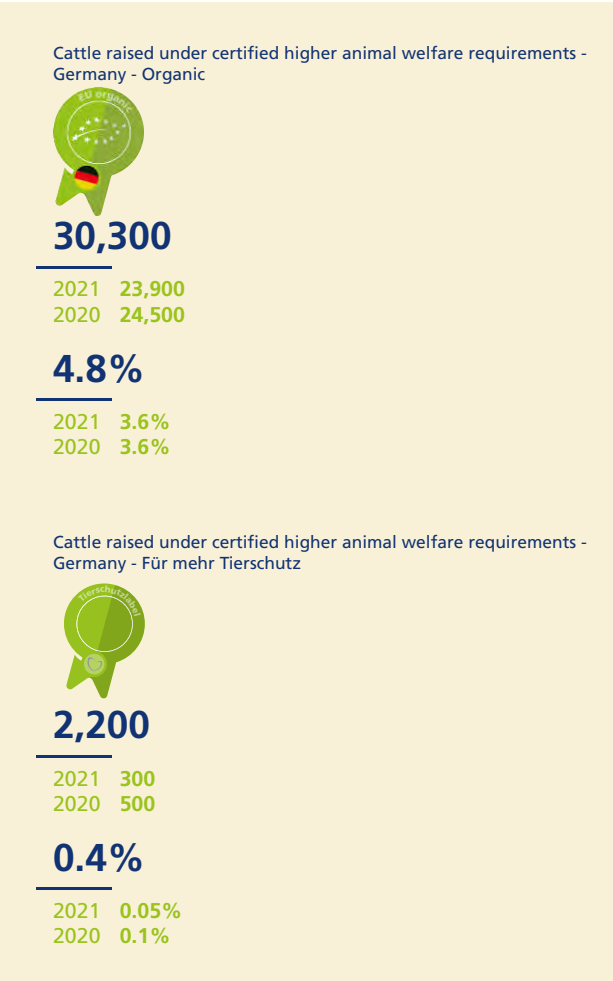
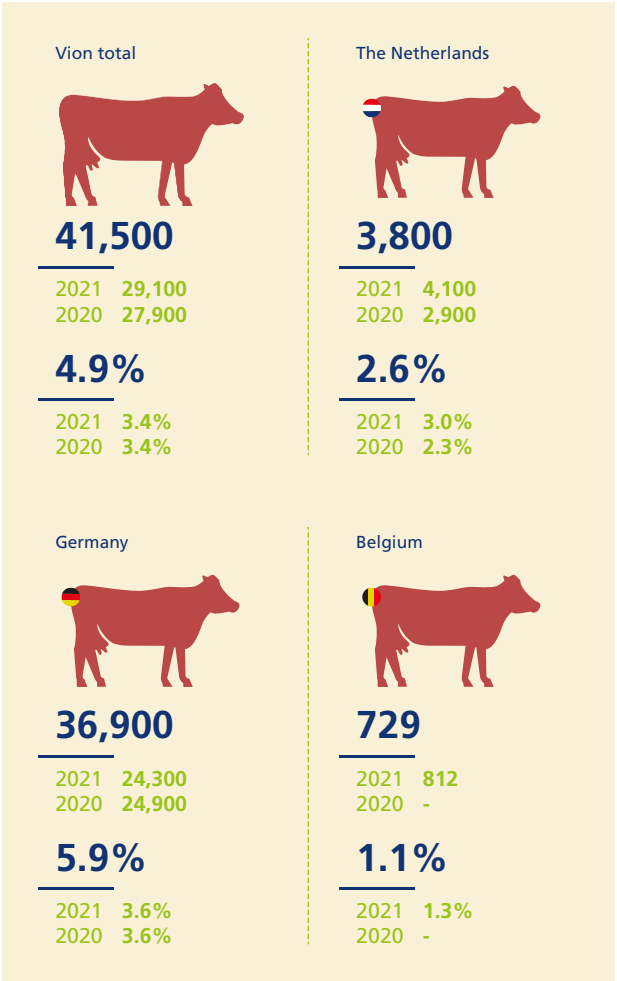
0.4%

2021	0.2%
2020	0.2%

Clarification of results

In general we see a rise in pigs raised under animal welfare requirements in the Netherlands and Germany.

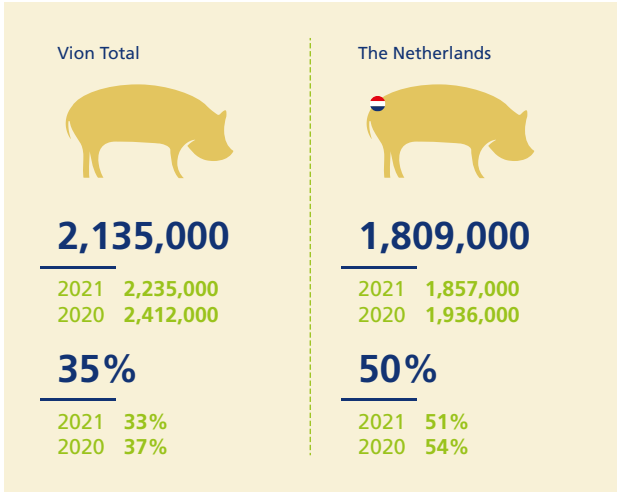
Cattle raised under certified higher animal welfare requirements (EU Organic, Für mehr Tierschutz)



Clarification of results

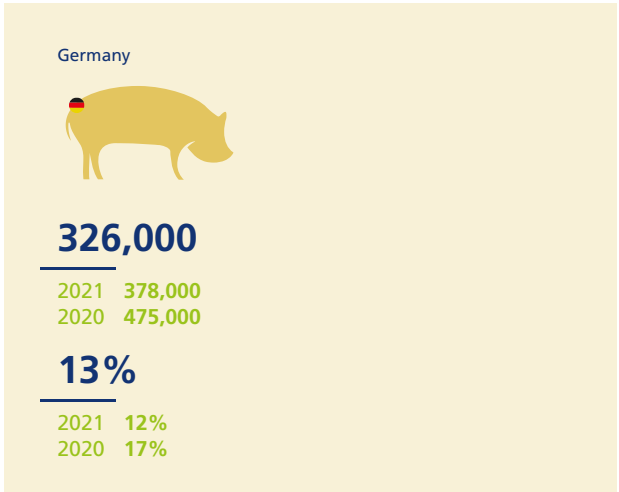
In Germany in 2022 we saw a significant rise in cattle raised with animal welfare requirements due to increasing market demand for organic dairy products.

Total boars (not castrated) of all male pigs slaughtered

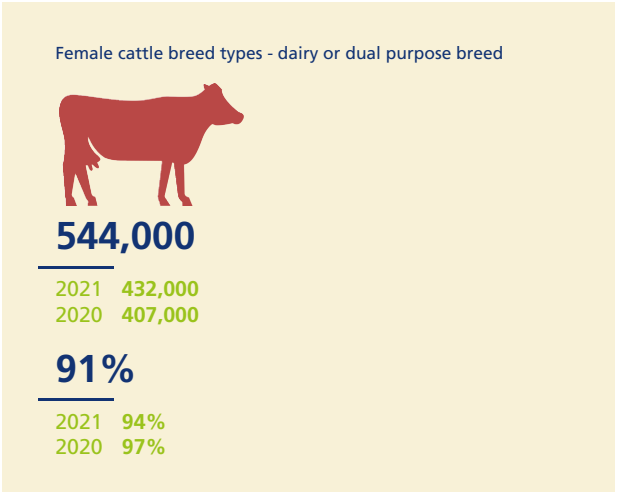


Clarification of results

Certain standards prescribe raising entire boars and other farmers voluntarily choose to raise entire boars. That is why the percentage of entire boars fluctuates a bit each year.



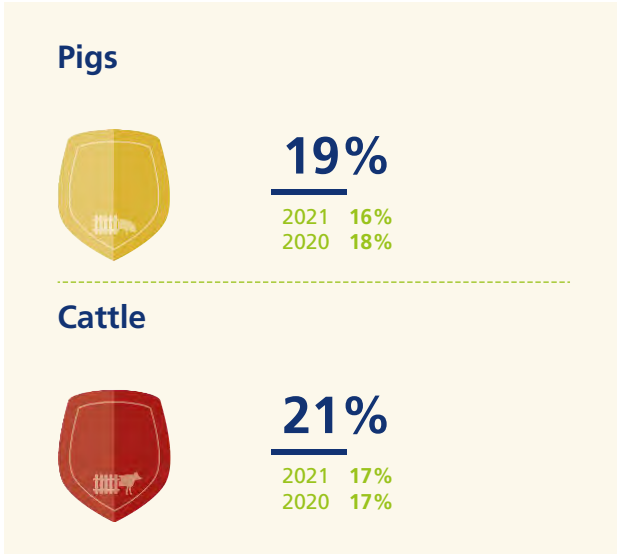
Female cattle breed types and average age of slaughter



Clarification of results

Within Vion we slaughter cattle of dairy breeds, beef breeds, and dual purpose breeds. Vion doesn't slaughter calves. Dairy and dual purpose breeds make more efficient use of natural resources than beef breeds. Besides, the greenhouse gas emissions can be allocated to both dairy and beef. In 2022, we slaughtered less male cattle but more female cattle of a beef breed. For the efficient use of natural resources and greenhouse gas emissions this does not make much difference, as they are both only used for beef. In 2022, 91% of the female cattle were of a dairy or dual purpose breed.

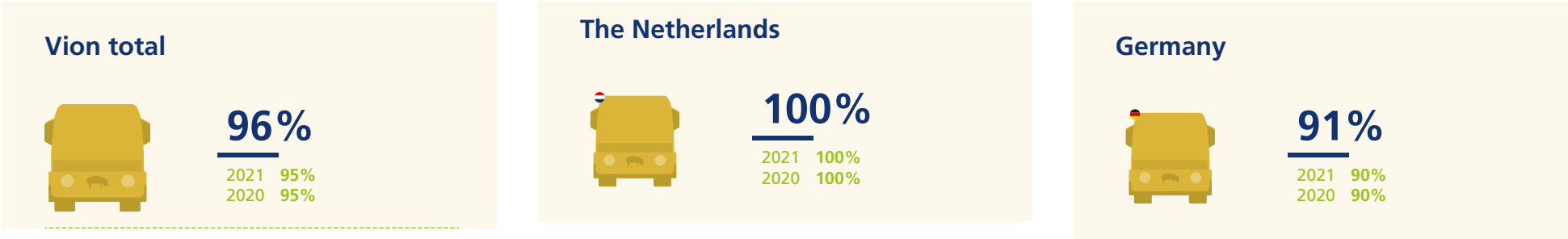
Animals slaughtered in independently certified regionality programmes - Germany



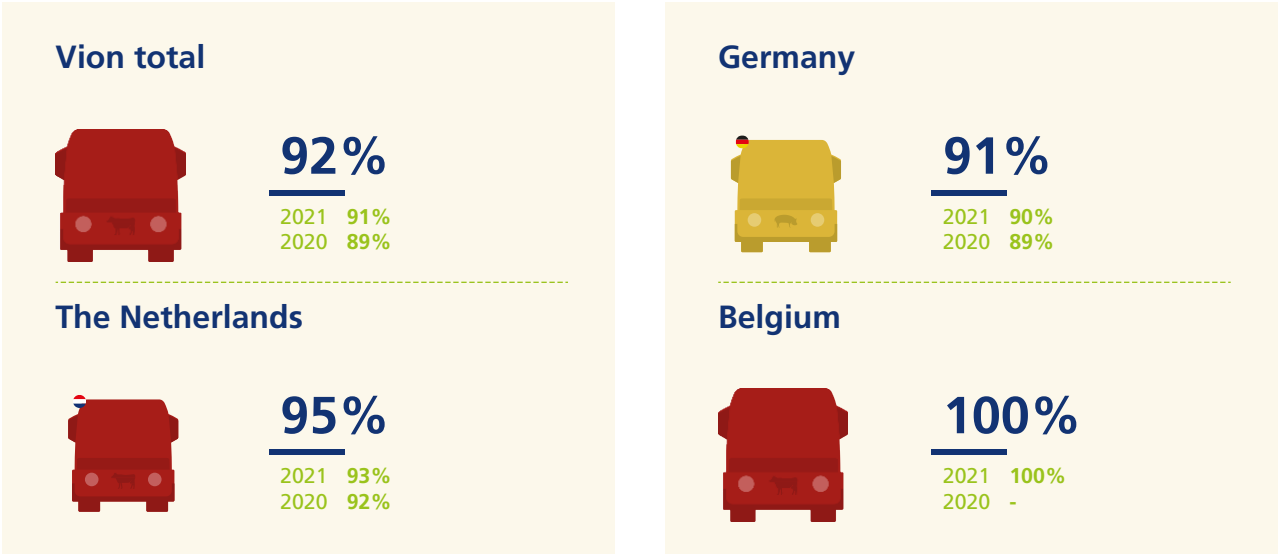
Clarification of results

In the Netherlands, we do not have animals from independently certified regionality programmes.

Pigs transported ≤ 200 km



Cattle transported ≤ 200 km



Clarification of results

The transport distance from the farmer to the slaughtering facility is measured using a radius. This is because we have the location data of the farmers that deliver to us, but not the actual transport distance travelled by road. The percentage of animals transported 200 kilometres or less has remained stable over the last few years.

Animals slaughtered in plant with specific animal welfare standards

Third-party standard that includes animal welfare aspects (QS / IKB)



98.4%

2021 99.6%
2020 100.0%

Clarification of results

Belgium has no chain animal legislation standards for cattle that are certified in the slaughterhouse.

Specific animal welfare certification (BLK / Für mehr Tierschutz)



71.5%

2021 60.3%
2020 58.5%

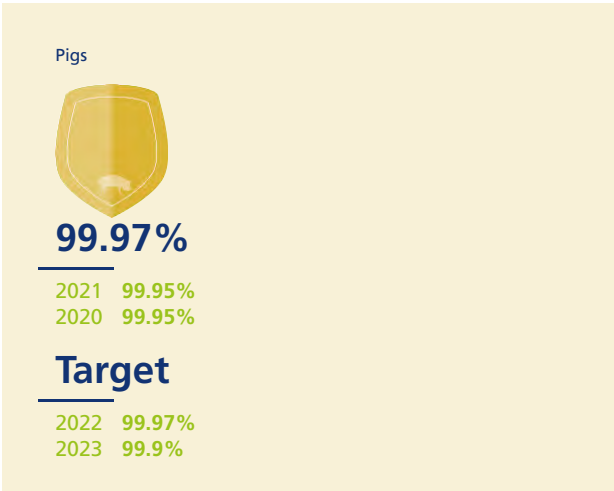
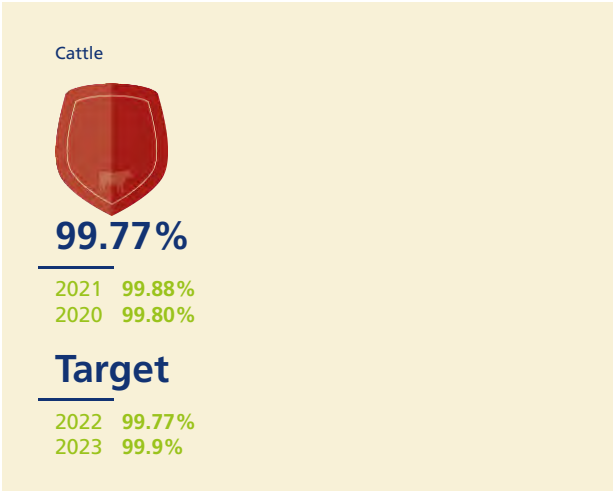
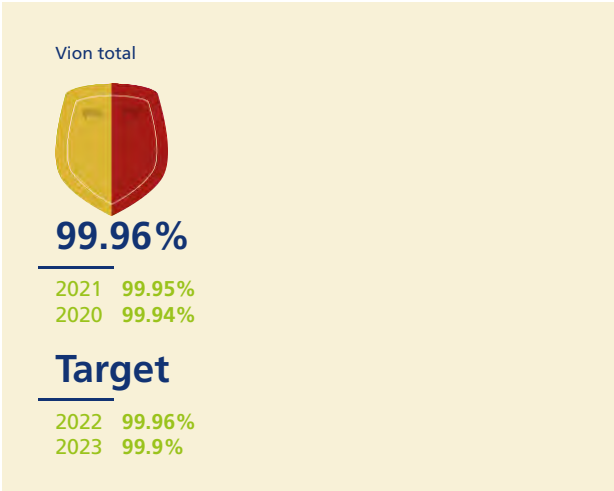
Customers' private animal welfare standard



90.6%

2021 89.6%
2020 89.4%

No re-stun needed



Clarification of results

Our very strict rules relating to re-stunning result in the re-stunning of animals that are in fact already effectively stunned. Due to the biological and physiological mechanisms in animals, a certain percentage of stunned animals will show signs that could be interpreted as being related to consciousness despite effective stunning. The policy is that it is better to be sure than wrong.

This KPI therefore shows both the effectiveness of the stunning and the alertness of the workers on the line to act when needed. Therefore, the actual figure for no re-stun required will never be 100%.



Food safety

Impact on society and Vion's role

In food production, particularly when preparing foods of animal origin, there is always the risk that your way of working will have a negative impact on food safety. Animals carry microorganisms that can also infect humans when they are exposed to such bacteria. Furthermore, the processing of animals and products along the supply chain comprises many occasions at which products could become contaminated with unwanted materials should the way of working fall below the required hygienic standard. As such, Vion, our customers and consumers have the potential to cause contamination that could lead to a food-borne infection or intoxication. However, our performance levels regarding food safety procedures remain stable and effective. In this way we contribute to people's access to safe and nutritious food all year round (Sustainable Development Goal target 2.1). We aim to have a positive impact on food safety in our industry. Vion therefore shares the results from food safety research through scientific publications, at scientific conferences and via national meetings organised by branch organisations. We also provide industry partners with support on conducting quantitative microbial risk assessments.

Our policy, commitment and objectives

Producing safe and wholesome food is one of our top priorities. Food safety and quality assurance are embedded in the codes of practice at all Vion production sites. We are committed to the ISO 9001 standard for quality-oriented organisations, and all Vion facilities are ISO 9001 certified. The only exceptions are those sites that have been part of Vion for less than three years.

Our work on food safety covers diverse areas and processes:

- High standards of hygiene during daily operations.
- Training personnel.
- Equipment used.
- Daily cleaning and disinfection of production areas.
- Raising the bar for food safety standards by being board members of standard-setting organisations.
- Conducting scientific research to obtain the latest information and to study possibilities for improvement.

Vion-HACCP system

All our sites have incorporated the Vion-HACCP system, which is globally accepted. The Vion-HACCP system starts with identifying and prioritising relevant hazards: how often does a hazard occur and how serious is the potential hazard to humans? Given the nature of our products, several of these hazards consist of bacteria that occur in animals and can cause illness in consumers. Such bacteria are called

zoonotic bacteria and the subsequent human illness a 'zoonosis'. When it comes to slaughtering, there are two key principles for assuring food safety related to these zoonotic hazards. We prioritise these in our daily operations:

- Ensuring hygienic processing, with zero-tolerance on contamination from digesta.
- Preventing micro-organisms from multiplying by controlling the temperature at every stage of production.

Monitoring systems & compliance

Vion has developed and implemented standardised monitoring systems to demonstrate compliance with hygienic processing requirements and the control of relevant hazards. This monitoring system includes collecting a meaningful number of samples at relevant points in the supply chain. We 'sample to find' because doing so provides valuable knowledge upon which to act. For instance, we take excision samples from multiple places on a carcass because each of those areas is considered to be a hotspot for contamination. We include results from the food safety monitoring process in the internal monthly report to the executive committee.

To verify compliance with food safety and customer requirements, all production sites are certified according to the rules of the Global Food Safety Initiative (GFSI). The two private food safety standards

we use are the International Featured Standards Food (IFS Food) and the British Retail Consortium (BRC) standard. By meeting their requirements, we show that we comply with a high standard of food safety. We have also committed to being audited by third parties to show compliance with the highest food safety standards. We publish these and other audit reports, as well as the results of quarterly inspections, on our public website → www.vion-transparency.com.

Products made from live animals inevitably contain microorganisms. This is not a risk in itself; it is part of nature. However, monitoring the number of microorganisms as a KPI provides a useful indication of how hygienic our work practices are. Our internal microbiological standard is based on the number of bacteria we find from the *Enterobacteriaceae* bacterial family during the final stages of production, which is when products have been handled the most. Given the natural variation in bacterial counts and product origin, it is unlikely that all samples will always comply with our internal standard. However, by committing ourselves to as high a percentage as possible, we can continuously improve our way of working and reduce any microbiological food safety risks. In 2023, our objective is to have 90% of pork and beef comply with the Vion internal standard.

Control risks in the supply chain

To control risks in the supply chain, we require our suppliers to adhere to and certify their activities under a Good Agricultural Practice (GAP) scheme, such as GlobalGAP, the German QS (Qualität und Sicherheit), the Dutch Integrale Keten Beheersing (IKB) or Holland Varken. These schemes have been organised independently and on-farm audits are carried out by independent certification bodies. As a major stakeholder, Vion is committed to contributing to the design and organisation of these schemes.

Activities in 2022

In 2022, no incidents were recorded in which Vion products had a negative impact on consumers. In fact, several food safety interventions, such as continuous improvements in sanitary checks and hygienic working, which were built on the Vion-HACCP programme, clearly showed an improvement when it comes to reducing human exposure to relevant hazards.

Research into the potential of modern technologies in microbiology

We work with several academic and other scientific groups. These include the Freie Universität Berlin, Wageningen University (WUR), Utrecht University, Eindhoven University of Technology (TU/e) and ZLTO. The research topics vary. For example, we work with the WUR and TU/e on precision livestock farming. This project explores how we might optimise the farming

system by identifying the needs of an individual pig and then designing the farming system around them using sensor technology. By optimising the farming system, we can optimise the aspects 'animal health', 'animal welfare' and 'sustainable animal production'. A collateral benefit of this is that zoonotic food safety hazards are also expected to be controlled to a higher standard.

Listeria

Vion recognises *Listeria monocytogenes* as a relevant food safety hazard and we routinely monitor our products and the production environment for its presence. Listeria can occur anywhere in the environment and can multiply at refrigerator temperatures. Young children, pregnant women, the elderly and immunocompromised people are especially at risk of illness should they eat contaminated foods. In 2022, we began a quantitative microbial risk assessment (QMRA) specifically on Listeria in ready-to-eat food to ensure we have data-driven and science-based control in all our relevant production sites.

Ready-to-eat foods in which listeria can multiply are subjected to a so-called negative release programme: multiple samples of the product are taken from each batch and screened for the presence of listeria. The batch is released only when the bacterium is not detected in the samples.

Hepatitis E virus

In January 2019, we began a scientific research project with Utrecht University, Wageningen University and seven supply chain partners to study the hepatitis E virus. Pigs can carry this zoonotic virus without getting ill. Although the public impact of this virus is limited, we want to have a better understanding of the epidemiology. A PhD student is studying the possibilities to control the hepatitis E virus on pig farms, with the aim of reducing the infectiousness of pigs at slaughter. By taking control measures at the farm, we also tackle other transmission routes, including direct contact with pigs and environmental transmission. The initial project results show variability in the virus's presence on farms. This supports the idea that taking control measures could alter the spread of the virus. We are currently following up on two farms for three consecutive production rounds to investigate the transmission of the virus on the farm and to identify management options to control this transmission.

COVID-19

During 2022, we maintained our measures to control COVID-19 in our production premises. The benefits of vaccination and booster vaccinations were communicated to all employees and incentives were given to those that wanted to get vaccinated to do so. In addition to labour-related measures, we carried out product controls. This involved taking multiple samples of packaged products and outer

packaging materials to check that COVID-19 was not present. The results of this extensive sampling showed that Vion products did not contribute to the spread of COVID-19. Furthermore, no spreading events, as observed in 2021, were observed in Vion locations in 2022.

Recalls

In 2022, Vion carried out one public recall. Steak tartare was recalled due to a suspected *shiga toxin-producing E. coli* (STEC) contamination. Furthermore, marinated products were reclaimed from four customers because one of the ingredients was found to be contaminated with Salmonella. As these products had not reached the consumer, this is not considered to be a public recall.

FVZ had two recalls in ready-to-eat products. As these products had not reached the consumer, this is not considered to be a public recall.

Dilemma

Food safety requires carcasses to be singed in gas-operated flaming ovens and the products need to be kept cold. This requires gas, electricity and refrigerants, all of which negatively impact greenhouse gas emissions. The slaughter phase contributes a relatively low amount of greenhouse gas emissions compared with the emissions seen during livestock farming. However, we are nonetheless committed to reducing our own carbon footprint to be solidly in line with international and national climate agreements. At the same time, energy consumption cannot be reduced too much without compromising the functioning of the food safety management system, which remains our number one priority.

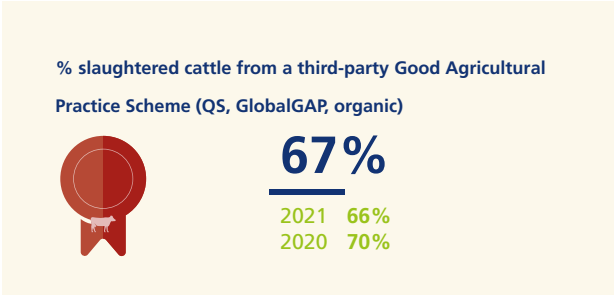
Water, too, is an important resource that is essential to achieving a high degree of food safety. Daily cleaning and the disinfection of production equipment and rooms is a fundamental prerequisite for food safety. As food safety is our priority, this places a limit on the possibilities we have to reduce water consumption in our meat processing facilities.

Outlook and improvement plan 2023

- We will continuously update our HACCP system in line with our expanding product range.
- We will further develop our science-based quantitative risk assessment procedures. In this, we will pay extra attention to chemical contaminants. Doing so will increase the assurance that we eliminate realistic public health threats throughout the supply chain while avoiding food waste and the significant costs that arise from responding to public health threats.
- We will complete our research on Hepatitis E virus following delays caused by the COVID-19 pandemic. We will share what we have learned about preventing the transmission of the virus on farms in professional and scientific journals.

