

The next step towards more value.

Integrated annual report 2021/2022



Reading guide

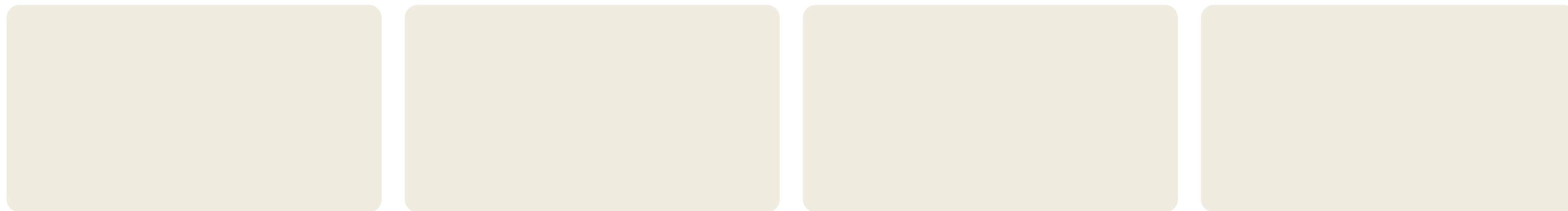
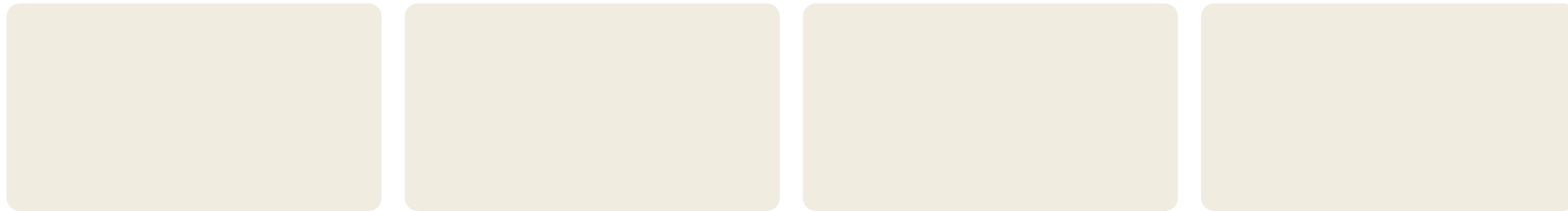
Royal Avebe publishes an annual report each year to inform its stakeholders about its financial and societal ambitions and results. Our strategy Binding and Building 2.0 sets out a clear vision of what we want to achieve in the period 2018-2023 and connects us with societal issues around healthy food, the protein and energy transition and a fair, future-oriented agricultural system.

Our five pillars form the structure of this integrated annual report.

In this report, we account for our ambitions and achievements in financial year 2021/2022.



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Foreword



Foreword

This is Royal Avebe's annual report for financial year 2021/2022. It is an integrated annual report in which we take new steps every year to improve the transparency of our results, strategy, sustainability policy and risk management.

It was a year full of challenges. The 7th Nitrates Directive Action Programme came into the picture. This programme contains laws and regulations that hugely impact our members and the cultivation of starch potatoes. On top of that, inflation continued, the war in Ukraine started and an energy crisis took hold in Europe. Our members, employees and customers are feeling the effects. This takes us into a new reality. Growth through sustainability and innovation is more urgent than ever. And in this new reality, it is more important to be agile.

It was a year full of challenges.

Over the past financial year, we have put our best foot forward. We achieved great results thanks to the huge dedication and commitment of members and employees, working together as one Avebe team. We have every reason to be proud of that, and I would like to thank everyone for their input.

But some things could also be improved. This is the case with our safety ratings, for instance. We will need to be extra vigilant about that in the coming year. That means calling each other to account much more actively for unsafe situations and working together to ensure our working environment is safe.

The yield of starch potato cultivation for our growers also needs to increase considerably to absorb the huge rise in the costs of starch potato cultivation. This is important to keeping potato cultivation attractive for our members and maintaining Avebe's raw material supply. I am confident that together we can make great strides in this.

The coming financial year is the last financial year of our current strategic period and is therefore dedicated to developing the new strategy. I look forward to spending another new year with inspired members and staff.

David Fousert
CEO, Royal Avebe



Report of the board of directors



Report of the board of directors

The past financial year was notable for Royal Avebe on several fronts. The tail end of the Corona crisis was accompanied by the first signs of inflation. This has presented challenges in our chain. On top of that came the 7th Nitrates Directive Action Programme with a potentially huge impact on our members and the cultivation of starch potatoes. And as inflation continued, the war began in Ukraine. This also has implications for Avebe and its members. Meanwhile, we are facing a European energy crisis.

Despite all these challenges, we end this financial year with a record performance price and payout to our members. This growth is necessary to keep starch potato cultivation attractive.

Despite all the challenges, Avebe closes this year with a record performance price.

The new reality

We are living in a new reality. Amended laws and regulations, including the 7th Nitrates Directive Action Programme and the announced nitrogen policy. The coronavirus and its aftermath in the form of cost increases for both starch potato cultivation and Avebe. Huge operational challenges through transport, auxiliary and packaging materials shortages and

the war in Ukraine, among other things have caused an unprecedented rise in energy prices, resulting in an energy crisis in Europe.

All this also comes on top of a world-wide climate crisis and scarcity on the labour market. That made it a year of plenty of challenges. But this year was also characterised by an excellent sales ledger. Our production lines were completely full. Despite all the market changes, we managed to pass on many of the cost increases - from cultivation and within Avebe - to our customers.

Of course, we respected the contracts already concluded. That is how we established ourselves as a reliable partner to our customers. But that also has a downside: not all cost increases have been passed on to the market. Because of all the external factors, our production faced plenty of logistical challenges. Still, our