Results

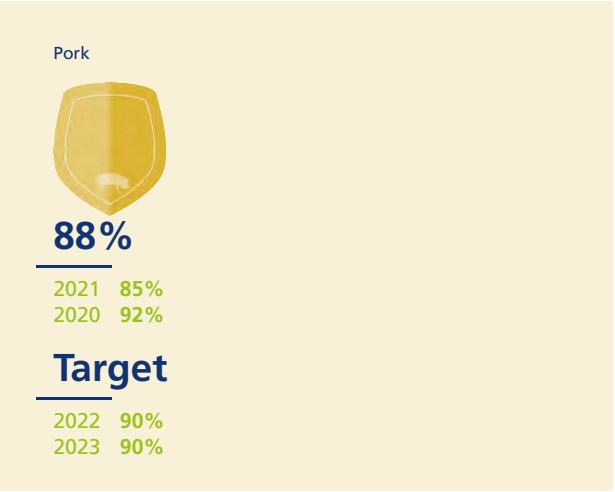
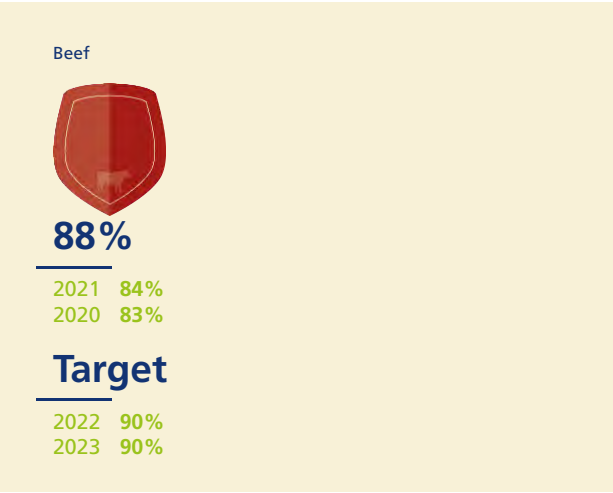
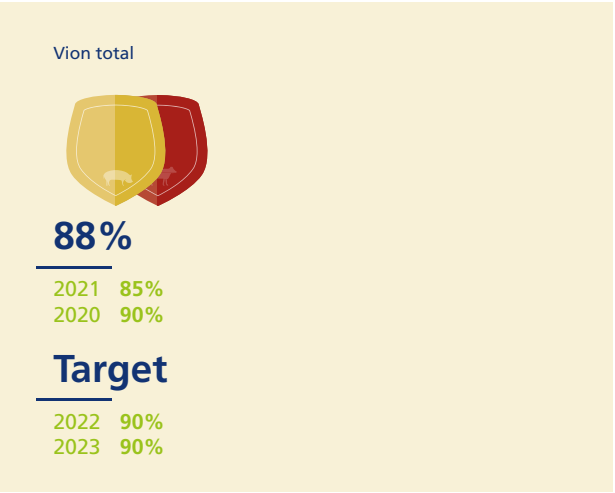
Volume manufactured in sites certified by an independent third party according to internationally recognised food safety management system standards



Clarification of results

The percentage of sales from GFSI-approved plants was slightly lower in 2022 and 2021 compared to 2020 because we still have one production site that is not GFSI approved. As that site's sales volume share increased, the GFSI percentage declined slightly.

% compliance with internal Vion microbiological standards for product hygiene



Clarification of results

The norms applied in Vion's internal microbiological standards for product hygiene are substantially stricter than those required by legislation. This ensures that legal compliance is guaranteed at all times. Given the natural variation in bacterial counts, it is unlikely that all samplings will always comply to our strict internal standards. However, by striving for a percentage that is as high as possible, we can achieve a continuous improvement in food safety.



Climate

Impact on society and Vion's role

Food production causes greenhouse gas emissions. These emissions predominantly comprise methane, nitrous oxide and carbon dioxide. Our contribution to global warming is estimated at less than 5% of supply chain emissions. The negative impact of our value chain on climate change is mainly due to animal feed production and methane emissions on the farm. At the same time, soil and vegetation on farms help to remove carbon from the atmosphere; this in turn has a positive impact on the climate. We make our carbon footprint transparent to provide our supply chain partners with insights into current emission levels and to show how these compare to other food products. This will stimulate the whole supply chain to make more sustainable choices to reduce the CO₂ footprint. In this way, we work towards the sustainable management and efficient use of natural resources (SDG target 12.2). By communicating the CO₂ emission comparisons in our CSR report, we help people to support sustainable development and lifestyles (SDG target 12.8). With our reduction targets for scope 1, 2 and 3 emissions, we increase the awareness and institutional capacity on climate change mitigation and impact reduction (SDG target 13.3).

Our policy, commitment and objectives

We are committed to bringing to market food products that have a lower carbon footprint than those available today, and to provide information to customers and consumers on the footprints of the products they buy.

During the past five years, Vion has carried out several studies to define the actual carbon footprint of the products we produce and market. This was done as part of our research activities with several stakeholders and based on international guidelines and scientific information.

Our footprint consists of our direct and indirect emissions (scopes 1 and 2), together with supply chain emissions (scope 3). Using life cycle analysis (LCA), we include all relevant emissions in the carbon footprint of our products. In animal supply chains in particular, the farming and feed emissions are substantial. This shows the relevance of scope 3 in terms of actions we should take to reduce the footprint. Together with professional stakeholders in feed and farming, we have managed to calculate the actual carbon footprint of our pork and beef suppliers. These figures are reported in this CSR report.

Our carbon footprint ambitions are based on what we have learned over recent years about our own performance. Those ambitions are further aimed at reducing our emissions to a level that limits global

warming to <1.5°C. These ambitions are in line with governmental rules such as the Paris agreement and the European Green Deal. Vion committed to the Science Based Targets initiative (SBTi), an independent organisation for setting science-based targets for our carbon footprint (scopes 1, 2 and 3) to ensure that our reduction ambitions are in line to limit global warmings of 1,5 degrees Celcius.

Our CO₂e targets between 2021 and 2030 are at least 42% absolute reduction for scopes 1, 2, and 3 non-FLAG (forest, land and agriculture) emissions and 30.3% for scope 3 FLAG emissions. The ambitions, as shown in the figures for scopes 1, 2 and 3, are in line with these targets. These targets do not include offsets. The FLAG sector is expected to decarbonise more slowly than energy/industry because nitrous oxide and methane emissions are more challenging to reduce in agricultural production.

Explanation of scopes 1, 2, 3

Scope 1: Direct CO₂e emissions from sources controlled or owned by the company – e.g. fuel for our own vehicles.

Scope 2: Indirect CO₂e emissions associated with the generation of energy consumed by the company, that occur at sources owned

or controlled by another company – e.g. purchased electricity.

Scope 3: Indirect CO₂e emissions that are linked to the company's activities and occur up and down its value chain – e.g. farming.

Scopes 1 and 2

100% green electricity target

Approximately 40% of the electricity we use is used to cool meat and so ensure the quality and safety of our products. We evaluate our energy contracts with the aim of reducing costs and securing a continuous supply. At the moment, we are increasing the share of renewable energy in our standard contracts. In parallel, we are reviewing our overall energy purchase strategy to achieve our 100% green electricity target by 2030 (scope 2). One alternative is setting up long-term Power Purchase Agreement (PPAs) with renewable sources, not only to use green electricity, but also to foster the development of such projects.

The use of solar panels is embedded in our green electricity targets. However, there are limits to the areas where we can implement them. We generate as much energy as possible by combining different energy generation methods, and meet the remaining demand through a centralised purchasing approach.

Decrease energy consumption

Our target for 2023 is to decrease our energy consumption by at least 2% while also increasing the share of renewable energy in our mix. Our objective is to become net zero in production by 2045 (scopes 1 + 2). Reduction of non-renewable energy forms part of our financing agreement with our bank and will be audited externally. Reductions in energy usage will be achieved by increasing energy efficiency and applying the latest techniques.

Electrify our fleet

For 2023, we have set a target that at least 25% of our corporate fleet should be made up of electric vehicles. We also aim to accelerate the electrification of our trucks and trailers. By the end 2022, we already had 50 electric vehicles in our corporate fleet (~13%). This is expected to increase in the next year, depending on the ability of the manufacturers to deliver. In addition, we have 10 electric trailers in our fleet and introduced the first three electric trucks, which are currently operating in the Netherlands.

Scope 3

Consumers should be able to make informed choices based on relevant, scientifically robust and internationally accepted data. To achieve this, we are developing the conditions and information needed to

enable our clients to include a GHG (Green House Gas) label based on actual data from the supply chain.

Determining the best method of calculating the carbon footprint

Vion is committed to a calculation methodology for GHG developed by Wageningen University¹ that is:

- Based on internationally accepted standards (the PEFcr and LCA ISO)
- Scientifically accurate
- Transparent to customers, consumers and governments
- Accepted by authorities
- Based on primary data from farms and their suppliers, and extrapolates this for comparable companies
- Able to provide information on measures for footprint reductions in the supply chain, and especially on farms

It also aligns with methodologies already implemented – or to be implemented at some future time – in the food industry.

The practical implementation of footprint calculations requires raw data from supply chain partners, such as farms and feed suppliers, through a robust and reliable data infrastructure. Data needed includes:

- Feed constituents

- Production figures on performance
- Manure handling
- Implementation of renewable energy sources

Vion participates in the 'Red Meat' European technical group of the PEFcr (Product Environmental Footprint category rules) in which norms for calculating the footprint are discussed.

In the EU Green Deal, the target for 2030 is a carbon footprint reduction of 55% compared with 1990, and to be climate neutral by 2050. Vion has asked Wageningen University & Research (WUR) to estimate the carbon footprint of pig farming in 1990. Vion currently calculates that there has been a carbon footprint reduction of roughly 25% in pig farming between 1990 and 2021.

Transparency and reliability

Our objective is to have transparent and reliable data that we can use to calculate and communicate an accurate CO₂ footprint. On top of this, the calculations themselves must be auditable. To share outcomes with different partners in the agricultural supply chains, we need agreements and authorisations to guarantee safety and trust. We see that transparent but anonymous benchmarking between different farmers can reveal options for continuous improvement that will result in a further reduction of the footprint.

¹ <https://www.wur.nl/nl/Onderzoek-Resultaten/Onderzoeksinstituten/Economic-Research/show-wecr/WUR-ontwikkelt-methode-om-CO2-voetafdruk-productie-varkensvlees-te-meten.htm>

In 2023, we will communicate relevant supply chain data to assist pig and cattle farmers in delivering CO₂ reduction measures. This includes benchmarking the carbon footprint of farms and benchmarking the supply of inputs to farms.

Carbon footprint of pork

The carbon footprint of pig farming is mainly composed of the production of feed and on-farm manure storage and processing. Our initial calculations show a substantial variation between farms. If we succeed in eliminating half the variation between farms, we could reduce the carbon footprint by at least 10%.

The regional pig diet is largely composed of by-products from the food industry. The lower footprint of these products makes them relevant to the control of the carbon footprint of pig production. All pig and cattle farmers can access these carbon-emission-friendly sources of feed ingredients. Science and technology can also help farms to increase the nutritional value of feed and thereby reduce the carbon footprint of pork.

Several projects are currently running to reduce the carbon and methane emissions of manure collection, storage and processing. Doing this will reduce emissions substantially from 2025, which is when the results will become available.

Carbon footprint of beef

The potential pace of carbon footprint reduction is slightly faster in pig farming than in cattle farming. Among other reasons, this is the result of the complex, counteracting mechanisms in the rumen system of cattle, with its substantial production of methane. Methane emissions from rumination and manure can cause substantial greenhouse gas emissions. However, Vion mainly slaughters dairy cattle and the offspring of dairy cattle, which are essentially by-products of dairy production, making the CO₂ footprint substantially lower than that of beef from pure meat breeds.

We are developing programmes to reduce methane and manure emissions significantly and so achieve sustainable production. We expect that, from 2025, this can fuel a faster rate of carbon footprint reduction at cattle farms. We also expect that cattle farmers will have opportunities to increase and measure carbon sequestration in the near future.

Carbon footprint of other purchased goods and services

Regarding the purchase of animal products from slaughterhouses elsewhere, we will further increase the pressure on our suppliers to gradually reduce the carbon footprint of their products in the coming years. The suppliers of food constituents need a few more years to do this than, for example, the suppliers of packaging materials and other products. Also, our

meat suppliers must await the adaptation process at farm and feed level. We therefore differentiate the pace of carbon reduction according to the possibilities available in the different supply chains.

Dialogue with stakeholders

Vion discusses possible solutions to a variety of environmental topics with our industry partners. For example, we are a partner in the working group initiated by the Dutch government into the reporting of carbon footprints for food in the Netherlands. The output of the group was a project team that will take the lead when it comes to changes in favour of sustainable farming. We are also discussing the value and circularity of manure with our supply chain partners. During public debates, we discuss the sustainability of meat and meat alternatives with a variety of stakeholders. Lastly, we are cooperating with stakeholders to align calculation methodologies to ensure comparable outcomes.

Activities in 2022

2022 saw significant developments in terms of reducing emissions at Vion.

We created a central energy team so we could focus on creating the environment required to achieve our targets. We recruited a CSR Portfolio Manager who will coordinate and report on scopes 1,2 and 3. We recruited people to accelerate our carbon footprint calculations with our farmers and completed the first calculations for cattle in the Netherlands and Germany. We spent over € 4 million in energy projects to reduce our energy consumption by 8 GWh per year, and contacted suppliers in our value chain for actual data to make our calculations more accurate. We addressed stakeholder groups to help us address potential negative impacts of our activities on the climate, and how to mitigate them. We are creating specialised teams in the company to work on climate impact reduction. We have prioritised a list of climate impact measures aimed at reducing our impact and a planning when these measures will be achieved.

Scopes 1 and 2

In 2022, we reviewed our data sources, streamlined the data flow process and created a dedicated team to focus on the scope 1 & 2 data. In addition to those projects already underway, and on top of creating the basis for further action, we defined individual targets per site to achieve our overarching Vion target. These site-specific targets reflect the characteristics

of each location. All these steps will help us to prioritise targets for 2023 and move forward on our sustainability agenda.

The largest share of emissions in scopes 1 & 2 relates to electricity consumption, so the creation of a central energy team marks a breakthrough in tackling this. The team will coordinate projects across sites, identify new opportunities and maximise the reduction of emissions while allowing for constraints on resources, monitoring our results and acting if these are lower than expected.

We are adding to the number of sites in our certification and energy monitoring practices, and creating standard guidelines to reduce our energy consumption. With the installation of our energy monitoring system, we will be able to track projects continuously and make improvements faster.

In addition to electricity, logistics was another priority topic in 2022. As a large factor in our scope 1 emissions, it is extremely important that we advance the electrification of our corporate fleet, including our trucks and trailers. However, we are also looking into other fuel options, such as hydrogen-powered trucks, as a potential logistics strategy.

Compliance with laws and regulations

We are committed to limiting energy use as much as possible without compromising product quality and food safety. To that end, we are working on energy saving measures. All production sites submit monthly reports on energy efficiency, which are benchmarked against best practices. Should a site report a significant divergence from the benchmark, we focus on how to reduce the energy consumption there. Vion is audited to make sure we conform to the European Energy Efficiency Directive (EED). In Germany, 14 of our production locations have ISO 50001-certified energy management systems. Regulations in Germany require each site to set an annual target for energy reduction and to organise internal and external audits that show how those targets were achieved.

Energy savings

In Germany, we hold ISO 50001 certification at all our plants, ensuring the efficiency and lower energy consumption of our sites. We want to expand this certification to a larger number of sites beyond Germany. In 2022, the central energy team developed an energy management system for the Netherlands and Belgium, and started to roll out the system in Groenlo, the Netherlands. This energy management system will be implemented in all our other Dutch plants as well. ECON, our electricity and gas measurement system, is installed in 95% of

our sites in Germany and 33% in the Netherlands. We expect to reach 100% in both countries by the beginning of 2023.

Cooling

As cooling represents the biggest part of our electricity usage, we are focusing on ways to make the process more energy efficient. In addition to the spray cooling system used to cool carcasses and a programme to optimise the cooling temperature per room and per moment, we are investing in modernising our cooling system at approximately 10 sites. In Perleberg and Emstek, we modernised the cooling system in order to cut the amount of energy consumed. We also invested in modernising our cooling systems at our locations in Altenburg and Buchloe.

Vion's cooling systems use ammonia and CO₂. Some, however, also use Freon. The use of Freon is being replaced by ammonia or CO₂ as cooling installations are renewed. Doing this lowers greenhouse gas emissions as Freon has a significant global warming potential. Ammonia does not contribute to ozone depletion or global warming, and it also has very good physical and thermodynamic properties. CO₂, however, is a more economical refrigerant and safer for our workers. We look for the best solution for each situation.

Re-utilising released energy

We are always looking for ways to re-use released energy. In 2021, we began evaluating the idea of converting slaughterhouse waste into power, to ensure long-term, profitable independent energy. This evaluation has demonstrated potential in various areas, including biogas generation, heat recovery, by-product usage and others. Our goal now is to extract as much energy as possible from these sources to reduce and re-use what was previously wasted.

One example in 2022 was the installation of a heat recovery system in Crailsheim, Germany, on the chimneys of the pork line. This enables us to recover energy that was previously wasted. We use it to heat water for cleaning and so reduce our gas consumption. Other similar projects are planned for 2023, and our goal is to replicate successful projects in as many sites as possible.

In Enschede, the Netherlands, we installed a heat pump that uses the heat from the machine room to produce warm water for the offices and changing rooms. Doing so has completely replaced the use of gas for this. Reducing our gas dependency is another positive effect of such projects.

Green electricity

In 2022, Buchloe and Crailsheim, in Germany, installed solar panels on the roofs of the cleaning areas for the live animal trucks. These will produce 240 MWh

of electricity a year. The newly acquired Distrifresh cold storage facility, in Den Bosch, the Netherlands, already has a solar panel installation on the roof. This produces 120 MWh of electricity per year.

Logistics

Vion's central logistics team works continuously on projects that will lower our carbon footprint. One goal is to reduce transport distances and so emissions, in combination with the central packaging pooling project.

We continually renew our fleet with more efficient trucks. We added eight electric trailers at the Vion Move subsidiary in Twist, Germany, in 2022. We also added 15 new eco-trailers at Distrifresh Bortel and three electrical terminal tractors. These trailers are zero-emission for fossil fuels (Scope 1). In mid-2022, we expanded Distrifresh Bortel by adding a new cold storage location in Den Bosch, the Netherlands. This reduces travel distances and optimises processes.

Digitalisation is one of the key factors in achieving carbon footprint reduction. We are therefore working on the following projects:

- Extension of the central Transport Management System
- Transparency
- Trustworthy data
- Route optimisation
- Avoiding driving empty

- Synergising Vion-owned transport companies to reduce empty mileage
- Better utilisation of Vion-owned fleets (with third parties)
- Start digitalising transport related documents (E-cmr)
- Mid to long-term agreements with suppliers to use ecological logistic solutions

Working closely with our central logistics team, Salomon FoodWorld and FVZ Convenience developed an optimised logistics plan to reduce CO₂-emissions by 25%. This plan received the Lean & Green Award. Our next step is to evaluate hydrogen-powered vehicles and their potential for use in logistics.

Scope 3

Farming represents the largest part of our scope 3 emissions, but it is not the only one. Other sources of emission, such as third-party logistics, outsourced production and other suppliers, play a role in achieving our 2045 net zero goal. The aim is to work through partnerships with clients and suppliers to jointly set a standard for CO₂ footprint calculation of our products.

In calculating the carbon footprint we prefer to use real data and stay away from industry averages where possible. This approach helps us to calculate the actual performance and to identify emissions hotspots. It also significantly increases the challenge

we face to acquire data. We were able to expand our data infrastructure in 2022 by connecting more farmers and supply chain partners to deliver the required data.

Blockchain

It is an extensive endeavour to gather actual data from all our farmers, suppliers, clients and other partners in the supply chain. In 2022, we put a lot of effort into improving our systems and our connection to our farmers and their suppliers. We further developed our blockchain to consolidate all data in one platform, and we are increasing connections and standardisation along the chain to ensure that information is reliable. As a result, we were able to increase the number of farmers for whom we calculated their carbon footprint.

Pig farmers have been investing a lot in manure storage and processing, so reducing greenhouse gas emissions and limiting odour nuisance. In 2022, we expanded the calculation database of pig farmers to 80 Dutch farmers. We also calculated the carbon footprint of three German pig farmers.

Carbon footprint calculations

We are committed to calculating the carbon footprint according to internationally accepted guidelines (the European PEF guidelines) and based on actual (primary) data as much as possible. This means we calculate the individual footprint of each supplier and

then derive our scope 3 values in accordance with PEF guidelines. This approach requires substantial resources for its development, but we believe this is the only way to achieve real transparency and continuous improvement in our supply chains.

There are two main advantages to using this method. First, it enables us to show our actual progress in terms of reducing supply chain emissions and the impact of specific projects and the actions associated with it. We undertake such projects and actions in partnership with our suppliers. Second, it demonstrates our confidence in our suppliers and our partners. It shows they are aligned with us in the pursuit of lower emissions and, importantly, the results show that our farmers already emit less greenhouse gasses than the global market average.

Dialogue with stakeholders

Together with industry partners, we discuss possible solutions to a variety of environmental topics. For example, we were a partner in the working group initiated by the Dutch government to report on the carbon footprints of food in the Netherlands. This led to the creation of a project team that will lead the way in making changes that favour sustainable farming. We are also discussing the value and circularity of manure with our supply chain partners. In public debates, we discuss the sustainability of meat and meat alternatives with a variety of stakeholders. Lastly, we are working with

stakeholders to align calculation methodologies to ensure we can all accurately compare our findings.

Farming

Having implemented the methodology for pork as an automated calculation system, and received data from 80 pig farms, we then aligned with initiatives in the dairy sector. This involved using the data available in the Annual Nutrient Cycle tool to calculate the footprint of more Dutch dairy farmers. In 2022, we calculated the carbon footprint of meat from approximately 50 Dutch dairy farmers, and began discussions to do the same for German farmers. Results indicate that these cattle farmers are in the top 10% of dairy farmers worldwide (see figure) when it comes to having a low carbon footprint. Finally, we began calculating the carbon footprints of our first five plant-based meat alternatives, with results expected at the beginning of 2023. The results for Pork and Beef are shown in the figures at the end of this chapter. The carbon footprints are expressed as kg CO₂-equivalents per 100 g of protein to enable easy comparisons with other foods of animal origin or a substitute.

Supply chain

In addition to our farmers, we are currently making an inventory of all supply, from packaging to logistics, to calculate our total carbon footprint as part of the Science Based Targets initiative. We began collecting this data in 2022. We approached these companies

and requested the necessary data to calculate their part of our CO₂ footprint. Using this data, we will quantify the footprint in our base year, set at 2021.

In addition to gathering the relevant data from our supply chain partners, we included greenhouse gas emission requirements in the supplier selection and evaluation process. This change will help us to partner with the right suppliers, support a more transparent emissions overview and ensure their targets are aligned with ours.

Dilemma

There are different points of view regarding the norms for calculation methods. An animal is not only used for meat, but also for hides, skin, milk, etc. Should the calculation of the meat's footprint be based on the economic value of these different products, or on their volume, or on biophysical allocation (energy needed for production)? At EU level, the preference is to use economic value, partly because this increases comparability between different food items. The downside is that when the market value of a product changes, the calculated footprint changes as well. Vion will use the EU preferred norm: PEF.

Outlook and improvement plan 2023

In 2022, we committed to setting science-based targets for our carbon footprint (scopes 1, 2 and 3) to make sure that our reduction ambitions are in line with a maximum of 1,5 degrees Celcius of global warming. We will finalise these targets in the first quarter of 2023 to have them approved by the Science Based Targets initiative. In addition to these short-term reduction targets, we have said we intend to achieve net zero emissions across the supply chain by 2045 (ultimately 2050).

Scopes 1 and 2

- We will focus on the further optimisation of our cooling systems at other sites (e.g. Großostheim and Ahlen) and our freezing units (e.g. Waldkraiburg, Buchloe), which are expected to eliminate over 2 GWh of energy consumption.
- In 2023, we will finalise the rollout of our energy monitoring tool at all locations and include several measures as part of it (e.g. energy, water). The system measures usage in each work area. This is useful when trying to identify reduction possibilities. The tool will provide the basis when setting targets

for consumption reductions at each plant. It will also enable us to monitor results, the speed of adaptation and to achieve the best outcome.

- In order to achieve the CSR goals, we will increase our investments in heat recovery systems and other circular projects in the coming years. One example is the waste water treatment project. This enables us to produce renewable energy, re-use our water and produce by-products that can be used as fertilisers. Projects like this have multiple benefits and will be a central focus for us in the future.
- We will focus on converting our parking spaces into solar energy generation hubs, producing some of the energy required by the site and to power electric vehicles.
- In addition to solar energy, we are also evaluating other electricity generating sources, such as wind and water. In 2023, we will assess the ability of our sites to generate energy from wind and calculate the feasibility of using it to complement our green electricity matrix. If feasible, wind could support our green targets, but it is not expected to cover 100% of our energy demand, which will need to be addressed by other projects. We will therefore also use

2023 to focus on finding further solutions to bridge the gap.

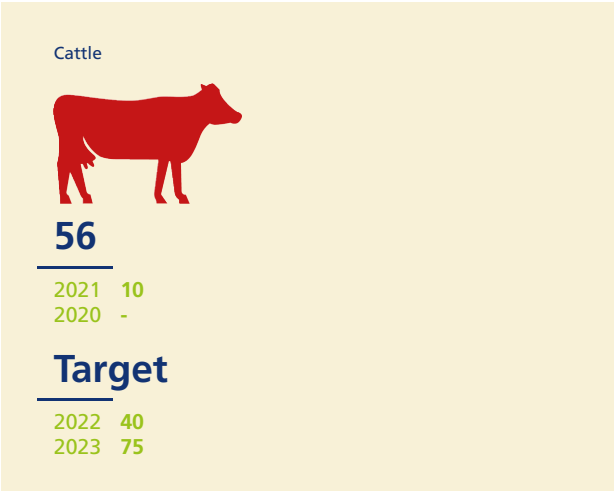
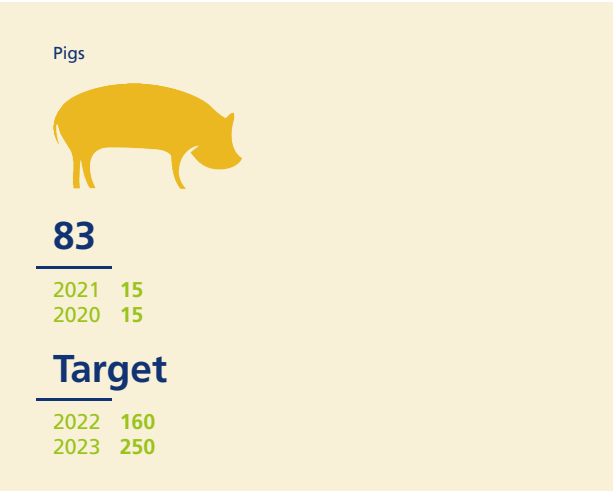
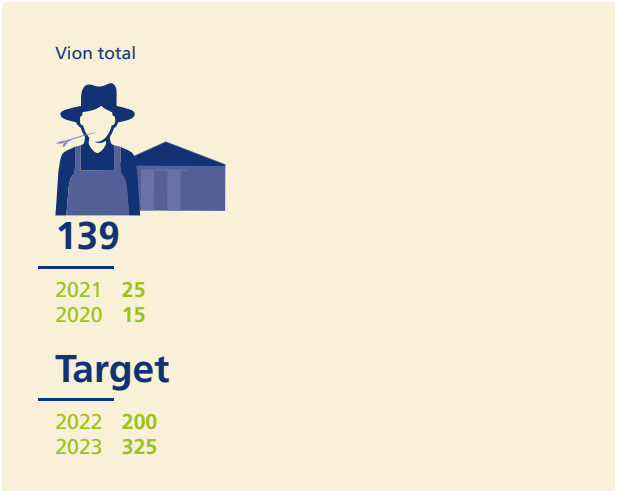
Scope 3

- In 2023, we will work with our pig suppliers to reduce our CO₂-footprint by 2030. Within Good Farming Balance, sustainability will become a part of the concepts, just as is the case with our specialist Robusto concept.
- We are working together with pig suppliers to create an incentive for CO₂-reduction to help make the pork chain more sustainable. In this way, we will connect sustainable items in the existing pork chain. This new system will be created with pig suppliers in 2023, with the objective of implementing it in the same year.
- In 2023, we will continue to expand the number of pig and cattle farmers in our greenhouse gas calculations. We are encouraging as many farms as possible to use JoinData so we can gather the data we need to make the CO₂ calculations. We will also continue to host meetings in which farmers can share results. This will help them to learn about best practices and so help to reduce the environmental footprint.
- To reduce food waste and increase the circularity and sustainability of our products,

we will support farmers in using by-products from the food industry. We will do this by reporting on their carbon footprint and, with the relevant supply chain partners, indicating possible areas for improvement.

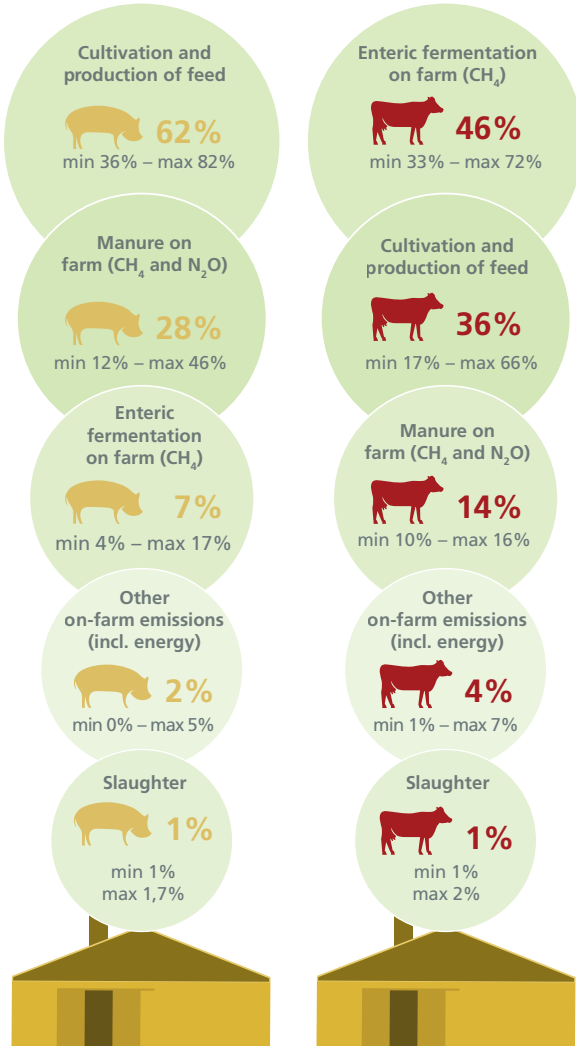
Results

Farms on which GHG emissions are assessed

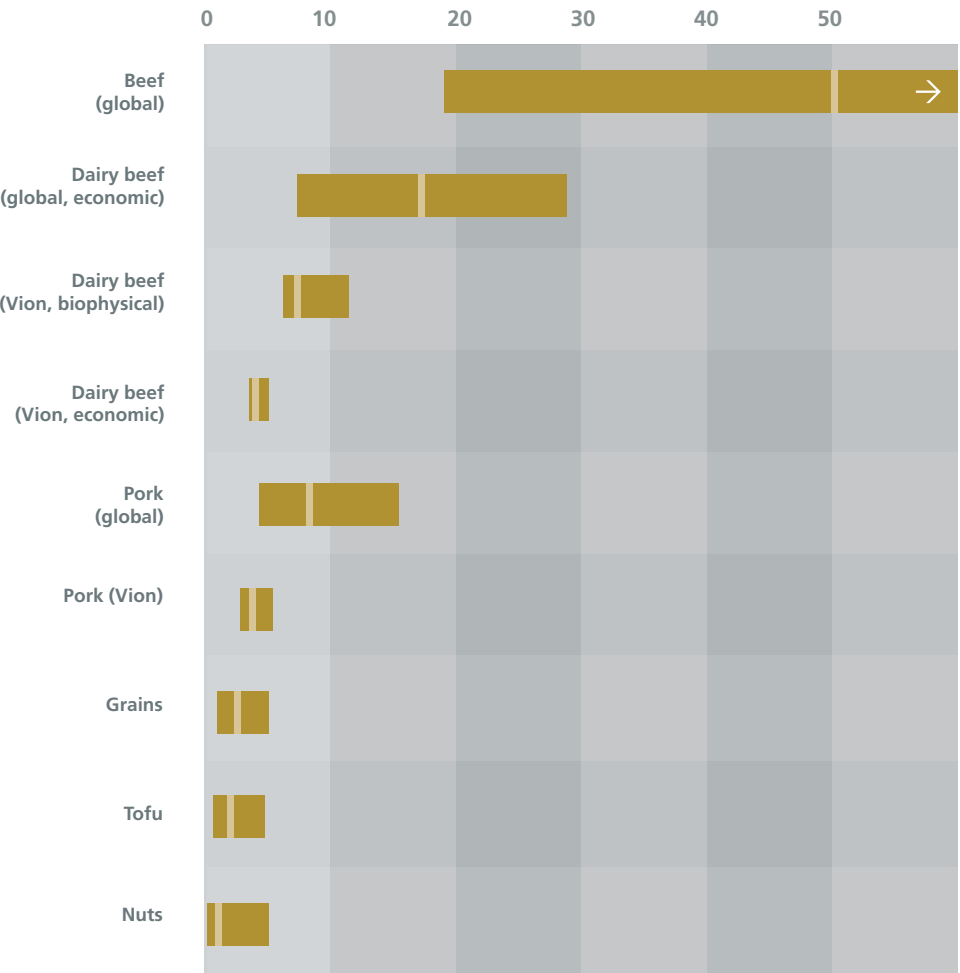


Results

Contribution to CO2e emissions throughout the pork and beef supply chain



Variability in CO2e emissions for different foods
(in kg CO₂e per 100 g protein)
| average



Clarification of results

Vion took significant steps to increase the calculation of emissions from farms and to reduce the gap between the number of pig and cattle farmers being assessed. Our focus in 2022 was to achieve transparency, and this effort will continue in the coming years until we have enough data to calculate our CO₂ footprint. The use of primary data (the real footprint) showed to be very helpful for farmers to understand the opportunities and challenges that exist to reduce the carbon footprint.

Our target for 2022 was to calculate emissions of 160 pig farms. At publication date we have calculated the results of more than 160 pig farms. Our target for 2023 is to have calculated the results of 250 pig farms.

Energy consumption

Total absolute energy consumption (in GJ)



1,648,000

2021 **1,691,000**
2020 **1,635,000**

Total absolute energy consumption (in GJ)

	2022	2021	2020
Total electricity consumption	781,000	787,000	744,000
Total fuel consumption	868,000	903,000	891,000
Energy purchased for consumption	1,605,000	1,651,000	1,593,000
Non-renewable electricity	777,000	787,000	744,000
Non-renewable fuel	840,000	876,000	862,000
Self-generated energy consumption	43,200	39,600	41,700
Renewable electricity	3,121	383	-
Renewable fuel	28,200	27,100	29,500
Self-generated energy sold	0	-	-

Energy intensity (in MJ / tonne sold)



873

2021 **847**
2020 **806**

Energy intensity (in MJ / tonne sold)

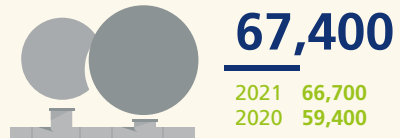
	2022	2021	2020
Energy intensity - Electricity consumption	413	394	366
Energy intensity - Fuel consumption	460	453	439
Non-renewable energy intensity	856	833	791

Clarification of results

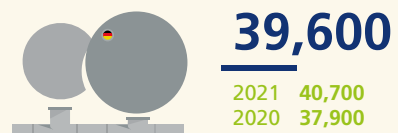
There was a slight increase in energy use compared to the year before due to a new cold store. This resulted in more fustles processing of our products. This goes with increased energy consumption. Additionally we slaughtered less animal within the same premises, which created some loss of energy efficiency.

Direct and indirect GHG emissions

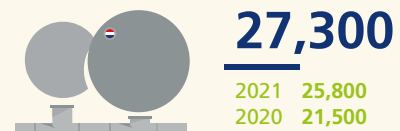
Absolute direct GHG emissions (scope 1) - Vion total



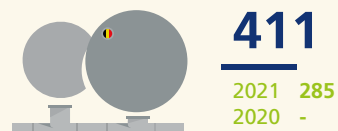
Absolute direct GHG emissions (scope 1) - Germany



Absolute direct GHG emissions (scope 1) - the Netherlands



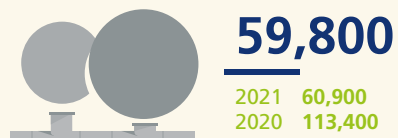
Absolute direct GHG emissions (scope 1) - Belgium



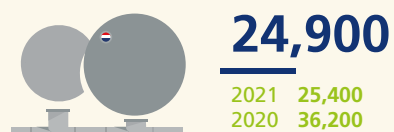
Absolute direct GHG emissions (in ton CO₂e)

	2022	2021	2020
Absolute direct GHG emissions (scope 1) sources - own generation	43,500	45,300	46,000
Absolute direct GHG emissions (scope 1) sources - transportation	11,000	12,000	12,500
Absolute direct GHG emissions (scope 1) sources - fugitive emissions	12,830	9,380	890
Absolute direct GHG emissions (scope 1) sources - total	67,400	66,700	59,400

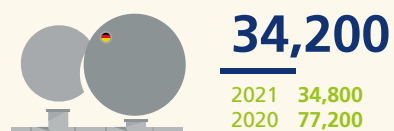
Absolute indirect GHG emissions (scope 2) - Vion total



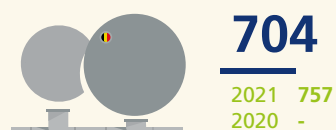
Absolute indirect GHG emissions (scope 2) - the Netherlands



Absolute indirect GHG emissions (scope 2) - Germany



Absolute indirect GHG emissions (scope 2) - Belgium



Market-based versus location-based emissions from electricity consumption

	2022	2021
Market-based Tank-To-Wheel (scope 2)*	59,800	60,900
Market-based Well-To-Wheel (scope 2 + 3)	72,300	73,600
Location-based Tank-To-Wheel (scope 2)	74,600	56,800
Location-based Well-To-Wheel (scope 2 + 3)	87,100	69,500

GHG emissions intensity (in kg CO₂e / tonne sold)

	2022	2021	2020	2023
GHG emissions intensity (scope 1 + 2) - NL	53	51	53	
GHG emissions intensity (scope 1 + 2) - DE	89	82	129	
GHG emissions intensity (scope 1 + 2) - BE	105	139	-	
GHG emissions intensity (scope 1 + 2) - Total	67	64	85	
GHG emissions intensity (scope 1 + 2) - Total Target	66			58

Clarification of results

Scopes 1 and 2*

In 2022, we reduced our absolute scope 1 and 2 emissions compared to 2021. However, production volumes also shrank, which had a negative impact on our relative KPI (emission per volume).

much higher.

At the moment, we are calculating our total scope 3 emissions and plan to publish these in our next report.

Carbon footprint of food products

Within the consumption of food of animal origin, consuming pork and poultry from the Netherlands and Germany is a relatively climate-friendly way to meet consumers' protein needs because of meat's high nutritional value. This meat has a similar CO₂ footprint per 100 g protein to tofu (see figure), although its nutritional value for humans is



Employment and working conditions

Impact on society and Vion's role

Our focus on the health and safety of workers contributes to safer, more secure working environments (Sustainable Development Goals target 8.8). Therefore, our actions on worker safety have a positive impact on the daily working conditions of our employees. Our potential negative impact continues to revolve around injuries and illness. This potential impact is caused by Vion or its workers. Workers can raise concerns about issues affecting their rights, such as health and safety conditions, through our whistleblower policy. In Germany, our efforts to directly employ former flex workers had a positive impact on labour rights for workers, including migrant workers and those in precarious employment (Sustainable Development Goals target 8.8).

Our policy, commitment and objectives

Workforce management policy

At present, it is hard to recruit enough suitable production personnel. With the exception of Germany, the number of flex workers is relatively high. This is primarily due to the lack of qualified candidates, together with the need for operational flexibility. We work closely with third-party labour companies, which is common practice in the meat and other industries. Tight labour market conditions in Germany and the Netherlands mean that our third-party and regular production workforces mainly comprise employees from eastern and southern European countries.

Our objective is to increase the proportion of Vion employees to achieve greater personnel stability and provide employees with more certainty. This means reducing the proportion of third-party workers and establishing a long-term commitment to the people who work for Vion via flex agencies. We promote the integration of foreign employees, including refugees, into the labour market by offering jobs, language courses and onboarding programmes.

All Dutch operational employees, third-party labour workers and the majority of employees in Germany are covered by collective labour agreements. In Germany, the vast majority of workers in our slaughtering and boning plants are covered by a collective collective labour agreement with the NGG

trade union. The workers not covered by collective labour agreements are corporate or administrative staff. Currently, Vion is taking a leading role in negotiating a collective labour agreement for the entire sector.

The Vion CHRO leads a steering committee on workforce management (WFM). The committee members are our CFO, the COOs of the Business Units Pork and Beef, the Director of Quality Assurance and Public Affairs, the Group Communication Director and the Head of Legal and Tax Affairs. Both the German and Dutch workforce project teams, the Project Lead Workforce integration and the Country HR Directors who lead WFM, report to this steering committee. These teams work closely with external stakeholders on staffing & recruitment, housing, commuting, the social aspects of working at Vion and communication.

Diversity and inclusion

Vion is committed to a workplace environment that promotes diversity and inclusion and creates an open and inclusive culture where everyone feels valued and respected. We believe that embracing equality and diversity in the workplace benefits not just the organization but also the individual employee, (cooperation in) teams and in the end our consumer. Inclusion, including correct ethical behavior, sincerity, trustworthiness and integrity are guiding principles within Vion.

We practice that we value diversity by providing equality of opportunity and ensuring that no job applicant, employee, client or business relation is discriminated against by receiving a different treatment due to their background or personal characteristics.

We select people for roles in light of their qualifications, skills and experience. Any distinctions should be determined on an objective basis and should take account of individual capabilities, not perception of the capabilities of particular types of people or groups. We continuously assess and adjust our practices, offering the right levels of support and resources to achieve a fair outcome of these involved. We strive to ensure that all internal communications reflect the diversity of our employees in the language and images we use. In the same way, we strive to ensure that our external communications also reflect the diversity of our customers, business partners and other stakeholders.

Vion acts in accordance with Human Rights legislation and will make all reasonable efforts to ensure that no-one working for Vion is subject to modern slavery or human trafficking. We are similarly committed to equal and fair payment for equal work.

Vitality

Sustainable employability means ensuring that employees can work at Vion in an effective and sustainable way, until they reach retirement age. Sustainable employability is considered in the context of a person's position, rights and responsibilities. As yet, there is no legislation on sustainable employability as a whole in our home markets.

We stimulate sustainable employability and job satisfaction by offering modern working conditions. This includes having a programme in the Netherlands to help employees stay fit, healthy and employable. This programme will also be introduced in Germany and Belgium and consists of five pillars as part of the "House of Work Ability":

- Work
- Social
- Emotion
- Financial
- Physical

Employees have received a lot of information in recent years and we hold discussions on Vitality. We have begun a few vitality pilot groups that offer a blended learning programme aimed at sustainable leadership. In 2023, we will offer a vitality dashboard that will enable employees to see what they have achieved.

Health and safety policy

The people who work at our production locations matter most to us. Improving, maintaining and promoting the health and safety of our people is therefore an important goal. We are committed to being a frontrunner in our industry when it comes to working conditions.

In 2023, our objective is to have an absentee rate of no more than 6.5% in the Netherlands, 5.0% in Germany and 4.0% in Belgium. We monitor this figure weekly, analyse any accidents or near-misses that may have occurred (by using root cause analysis) and see how we can prevent such accidents and incidents. We have several procedures and regulations in place to create and maintain a safe working environment. Each German and Dutch production location has a Health and Safety Officer. In Germany, we also employ regional Health and Safety Managers. In the Netherlands, we have also defined an additional separate role for the HR Manager: that of Prevention Officer. We carry out internal occupational safety audits systematically. Plant managers regularly review occupational safety KPIs as part of their management review. At every Vion location, we pay attention to working conditions through an improvement cycle. The improvement cycle is based on the Deming Circle.

An action plan has been drawn up and implemented for each production site. This plan is based on aspects such as the Vion risk inventory and evaluation (RI&E)

and health and safety audits and inspections. A local action list is derived from the action plan. This is updated in periodic meetings of the Health & Safety Committee of the branch. Members of the branch Health & Safety Committee include the plant manager, the Prevention Officer, the head of the technical department, the head of FAFS, a delegation from the works council and others. They determine the schedule and person responsible for each action point. The Health & Safety Committee evaluates the effectiveness of each completed action point.

Hazard identification, risk assessment and incident investigation

All accidents, near-misses and high-risk situations that could lead to damage or injury must be reported internally. In the Netherlands, all employees can report a near-accident using a QR code. In Germany, reporting is done by the health and safety managers; near-misses, however, are not being reported yet. Managers can also use the QR code to report accidents. Fire incidents must be reported to the Vion Risk Engineers using the Reporting of Fire Incidents form. A risk matrix is used to determine whether an incident, near-misses or hazardous situation should be analysed, and details of the analysis are discussed by the Health & Safety Committee. The committee uses the results of these analyses to determine corrective actions and to evaluate and improve our OHS management system. In a case of a possible hazardous situation, an employee has several possibilities to

escalate that specific issue: by reporting it to his direct line manager or HR or, in some situations, the Works Council. In situations of high urgency, they can use the emergency production line-stop.

Occupational health services, promotion of worker health, and training

Employees and flex workers can access the health and safety services of the Prevention Officer, BHV-er (a company responder on health issues), the occupational health and safety service, a workplace expert, an ergonomist and a company physiotherapist, if needed. These people receive regular training to ensure the quality of their services. This access contributes to the identification and elimination of hazards and the minimisation of risks. Employees can follow OHS training on generic or specific work-related hazards.

The collective insurance policy includes employee access to an online intervention platform. Here they can find information on vitality and sustainable employability. In addition, Vion offers various interventions in the field of ESAN - exercise, smoking, alcohol, nutrition and relaxation - through external providers or via the online workshops offered by the Vion Academy.

Worker participation, consultation, and communication

We communicate with workers through health and safety campaigns that we organise at least twice a year. The central topics of these campaigns is determined by incident analyses. We use posters, table displays and TV screens in canteens to reach our people. In addition, all managers receive a letter with more information about the topic in question and tips on how to start work on this theme. In Germany, the plant managers take part in a health and safety workshop each year. This is organised by the BGN (governmental workplace safety organisation) and Vion. Via Safety Alerts (notice board and TV screen announcements), we inform employees about possible risks in response to recent incidents. In 2023, we will roll out a digital application for mobile phones (Beekeeper App) for all employees, including flex, in which information can be shared in all languages through an online translation service.

We translate every important document into the native language of each flex worker. We see this as a way to ensure transparent communication. However, we also face illiteracy among our flex workers. This led us to introduce the field coaches already mentioned elsewhere. These act as a bridge between us and our flex workers by enabling them to ask questions in their own language. We often work with pictograms (icons), especially on the shop floor, as these form a universal language.

Workers can raise concerns about issues affecting their rights, such as health and safety conditions, by reporting them to their line manager or HR manager. The local works council can often also play a role here. If that is insufficient, employees can use the whistleblower tool to make a report. All whistleblower reports are registered centrally and reported to the advisor to the board. An officer is appointed for privacy when matters are reported that need confidentiality.

Our Health & Safety Committee consists of the Plant Manager or Production leader, HR Manager, Maintenance Manager and one or two members of the local Works Council. They meet on a frequent basis (differs per location) and are authorised to decide on actions to be taken relating to the health and safety management system and processes.

In Germany, each plant has a Health & Safety Committee. This consists of the Plant Management, the Works Council and the HR Manager. They meet quarterly and discuss health and safety issues, accident prevention actions and health and the safety aspects of new procedures or machines.

Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

All visitors to the production sites receive a leaflet containing information on safety, such as the risks

mentioned elsewhere in this report, and what to do in the event of an incident. We hold regular consultation meetings about health and safety with businesses that are frequent visitors to our locations, such as cleaning companies.

Learning and development policy

Vion is committed to empowering all employees to learn and achieve, offering quality learning which equips them with the knowledge and skills our business requires.

We develop and train our employees, actively encouraging them to constantly develop their personal and professional skills. We also invest in language and culture courses. Through continuous education and training, we facilitate and promote the employability of our workforce.

This vision responds to our Way of Working: *Sharp, Connected & Brave* and is tailored to our People Strategy:

- Better skills management
- Improved talent management
- Better alignment with the ambitions of our teams
- Further development of craftsmanship

Animal welfare is an important topic in this area. We provide all staff who work with animals with the skills and knowledge to ensure the best animal welfare practices. They receive specific animal welfare

training. The Vion online learning platform, called 'Vion Academy', offers training programmes that aim to develop and extend our employees' knowledge and skills so that they continue to be employable in the future. We also offer customised solutions, such as individual internal and external training programmes and qualifications. We also accept interns within Vion. These interns combine school with work experience in the field and we actively help these interns improve their chances in the labour market.

Activities in 2022

Workforce management – the Netherlands

In 2021, we issued a statement regarding our goals for workforce management at our Dutch production locations. Our ambition is to go further than current Dutch legislation and agreements require us to. In the coming two years, we will strive to have an average of approximately 70% of our former flex workers on our payroll in the Netherlands.

To reach this goal, a project team in the Netherlands will focus on four key topics:

- Recruitment
- Housing and commuting
- Social and operational integration
- Employment conditions and Collective Labour Agreement (CLA)

Staffing & recruitment

In 2022, 424 new production employees received a Vion contract and are now employed directly by us. That is a huge step forward in reaching our ambition on increasing our own workforce and decreasing our flexforce. In recruiting, we are open to diverse and various groups of people, such as refugees (like Ukrainians) with a temporary asylum residence permit, physically challenged people, Dutch and non-Dutch employees, school leavers and later-entry candidates. Furthermore, we structurally evaluate developments in our workforce management, such as the number of employees hired.

Housing and commuting

Every flex agency must comply with the Dutch SNA standard (Stichting Normering Arbeid) and the SNF standard (Stichting Normering Flexwonen, housing standard). Vion is committed to providing decent housing for our third-party employees and we comply with Dutch regulations.

We work with different stakeholders, such as municipalities, to ensure decent housing for our third-party workers. Vion and a number of flex agencies have initiated several projects to create new housing facilities in some of the municipalities in which we have locations. But the reality is that it is hard to take concrete steps as local authorities are often faced with questions and worries from their communities. The help and support of local

communities is vital in solving the housing problems our employees face when they start working for us. Luckily, local municipalities understand that by collaborating we can achieve better results regarding temporary housing, group housing and long-term-stay housing for families.

Although the SNF certification for housing has not yet become law, Vion decided in 2021 to comply with it anyway. Along with our standard internal audits and the SNF checks, we monitor housing quality ourselves, on several additional occasions, and we take action if necessary. In 2022, we decided to improve the local BRP registration (Basisregistratie Personen - personal records database) to be able to support and track the housing situation of our employees. We therefore launched a pilot scheme with one of our employment agency partners and the municipality of Boxtel, the Netherlands, to see how we could improve this. The results of this pilot programme are expected in the first half of 2023.

Social and operational integration

Through such initiatives as our Meat Master and Butcher Academies, we offer assistance with learning and development to help our employees, both flex workers and own employees, to integrate fully into Vion. In the coming year, we will place particular emphasis on helping our flex workers with health and healthcare insurance and the so-called social map. The social map helps people to get to know their

municipality and its key locations. Following last year's initiatives, we continued working with external Field Coaches (translators for external eastern European employees), to ensure good communications with our flex employees. We organised multiple "theme weeks" in which introduce one of the origin countries of our flex workforce, its habits and traditions, to better understand the different cultures of our people.

Employment conditions and CLA

The Netherlands has a Collective Labour Agreement for the meat sector. In addition, and together with the wider meat industry, we are investigating the possibility of developing a Fair Employment Code. Such a code already exists for some flex agencies in our industry. Our aim in 2023 is to include the Fair Employee Code for all employees working for the meat sector.

Communication

Workforce management – Germany

A new law in Germany, 'Gesetz zur Verbesserung des Vollzugs im Arbeitsschutz' (Arbeitsschutzkontrollgesetz - the occupational health & safety control act), which took effect in 2021, resulted in us employing what had been flex workers as direct employees of Vion. As this involved some 3,300 people, it required the full focus of our German workforce management project team.

The process of integrating the workforce is continuing, but significant steps have been made. The majority of our plants no longer depend on the flex agencies that, in 2021, continued to supply us with workers and provide accommodation and administrative services. All our plants now have field coaches, who take care of onboarding, housing, communication with management and providing support to migrant workers as they navigate administrative issues.

Recruitment

In 2022, our recruiters in Romania managed to attract significantly more people to join our workforce in Germany. We also added other markets, such as Spain and Croatia, as recruitment countries. Employee turnover in Germany fell compared with 2021, but remained very high, and the shortage of workers continues to be a challenge. Recruiting for the Netherlands will follow later. High employee turnover remains a challenge here, too.

Housing and commuting

In 2022, Vion took over responsibility for the remaining housing rental contracts from our third-party staffing providers. We modernised the accommodation as necessary, including providing new furniture. We also rented additional accommodation for employees. More generally, we carry out housing audits on a regular basis. These are conducted by

an inhouse team from our audit department, and a specialist external team.

Social and operational integration

We offer German-language courses to help onboard our new colleagues in Germany and ensure they enjoy a great start at Vion. Our field coaches, who are native speakers from the workers' home countries, serve as mediators between them and the company, as well as supporting new employees in particular in dealing with local regulations and other potential challenges. We also help create awareness and understanding of cultural differences by organising themed weeks at all our locations. The Romanian and Polish weeks are notable examples of learning more about the cultures and nationalities within Vion.

Employment conditions and CLA

In 2022, almost all Business Unit Beef and Business Unit Pork plants were part of the Collective Labour Agreement (CLA) with the NGG trade union. The CLA has 10 pay scales that take into account the skills required and the complexity of a particular job. In Germany, a new minimum wage of € 12 per hour was introduced as of 1 October 2022. Vion raised the pay of any groups who were still receiving less than this to at least the new minimum wage.

Workforce management - Belgium

Vion acquired Belgian slaughterhouse and beef producer Adriaens in February 2021. The integration process took place in the course of 2021 and 2022.

Health and safety

Pandemic

Vion values having a safe working environment. Because of COVID-19, we took additional measures at our production locations. These measures included wearing face masks and placing plastic screens between work places in the production area. We ensure all safety measures are adhered to.

Delete this Section!

Occupational Health and Safety (OHS) Management System

Our occupational health and safety management system goes beyond legal requirements. All our operations use the Quentic OHS management systems for accident reporting, employee qualifications, risk assessments and other related issues. We share best practices with all our production locations in every country in which we operate. The Quentic OHS management system is based on and complies with ISO 45001, the recognised risk management standard.

Each Dutch production location records the Occupational Health Policy in a letter of intent. This states that the relevant Vion location:

- Will commit to preventing injury and illness as a result of the work done there.
- Will strive for continuous improvement in occupational health and safety performance.
- Will, as a minimum, comply with the statutory Occupational Health and Safety requirements and regulations.
- Employees of the organisation will be made aware of the working conditions policy.

We evaluate the Occupational Health and Safety Policy annually to ensure it remains relevant to the organisation. Here are some important elements within this support system:

- Safety instructions
- Risk assessment action plans
- Accident reports and follow-up actions for accident prevention
- Internal audit outcome with safety culture ladder score
- Health and safety KPI scores

Within Vion, we work with a so-called 'safety culture ladder' to assess and improve awareness of safe working conditions. Our ambition is to achieve level 4: proactive safety management. Proactive safety management focuses on how everyday performance usually succeeds instead of why it occasionally fails. It is an active approach to improving the former, rather than simply preventing the latter. As of 2022, in addition to the plants in the Netherlands,

internal audits have been extended to all plants in Germany to monitor and measure the level of safety consciousness.

Focus areas of our internal safety audit

- Policy and organisation
- Risk identification and evaluation
- Incident management
- Instructions and competence
- Implementation and execution
- Control and action

Every Vion location uses an improvement cycle to pay attention to working conditions. The improvement cycle is based on the Plan-Do-Check-Act management system.

Dilemma

There is always pressure to deliver production volumes and, therefore, to speed up the work. But working faster is a potential safety risk. The speed chosen should be optimal for both production and safety, in which case no accidents will result.

Learning and development

Culture & leadership programmes

In 2022, we continued our *People Matter* programme for 150 senior managers and selected talents. This programme rests on three pillars:

- Our Vion culture with our specific Way of Working: *Sharp, Connected & Brave*
- Leadership: leading me, leading others, leading the business
- Vion's functional modules, like health and safety, CSR, compliance, privacy, finance, HR, security, operation-specific modules and our Vion Operating System (VOS)

We developed a variant of the *People Matter* programme for our operational management layer, the so-called *People Matter Operational Leadership Programme*. At the end of 2021, we began a pilot in Germany and the Netherlands to further improve the cultural integration and onboarding of our former flex workers. The pilot was so successful that in 2022, we trained over 90 colleagues in the Netherlands and more than 100 colleagues in Germany. We hope to conclude the training in early 2023. To support new colleagues in their integration into Vion, we offered online cultural training courses for our operational managers, job coaches, the works councils and HR managers to help with the onboarding of our new colleagues and to create awareness of cultural differences. After proving itself within Business Unit Pork, we rolled out our VOS (Vion Operating System)

leadership programme to other business units. Besides the basic principles of VOS, participants learn how to behave as a leader in a culture of continuous improvement, and how to get the most out of their team.

Worker training on Health & Safety

Health & Safety training is essential given our working environment. The training courses Vion provide are:

- Health and safety awareness in leadership for all managers at a production site + annual refreshers
- Working in a consciously health and safety way for 100 local Technical Service employees
- Hazardous Substances Expert Training
- Expert X-Ray Training
- Training for Prevention Officer
- *People Matter* modules on safety
- EPT (electric powered pallet truck) and shunting training

Vion Academy

Vion Academy is our online learning platform. In 2022, we again added numerous new online training courses. The platform now contains over 500 courses on various soft skills, time management and Microsoft Office. The courses are available in German, Dutch, English and Polish. All employees can follow these courses voluntarily, alongside their compulsory courses.

E-learning modules in 2022

- Health & Safety training is essential in our working environment. Modules such as 'fit and healthy working from home' and 'in-house emergency response' have also contributed to a safe and healthy working environment
- Vion provides all relevant staff with the skills and knowledge to ensure the best animal welfare practices
- We offer our employees a 'Competition Law' e-learning module to help them become more aware of the risks of violating competition law
- Vion offers several language courses to stimulate both collaboration between colleagues and cultural integration company wide
- Training on soft skills like Time and Self-Management, Conflict Management and Communication. In the category System & Software training, we provide training in, for example, SAP, HFM and Microsoft Office
- Development of new e-learning for new employees working in the stables at Business Unit Pork in the Netherlands
- Two new modules concerning animal welfare:
 - Heat protocol
 - Transport guidelines for animals for external truck drivers

Meat Master Academy

Last year, Vion launched the Meat Master Academy. We are investing in and training our workforce to improve our craftsmanship, engagement and job promotion. Each level covers more in-depth content with skills that are relevant for that position and level of expertise. Badges indicate someone's level of craftsmanship. This programme is open to all production colleagues and anyone else who is curious to learn about deboning and the craftsmanship involved. Besides boosting skills, the programme aims to boost pride by showing just how much is involved in being a meat master. We are extending and improving the programme in various business units.

Management Traineeship

At the end of 2021, we launched our first Vion-wide management traineeship. This programme has delivered well-qualified trainees who have all found a role within our company. A new group of management trainees began an 18-month programme in Q3 2022. The programme consists of individual and team projects. The traineeship also includes several learning activities within all four of our business units, plus a strategic group assignment.

Assessment approach

HR offers a number of unified instruments for creating and managing a range of assessments. The aim is to obtain greater insight into topics such as competences, qualities, drivers, pitfalls for job applicants, employees, leaders and teams. HR is trained to interpret these tools for the development of our employees in the business.

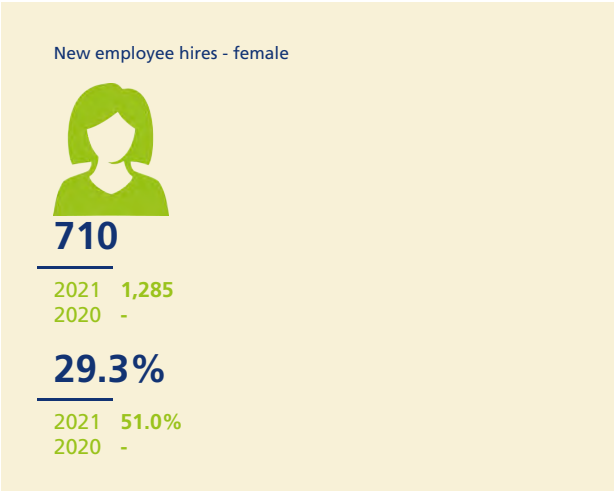
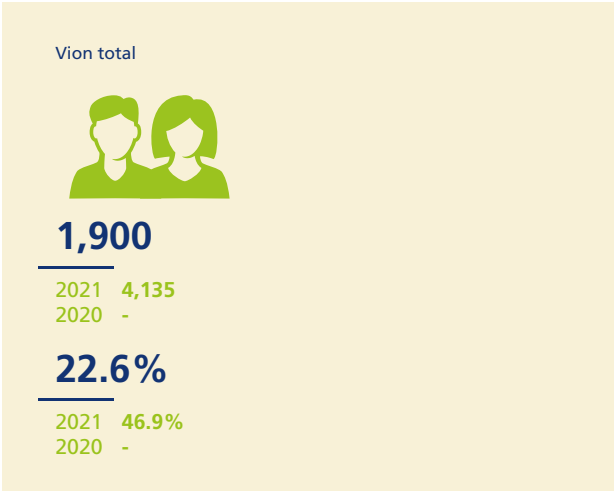
Outlook and improvement plan 2023

- Roll out onboarding programme (early 2023).
- Special themed weeks about workers' home countries. For example, food culture and on-screen information about countries, to stimulate social and operational integration.
- Roll out of the *People Matter Operational Leadership Programme* to more operational managers in our factories, and to train the remaining managers and department leaders in our facilities.
- The *People Matter* participants will continue with learning modules related to 'Leading me', 'Leading others' and selected 'Functional modules'.
- Vion Netherlands intends to significantly increase its directly employed workforce. Part of our Work Force Management strategy, we need to do a lot to lift us to the desired, ambitious level in the next few years.
- New within Vitality in the Netherlands, and to be followed by Germany later, we will extend the successful content of previous programmes and capture it in a 'Work

Ability approach' that helps employees achieve a fit and healthy life.

Results

New employee hires



New employee hires - age <30



838

2021 1,405
2020 -

10.0%

2021 15.9%
2020 -

New employee hires - age >50



233

2021 632
2020 -

2.8%

2021 7.2%
2020 -

New employee hires - age 30-50



829

2021 2,098
2020 -

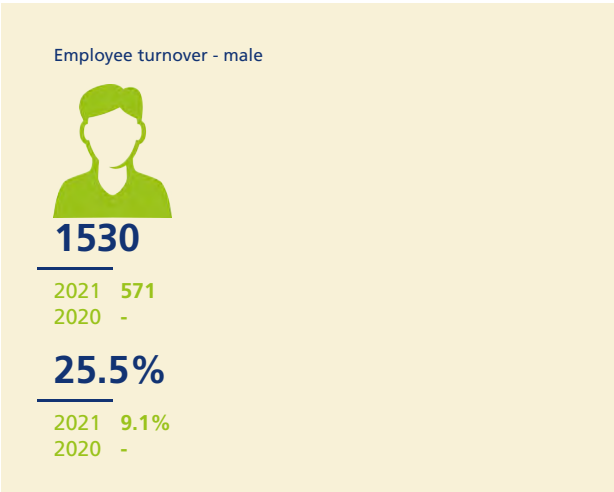
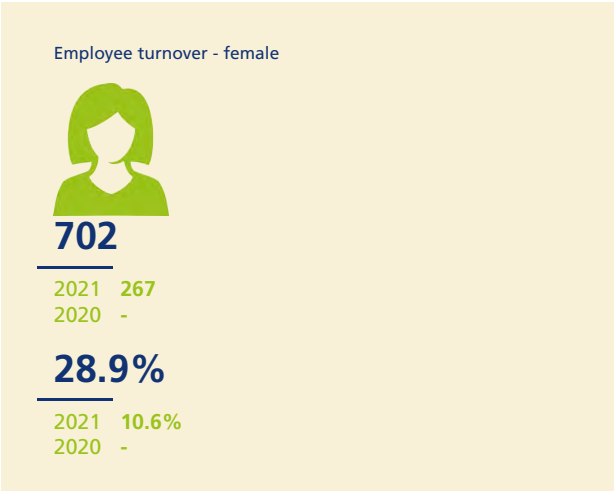
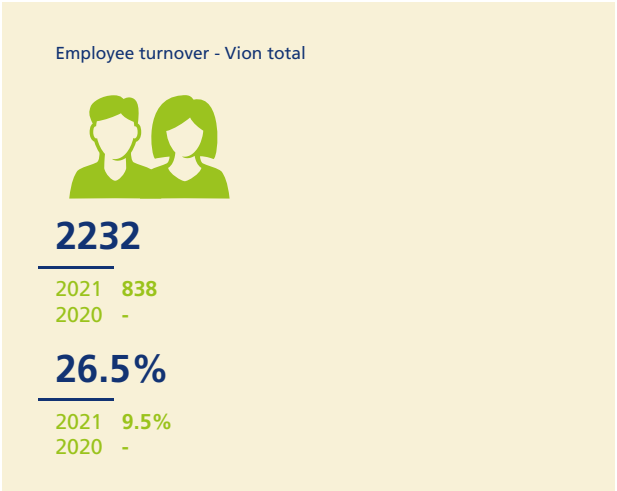
9.8%

2021 23.8%
2020 -

Clarification of results

Employees at international sales support offices are included in the new-hire data for the Netherlands. Because we integrated our German third-party workers into our direct-employee workforce, the number of new hires in Germany decreased.

Employee turnover



Employee turnover - age <30



791

2021 229
2020 -

9.4%

2021 2.6%
2020 -

Employee turnover - age >50



438

2021 272
2020 -

5.2%

2021 3.1%
2020 -

Employee turnover - age 30-50



1003

2021 337
2020 -

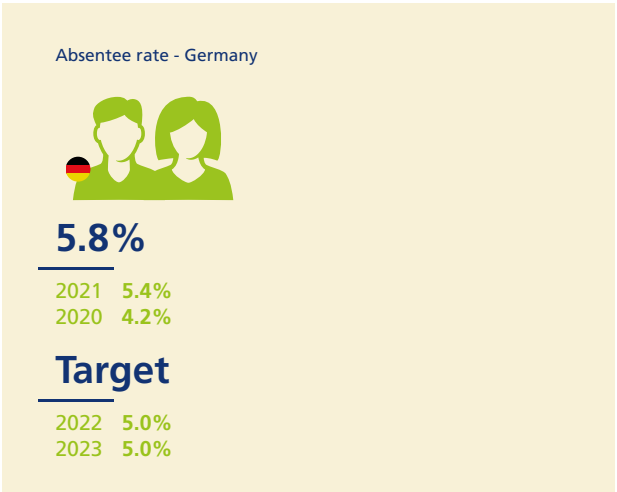
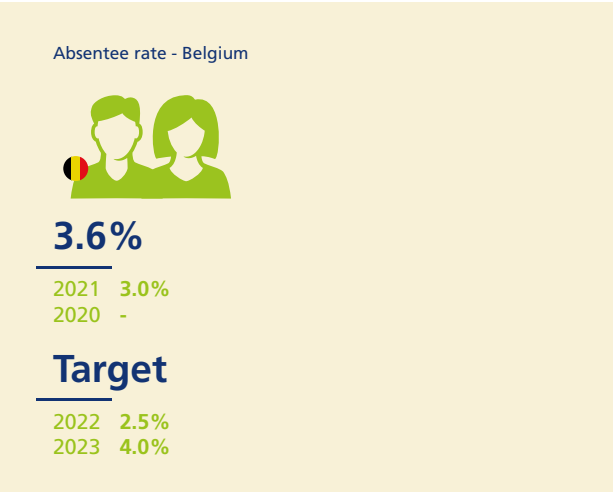
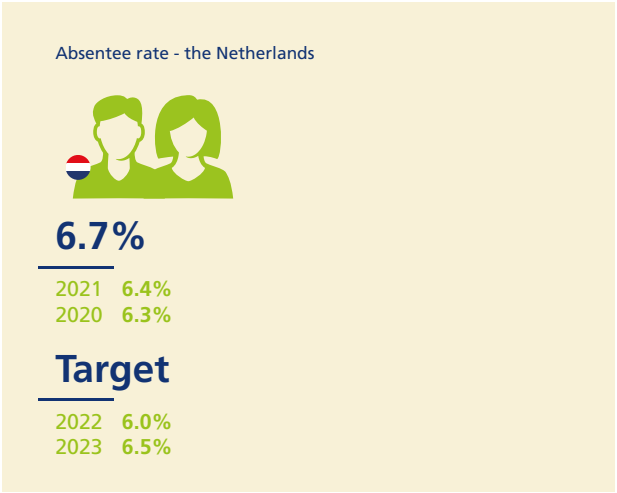
11.9%

2021 3.8%
2020 -

Clarification of results

The high turnover rate in Germany resulted mainly from the high turnover rate among our Eastern European workforce. Although turnover rates are improving thanks to our integration efforts, a considerable number of newly recruited employees continue to leave after a short period of time. Some become homesick, some want to work just for a couple of months but plan to come back next year, and some cannot cope with the working conditions in the meat industry (low temperature, a generally wet environment and the very strict hygiene measures). Lastly, the general lack of workers mean some are lured away by competitors or other industries.

Absentee rate



Clarification of results

The absentee rate was higher than the target in every country. The increase in production employees, who generally have a higher absentee rate due to the nature of their job, boosted the absentee rate. The absentee rate in Belgium was relatively low because we took the first four weeks of each sickness into account compared to six weeks for Germany and two weeks for the Netherlands. For 2023, the absentee rate in Belgium is expected to go up due to regulatory changes. In 2021 and 2022 Covid-related absenteeism was reported seperately to the Belgium governement and was not included in the regular absentee rate. This will no longer be the case and will be included from 2023 onwards.

Lost-time injuries with absence of at least one scheduled work day

Lost time injuries with absence of at least one scheduled work day

	2022	2021	2020
Vion total	652	544	542
The Netherlands	148	145	130
Germany	499	394	412
Belgium	5	5	-

Work-related injuries

Work related injuries

	2022	2021	2020
Own employees - total	601	468	304
Own employees - high consequences	6	11	-
Own employees - fatalities	0	-	-
Third party workers - total	87	127	318
Third party workers - high consequences	2	-	-
Third party workers - fatalities	0	-	-
Rate - own employees - total	39	-	-
Rate - own employees - high consequences	0	-	-
Rate - third party workers - total	-	-	-
Rate - third party workers - high consequences	-	-	-

Clarification of results

Work-related injuries involving our own employees increased, while injuries to third-party workers decreased. This was because a lot of people who were previously third-party workers are now directly employed by Vion.

Plants with independent supplier workplace certification

External sold volume produced



43%

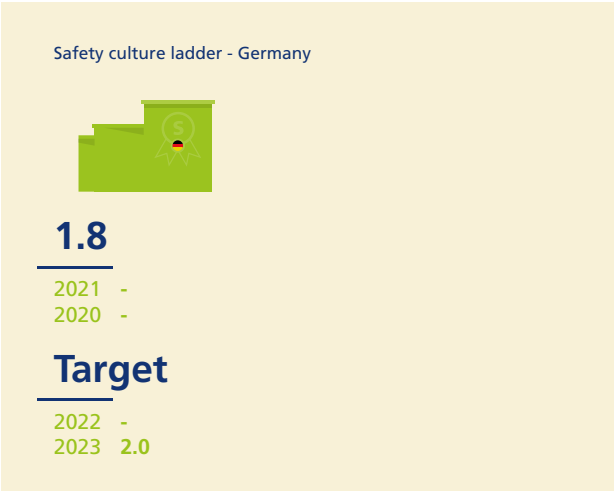
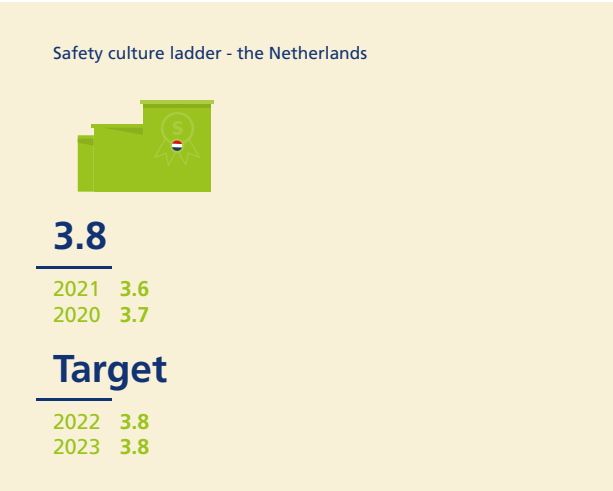
2021 44%
2020 46%

Safety culture ladder



Clarification of results

In the Netherlands, we reached our 2021 target of 3.8 on the safety culture ladder. We launched the safety culture ladder in Germany in 2022. The result was a baseline score of 1.8. Our target is to improve this to 2.0 in 2023. The score is lower in Germany than in the Netherlands because we have just started with this voluntary system there, and we have a lot of new employees as well.





Biodiversity and deforestation

Impact on society and Vion's role

The nature of our supply chain means Vion is linked to a potential negative impact on biodiversity. There is a risk of deforestation to produce soy for livestock feed. Via the livestock farms that supply us, we are linked to a risk of biodiversity loss through the emission of ammonia and through monoculture, soil acidification and land use and land management. In addition, transportation by us and our supply chain emit nitrogen. The other side of the picture is that by also offering organic meat, we work towards agricultural practices that help ensure sustainable food production and maintain ecosystems (Sustainable Development Goals target 2.4). With our commitment to deforestation-free soy supply chains, we work, with farmers, on halting deforestation (Sustainable Development Goals target 15.2).

Our policy, commitment and objectives

The topic 'Biodiversity and deforestation' forms part of our strengthened sustainability strategy, containing topics and targets which are important for sustainable food production and consumption. Our most important objective is to achieve deforestation-free soy supply chains.

To protect biodiversity, we are committed to stimulating the production of organic meat by taking a leading position not only in the Netherlands, but also in Germany and Belgium, and to setting up organic supply chains for both pork and beef in these countries. De Groene Weg, market leader in organic meat in the Netherlands and second biggest player in Europe, processes over 100,000 organic pigs per year. De Groene Weg is certified by Skal, conforms to the European organic standard and is also certified with the Beter Leven Keurmerk 3-star label. For more information, see the chapter Our brands and supply chain concepts (see page 17).

Within dairy farming, increasing attention is being paid to improving biodiversity. Many Dutch dairy cattle farmers use the biodiversity monitor – a tool which monitors positive and negative impacts on biodiversity. Based on this assessment, a location-specific biodiversity plan has been implemented on farms.

To reduce the emission of nitrogen during transport, Vion has been replacing its fleet of EURO 5 diesel trucks with the latest EURO 6-compliant alternatives. We will also use more electric trucks. The last EURO 5 vehicles were replaced at the start of 2023.

Use of land, water and sustainable feed

We are committed to making effective use of resources, such as the land at our food-production facilities.

Beef

We mostly source our beef from cattle that have been producing milk for many years. Large parts of Germany and the Netherlands are meadows where grass grows well and which is ideal for dairy cattle and the production of milk. The dual purpose production of milk and beef has advantages compared with single purpose production systems, resulting in a more effective use of resources and a lower environmental impact. The beef that results is a by-product of the dairy industry. Beef originating from dairy cows is therefore a good example of a circular economy.

Pork

The pork production system from which our Dutch and German pigs originate have a water footprint that is lower compared with the systems for other

foodstuffs'. The study referenced below shows that the water footprint is largely determined by the growth of feed crops. Due to the urgency of global heating, the carbon footprint is our first priority regarding footprint calculations, but our underlying data infrastructure is designed to be flexible enough to expand into other impact categories, such as water usage.

Continuous improvement in sustainability at our organic pig farms

All organic pig farmers within De Groene Weg are EKO-certified. They therefore use the EKO-code as a scoring instrument across 12 topics, including energy, soil, manure, biodiversity and circularity. Each supplier is expected to set at least two objectives every year, resulting in a higher score in the next year. This approach ensures that the sustainability of the organic pork supply chain of De Groene Weg is continuously improving.

Soy

Soy is a separate item in our biodiversity strategy. Buying soy from countries like Brazil and Malaysia may contribute to deforestation. In general, we advocate the use of soy certified by Round Table Responsible Soy (RTRS). Vion is a long-time member of the Responsible Round Table on Soy (RTRS). The RTRS certification includes strict requirements on the

¹ Ibidhi, R., Ben Salem, H. Water footprint of livestock products and production systems: A review (2020 Animal Production Science, 60 (11), pp. 1369-1380.

preservation of natural forests and other natural resources. Each customer demand for RTRS-labelled soy is accepted.

More specifically, all pigs raised under our Good Farming Star programme are fed with RTRS certified soy. Vion aims to have full transparency on 100% deforestation-free soy in BBCs by 2025.

Activities in 2022

Organic beef

In September 2022, De Groene Weg started building a chain for organic beef from the Netherlands.

Tailor-made and practical tools for biodiversity at farms and production sites

During 2022, we distributed 100 insect hotels, 500 bird houses and other materials, such as flower seeds, to local sites and farms that have a long-lasting relationship with Vion and who form part of the Good Farming Star programme. Through this, we stimulate our suppliers to commit to biodiversity. Also, we hold regular meetings with farmers who are part of our BBC programmes, with farm biodiversity forming part of these discussions.

Processed animal proteins

We participate in experiments on the use of safe, processed animal proteins in animal feed. This is one of the key projects for improving circularity in meat production and avoiding the waste of

animal protein with a high nutritional value. The food industry in our region produces a lot of by-products. Examples include bakery by-products, spent grain from breweries and by-products from dairy production. These by-products are not suitable for human consumption but are an indispensable part of pig feed. Re-using what would otherwise be food waste has a substantial impact on creating more sustainable and regionally-based pork production; it eliminates the need for products such as soy and so avoids an increasing pressure on biodiversity.

Deforestation-free soy

Together with several relevant stakeholders, such as the Global Food Safety Initiative (GFSI), Round Table on Responsible Soy Association (RTRS), global banks, soy importers, retail and others, we are working to find a way to systematically clarify the origin of soy. Once such a system has been activated, we will be able to control the origin of soy and work towards excluding soy that is linked to deforestation. We need to ensure transparency regarding the origin and certification of soy and, where possible, use circular and residual flows for feed proteins. With our partners, we are working to develop an infrastructure to ensure that soy does not come from fields associated with deforestation (Land Use Change (LUC) free, Deforestation Conversion Free (DCF), Identity Preserved soy).

Outlook and improvement plan 2023

- We aim to implement deforestation-free soy guarantees in two supply chain concepts. This will be a first step towards Vion-wide deforestation-free value chains.
- We will develop and supply practical biodiversity enrichment tool kits and embed additional biodiversity measures in our market concepts.

Results

Almost all production sites within Vion have moved to the IF-PFA standard according to the plan.



Traceability and product integrity

Impact on society and Vion's role

With our traceability and product integrity system, we make a positive impact on our stakeholders by building trust and a transparent supply chain. Through our standards, we pave the way to the creation of new, state-of-the-art standards within our industry. However, Vion might cause a potential negative impact should we fail to comply with laws, regulations and voluntary standards, or through incorrect product information. In 2022, we again had no compliance issues involving product integrity. Trust in food depends on having a high degree of transparency. Connecting farmers and consumers through specific supply chains is a good way of showing people who is behind the production of their food. This gives the farmer and his or her family a recognisable face, and shows consumers that our food's supply chain is a work of craftsmanship, from farmer to butcher or from vegan-food producer.

Our policy, commitment and objectives

Traceability

Companies that produce food items with complicated supply chains face a significant challenge to ensure that their products can be traced both upstream and downstream. We can trace all our food items, whether derived from plants or animals, to their originating farms.

We are committed to being transparent about product origin, which we achieve by providing full traceability. Traceability information for all plant products and other non-animal ingredients processed at Vion is documented and delivered with the product, either on paper or digitally. Animals are individually marked using, for example, ear tags for cattle or tattooed number for pigs. The underlying databases enable us to trace all slaughtered pigs and cattle to their places of birth.

Following meat inspection, all carcasses are given an individual identifier linked to the ear tag, tattoo number or an RFID chip. When carcasses or parts of the carcass are processed, typical batch specifications include the processing site, slaughter site, origin of the animal, quality programmes (e.g. organic, 'Geprüfte Qualität Bayern', Good Farming Star), breeds and production dates. Relevant information is included on the consumer packaging labels, which offers the consumer guidance when making their choices. The consumer product is always traceable to a group of farmers in the supply chain.

We can trace all meats and processed products to the day of slaughter. For the processing plants, where we slaughter up to 4,000 cattle or up to 20,000 pigs a day, this means we can immediately trace, on a daily basis, the product to the group of farms which delivered the animals. For retailers and similar customers, we provide a traceability code on the package that shows the farm that supplies that specific retailer. This allows the consumer to scan a QR code. Doing so then enables them to see where the product was produced, at which plant the animal was slaughtered and when this took place.

Product integrity

Product integrity involves organising production, processes and supply chains to create and manage a transparent, honest and reliable chain of custody. It further guarantees the consumer that the product inside the packaging is what is shown on the label.

Our quality standard includes a description of our physical and administrative processes. We make a product integrity risk assessment. This assessment results in the identification and quantification of the various risks related to product integrity. This then forms the basis for the control programme for product integrity within Vion. Part of this control programme involves the monitoring and verification of all procedures which concern product integrity. In addition, the product integrity control programme is subject to an internal peer review audit, second-

party audits carried out by our customers, and third-party audits carried out by independent, accredited certification bodies.

Over the past 10 years, the relevance of having systematic control of product integrity has increased substantially. There are several drivers. First, it is the result of several scandals in the food sector, such as the one involving horse meat. Second, it has become especially important for participants in consumer product supply chains to meet changing consumer demands regarding product integrity, such as animal welfare. Having systematic control of product integrity throughout the supply chain is of utmost relevance to the consumer, and everyone in the supply chain should be able to operate on a controlled level playing field.

As with food safety and animal welfare, we recognise that product integrity is primarily the responsibility of all supply chain partners. Based on this, we began to develop a Dutch Chain of Custody standard for pork, certified under the 'Beter Leven' standard of the Dutch animal welfare trust. This was launched in 2015 with the retail-wide introduction of 'Beter Leven' pork in the Netherlands. This Chain of Custody standard was developed with the Dutch Retail Association and several certifying bodies.

In 2017, IFS (International Featured Standards, Berlin) joined this initiative and developed the new IFS PIA

standard (IFS Product Integrity Assessment) with its stakeholders in the global retail, food industry and certification bodies. Through this initiative, we and our relevant stakeholders took the control of process and product integrity to the next level. We now assess our production sites under this IFS Product Integrity Assessment scheme (IFS-PIA).

Our procedures require mandatory and extra product-related information on labels. These include:

- Sourcing (country of origin, country of slaughter)
- Content (type of animal, breed, specific part of the animal)
- Storage guidelines (temperature)
- Animal welfare certification
- Local origin certification

The integrity assessments require evidence about the ways in which Vion assures and verifies both mandatory and additional voluntary product-related information. Our objective for 2023 is for 85% of our sales volume to originate from plants which are certified according to a specific product integrity standard.

In organising product integrity and traceability, we work closely with many stakeholders. These include:

- Supplier associations
- Customers
- Technology providers

- Competent authorities: Dutch NVWA and German official authorities
- Dutch Standard Setting Agency (NEN-ISO)
- German International Featured Standard (IFS Food)
- German integrity system Orgainvent

Activities in 2022

During 2022, we further implemented the latest software systems and cloud solutions in our pork production plants. We did this to optimise the data flow, making it more precise and efficient, and to be able to perform more detailed product balance calculations. The daily product balance calculation involves comparing the number of animals delivered that day to the number of products made from them. These figures must correspond.

Separate supply chains for specific retailers

Consumers and customers in the north-western European market increasingly demand to know the origin of their meat. This reflects both the discussion concerning the regionality of food sourcing and the provision of guarantees concerning animal welfare. For example, several Dutch and German retailers demand meat from a limited number of pig farms. There are groups of Dutch pig farms, certified as Beter Leven 1-star, which are associated with a specific retailer. We ensure that these individual supply chains are dedicated to one customer. These retailer-specific supply chains are also a good opportunity to demonstrate full transparency to consumers and

society as a whole. The retailer's website details all the actors in the supply chain to the consumer.

This means that bacon, say, is no longer an anonymous product, but instead connected to the faces of the farmer and the butcher. This is in line with our ambition to develop demand-driven, sustainable and transparent supply chains: Building Balanced Chains. Read more about this in Vion's strategy 2020-2024 towards a sustainable future: (see page 39).

Integrity of Vion Good Farming Star pork verified by DNA

In the last few years, the integrity of our products and processes has become more important to our customers and consumers. By 'integrity', we mean that all attributes associated with the product, including animal welfare, carbon footprint and origin can be 100% verified. We had already implemented process integrity control systems involving verification by product, balanced throughout the supply chain. In addition, we have now added the monitoring of product integrity through the DNA testing of consumer products.

From pig to sausage: identity preserved

The process is organised so that DNA from all Good Farming Star sows is collected, analysed and stored in a DNA data bank. As a result, the DNA of the maternal line of all Good Farming Star pork is available for scrutiny. Vion sells Good Farming Star

pork as consumer goods and to other customers that produce fresh and processed meat. DNA tests are conducted to verify that consumer goods such as pork chops, fresh sausages, cooked meat products and pork meal components all comply with the pig of origin. Samples are taken throughout the supply chain to confirm that they conform with the origin of the animals. In short, DNA is the ultimate consumer-care check and an instrument to show the integrity of all our processes. Through DNA checking, we can demonstrate that we are actively ensuring the integrity of our products from Farm to Fork, and that these Vion products are so-called 'identity preserved'.

In addition to this DNA integrity system for the Good Farming Star pork concept, we have begun to establish the same DNA monitoring system for the organic pork supply chain. We are currently in the final stage of developing DNA traceability for this chain.

And as well as DNA integrity systems for sustainable pork market concepts, we have developed DNA traceability for all cattle slaughtered in two Dutch and two German slaughterhouses.

IFS product integrity assessment

When the 'Varken van Morgen (Beter Leven 1-star)' sustainable market concept was developed for Dutch retail a few years ago, it was agreed with retail that the integrity of these products should be guaranteed during processing. The CBL chain of custody standard was used to control and prove product and process integrity. The 'Varken van Morgen (Beter Leven 1-star)' market concept includes additional requirements for animal welfare, animal health and the environment.

In 2019, we began preparing to move from the CBL chain of custody to the IFS PIA (IFS Product Integrity Assessment). In 2020, all Dutch Vion meat production plants, plus the first two production plants in Germany, successfully passed the IFS Product Integrity Assessment.

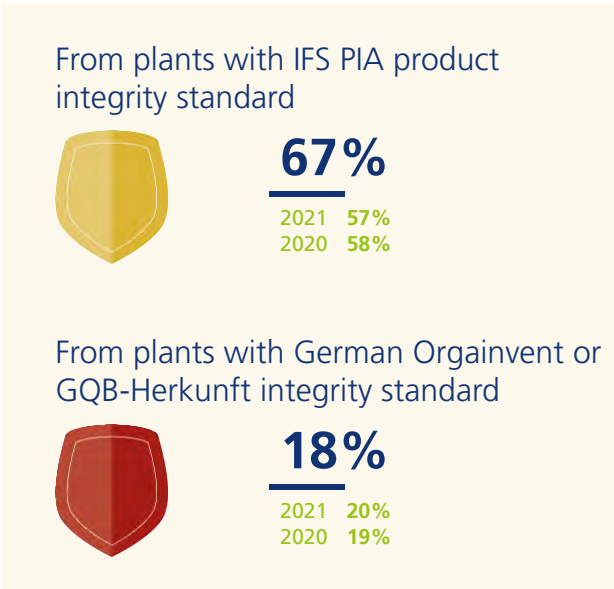
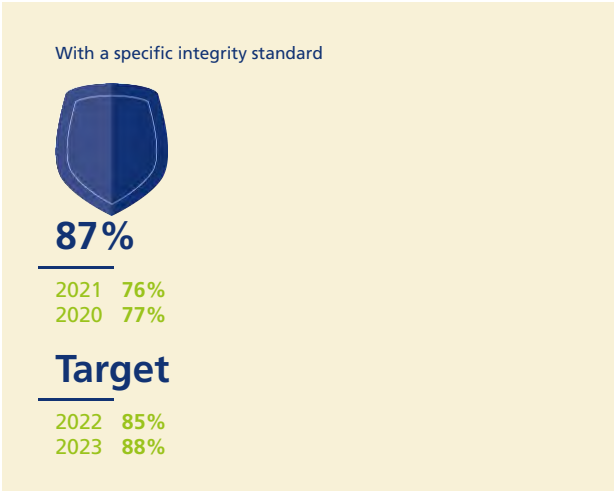
In 2021 and 2022, we successfully passed the first follow-up IFS Product Integrity Assessments at our Dutch meat production plants and two production plants in Germany. In 2022, a further 10 German plants in the Business Units Pork, Beef and Food Service passed the initial IFS Product Integrity Assessment. Our ME-AT plant-based production facility was also assessed successfully, becoming the first non-meat food production company to pass.

Outlook and improvement plan 2023

- All Vion production sites that have been part of the Vion family for more than three years will be assessed by IFS PIA.
- We will continue to develop and implement the DNA product traceability system.

Results

External sold volume





Other relevant CSR topics

Other relevant CSR topics

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Workers in the value chain

Impact on society and Vion's role

Vion might be linked to risks in its supply chain with regards to working conditions and violations of workers' human rights. The risk is low in our operating countries - the Netherlands, Germany and Belgium - where farms are mostly independent small family businesses. The risk increases when we look at soy that originates from other countries, used for feed by our supplier livestock farms.

Vion's approach

We limit potential risks for workers outside our company by participating in the Round Table of Responsible Soy Certification. To minimise third-party impact, we are in regular contact with our supply chain partners, such as feed companies who deliver animal feed and other goods to our suppliers. We are constantly searching for the best way to work together with our supply chain partners so we have a transparent supply chain that can be followed and controlled.

Round Table Responsible Soy (RTRS) certified soy

We advocate the use of soy certified by Round Table Responsible Soy (RTRS) and work with

relevant stakeholders towards achieving a supply chain that supports the physical traceability of soy. The RTRS production standard includes socially responsible labour conditions and responsible community relations to mitigate the risks of human rights' violations.

Responsible labour condition aspects covered in the standards

- Child labour, forced labour, discrimination and harassment are not engaged in or supported
- Workers, whether directly or indirectly employed on a farm, and sharecroppers are sufficiently informed and trained for their tasks, and are aware of their rights and duties
- All workers have a safe and healthy workplace
- All workers enjoy freedom of association and the right to collective bargaining
- All workers, whether directly or indirectly employed on the farm, receive remuneration that is at least equal to national legislation and sector agreements

Responsible community relation aspects covered in the standards

- Channels are available for communication and dialogue with the local community (including

indigenous peoples) on topics related to the activities of the soy farming operation and its impacts

- In areas with traditional land users (including indigenous peoples), conflicting land uses are avoided or resolved
- An effective mechanism for resolving complaints and grievances is implemented and available to local communities (including indigenous peoples), employees, other workers and traditional land users
- The local population are given fair opportunities for employment and provision of goods and services, irrespective of gender and race

Audits on the RTRS standards

Audits on the RTRS standards are conducted by independent certification bodies. These are in turn audited by recognised accreditation bodies. By the end of 2025, we aim to have all soy from risk areas such as South America and Asia, and which is intended for animals to be processed by Vion, to be certified with, at least, a segregation chain of custody.

Fair pricing

Impact on society and Vion's role

Through our initiatives on fair pricing, we contribute to the proper functioning of our food commodity markets and help to limit extreme food price volatility. We also promote the fair and equitable sharing of benefits arising from genetic resources. In this way, we have a positive impact on Sustainable Development Goals target 2.c and 15.6.

Pricing will always be part of business negotiations, but Vion does not have a direct negative impact when it comes to fair pricing. As part of the value chain, Vion might, with supply chain partners, contribute to potential negative impacts of pricing. However, we believe that fair pricing is in the interests of the whole supply chain and wider society. To minimise any potential negative impact, and to contribute to the proper functioning of our food commodity markets, we have developed the policies and actions described below.

Vion's approach

Market situation

While cattle prices are volatile, this is even more true of pig prices, where the focus is typically short term amid fluctuating demand and supply. This influences spot prices, with traders dominating the international market. A more predictable supply of animals and less price volatility are in the interests of all parties in the

supply chain, as it enables them to better manage their risks.

Policy and commitment

Having a short payment term, something we support, is important to farmers as it helps to alleviate their working capital challenges. We are also committed to improving our pricing and contracting models, both to support a fair distribution of value in the production supply chain and to avoid volatility related to the traditional pig cycle. This includes the purchase price we pay for animals as this supports the success and continuity of farmers' businesses. However, the price paid to farmers depends heavily on the international meat market paying a fair price and, consequently, on the willingness of our customers to accept those prices.

Building Balanced Chains

Another important topic is the way value is distributed among supply chain partners, which is significantly influenced by the market. For this reason, we are developing demand-driven chains (Building Balanced Chains). The idea with these chains is to ensure that every supply chain partner earns enough money to be able to run their business. For us, 'fair' means that no individual party uses its position to gouge the chain and so earn excessively more at the expense of the other parties in the supply

chain. Imbalances are generally not good for a supply chain's continuity.

With our supply chain partners, we discuss topics like feed, animal welfare, logistics and energy as these influence farming costs. These subjects are closely related to fair pricing and are becoming increasingly important. To share what we have learned and improve performance within the supply chain, we work with a collaborative data solution called JoinData and have developed our own blockchain, the Vion Pork Chain VISION.

In 2021, we connected the Good Farming Star supply chain to the blockchain. This ensures data is transparent for the entire supply chain. In 2022, we developed the carbon footprint calculator and other tools, such as the Vion profitability tool and the failure cost calculator, to optimise the profitability of the farmer.

In 2023, we will continue to work on new pricing systems within existing and new Building Balanced Chains concepts. We are developing new balanced chains with specific incentive modules associated for our different pork chains. We will introduce these in 2023

De Groene Weg

Our pricing approach regarding 'De Groene Weg' is an example of our contribution to improved value distribution throughout the supply chain. The core of this strategy is to secure more long-term commitment from all parties concerned, resulting in less volatility and a better foundation for continuity. Four times per year, we set prices, and those prices remain fixed for that quarter.

Dedicated supply chains for specific retailers

We have supply chains for brands such as Robusto and De Groene Weg, for example, and dedicated supply chains for specific customers, such as Dutch retailers PLUS and Albert Heijn. In 2022, Vion and PLUS agreed a price system comprised of 40% fixed price and 60% market price. This system helps to safeguard the business continuity of the participating pig farmers and ensure a healthy revenue model. The 'Beter voor Varken, Natuur & Boer' chain of Albert Heijn is another example of how we contribute to improved value distribution throughout the supply chain. The 'Beter voor' pricing system is made up of 50% fixed price and 50% market price.

Good Farming Balance

The Good Farming Balance concept encourages farmers to focus their production on premium products for international markets. The concept includes several delivery modules and pricing systems. The delivery modules comply with the specific

demands of customers in international markets. Among other things, delivery weight and fat thickness vary per module. In addition to delivery modules, our suppliers can choose from different pricing systems:

- The Vion weekly price, which fluctuates weekly, depending on supply and demand
- The Vion Price Index Guarantee (PIG), a price average based on a benchmark average derived from a portfolio of representative national and international prices

PIG pricing system

The PIG system offers more stability for all parties in the supply chain, although we encountered difficult circumstances in 2022 due to disruptions in certain countries and markets that affected our average price changes. The PIG system guarantees an average price change, which is based on a basket of representative national and international quotations. Our objective for the Netherlands in 2023 is to have 76% of pigs delivered come from farmers who participate in Good Farming Balance. Most contracts with pig farmers have a regular notice period of one year.

Since the start of 2023, we have begun developing a PIG system that should be even better suited to building new balanced chains in international markets. This system will also have a sustainability component to stimulate farmers to invest in CO₂ reduction by basing part of the PIG system on rewards

for actions that suppliers take to reduce climate impact on their farms.

The Good Farming Balance concept is also available to German pig suppliers, with the concept adapted to the local market. It therefore differs slightly from the Good Farming Balance concept for the Dutch market. The German version is based on three pillars: a larger selection of types of pigs, contribution margin and continuity. The German market structure regarding pig traders is completely different to that of the Netherlands. In 2022, 19% of the delivered pigs were from farmers who participated in Good Farming Balance. For 2023 we are aiming for stabilisation, meaning the same percentage as 2022. Once we have consolidated the market, we will aim to have 50% of delivered pigs come from farmers who participate in Good Farming Balance in the mid-term perspective.

There are two things to note about the German market in 2022. First, the severely disrupted market situation there meant that, for several weeks, there was a disproportionate price movement relative to the other listings in the Vion price index guarantee system. As a result, the German pork price is currently no longer representative. For that reason, the German pig price has been temporarily removed since 26 September, in accordance with Article 3.1 of the Good Farming Balance agreement. Second, the market in Germany has been severely disrupted by the outbreak of African Swine Fever. This has

limited access to several European export markets as well as the world market. In addition, there was a very sharp decline in production in Germany due to stricter animal welfare regulations combined with the poor economic situation. All this resulted in a sharp reduction in pork production in Germany. In addition to sharp price increases for pigs in 2022, we saw the German market becoming more self-sufficient and less export driven.

Robusto chain

We have developed a Robusto 2.0 chain to compensate for the sharp increase in feed prices that had made it no longer attractive for pig farmers to produce for this concept. This has been balanced by adjusting the procurement table. We involved farmers through a sounding board group.

Healthy diet

Impact on society and Vion's role

Every day, around 100 million consumers eat something that contains Vion proteins. This figure includes processed protein-based food products. Too much salt, trans fats and sugar can harm human health. Consumers are increasingly aware of the dietary impact of the food they eat and are increasingly interested in natural products of high nutritional value

Consumers must know about the role nutrients play in our food in order to make well-informed dietary choices. We can have a positive impact on this by collaborating with scientific institutes and sharing scientific information with all our stakeholders in the supply chain, including the consumer.

A balanced diet in combination with an active lifestyle is vital to improving health and the overall well-being of our society. Proteins, and essential amino acids in particular, are an important part of our diet and can contribute to better health. Products of animal origin are a source of high-quality, well-balanced proteins for humans. But while humans are omnivores, we do not have to eat meat every day. Meat substitutes based on plant proteins can also help us to meet our needs. These products mostly contain additional fibre as well. Vion offers meat substitutes with added vitamin B12 and iron, and with low levels of saturated fat and reduced salt.

Vion's approach

We produce fresh, unprocessed meat containing natural nutrients, plus plant-protein-based meat alternatives. When we process food, we look carefully into what we can do to use the minimum amount of sodium, nitrite and sugar, as required for health or consumer acceptance.

We support scientific investigation into the role and source of proteins in a healthy diet, including working

with independent research institutes. We share this scientifically based information with our stakeholders throughout the food supply chain

- In 2020, we began a large research project on pulse proteins with Wageningen University. Pulses like faba beans can be grown in the Netherlands, but this source of protein has an unpleasant taste compared with soy proteins. The project aims to develop a faba bean that can be grown locally and which tastes good
- In 2021, we launched a research project with Maastricht University Medical Centre to study the effects of eating beef, as part of a varied meal, in stimulating muscle protein-synthesis rates in humans. A trial has been carried out to measure the bio-availability of beef versus plant proteins in elderly healthy persons receiving diets with equal protein and energy levels. Results will be available early 2023
- In 2022, we conducted research with a student from Maastricht University to investigate the advantages of using mycoprotein as a local plant protein, and consumer acceptance of this

Protein

Meat can be a good source of proteins, minerals and vitamins in a healthy diet. The protein content of fresh meat is around 20% and it is high-quality, containing all eight essential amino acids needed for the growth and maintenance of the human body. Fresh meat contains many important types of vitamin

B, such as vitamins B1, B6 and B12. Meat is also rich in easily absorbable iron and other minerals.

Essential amino acids have an impact on muscle protein turnover and muscle strength in humans. Our muscles are continuously being rebuilt, subject to catabolic (breakdown) and anabolic (build-up) processes. In essence, we construct a new set of muscles every two months. Public Health authorities recommend that groups that have high protein requirements, such as the elderly, children and sports people, consume 25 grams of protein per meal¹.

As we get older, our muscle mass starts to diminish. Muscles represent about 45% of our body weight between the ages of 20 and 30 years, but drop to only 27% by the age of 70. Consuming 1.0g to 1.3g of protein per kg of body weight per day, combined with twice-weekly exercise, reduces the loss of muscle mass. Further studies show that an evenly distributed consumption of protein during the day can help the elderly to maintain their muscle mass. A protein intake of 20 to 25 grams, four times a day, is suggested if you want to promote health.

Additives, sodium and nitrite

Vion makes limited use of additives where they are required to ensure the wholesomeness and safety of the final product. Whenever we do so,

we clearly label this on our products to inform customers and consumers properly and meaningfully. We produce pure, natural products. For processed products, including vegan products, we use only the ingredients necessary to ensure a safe and stable product. This means that we only use additives and ingredients which have been approved by the European Food Safety Authority.

Salt is a major source of sodium content in food products. For several years, we followed an ongoing strategy to reduce the sodium content and, especially, the nitrite concentration in our meat products and bacon. We have already achieved a great deal in the field of sodium reduction, lowering the salt content in consumer products such as cooked ham and bacon by between 20% and 50% since 2008.

We add nitrite to the majority of our processed meat products for the following reasons:

- Food safety: nitrite protects against the Clostridium botulinum bacteria. This is a toxic bacterium that causes food spoilage and can cause muscle paralysis when consumed, plus food spoilage
- Taste: nitrite prevents meat oxidizing as it slows the process whereby meat becomes rancid
- Colour: meat products acquire and maintain the right pink colour and do not turn grey

But too much nitrite is unhealthy. When nitrate is combined with proteins, it can produce nitrosamines. Nitrosamines are carcinogenic (especially with respect to colorectal cancer) according to the International Agency for Research on Cancer (IARC). The reduction of nitrite use over the last 15 years has significantly reduced the risk of cancer in humans. That said, to increase the likelihood of developing colorectal cancer, you must consume at least 50 grams of processed meat with nitrite per day. The UK government recommends limiting consumption of nitrite-containing further-processed meat products to 70 grams per day, because of the possible link with an increased risk of bowel cancer. A moderate and varied diet matters enormously to human health.

We are committed to reducing nitrite in our products. In 2022, we produced nitrite-free bacon and pizza toppings without compromising on food safety or product quality. We work continuously with ingredient suppliers to test nitrite substitutes in our product range.

Fat

Demand for lean meat (low energy and high protein) is growing. We are meeting this by offering specific low-fat cuts and researching ways to reduce the fat content of meat products without compromising the product's taste. In 2019, we developed technology to

¹ Drs. Irene Linders and Maike Blokhuis, Local Public Health Officials at GGD Noord- en Oost-Gelderland, Vion Corporate Social Responsibility Report 2018, p.76

produce a low-fat smoked sausage that tasted much better than the current low-fat smoked sausages on the market.

Among nutritional experts, there is a shift occurring with regard to how fat is perceived. Traditionally, saturated fat was thought to increase the risk of cardiovascular disease and high cholesterol levels. However, current research suggests that individual saturated fatty acids have their own important biological functions in the body and may play a role in cancer prevention by stopping the development of cancer cells, as well as being involved in the cell messaging and immune functions². In general, meat contains only a limited amount of saturated fat. Bacon, of course, contains more fat, but pork fillet contains less than 3% fat, and 60% of that fat is unsaturated. Meat does not contain trans fats. Trans fats are bad for humans because they increase the risk of disease in the heart and blood vessels.

Informing stakeholders

We inform consumers of the nutritional value of our food so that they can make well-informed choices. This nutritional information is provided on the label of our products. In addition, we have people in our company who regularly give lectures on fat and nitrite in meat to master's students at Wageningen University, for example, as well as at other companies.

We also discuss nutritional value with our customers and our raw material suppliers when developing new products.

Plant-based meat alternatives

Meat consumption is in slight decline in our home markets. Since 2019, Vion has invested substantially in plant-based products. In 2020, we opened a plant-based production location (ME-AT the alternative) in Leeuwarden, the Netherlands. We have a dedicated team developing, producing and marketing plant-based products. The products look like meat, taste like meat and can take the place of meat for consumers who want to limit their meat consumption, or eat vegetarian or plant-based food.

To create wholesome meat alternatives, we enrich our products with vitamins and minerals like B12 and iron. Ninety percent of our plant-based products have a premium nutritional score (A). This means they contain plenty of fibre and protein, and not too much saturated fat, salt (sodium) and sugar. Our plant-based range of burgers, sausages, mince, ribs, schnitzels and other pieces offer an alternative for each meal, as well as for BBQ and gourmet occasions. In 2022, we introduced a bean burger based on locally produced faba beans. An additional advantage is that these legumes flower abundantly, which is good for biodiversity and, for example, the bee

population. They also lock nitrogen into the soil. By finding the right species of faba beans and working together from field to fork in the production chain, we are constantly improving the taste and texture of our products to win the enthusiasm of more and more consumers.

Water resources

Impact on society and Vion's role

One of the impacts of climate change is an increasing risk of water shortages during the summer, something we saw in 2022 in the countries in which we operate. In our supply chain, farmers use water for their animals and their land, while the water we use to clean our facilities could also contribute to increasing the risk of water shortages in our production countries. We therefore employ water-saving measures to try to reduce the potential negative impact of our operations on water resources. By continuously targeting water usage, we work on the sustainable management and efficient use of natural resources (Sustainable Development Goals targets 6.4 and 12.2).

Vion's approach

We aim to minimise our use of municipal water. We do this not only by optimising our processes, but also by investing in waste water treatment to

² Lippi G, Mattiuzzi C, Sanchis-Gomar F. (2015). Red meat consumption and ischemic heart disease. A systematic literature review. *Meat Sci.*; 108:32-36.

re-use as much water as possible. Currently, we are investigating whether we could implement a waste water treatment facility that would generate electricity while cleaning the waste water from our manufacturing processes. This topic is growing in importance given changing regulations and the demands placed on our sites to be more sustainable.

Water withdrawal and consumption

Water is both an important resource for our production processes and for the maintenance of a sustainable planet. We are therefore committed to minimising our water usage. All production sites report monthly on water efficiency and are benchmarked against best practices. Should a particular site diverge significantly from the benchmark, we investigate ways to reduce water usage to close the gap.

In 2022, we managed to reduce our absolute water consumption by 3%. Around 85% of our water use is municipal water. The other 15% is groundwater, used at the four sites that have their own ground water well. Vion doesn't deplete water from areas with water stress.

In 2022, we implemented ECON, first at our German sites and then at all Vion locations. This system measures the water consumption in each department separately, which is useful information when trying to identify water-saving opportunities. It also makes

it easier to report, to set KPIs per department and location, to share best practices and to define water-saving projects. In 2022, we used the ECON concept to further evaluate each site's consumption and to determine specific reduction targets per location.

In 2022, we implemented a new and state-of-the-art condenser tower technology to improve the cooling systems at multiple locations. In addition to the expected efficiency improvements, there are other sustainability related benefits. Thanks to the upgrade, we reduced water consumption arising from re-cooling by 95%.

In Buchloe, Germany, we implemented a specific monitoring system for the use of chemicals. This reduced the water consumption of our cleaning activities there by 10%. As cleaning is one of the largest water-consuming processes at our sites, this represents a further step towards more environmentally friendly production.

Water discharge and purification

We only ever discharge purified water into surface water - like streams and rivers. Depending on the production site, we either clean the water used in production processes in our own waste water purification plants, or we use municipal waste water plants that have enough capacity to process our waste water. The minimum standard for the quality

of purified water we discharge to surface water is set by the local government and differs per site.

As part of our operations, we aim to minimise our use of municipal water. We therefore invest in waste water treatment to re-use as much water as possible. Currently, we are investigating whether we could implement a waste water treatment facility that would generate electricity while cleaning the waste water from our manufacturing processes.

Pollution

Impact on society and Vion's role

Other than greenhouse gases, we cause virtually no pollution that can be attributed to the release of chemicals, pathogens or detergents into the air, water or soil. Nor do we use so-called substances of concern that may be harmful to human health and/or the environment. The only exceptions are cleaning agents and cooling agents, such as Freon, that cause greenhouse gases. We report on greenhouse gases in the climate topic. We also emit particulate matter during transport. Odour nuisance caused by Vion is covered in the topic 'Local communities'.

Through our supply chain, we are linked to ammonia emissions at farms. This forms part of the 'Biodiversity and deforestation' material topic. Our supply chain also connects us to emissions of particulate matter on farms and odour nuisance for neighbours.

Vion's approach

Greenhouse gases

See Climate (see page 83)

Ammonia emissions at farms

See Biodiversity and deforestation (see page 115)

Emission of particulate matter during transport

We are moving to the use of EURO 6 vehicles in our fleet to lower the emission of particulate matter during transport. The last EURO 5 vehicles will be replaced in early 2023. In addition, we are also replacing more and more diesel-powered trucks with electric ones.

Discharge of water

See Water resources (page ##)

Odour nuisance

See Local communities (page ##)

Resource use and waste

Impact on society and Vion's role

We primarily use plastic packaging materials. Plastic packaging materials are often made with fossil fuels, the plastic is not always recycled, and it does not decompose. Therefore, our packaging has a negative impact on the climate and biodiversity.

According to the Food and Agriculture Organisation (FAO), one third of all food produced in the world is wasted. In our chain, most of the food waste is at consumers. And while Vion also causes some food waste, it is actually very little because we obtain value from the whole animal.

Vion's approach

Valorisation adds value to all the meat products we produce. We valorise all parts of the animal and create no waste.

Packaging

Our packaging methods help create a better shelf life and optimise efficiency. It is important to Vion that we choose the right packaging materials. 'Right', in this context, means finding solutions that satisfy multiple requirements: the consumer's desire for simple handling, the economic feasibility of packaging methods and the conservation of resources. To this end, Vion is pursuing innovative ways that include a high sustainability factor.

Where a single-use packaging system cannot be avoided, we strive to use packaging materials that give the intended level of protection in the most resource-efficient way.

Reducing materials

We are performing tests with consumer packaging to reduce the amount of material we use. At two

locations, we have invested in a new type of consumer packaging: a flatskin cardboard pack for a typical steak. Here, recyclable cardboard replaces some 60% to 85% of the plastic packaging. The back of the pack is made of cardboard and the individual plastic layers can be easily separated for recycling.

Besides product packaging, our procurement department is also exploring ways we can reduce the other materials we use. For example, some sites use municipal water instead of offering bottled water, and we have replaced plastic cups with recyclable paper cups. Another example is reducing our use of printed brochures.

Dilemma

Although we aim to reduce packaging, it is still a necessary part of ensuring food safety and the extended shelf life of products. As food wastage has a bigger impact than packaging when it comes to CO₂ emissions, our approach prioritises shelf life for us and our customers.

Re-using material

Together with our industry peers, we supply clients through a system of returnable and reusable plastic crates and large boxes. Within this system, we reuse more than 1.2 million E2 crates and more than 10,000 large boxes. This reduces the need for primary

and secondary packaging materials enormously, and broken crates are sent to recycling companies to make other items from them.

Recycled material

In Leeuwarden, the Netherlands, we are using recycled plastic (rPet) as our main packaging option. For Business Unit Retail, we have begun using trays made of 90% recycled polyethylene terephthalate (rPET). This reduces the need to use non-renewable fossil fuels and cuts CO₂ emissions by around 70% compared to the usual trays made of polypropylene (PP). Our customers and consumers also benefit from this. The tray is clear, solid and has a higher density, which means that the protective atmosphere around the meat lasts longer. This improves shelf life and product safety. Today, some 85% of the products we make for BU Retail are packed in rPET trays.

Recyclability of packaging materials

We are constantly looking for ways to reduce our use of packaging material and make it more recyclable. By 2030, we want all our plastic packaging to be 100% recyclable, without this compromising product quality or food safety. We are performing tests with consumer packaging to reduce the amount of material used. To improve recyclability, we are looking into the use of mono materials in place of multibarrier packaging.

Renewable material

Our development department now uses a different kind of cool box to send samples to customers. The previous Styrofoam boxes have been replaced with a carton box lined with recycled cellulose fibres (flock paper) which isolates even better than Styrofoam. The box only requires a very thin layer of plastic (less than 5%), which makes it recyclable within the waste paper stream. By using paper, we use renewable material instead of non-renewable fossil plastic. This new cool box represents a 40% saving in plastic. In addition, the address labels and tape are made of paper, so all the packaging can be recycled in the waste paper stream.

Waste

Preventing food wastage is the responsibility of the whole supply chain and a major priority for the food industry. It starts with preventing losses at harvesting, during processing and storage, and ends with the consumer.

This duty to prevent wastage is especially true for products of animal origin. We owe it not only to society, but also to the animals to make respectful use of all animal products. We are therefore determined to use the whole animal and to improve health and efficiency at the farm to prevent animal products that could be used for food from going to waste. As a result, we have virtually no wastage of products of animal origin as all the parts are used (whole carcass use).

Food consumption shows a certain seasonality, such as an increase in spare rib consumption during the barbecue season. We try to meet this seasonal demand by storing more of a product during specific seasons. Should demand prove to be lower than expected, creating an oversupply of consumer products, we donate any excess to a food charity.

Animal by-products that cannot be used for human consumption are used as a feed constituent or for other purposes. Immature manure from the animal's bowels is a valuable ingredient in renewable biogas energy generation, which needs these energy-rich substrates.

Within our food safety management approach, we mostly focus on minimising microbiological contamination. This leads to a longer shelf life and enables our customers to be more flexible when selling meat to their consumers. It also gives the consumer more time in which to use a particular item of food.

Within gastronomy supply chains, we advocate frozen food as the much longer shelf life results in much less wastage. Vion Food Service is a specialist in frozen food, supporting food service professionals in offering a broad range of meals and giving them the flexibility to adjust the number of servings to the actual number of guests and their preferences. By

producing single consumer portions, we can help the gastronomy customer avoid unnecessary leftovers.

To help consumers prevent food wastage, we support appropriate package sizes at the end-user level. For example, we offer retail tailor-made packaging for one person households.

We avoid plastic and other technical waste wherever possible. When unavoidable, this waste is separated and disposed of according to national disposal legislation in our production countries.

Local communities

Impact on society and Vion's role

Vion's production plants are designed to operate in accordance with national, regional and local environmental regulations, which include the interests of neighbours with regard to nuisances. However, it is obvious that food production companies of our size might cause some negative side effects, such as traffic and odour.

As well as minimising nuisance for our neighbours, we aim to have a positive impact on our local communities. One way we do this is by donating food to local food banks or other initiatives, making financial donations to charities and supporting local community events.

Vion's approach

We try to prevent and resolve nuisances involving traffic and odour by finding appropriate solutions in dialogue with our neighbours, local communities and the competent authorities. Transparency and openness are central in this. At our headquarters, in Boxtel, the Netherlands, we monitor complaints based on figures from the Omgevingsdienst (environs service) of the municipality and our own complaints department. The number of complaints has declined since the completion of our new production site in Boxtel. Drawing on the figures we observe, and feedback from a sounding board of local residents, we will continue the dialogue and look for solutions.

We work intensively with the municipality of Boxtel to communicate with the people who live around our operations. We inform them of developments through a newsletter, articles, advertisements, interviews and press releases.

Although site managers are responsible for community management, we are aware that this can vary per site. Some bigger sites need to pay more attention to community management as they are located in the middle of a town or village, for example. In 2023, we will review all our sites in the Netherlands, Germany and Belgium to ascertain what type of community management is advisable to reduce or prevent any negative impact from our site and activities. Mechanisms to do so include complaint

handling and reporting, community involvement in social and other events, sounding boards made up of residents and information-sharing regarding site developments.

In 2022, Vion donated 5,000 packages of bacon in food packages for Ukrainian refugees in the Netherlands. Farmers' associations ZLTO, LTO Noord and LLTB set up the food parcel initiative. The Boerschappen company is taking care of the collection, packaging and shipping of the parcels. The food parcels contain dairy, meat, vegetables, fruit, eggs, potatoes and flowers, all of Dutch origin.

In Germany, we support the local Food Tables, a regional initiative to help less privileged people. Since the outbreak of the war in Ukraine, our colleagues in the Polish sales office in Warsaw have been helping families from Ukraine with housing, food, education, laptops and basic necessities like clothing. In addition to making corporate donations to the Red Cross, many of our colleagues have acted in a personal capacity to give aid. Our commitment to this cause was continuing at the time this report was published.

Indirect economic impacts

Impact on society and Vion's role

As one of the main players in the meat and food industry, Vion has a significant impact on the national economy with regard to agriculture and food in both

the Netherlands and Germany. Our activities in large-scale meat and food processing provide an income and livelihood to many thousands of local farmers, feed producers and sectors of the service industry such as distribution and supervision. Around 45% of dairy farmers in the Netherlands, 30% of dairy farmers in Germany and 3% of dairy farmers in Belgium deliver their animals to Vion. For pig farmers, the figures are around 50% in the Netherlands and around 40% in Germany. Through this, our activities currently have an overall positive impact on the economy in our home markets. By sharing our high food safety and animal welfare standards, we have a positive effect on agricultural knowledge in our home countries. This in turn supports innovation and research into new sustainable food solutions.

Vion's approach

The high food safety and animal welfare standards we practise are a strategic choice as they enable us to sell into all the global food markets that interest us.

Having a good-sized local meat company that can aggregate livestock, process the meat and organise the sales and distribution to clients all over the world is essential for a healthy farming industry. We therefore aim for continuity and growth in our core production regions, and we continuously invest in an efficient production and logistics process. Following the introduction in the Netherlands of the Vion Operating System's lean methodology, our German

plants have started to work to the same principles, too. We have also increased our efforts to improve our operational, commercial and back-office processes and our management systems.

Tax

Impact on society and Vion's role

By paying a fair share of tax, Vion contributes positively to the local economy and the ability of the government to invest in public services. Potential negative impact could result from artificial tax structures that do not have an underlying commercial rationale as these could deprive the government of revenue.

Vion's approach

Our tax strategy is set by our Group Tax Director and approved by Vion's management board on an annual basis. We pay our fair share of taxes in relation to our activities and financial results, in line with the laws and regulations of the countries in which we operate.

We want to be a reliable partner to all our stakeholders, including the tax authorities. Therefore, we will not engage in tax evasion and artificial tax structuring. In the Netherlands, Vion, as an important supplier for food security, is subject to regular monitoring by the tax authorities. We work closely together with the Dutch tax authorities regarding the tax risks they see and how these risks can be or

should be mitigated. Our tax control framework is our main instrument to ensure we meet all our tax obligations, and we use it to monitor our main tax risks throughout the year.

Appendices

Stakeholder engagement

Stakeholder	Specific examples of stakeholders	Discussed approach on purpose, strategy, material topics, targets and/or contribution to sdgs	Engagement frequency and method	Responsible unit at Vion
Consumers	Consumers in our home markets of the Netherlands and Germany	Material topics	Yearly Food Service Consumer Trend Analysis	Marketing
	Consumers around the world	Animal welfare	Questions and remarks from consumers; each remark from a consumer is answered personally	Group Communication
		Traceability and product integrity		
		Sustainable farming		
		Fair pricing		
		SDGs		
		Responsible production and consumption		
Customers	Retail outlets	Material topics	Ad hoc direct talks by the Sales and Quality Assurance Departments	Sales
	Industry (manufacturers)	Food safety	Biennial Client Satisfaction Analysis	Marketing
	Food services	Animal welfare		Quality Assurance Departments
		Traceability and product integrity		CEO
		Working conditions		
		Sustainable farming		
		Fair pricing		
		SDGs		
		Responsible production and consumption		

Stakeholder	Specific examples of stakeholders	Discussed approach on purpose, strategy, material topics, targets and/or contribution to sdgs	Engagement frequency and method	Responsible unit at Vion
Suppliers	Animal suppliers: Farmers, De Groene Weg, Waddenvleesgroep	Purpose and strategy	Ad hoc dialogues by the Purchasing and	Public Affairs
	Food suppliers	Material topics	Quality Assurance Departments	Farming Department
	Non-food suppliers	Animal welfare	Workshops	Purchasing
		Traceability and product integrity	Annual meetings of farmer's associations	Quality Assurance
		Sustainable farming	Events for suppliers	CEO
		Fair pricing	Lectures at producer meetings	
			Guided plant tours for suppliers	
		SDGs		
		Responsible production and consumption		
		Decent work and economic growth		
Farmer associations	LTO (Landen Tuinbouworganisatie)	Material topics	Ad hoc bilateral meetings	Public Affairs
	ZLTO (Zuidelijke Landen Tuinbouworganisatie)	Animal welfare	Yearly sector meetings	COOs
	NVV (Nederlandse Vakbond Varkenshouders)	Traceability and product integrity	Yearly farmers' association supervisory boards	Purchasing Departments
	POV (Procentenorganisatie varkenshouderij)	Sustainable farming	Presentations at annual meetings	CEO
	Regional farmers' associations	Fair pricing		
	StarFarmers			
	De Groene Weg suppliers' association	SDGs		
	DBV (Deutscher Bauernverband)	Responsible production and consumption		
	ISN (Interessengemeinschaft der Schweinehalter Deutschlands)	Decent work and economic growth		
	ZDS (Zentralverband der Deutschen Schweineproduktion)			
	Breeding farm associations			
	NAJK (Young Farmers Association)			
	Bayerischer Bauernverband			

Stakeholder	Specific examples of stakeholders	Discussed approach on purpose, strategy, material topics, targets and/or contribution to sdgs	Engagement frequency and method	Responsible unit at Vion
Financial stakeholders	Shareholder ZLTO	Purpose and strategy	Ad hoc direct talks by the board	CFO
	Banks	Material topics and targets	Quarterly supervisory board meetings	CEO
	Shareholders of parts of Vion's subsidiary companies	Fair pricing		Public Affairs Department
				Treasury-Insurance
		SDGs		Group Communication
		Responsible production and consumption		
Public authorities		Decent work and economic growth		
	National, regional (provincial) and local governments	Material topics and targets	Ad hoc direct talks by the Public Affairs and Quality Assurance Departments and the Line Management	CEO
	Public auditors like NVWA	Animal welfare	Engagement in Topsector Agri & Food, as well as round table discussions on other specific projects and dialogues	Public Affairs
	Transparency Benchmark	Sustainable farming	Yearly benchmark on the CSR in the Netherlands	Group Communication
	GGD	Fair pricing		Quality Assurance Departments
	RIVM	Employment and working conditions		Line Management
	Veiligheidsregio's			HR
	Ministry of Agriculture, Nature and Food Quality	SDGs		
		Zero hunger		
		Responsible production and consumption		
		Decent work and economic growth		

Stakeholder	Specific examples of stakeholders	Discussed approach on purpose, strategy, material topics, targets and/or contribution to sdgs	Engagement frequency and method	Responsible unit at Vion
Round table groups	RTRS: Round Table Responsible Soy	Material topics	Round table meetings and technical advisory group meetings	Public Affairs
	National technical workgroup	Animal welfare	Member of the Steering Committees	Quality Assurance
	Varken van Morgen	Sustainable farming		Human Resources
	Topsector Agrifood			Purchase Departments
	SAI Beef Working Group (SAI Platform)	SDGs		
	Runde Tische Tierschutz	Responsible production and consumption		
	Initiative Tierwohl			
	Koordinierungsplattform Ferkelkastration			
	SPA = Sozialpolitischer Ausschuss der Fleischindustrie			
	ViVa (Coalition Vitalisering Varkenshouderij)			
	Boehringer Ingelheim Pork Sustainability Platform			
	Boars 2018			
Ngos	Animal welfare NGOs: Dierenbescherming, Eyes on Animals, Wakker Dier, Compassion in World Farming, Deutscher Tierschutzbund, Pro Vieh,	Material topics	Ad hoc direct talks, council or round table discussions with some NGOs	Public Affairs
		Animal welfare	Collaboration in the European Animal Welfare Platform	Quality Assurance
	Environmental NGOs: Stichting Natuur & Milieu, WWF, Milieudefensie, BUND	Sustainable farming	Collaboration in animal welfare projects	Farming Departments
				Group Communication
	Consumer protection NGOs: Consumentenbond, Voedingscentrum, Foodwatch, Verbraucherzentrale Bundesverband	SDGs		
		Responsible production and consumption		

Stakeholder	Specific examples of stakeholders	Discussed approach on purpose, strategy, material topics, targets and/or contribution to sdgs	Engagement frequency and method	Responsible unit at Vion
Workers and works councils	Own employees	Material topics	Frequent (at least) monthly informal meetings	Human Resources Department including CHRO
	Flex employees	Food safety	Annual performance planning and review meetings	
	Corporate works council	Animal welfare	Town hall meetings	
	Local works councils	Traceability and product integrity	Annual Top 150 management meetings	
		Working conditions		
		Carbon footprint of processing		
		Water use		
		SDGs		
		Zero hunger (safe food)		
		Responsible production and consumption		
Trade unions	Corporate and local works councils	Material topics	Frequent (at least monthly) informal meetings	Human Resources Department including CHRO
	Trade Unions: FNV, CNV, de Unie, NGG	Working conditions	Quarterly formal meetings	
			Collective bargaining agreements	
		SDGs	FNLI Taskforce Human Capital Agenda Food	
Trade organisations		Responsible production and consumption		
	COV (Centrale Organisatie voor de Vleessector)	Purpose	Membership on the Board of COV, VDF and BGN	CEO
	VNV (Vereniging van Slachterijen en Vleesverwerkende bedrijven)	Material topics	Membership on the Board of FNLI and	CHRO
	CBL (Centraal Bureau Levensmiddelenhandel)	Animal welfare	Innofood Twente	COOs
	FNLI (Federatie Nederlandse Levensmiddelenindustrie)	Sustainable farming	Member of CoViVa	Group Communication
	VDF (Verband der Fleischwirtschaft)	Fair pricing		
	German Meat			
	GS1 Working Group	SDGs		
	European Meat Network	Zero hunger (safe food)		
	VNONCW	Responsible production and consumption		
	BGN (Berufsgenossenschaft Nahrungsmittel und Gastgewerbe)	Decent work and economic growth		
	CoViVa (Coalition Vitalisering Varkenshouderij)			

Stakeholder	Specific examples of stakeholders	Discussed approach on purpose, strategy, material topics, targets and/or contribution to sdgs	Engagement frequency and method	Responsible unit at Vion
Competitors	Tönnies	Material topics	Ad hoc or in trade organisations	CEO
	Danish Crown	Animal welfare	SAI Platform	COO's
	Westfleisch	Sustainable farming		Sales
	Westfort			Marketing
	VanDrie	SDGs		Public Affairs Departments
	Müller	Responsible production and consumption		Group Communication
	Gosschalk	Decent work and economic growth		
	Compaxo			
	Van Rooij			
	Food service competitors			
Certifications schemes	IFS (International Featured Standards) Food	Material topics	Yearly audits	Quality Assurance
	GlobalGAP	Food safety	Direct membership in the governing bodies or technical advisory groups of a number of certification schemes	Purchase Departments
	BRC Global Standards	Animal welfare	Chair of the Dutch mirror group NEN-ISO for Animal Welfare	
	ISO (International Organisation for Standardisation)	Traceability and product integrity	Member of the Board of GlobalGAP and IFS	
	Stichting Beter Leven Keurmerk	Sustainable farming		
	IKB (Integraal Ketenbeheer)			
	Chain of Custody Standard			
	QS (Quality Scheme)			
	Skal			
	Tierschutzlabel			
	Initiative Tierwohl			
	Regionalfenster			
	Geprüfte Qualität Bayern			
	OrgalInvent			
	Milieukeur			
	NEN-ISO Dutch mirror group for Animal Welfare			
	NEN-ISO Dutch mirror group for the Chain of Custody			

Stakeholder	Specific examples of stakeholders	Discussed approach on purpose, strategy, material topics, targets and/or contribution to sdgs	Engagement frequency and method	Responsible unit at Vion
Science	Governmental research agencies like RIVM (Rijksinstituut voor Volksgezondheid en Milieu)	Material topics	Ad hoc direct talks	Research
	University research agencies like Wageningen University and Research Centre, University Utrecht, Uni Kiel, Uni Göttingen, Uni Bonn, Uni Witzenhausen, LMU München, Uni Hohenheim, FH Weihenstephan, FH Neubrandenburg, and TiHo (Tierärztliche Hochschule) Hannover	Food safety	Joint research projects	Quality Assurance
	Veterinary University Utrecht	Animal welfare	Scientific publications	Public Affairs
	IRAS (Institute for Risk Assessment, Utrecht University)	Carbon footprint of processing	Diplomats and residents of ECVPH	Purchase Departments
	TiFN (Top Institute Food and Nutrition)	Sustainable farming	Member of the Editorial Board VMT / Food Safety	
	TNO			
	BFR (Bundesinstitut für Risikobewertung)	SDGs		
	FLI (Friedrich-Loeffler-Institut, Federal Research Institute for Animal Health)	Responsible production and consumption		
	MRI (Max-Rubner-Institut)			
	GIQS (Grenzüberschreitende Integrierte Qualitätssicherung)			
	DIL (Deutsches Institut für Lebensmitteltechnik)			
	EU-Effort project (on antibiotic resistance)			
	ECVPH (European College of Veterinary Public Health)			
	SVEPM (Society for Veterinary Epidemiology and Preventive Medicine)			
	VMT / Food Safety			
	Society for Risk Analysis (US)			

Stakeholder	Specific examples of stakeholders	Discussed approach on purpose, strategy, material topics, targets and/or contribution to sdgs	Engagement frequency and method	Responsible unit at Vion
Media	Communication Committee VNO-NCW	Material topics	Yearly congress and workshops	Group Communication
	European Association of Communication Directors EACD	Animal welfare	Regular meetings and open communication	
	Media in the Netherlands, Germany and Belgium	Sustainable farming	Proactive dialogues and messaging	
	Trade media in the Netherlands, Germany and Belgium	Fair pricing	Daily answering of media requests	
	Global trade media		Member of the jury	
	SAN			
Neighbours	Sounding board of neighbours		Open days in the case of (re)new(ed) production sites	COOs
			Formal dialogues in the case of specific enlargement approval procedures	Local Line Management
			Meetings with sounding board of neighbours	Group Communication

Calculation of KPIs

Animal welfare

Number of slaughtered animals

All animals slaughtered at Vion (including animals slaughtered at Vion on commission from other slaughterhouses), and animals slaughtered at other slaughterhouses on commission from Vion.

Animals/pigs/cattle raised under certified higher animal welfare requirements

The number of animals/pigs/cattle raised and certified to conform to EU Organic, Beter Leven or Für Mehr Tierschutz slaughtered as a percentage of the total number of pigs/cattle slaughtered. The same calculation is used for pigs to calculate all the separate quality marks, like Beter Leven 1 star, etc.

Entire boars (not castrated) of total male pigs slaughtered

Number of uncastrated boars as a percentage of the total number of male pigs slaughtered.

Slaughtered female cattle of dairy or dual-purpose breeds

Number of female cattle from a dairy (Holstein Frisian, Brown Swiss) or dual-purpose breed (Simmental, Red Holstein, crossing beef/dairy cattle) as a percentage of the total number of female cattle slaughtered.

Average age of female cattle at slaughter

Average of all female cattle slaughtered. Vion receives the data on age from the animal suppliers.

% pigs/cattle transported \leq 200 km

Number of pigs/cattle originating from a farm within a radius of 200 km from the slaughterhouse as a percentage of the total number of slaughtered pigs/cattle.

% animals slaughtered in meat processing plants with specific animal welfare standards

Number of animals slaughtered in plants certified to conform to specific animal welfare standards (third-party standard that includes animal welfare aspects (QS/IKB), Beter Leven or Für mehr Tierschutz, or customers' private animal welfare standards) as a percentage of the total number of animals slaughtered.

No re-stun needed

The number of animals for which the first stun succeeded as a percentage of the total slaughtered animals.

% slaughtered pigs/cattle in independently certified regionality programmes

Number of pigs/cattle raised and certified to conform to Geprüfte Qualität Bayern, Regionalfenster

Niedersachsen, Bayerisches Rindfleisch g.g.A. or Regionalfenster Würtemberg as a percentage of the total number of slaughtered pigs/ cattle.

Pigs/cattle tested for antibiotics

The absolute number of pigs/cattle which had samples taken for antibiotic testing.

% of pigs/cattle tested for antibiotics

Number of pigs/cattle from which samples were taken for antibiotic testing as a percentage of total number of pigs/cattle slaughtered.

Pigs/cattle found with antibiotic residue above maximum residue limit (absolute and percentage)

Number of pigs/cattle found with antibiotic residue above the maximum residue limit as a percentage of the total number of pigs/cattle from which samples were taken for antibiotic testing. The maximum residue level is the maximum concentration of residue accepted within the applicable legislation.

Food safety

% sales volume from GFSI approved plants

Externally sold volume from our plants that are IFS or BRC certified as a percentage of the total externally sold volume.

% of slaughtered pigs from a third-party Good Agricultural Practice Scheme

Slaughtered pigs raised and certified to conform to IKB, QS, GlobalGAP or organic as a percentage of all slaughtered pigs.

% of slaughtered cattle from a third-party Good Agricultural Practice Scheme

Slaughtered cattle raised and certified to conform to QS or organic as a percentage of all slaughtered cattle.

% compliance with Vion internal microbiological standards for product hygiene

The number of days, per production site, on which the day-average Enterobacteriaceae-count on trimmings exceeds the internal Vion threshold, divided by the total number of days on which trimming samples are examined for Enterobacteriaceae.

Climate

Energy intensity

Absolute energy consumption in MJ divided by volume in tonnes sold.

Non-renewable energy intensity

Energy purchased for consumption and self-generated energy consumption in MJ originating from non-renewable energy sources divided by volume in tonnes sold.

Total energy consumption

Energy purchased for consumption + self-generated energy consumption in GJ.

Absolute direct GHG emissions (Scope 1)

GHG emissions from sources that are owned or controlled by Vion (own generation of electricity, heating, cooling, and steam, transportation and fugitive emissions) in tonnes CO₂-eq.

Absolute indirect GHG emissions (Scope 2)

GHG emissions that result from the generation of purchased or acquired electricity, heating, cooling and steam consumed by Vion in tonnes CO₂-eq.

GHG emissions intensity {Scopes 1 + 2}

Absolute direct and indirect GHG emissions in kg CO₂-eq divided by volume per tonne sold.

Contribution to CO₂-eq. emissions throughout the pork supply chain

These data are an average from calculations made for five pig farms in 2019 and include the pre-fattening, fattening and slaughter phases. Greenhouse gases other than CO₂ that are measured (methane and nitrous oxide) are recalculated based on global warming potential in kg CO₂-equivalents per 100g of protein.

Variability in CO₂ emissions for different foods

The category 'Pig meat (NL/DE)' represents the estimates based on actual data from five participating pig farmers in the Netherlands and Germany. The kg CO₂-equivalents emissions per 100g protein are recalculated from the carcass weight, with an estimated 65% meat on a carcass and 16% protein content. Estimates of global pork, grains and tofu originate from the scientific paper by Poore¹.

Employment and working conditions

Total number and rate of new employee hires during the reporting period, by age group, gender and country:

Absolute number (headcounts) of new employees in the reporting period. To calculate the rate of new employee hires, we use the total employee numbers at the end of the reporting period.

Total number and rate of employee turnover during the reporting period, by age group, gender and country:

Absolute number of employees (headcounts) who left Vion in the reporting period voluntarily or due to dismissal, retirement or death. To calculate the rate of employee turnover, we use the total employee numbers at the end of the reporting period.

Externally sold volume produced by production plants with independent supplier workplace certification

Externally sold volume from our plants certified by an independent supplier workplace certification as a percentage of the total externally sold volume from all our plants.

Safety culture ladder

Each plant is scored on a scale of one to five on six subjects. The average score for each of these six subjects is calculated for each plant. The final Vion score is the average score (on scale of one to five) of all Vion plants.

1,000-man quote

The number of work accidents resulting in either being off work for more than three calendar days, or death, based on 1,000 full-time workers.

Absentee rate

The percentage of days off sick with remuneration (the Netherlands the first two years of each sickness, for Germany the first six weeks, for Belgium the first four weeks), based on own employees (so excluding third-party staff). Our international sales offices are not included in the figures.

Work-related injuries

Injury, death or ill health arising from exposure to hazards at work that result in any of the following:

death, days off work, restricted work or transfer to another job, medical treatment beyond first aid, loss of consciousness; or significant injury or ill health diagnosed by a doctor or other licensed healthcare professional, even if it does not result in death, days off from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.

Lost time injuries

Absolute number of injuries of all workers resulting in an absence of at least one scheduled workday.

**Biodiversity and deforestation
Traceability and product integrity
*% externally sold volume with a specific integrity standard***

Externally sold volume from plants certified to conform to IFS Product Integrity Assessment, German Orgainvent or LQB- Herkunft integrity standard as a percentage of total externally sold volume.

% externally sold volume from plants with IFS PIA

Externally sold volume from plants certified to conform to IFS Product Integrity Assessment as a percentage of total externally sold volume.

% externally sold volume from plants with German Orgainvent or LQB-Herkunft integrity standard

Externally sold volume from plants certified to conform to German Orgainvent or LQB-Herkunft integrity standard as a percentage of total externally sold volume.

Definitions

1,000-man quote (TMQ)

The number of work accidents resulting in more than three calendar days of absence or death, based on 1,000 full-time workers.

Absentee rate

The actual days of absence with continued remuneration (the first two years of each sickness in the Netherlands, the first six weeks in Germany, the first four weeks in Belgium), expressed as a percentage of the total days scheduled to be worked by these workers in the same period. In the calculation, we only take our own employees into account and not third-party workers.

Amino acids

A large proportion of our cells, muscles and tissue is made up of amino acids. Amino acids are used in your body to build proteins. Amino acids bond together to make long chains. Those long chains of amino acids are called proteins.

Boundary

Description of where the impacts occur for a material topic and the organisation's involvement with those impacts.

Direct (Scope 1) GHG emissions

GHG emissions from sources that are owned or controlled by an organisation.

Employee

An individual who is in an employment relationship with the organisation, according to the national law or its application.

Employee turnover

Employees who leave the organisation voluntarily or due to dismissal, retirement or death in service.

Energy efficiency

Absolute energy consumption divided by the volume in tonnes sold.

Energy indirect (Scope 2) GHG emissions

GHG emissions that result from the generation of the purchased or acquired electricity, heating, cooling and steam consumed by an organisation.

Energy reduction

Amount of energy no longer used or needed to carry out the same processes or tasks.

External sold volume

The total volume of meat and by-products that are sold to external customers. Internal sales within divisions are excluded.

Financial control consolidation approach

The financial control approach means that the entity that is receiving the financial benefit from the operation of the building is solely responsible for the emissions from the operation of the building.

Greenhouse gas (GHG)

Gas that contributes to the greenhouse effect by absorbing infrared radiation.

High-consequence work-related injury

Work-related injury that results in a fatality or in an injury from which the worker cannot, does not or is not expected to recover fully to pre-injury health status within six months.

Indirect (scope 3) GHG emissions

Indirect CO₂e emissions that are linked to the company's activities and occur up and down its value chain – e.g. farming.

Injury

Non-fatal or fatal injury arising out of, or in the course of, work activities.

Lost-time injuries (LTIs)

Injuries with an absence of at least one scheduled work day.

KPI/Key Performance Indicator

A quantifiable measure used to evaluate our performance.

Location-based method

For CO₂ emissions, we use the average grid emission factors for the country in which the energy is purchased/produced.

Management approach

Narrative description of how Vion manages its material topics and their related impacts.

Material topic

Topic that reflects Vion's significant economic, environmental and social impacts, and that substantively influences the assessments and decisions of our stakeholders.

Maximum Residue Limit (MRL)

The maximum concentration of residue accepted within legislation. This can be the residue of an environmental contaminant, such as lead, or the residue of a crop protection or animal protection agent.

Non-renewable energy source

An energy source that cannot be replenished, reproduced, grown or generated in a short time period through ecological cycles or agricultural processes.

Renewable energy source

Energy source that is capable of being replenished in a short time through ecological cycles or agricultural processes.

Scope of the GHG emissions

Classification of the operational boundaries where the GHG emissions occur.

Slaughtered animals

All animals slaughtered by Vion (including animal slaughtered by Vion on commission from other slaughterhouses) and by other slaughterhouses commissioned by Vion.

Slaughter weight

The weight of a carcass after slaughtering, without the blood and skin.

Stakeholder

An entity or individual that can reasonably be expected to be significantly affected by Vion's activities, products and services; or whose actions can reasonably be expected to affect the ability of Vion

to successfully implement its strategies and achieve its objectives.

Sustainable development/sustainability

Development that meets the present needs without compromising the ability of future generations to meet their own needs.

Third-party worker

Flex workers hired via temporary employment agencies.

Work-related injury

Injury or ill health arising from exposure to hazards at work that result in any of the following: death, days off work, restricted work or transfer to another job, medical treatment beyond first aid or loss of consciousness; or significant injury or ill health diagnosed by a doctor or other licensed healthcare professional, even if it does not result in death, days off work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.

Key figures

	2022	2021	2020	2019
Amounts in millions of euros				
Results				
Revenue	5,340.7	4,597.9	4,901.9	4,670.2
Normalised EBITDA ¹	47.8	40.0	122.3	60.5
Impairment of non-current assets and restructuring costs	63.4	4.1	10.6	19.3
Earnings before interest and taxes	(86.6)	(30.8)	52.6	16.8
(Loss)/profit for the year	(108.0)	(29.0)	52.9	10.2
Cash Flow				
Net cash flow from operating activities	41.2	2.7	271.7	90.0
Net cash flow from investment activities	(85.4)	(60.8)	(73.5)	(58.5)
Balance Sheet				
Group Equity	371.2	449.1	493.1	448.2
Balance sheet total	1,203.6	1,126.2	1,071.6	987.7
Net debt ²	191.0	114.8	6.9	35.1
Ratios				
Added Value as % of revenue ³	25.0%	27.4%	26.7%	24.6%
Staff Costs as % of revenue	12.3%	14.0%	12.6%	12.3%
Normalised EBITDA as % of revenue	0.9%	0.9%	2.5%	1.3%
Normalised EBITDA as % of added value	3.6%	3.2%	9.4%	5.3%
Solvency	30.8%	39.9%	46.0%	45.4%
Return on average capital employed ⁴	(3.7%)	(4.5%)	8.9%	3.2%
Employees				
Number of employees (FTEs) at year-end	7,645	7,974	4,673	4,544
number of employees (FTEs) including flex workers at year-end	11,838	12,281	12,124	12,445
Average number of employees (FTEs)	7,821	7,692	4,454	4,539
Average number of employees (FTEs) including flex workers	12,140	12,446	11,984	11,969

¹ Excluding impairments, restructuring costs, acquisition costs, results from disposals and divestments of group companies.

² Total long term and current interest-bearing loans and borrowings and other non-current financial liabilities less cash and cash equivalents.

³ Revenue less raw materials and consumables as percentage of revenue.

⁴ Normalised earnings before interest and taxes divided by average capital employed (intangible assets, property plant & equipment, investment properties, right of use assets, working capital excluding interest bearing loans and borrowings).



Sales volume
compared to last year



Revenue
compared to last year



Normalised EBITDA
compared to last year



FTE at year-end
compared to last year

Financial information

1 General information

The Consolidated Financial Statements of Vion Holding N.V. and its subsidiaries (collectively, Vion or the company) for the year ended 31 December 2022 were authorised for publication by the management board of the company following the approval by the supervisory board on 27 June 2023.

The financial statements will be submitted to the general meeting of shareholders for adoption.

Vion Holding N.V. is a public limited liability company under Dutch law incorporated and domiciled in the Netherlands. The registered office is located in Best, the Netherlands. Vion has one shareholder and ultimate controlling party: Stichting Administratiekantoor SBT. Vion Holding N.V. is registered with the Dutch Trade Register under number 17053901.

Vion Holding N.V. is a holding company. Vion's product portfolio consists of fresh pork and beef and derived convenience food products.

1 Consolidated Income Statement

for the year ended 31 December 2022

	note	2022	2021
Continuing operations			
Sale of goods		5,285,124	4,552,103
Rendering of services		55,605	45,758
Revenue from contracts with customers	5	5,340,729	4,597,861
Other operating income	6	16,195	11,183
Raw materials and consumables used		(4,003,632)	(3,340,083)
Subcontracted work and external costs		(645,056)	(575,167)
Employee benefits expenses	7	(656,314)	(645,984)
Depreciation and amortisation	8	(71,332)	(68,239)
Impairment of non-current assets	9	(56,894)	(787)
Other operating expenses	10	(10,276)	(9,581)
Total operating expenses		(5,443,504)	(4,639,841)
Earnings before interest and taxes		(86,580)	(30,797)
Finance costs	11	(9,199)	(5,300)
Finance income	11	195	42
Share of profit of associates and joint ventures		1,959	1,526
Loss before tax from continuing operations		(93,625)	(34,529)
Income tax (expense)/income	12	(14,395)	5,523
Loss for the year		(108,020)	(29,006)
Attributable to:			
Equity holders of the parent		(108,132)	(29,704)
Non-controlling interests		112	698
Total		(108,020)	(29,006)

2 Consolidated Statement of Comprehensive Income

for the year ended 31 December 2022

	note	2022	2021
(Loss)/profit for the year		(108,020)	(29,006)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss (net of tax):			
Exchange difference on translation of foreign operations	23	34	(26)
Net gain/(loss) on cash flow hedges	23	804	(1,305)
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods		838	(1,331)
Items that will not be reclassified subsequently to profit or loss (net of tax):			
Remeasurement gains on defined benefit obligations	23	29,390	3,883
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		29,390	3,883
Other comprehensive income for the year, net of tax		30,228	2,552
Total comprehensive loss for the year, net of tax		(77,792)	(26,454)
Attributable to:			
Equity holders of the parent		(77,904)	(27,152)
Non-controlling interests		112	698
Total		(77,792)	(26,454)

3 Consolidated Statement of Financial Position

as at 31 December 2022

Assets	note	2022	2021
Non-current assets			
Property, plant and equipment	13	303,579	335,297
Investment properties	14	819	859
Intangible assets	15	79,392	70,373
Right of use assets	29	50,985	41,312
Investment in associates and joint ventures	16	12,344	10,385
Other non-current financial assets	18	650	710
Deferred tax assets	19	31,464	42,687
Total non-current assets		479,233	501,623
Current assets			
Inventories	20	269,817	224,338
Trade and other receivables	21	436,510	363,999
Prepayments		11,806	12,806
Other current financial assets	18	1,592	2,921
Income tax receivable		88	1,797
Cash and cash equivalent	22	4,594	18,708
Total current assets		724,407	624,569
Total assets		1,203,640	1,126,192

<i>Equity and liabilities</i>	note	2022	2021
Equity			
Issued share capital	23	2,285	2,285
Share premium	23	372,716	372,716
Legal reserves	23	30,437	25,466
Retained earnings		60,084	64,531
Result for the year		(108,132)	(29,704)
Equity attributable to equity holders of the parent		357,390	435,294
Non-controlling interests	17	13,804	13,820
Total equity		371,194	449,114
Non-current liabilities			
Interest-bearing loans and borrowings	24	128,120	116,784
Other non-current financial liabilities	25	1,489	3,659
Provisions	26	2,290	2,191
Net employee defined benefit liabilities	27	82,835	119,071
Deferred tax liabilities	19	27	70
Total non-current liabilities		214,761	241,775
Current liabilities			
Trade and other payables	28	534,945	403,060
Interest-bearing loans and borrowings	24	65,978	13,059
Other current financial liabilities	25	5,326	6,240
Contract Liability	5	1,623	1,059
Income tax payable		389	1,323
Provisions	26	9,424	10,562
Total current liabilities		617,685	435,303
Total liabilities		832,446	677,078
Total equity and liabilities		1,203,640	1,126,192

4 Consolidated Statement of Changes in Equity

for the year ended 31 December 2022

Attributable to the equity holders of the parent										
	Issued share capital	Share Premium	Cash flow hedge reserve	Legal reserves		Retained earnings	Result for the year	Total	Non- controlling interests	Total Equity
				Foreign currency translation reserve	Other legal reserves					
Balance at 1 January 2021	2,285	372,716	1,228	643	20,272	31,076	51,727	479,947	13,141	493,088
Appropriation of net result	-	-	-	-	-	51,727	(51,727)	-	-	-
Loss for the year	-	-	-	-	-	-	(29,704)	(29,704)	698	(29,006)
Other comprehensive income	-	-	(1,305)	(26)	-	3,883	-	2,552	94	2,646
Total comprehensive income	-	-	(1,305)	(26)	-	3,883	(29,704)	(27,152)	792	(26,360)
Dividends	-	-	-	-	-	(17,500)	-	(17,500)	(114)	(17,614)
Transfer to legal reserves	-	-	-	-	4,654	(4,654)	-	-	-	-
Balance at 31 December 2021	2,285	372,716	(77)	617	24,926	64,531	(29,704)	435,294	13,820	449,114
Appropriation of net result	-	-	-	-	-	(29,704)	29,704	-	-	-
Loss for the year	-	-	-	-	-	-	(108,132)	(108,132)	112	(108,020)
Other comprehensive income	-	-	804	34	-	29,390	-	30,228	-	30,228
Total comprehensive loss	-	-	804	34	-	29,390	(108,132)	(77,904)	112	(77,792)
Dividends	-	-	-	-	-	-	-	-	(128)	(128)
Transfer to legal reserves	-	-	-	-	4,133	(4,133)	-	-	-	-
Balance at 31 December 2022	2,285	372,716	727	651	29,059	60,084	(108,132)	357,390	13,804	371,194

5 Consolidated Statement of Cash Flows

for the year ended 31 December 2022

	note	2022	2021
Operating activities			
Loss before tax from continuing operations		(93,625)	(34,529)
Adjustments to reconcile (loss)/profit before tax to net cash flows:			
Depreciation and impairment of property, plant and equipment	13	95,327	41,843
Depreciation and impairment of right-of-use-assets	29	19,869	17,418
Depreciation and impairment of investment properties	14	40	102
Amortisation and impairment of intangible assets and impairment of goodwill	15	12,990	9,663
Gain on disposal of property, plant and equipment	6	(634)	(2,741)
Finance income	11	(195)	(42)
Finance costs	11	8,354	4,959
Net foreign exchange differences	11	845	341
Share of profit of associates and joint ventures	16	(1,959)	(1,526)
Movement in provisions and pensions		(8,835)	(4,518)
Acquisition costs		306	1,228
Working capital changes:			
(Increase)/decrease in trade and other receivables and prepayments		(67,613)	(12,251)
(Increase)/decrease in inventories		(45,479)	(35,634)
Increase/(decrease) in trade and other payables		130,559	28,666
Cash generated from operating activities		49,950	12,979
Interest received		92	(20)
Interest paid		(6,286)	(4,861)
Income tax paid		(2,533)	(5,428)
Net cash flows from operating activities		41,223	2,670

	note	2022	2021
Investment activities			
Proceeds from sale of property, plant and equipment		1,206	4,205
Purchase of property, plant and equipment		(63,957)	(47,187)
Purchase of intangible assets	15	(13,366)	(7,195)
Development expenditures	15	(9,051)	(9,563)
Proceeds from sale of financial assets		(229)	308
Acquisition of subsidiaries - net of cash acquired		-	(1,611)
Dividends received from associates and joint ventures		-	241
Net cash flows used in investment activities		(85,397)	(60,802)
Financing activities			
Proceeds from borrowings		51,272	75,000
Repayments of borrowings		-	(10,602)
Payment of principal portion of lease liabilities		(18,517)	(17,135)
Proceeds from non-bank debts		20	544
Dividend paid to equity holders of the parent	24	-	(17,500)
Dividend paid to non-controlling interests	26	(2,700)	(2,194)
Net cash flows from/(used in) financing activities		30,075	28,114
Net (decrease)/increase in cash and cash equivalents		(14,099)	(30,018)
Net foreign exchange differences		(15)	(332)
Cash and cash equivalents at 1 January		18,708	49,058
Cash and cash equivalents at 31 December		4,594	18,708

Appendices (available online)

About our CSR report

This report on 2022 has been prepared with reference to the GRI Standards 2021 and was published on 19 July 2023 after approval by the Management Board and Supervisory Board. The reporting period and yearly frequency is the same as that of our financial annual report. The content of this report focuses primarily on material CSR topics.

Stakeholder involvement

We considered the interests of our stakeholders when defining the material topics and content of this report. These interests are familiar to us because of the stakeholder engagement we pursue as part of our regular activities. We also monitor the media and engage with the scientific community. To open a dialogue and to learn from each other, we participate in round table meetings. In addition, we provide specific stakeholders with opportunities to raise topics in interviews for proAgrar, our quarterly German farmers' magazine.

See the chapter Our stakeholders (see page 26) and the appendix Stakeholder engagement

(see page 136) for more information about our stakeholder engagement.

In 2022, we sent a questionnaire to a number of our stakeholders so we could involve them in our impact identification, impact assessment and materiality analysis. We invited 86 stakeholders to complete the questionnaire and 47 replied, a response rate of 55%. The stakeholders who responded represented farmers and farmers' associations, other food suppliers, service partners, customers, competitors, works councils, trainees, labour unions, investors, science, food & agribusiness students, trade organisations, trade mark organisations, NGOs and other experts.

CSR and governance

We have established a CSR core team consisting of the CEO, the CSR portfolio manager, representatives of Group Communication, Quality Assurance, Human Resources, Group Finance and an external consultant. The CSR strategy proposals made by the CSR core team were approved by the Executive Committee, the Management Board and supervised by the Supervisory Board. The CEO has the final responsibility for the CSR strategy and its results. A KPI dashboard contains all of the CSR KPIs and targets, which we were able to disclose. To monitor our progress on these targets we review them every quarter in the Business Review Meetings of the Business Units. The CSR report 2022 is

finally approved by the Management Board and The Supervisory Board.

Materiality analysis

With regard to actual and potential negative impacts resulting from our business activities, or those we are linked to through our supply chain, we have developed a list of CSR topics that are relevant to Vion. The scope of the impact analysis is actual impacts (such as working conditions) and potential impacts (such as food safety), short-term impacts (such as animal welfare) and long-term impacts (such as climate change), and impacts within the whole value chain (such as potential deforestation). We focused on the negative impacts as these are the most important to our stakeholders, the most important to mitigate and they cannot be offset by positive impacts. Within the CSR topic chapters, we describe our negative impacts as well as the positive ones.

To filter the material topics from all the relevant topics, we performed a materiality analysis with representatives from different departments and conducted stakeholder research. We weighted the response of stakeholder groups according to their knowledge of all impacts of our business and the proportion of our business they represent. The response of trade organisations and experts (three respondents in total) were given double weighting

because of their knowledge of all impacts. The response of service partners and other food suppliers (six respondents in total) were given half the weight to reflect the relatively smaller size of foods other than meat in our total business, and the narrow range of specific services supplied by the service partners (such as finance assurance, water, waste and cleaning).

The stakeholders ranked the impact of the topics from one to 15, according to the significance of their actual or potential negative impact by Vion or our value chain on people, planet, animals or the economy. The weighted average ranking is as follows:

1. Animal welfare (4.3)
2. Food safety (4.6)
3. Climate (5.8)
4. Employment and working conditions (6.3)
5. Biodiversity and deforestation (6.4)
6. Traceability and product integrity (6.7)
7. Workers in the value chain (7.4)
8. Fair pricing (8.0)
9. Healthy diet (8.3)
10. Water resources (8.8)
11. Pollution (8.8)
12. Resource use and waste (8.9)
13. Local communities (9.2)
14. Indirect economic impact (12.8)
15. Tax (13.8)

The stakeholder questionnaire also included a question about which topics the stakeholders would like Vion to report on. Based on both the response and the size of the gap between topics six and seven, we decided to limit the material topics to numbers one to six. We have assigned targets to, and report extensively on, these material topics.

See chapter Materiality analysis and material topics (see page 34) for more information about our materiality analysis.

Our policy, management approach and our performance with regard to the material topics has received the most attention in this report, as these reflect Vion's significant impacts. Besides this, we have also included a short summary of our approach to the less material topics, because we realise that for some stakeholders a topic that is defined as less material can nonetheless be important. We invite our stakeholders to react to our report and to share their expectations with us via their regular contact person.

List of principal subsidiaries

(in percentage)	Proportion of ordinary shares directly held by Vion	Country of incorporation
Ahlener Fleischhandel GmbH	87.5	Germany
BestHides GmbH	60	Germany
CEMO GmbH		Germany
De Groene Weg B.V.		the Netherlands
Distrifresh B.V.		the Netherlands
Der Grüne Weg GmbH		Germany
Encebe Vleeswaren B.V.		the Netherlands
FVZ Convenience GmbH		Germany
Hildener Landmetzgerei GmbH		Germany
Me-at Leeuwarden B.V.		the Netherlands
NWT-CT GmbH		Germany
Otto Nocker Fleischmarkte GmbH		Germany
Otto Nocker GmbH		Germany
Salomon Food World GmbH		Germany
Salomon Hitburger GmbH		Germany
SFB Fleisch- und Kühlcentrale GmbH&Co KG	63	Germany
Südfleisch Bamberg GmbH		Germany
Südfleisch Waldkraiburg GmbH		Germany
Vion Adriaens N.V.		Belgium
Vion Altenburg GmbH		Germany
Vion Apeldoorn B.V.		the Netherlands
Vion Bad Bramstedt GmbH		Germany
Vion Beef B.V.		the Netherlands
Vion Beef Süd GmbH		Germany
Vion Boxtel B.V.		the Netherlands
Vion Convenience GmbH		Germany
Vion Crailsheim GmbH		Germany
Vion EGN Südostbayern GmbH	51	Germany
Vion Emstek GmbH		Germany

(in percentage)	Proportion of ordinary shares directly held by Vion	Country of incorporation
Vion Enschede B.V.		the Netherlands
Vion Farming B.V.		the Netherlands
Vion Farming België N.V.		Belgium
Vion FKM Furth im Wald GmbH	70	Germany
Vion Food (NL Division) Ltd		United Kingdom
Vion Food Group Ltd		United Kingdom
Vion Food International B.V.		the Netherlands
Vion Food North B.V.		the Netherlands
Vion Food Scotland Ltd		United Kingdom
Vion Groenlo B.V.		the Netherlands
Vion Hilden GmbH		Germany
Vion Holdorf TK GmbH		Germany
Vion Perleberg GmbH		Germany
Vion Retail Groenlo B.V.		the Netherlands
Vion Retail Nederland B.V.		the Netherlands
Vion Rundvee B.V.		the Netherlands
Vion Rundvee Belgium B.V.		Belgium
Vion SBL Landshut GmbH	51	Germany
Vion Scherpenzeel B.V.		the Netherlands
Vion Tilburg B.V.		the Netherlands
Vion Trading B.V.		the Netherlands
Vion Zucht- und Nutzvieh GmbH		Germany

An entity is assumed to be a principal subsidiary if it is representing more than 5% of either consolidated group sales or operating result (before any intra-group eliminations). In addition, subsidiaries with a legal disclosure requirement are included in the list of principal subsidiaries.

Corporate governance and organisational structure

Ownership

Vion's sole shareholder, Stichting Administratiekantoor SBT, is a trust office that has issued the depositary receipts for its shares to NCB-Ontwikkeling, which acts as the investment fund of the ZLTO. The ZLTO is an association for agricultural entrepreneurs and has approximately 13,000 members in the Dutch provinces of North Brabant, Zeeland and the southern part of Gelderland.

Legal form and corporate governance

Vion Holding N.V. is a public limited liability company under Dutch law with its registered office in Best, the Netherlands. As an international holding company, Vion is exempted from applying the Dutch large company regime (structuurregime). Vion has a two-tier board. The Management Board is responsible for managing the company, while the Supervisory Board oversees the policies set by the Management Board and the general affairs of the company. The Management Board is supported by the Executive Committee (ExCo). Vion's corporate governance structure is based on Dutch legislation, its articles of

association, the Dutch Corporate Governance Code, and Vion's own code of conduct.

Organisational structure

The Executive Committee supports the Management Board in achieving Vion's objectives and implementing the strategic objectives set out in the strategy and business plan. Next to the Chief Executive Officer (CEO) and Chief Finance Officer (CFO) it consists of the Chief Operating Officers (COOs) of the Business Units Pork, Beef, Retail and Food Service, the Chief Human Resources Officer (CHRO) and the Chief Transformation Officer (CTO), as of 1 January 2023). The Management Board is



ultimately responsible for the actions and decisions taken within the Executive Committee and for the overall management of Vion. Members provide regularly updates on their lines of business in meetings of the Supervisory Board.

Vion's Diversity Policy contains the following specific objective with regard to gender diversity within the Executive Committee. When the Executive Committee consists of seven or more members: increasing gender diversity such that at least two members of the Executive Committee are female. Currently the Executive Committee has one female and seven male members. This means the objective has not yet been met. Gender diversity will continue to be an important element in the profile for future vacancies on the Executive Committee. An action plan to reach the objective with regard to gender diversity within the Executive Committee has been drawn up. In addition, if a vacancy in a senior position needs to be filled, specific attention is paid to female talent.

The Supervisory Board

The Supervisory Board oversees the policies pursued by the Management Board and the general affairs of the company. The Supervisory Board offers advice and assistance to the Management Board. The Supervisory Board also supervises how the Management Board develops and implements its view on long-term value creation. In doing this, the Supervisory Board focuses on the interests of the company and its business.

Important Management Board decisions are subject to the prior approval of the Supervisory Board. Examples of important decisions include decisions on the nature and scale of its business operations, and decisions affecting the company's capital structure.

All decisions of the Supervisory Board must be taken by absolute majority. Decisions by the Supervisory Board are only valid when the majority of the Supervisory Board members in office are either present or otherwise represented. The Supervisory Board may only take decisions outside its meetings if all the Supervisory Board members have expressed themselves in favour of the proposal in question. The Supervisory Board discusses its performance, the performance of its committees and that of the individual Supervisory Board members at least once a year in a session in which the members of the Management Board are not present.

The Supervisory Board's rules on its composition and performance are laid down in its rules of procedure. For details, please visit our website.

Appointment, composition and conflict of interests

Supervisory Board members are appointed by the General Meeting following a binding recommendation of the Supervisory Board. The General Meeting may only ignore the binding recommendation of the Supervisory Board with the

consent of at least two-thirds of the votes cast, which in turn represents at least half of the issued capital.

Supervisory Board members are appointed for a term of four years and may be reappointed for one further four-year period. A Supervisory Board member may subsequently be reappointed again for a period of two years and this appointment may be extended by another period of not more than two years. In the event of reappointment after eight years, the reasons for reappointment should be given in the Report of the Supervisory Board.

The General Meeting may grant a fixed remuneration to the Supervisory Board members. In addition, the Supervisory Board members are reimbursed for all reasonable costs.

The composition of the Supervisory Board will be such that the combination of experience, expertise and independence are present for the Supervisory Board members to properly fulfil their duties. Vion aims for diversity within the Supervisory Board. This diversity includes a broad range of aspects such as nationality, age, gender, education and work background. One of Vion's diversity aims is to achieve a reasonable gender balance in the Supervisory Board. Vion's Diversity Policy contains the following specific objective with regard to gender diversity within the Supervisory Board. When the Supervisory Board consists of less than six members: maintaining gender diversity such

that at least one member of the Supervisory Board is female. At 31 December 2022 the Supervisory Board had one female and four male members, which means this objective has been met in 2022. However, the Supervisory Board currently has one female and five male members. The Diversity Policy contains the following specific objective when the Supervisory Board consists of six or more members: increasing gender diversity such that at least two members of the Supervisory Board are female. This objective has not yet been met. Gender diversity will in 2023 continue to be an important element in the profile for vacancies on the Supervisory Board. An action plan to reach the objective with regard to gender diversity within the Supervisory Board has been drawn up.

Should a conflict of interest arise with regard to a particular topic, the Supervisory Board member in question will not take part in the discussion or the decision-making on that topic.

The Supervisory Board has appointed an Audit Committee and a Remuneration, Selection and Appointment Committee from among its members. These committees advise the Supervisory Board on matters relating to their respective areas of interest and therefore do not take on the responsibilities of the Supervisory Board.

Audit Committee

The Audit Committee prepares the Supervisory Board's decision-making on the supervision of the integrity and quality of the company's financial reporting and the effectiveness of the company's internal risk management and control systems. The Audit Committee's rules on its composition and performance are laid down in its rules of procedure. For details, please visit our website.

Remuneration, Selection and Appointment Committee

The Remuneration, Selection and Appointment Committee prepares the Supervisory Board's decision-making on the selection, appointment and remuneration of the company's Management Board members and the Supervisory Board members. The Remuneration, Selection and Appointment Committee's rules on its composition and performance are laid down in its rules of procedure. For details, please visit our website.

Stichting Administratiekantoor SBT

Stichting Administratiekantoor SBT (SBT) is the sole shareholder of Vion. SBT has issued depositary receipts for its shares in the company. The depositary receipts have been issued without the cooperation of the company. All depositary receipts are held by Noordbrabantse Christelijke Boerenbond, Rooms-

Katholieke Vereniging van Boeren en Tuinders-Ontwikkeling (NCB-Ontwikkeling). The board of SBT consists of five members. In accordance with the articles of association of SBT three of the five board members are appointed by NCB-Ontwikkeling. The two remaining board members are appointed by NCB-Ontwikkeling in its capacity as the holder of all depositary receipts. Two board members of SBT are currently also members of the board of NCB-Ontwikkeling. NCB-Ontwikkeling is related to Zuidelijke Land- en Tuinbouworganisatie (ZLTO), mainly because the board of NCB-Ontwikkeling has the same members as the board of ZLTO and the members of NCB-Ontwikkeling are also members of ZLTO. ZLTO is an association for entrepreneurs working in agricultural sectors and has approximately [12,000 members] in Noord Brabant, Zeeland and the southern part of Gelderland. NCB-Ontwikkeling acts as the investment fund of ZLTO.

Remuneration

The Supervisory Board determines the remuneration of the Management Board and the other employment terms for the Management Board members. It does this within the parameters of the general remuneration policy adopted by the General Meeting.

Our employees¹

In 2022, Vion employed 8,420 people directly and had a further 4,890 third-party employees, all working to build our continued success. Our third-party workforce is mostly in production: i.e. slaughtering, boning, packaging and cleaning processes. Around a quarter of our employees work part-time. Due to the nature of our production processes, most employees are men. Around a quarter of our employees are women. For more details, see 'Employees and Third-Party Workers' in the online appendix of our CSR report.

Business principles

Integrity and ethical behaviour are important parts of our company culture. We have drafted for all employees our [Good Business Practice Guide](#). Every (new) employee is informed about our Code of Conduct, our Whistleblower Policy and Cyber and Information Security.

CSR governance

Vion regularly engages in a stakeholder dialogues to understand the impact of the activities of the organisation on our stakeholders. Based on their input we adjust the position of the material topics in this report. In 2022 we held a stakeholder survey in all relevant groups in which we engage in our activities.

The weighted average of their input on the impact materiality is stated in this report over 2022.

We have a CSR Steering Committee, chaired by the CEO, which meets on a monthly basis and to which progress is reported. The CSR steering committee consists of several disciplines that are related to the material topics, the CSR portfolio manager, the CHRO and the group directors for Quality Assurance and Public Affairs, Communications and Finance. Vion has topic owners for the material topics. They coordinate the different business units and departments for their input and feedback on CSR. Every quarter the CSR results are discussed in business review meetings and based on the key performance indicators. This is done by the Management Board and the Business Units COO and CFO. The reporting of the CSR report is managed by a team consisting of communication, quality assurance and an external consultant and chaired by the Group Communication Director. They manage the process of the production of the report in close coordination with the Group Finance team who are simultaneously working on the financial annual report. The CSR strategy proposals, including the materiality matrix and our approach to the material topics, were approved by the CSR steering committee and the Management Board and are overseen by the supervisory board. The CEO has the final responsibility for the CSR strategy and its results.

We have developed KPIs (Key Performance Indicators) for monitoring and reporting results in our material topics. Some KPIs represent targets we have set ourselves. This target setting was done with the responsible departments, the CSR reporting team and the CSR steering committee. To monitor our progress towards achieving these targets, we report the results at least once a quarter to the executive committee (management board, COO's and CHRO). Should the results trail the target, the executive committee decides whether to make more resources available to reach the target or to adjust it.

The data covering the material topics in this report have been compiled by the respective departments, group directors, and the executive board members. They are responsible for the management approach, including the concrete actions that have been or will be taken, and the results in these topics. The CSR reporting team has managed the process and the compilation of this report and checked the data. The management board has approved the reported information, the targets and our material topics. The report has been positively received by the supervisory board, which had no substantive comments.

¹ Average total number of employees in FTEs 13,310.

The way we do business

Our core values

Vion's Way of Working is based on three core values, which we regard as part of our DNA. These values are Sharp, Connected & Brave.

Sharp

We want to be at the forefront of the industry

Leading the way in how products are made in the future. We are clever and alert in order to thrive in volatile and unexpected market circumstances. And we shape markets by anticipating needs and driving demand. Together with our suppliers, customers and other key partners, we create the unseen.

Connected

Being in the middle of vital food chains

We believe that at the core of our success lies a deep understanding that everything is related. From the (eco) system that we are part of to the personal relationships which are the foundations of strong partnerships and food chains. We all feel we are a part of something bigger.

Brave

At Vion, we do things which have never been done before

We challenge the status quo in order to achieve the progress needed in our company and our industry. Together we want to be a gamechanger and a beacon

for others, developing the protein chains of the future and introducing propositions that are revolutionary to our industry.

Our business principles

When doing business, we are guided by the following six business principles, which all of our employees are asked to put into practice.

Economic fundamentals

Profitability is essential to fulfil all the responsibilities and to safeguard the continuity of our business. Vion competes on an international scale and intends to take up leading and/or unique market positions. Entrepreneurship, a market-oriented approach, efficiency and effectiveness are essential to our success.

Animal welfare and animal health

Wholesome and safe animal products can only be derived from healthy livestock. The well-being and health of livestock are strongly linked to each other, and Vion also values the integrity of the animals. For this reason, Vion encourages measures that are aimed at enhancing animal welfare.

Vion is committed to the ethically responsible treatment of animals, based on scientifically sound guidelines. We also expect this of the livestock

farmers, intermediaries and the hauliers within the company's supply chain.

Integrity

Ethical behaviour, sincerity, reliability and integrity are our guiding principles for every aspect of our work. We also expect these values to be held by everyone with whom we have a relationship. All transactions must be accurately and properly justified in accordance with prescribed procedures, and be made fully available for external audits.

Human capital

We are fully aware that success is largely dependent upon the dedication and welfare of our employees. We consider them to be the most important asset of our business. We offer our employees good, competitive working conditions, encourage their development and enable them to use their talents.

We invest in the education and training of our employees and offer a working environment in which their conditions are safe and healthy.

Social commitment

We contribute to the improvement of the quality of life and behave as a good citizen of the communities in which we are active.

Compliance

We endeavour to comply with the standards, legislation and regulations in every country in which we operate, as well as UN Guiding Principles on Business and Human Rights, and OECD guidelines. Vion is audited to make sure we conform to the European Energy Efficiency Directive (EED). In 2022, some instances of non-compliance occurred with regard to regulations on hygiene, animal welfare and working conditions, for which we were fined or received another sanction.

Our slaughterhouses are supervised by official veterinarians 24/7. When a procedure is not followed precisely, this results in an official fine in the Netherlands. In 2022, we were notified by the competent Dutch authority of 12 instances of non-compliance with laws and regulations that resulted in a fine. We paid an amount of € 108,550 in hygiene fines and € 5,000 in animal welfare fines. We received 16 further fines resulting from non-compliance before 2022. These amounted to € 157,000 in hygiene fines and € 2,500 in animal welfare fines. Fines are only listed when they are final. All fines are detailed on our transparency website.

In 2022 in Germany, Vion received three warnings, all in Bavaria. Two of them concerned a disfunctioning of the water system and the need to add more drinking points. The third involved the regulation of group behaviour among pigs, with a suggestion to add

further features to the lairage to distract the animals more. All issues have been solved.

There were six incidents of non-compliance with the Dutch 'Arbowet' (working conditions act) in 2022. Fines were incurred in two cases, amounting to a total of € 3,000. Two instances of non-compliance with the 'Wet arbeid vreemdelingen' (foreign nationals' employment act) in 2021 led to a fine in 2022 totalling € 7,500. Finally, in 2022, there were two violations of the 'Tabaks- en rookwarenwet' (tobacco and smoking products law) that led to a total fine of €1,200.

In Germany, Vion was fined € 9,000 for non-compliance with the GSA Fleisch (law for safeguarding employee rights in the meat industry). The fines reflect the fact that, as of 2021, we had not completed installing a digital time-registration system, as the law required. The time allowed for changing clothes and getting to the individual's place of work was compensated for in the form of a lump sum, but was not registered digitally. Since then, all our plants now have the additional time-registration terminals installed in their locker rooms.

Our Good Business Practice Guide

Our Good Business Practice Guide has three sections:

- The Vion Code of Conduct: our standards and values to be upheld by everyone working at Vion
- Our Whistleblower policy, which makes it possible to report suspected irregularities

- Our approach on information security and fraud prevention

The Good Business Practice Guide is available in 12 languages: English, German, Dutch, Bulgarian, Czech, Hungarian, Latvian, Lithuanian, Polish, Romanian, Slovak and Turkish.

The guide is applicable to all our own activities and operations and is approved by our management board (the most senior level). It is available on our website at: <https://www.vionfoodgroup.com/en/about-vion/corporate-governance/>

Code of conduct

Vion's business principles and core values are laid down in the Code of Conduct, which covers topics like legislation, compliance, animal welfare, food safety, product integrity, conflicts of interest, receiving and offering gifts, contributing to political parties and bribery/corruption.

Information security and fraud prevention

In this section, our Good Business Practice Guide describes the rules of cyber and information security, gives examples of fraud and cybercrime, suggests actions to take to prevent it and offers do's and don'ts when dealing with fraud.

Whistleblower procedure

We have a whistleblower call line with new freephone numbers and a new website for confidential reporting. We informed employees of this internally via email and posters in 12 languages (English, German, Dutch, Bulgarian, Czech, Hungarian, Latvian, Lithuanian, Polish, Romanian, Slovak and Turkish).

Vion is committed to always conducting business in compliance with laws and regulations, with integrity in financial management, in a healthy and safe work environment, and with effective corporate governance. The way we do this is set out in our Code of Conduct and all other company policies. It is therefore important that we are made aware of any possible violations. External stakeholders can report any critical concerns or abuses in the chain via our website → www.vionfoodgroup.com/whistleblower. Reports may cover something that has happened to them or others.

We want to ensure that any worker at Vion can submit a report without the risk of retaliation, and with the assurance that all reports are treated confidentially and promptly investigated. In addition to reporting directly to management, human resources or the management board, employees can contact the whistleblower line, which is operated by an external service provider. This allows employees to report issues anonymously.

In 2022, we received 5 reports under the whistleblower policy (2021: 4). 4 were HR-related and 1 related to product integrity. Every report was followed up and appropriate action was taken.

In 2022, there were again no reports of corruption or bribery. Our policy in a case of proven corruption or bribery is to dismiss the respective employee immediately.

Employees and third-party workers (headcounts)

Employees at international sales support offices are included in the data of the Netherlands.

Most of our third-party labour works in our production processes, such as slaughtering, boning, packaging and cleaning . The number of flex workers is quite high (status on 31 December 2022), reflecting our need for flexibility in our operations.

Due to the nature of our production processes, the majority of the workers are male. In the Netherlands, all operational employees and third-party labour workers are covered by collective bargaining agreements. In Germany, we also work with collective bargaining agreements for different locations. Most of the workers who are not covered by collective bargaining agreements in the Netherlands are corporate staff.

Vion total	2022	2021	2020
Total number of workers own + flex	13,310	13,326	12,548
Total number of own employees	8,420	8,825	5,265
Total number of Vion's own employees with a permanent employment contract	6,825	7,265	4,536
* Male	4,986	5,327	3,379
* Female	1,839	1,938	1,156
Total number of Vion's own employees with a temporary employment contract	1,595	1,560	729
* Male	1,007	977	468
* Female	588	583	261
Total number of full-time employees	6,975	7,363	3,956
* Male	5,241	5,549	3,206
* Female	1,734	1,814	749
Total number of part-time employees	1,433	1,460	1,276
* Male	740	754	641
* Female	693	706	635
Percentage of total employees covered by collective bargaining agreements	74%	72%	80%
Number of employees covered by collective bargaining agreements	6,201	6,319	4,237
Total number of third-party workers	4,890	4,501	7,284
* Male	3,725	4,479	7,274
* Female	1,165	22	10
Percentage of total third-party workers covered by collective bargaining agreements	80%	89%	52%
Number of third-party workers covered by collective bargaining agreements	3,924	4,010	3,783

Vion Netherlands	2022	2021	2020
Total number of workers own + flex	7,229	6,416	5,867
Total number of own employees	2,707	2,358	2,257
Total number of Vion Netherlands's own employees with a permanent employment contract	2,256	2,084	1,969
* Male	1,608	1,523	1,474
* Female	648	561	495
Total number of Vion Netherlands's own employees with a temporary employment contract	451	274	288
* Male	253	141	151
* Female	198	133	137
Total number of full-time employees	1,918	1,710	1,585
* Male	1,446	1,352	1,308
* Female	472	358	277
Total number of part-time employees	789	646	672
* Male	415	311	317
* Female	374	335	355
Percentage of total employees covered by collective bargaining agreements	93%	91%	95%
Number of employees covered by collective bargaining agreements	2,504	2,147	2,154
Total number of third-party workers	4,522	4,058	3,610
* Male	3,381	4,050	3,600
* Female	1,141	8	10
Percentage of total third-party workers covered by collective bargaining agreements	87%	99%	98%
Number of third-party workers covered by collective bargaining agreements	3,924	4,010	3,528

Vion Germany	2022	2021	2020
Total number of workers own + flex	5,934	6,766	6,681
Total number of own employees	5,636	6,394	3,008
Total number of Vion Germany's own employees with a permanent employment contract	4,492	5,108	2,567
* Male	3,318	3,744	1,905
* Female	1,174	1,364	661
Total number of Vion Germany's own employees with a temporary employment contract	1,144	1,286	441
* Male	754	836	317
* Female	390	450	124
Total number of full-time employees	4,996	5,581	2,371
* Male	3,750	4,137	1,898
* Female	1,246	1,444	472
Total number of part-time employees	640	813	604
* Male	322	443	324
* Female	318	370	280
Percentage of total employees covered by collective bargaining agreements	64%	64%	69%
Number of employees covered by collective bargaining agreements	3,632	4,099	2,083
Total number of third-party workers	298	372	3,674
* Male	298	372	3,674
* Female			
Percentage of total third-party workers covered by collective bargaining agreements	0%	0%	7%
Number of third-party workers covered by collective bargaining agreements	0	0	255

Vion Belgium	2022	2021	2020
Total number of workers own + flex	147	144	
Total number of own employees	77	73	
Total number of Vion Belgium's own employees with a permanent employment contract	77	73	
* Male	60	60	
* Female	17	13	
Total number of Vion Belgium's own employees with a temporary employment contract			
* Male			
* Female			
Total number of full-time employees	61	72	
* Male	45	60	
* Female	16	12	
Total number of part-time employees	4	1	
* Male	3		
* Female	1	1	
Percentage of total employees covered by collective bargaining agreements	84%	100%	
Number of employees covered by collective bargaining agreements	65	73	
Total number of third-party workers	70	71	
* Male	46	57	
* Female	24	14	
Percentage of total third-party workers covered by collective bargaining agreements			
Number of third-party workers covered by collective bargaining agreements			

GRI content index

Statement of use: Vion has reported the information cited in this GRI-content index for the year 2022 with reference to the GRI-standards.

GRI 1 used: GRI 1: Foundation 2021

GRI standard / other source	Disclosure	Page	Page	Omission / Remarks	GRI sector standard ref. no.
General disclosures					
	2-1 Organizational details	9	13		
	2-2 Entities included in the organization's sustainability reporting	161			
	2-3 Reporting period, frequency and contact point	159			
	2-4 Restatements of information			Our scope 2 emissions are now market-based where before they were location-based	
	2-5 External assurance	172		We have no external assurance of the report.	
	2-6 Activities, value chain and other business relationships	8	25	136	
	2-7 Employees	169			
	2-8 Workers who are not employees	169			
	2-9 Governance structure and composition	162			
	2-10 Nomination and selection of the highest governance body	162			
	2-11 Chair of the highest governance body	162			
	2-12 Role of the highest governance body in overseeing the management of impacts	165			
	2-13 Delegation of responsibility for managing impacts	165			
	2-14 Role of the highest governance body in sustainability reporting	165			
	2-15 Conflicts of interest	162			
	2-22 Statement on sustainable development strategy	4			
	2-26 Mechanisms for seeking advice and raising concerns	167			
	2-27 Compliance with laws and regulations	166			
	2-28 Membership associations	136			
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	26			
	2-30 Collective bargaining agreements	169			
Material topics					

GRI standard / other source	Disclosure	Page	Page	Omission / Remarks	GRI sector standard ref. no.
GRI 3: Material Topics 2021	3-1 Process to determine material topics	34			
	3-2 List of material topics	34			
Energy					
GRI 3: Material Topics 2021	3-3 Management of material topics	83			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	95			
	302-2 Energy consumption outside of the organization	95			
	302-3 Energy intensity	95			
Biodiversity					
GRI 3: Material Topics 2021	3-3 Management of material topics	115			
	304-2 Significant impacts of activities, products and services on biodiversity	115			
Emissions					
GRI 3: Material Topics 2021	3-3 Management of material topics	83			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	96			
	305-2 Energy indirect (Scope 2) GHG emissions	96			
	305-4 GHG emissions intensity	96			
Employment					
GRI 3: Material Topics 2021	3-3 Management of material topics	98			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	108			

GRI standard / other source	Disclosure	Page	Page	Omission / Remarks	GRI sector standard ref. no.
Occupational health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	98			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	100			
	403-2 Hazard identification, risk assessment, and incident investigation	100			
	403-3 Occupational health services	100			
	403-4 Worker participation, consultation, and communication on occupational health and safety	100			
	403-5 Worker training on occupational health and safety	100			
	403-6 Promotion of worker health	100			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	100			
	403-9 Work-related injuries	113			
Animal welfare					
GRI 3: Material Topics 2021	3-3 Management of material topics	56			
	Percentage and total of the animals raised and/or processed, by species and breed type, per housing type	66			FP11
	Policies and practices in antibiotic, anti-inflammatory, hormone, and/or growth promotion treatments, by species and breed type	58			FP12
	Total number of incidents of significant non-compliance with laws and regulations, and adherence with voluntary standards related to transportation, handling, and slaughter practices for live terrestrial and aquatic animals	166			FP13
Food safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	77			
	Percentage of the production volume manufactured in sites certified by an independent third party according to internationally recognised food safety management system standards	81			FP5
Traceability and product integrity					
GRI 3: Material Topics 2021	3-3 Management of material topics	118			
	417-1 Requirements for product information and labelling	119			

Topics in the GRI Food Processing Sector Standard determined as not material

Topic	Explanation
Healthy and affordable food	Vion's meat and meat alternatives can contribute to a healthy diet. The potential negative impact of our food is not significant compared to the other impacts, as determined in consultance with stakeholders.

Corporate social responsibility report 2022

Vion

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Food that Matters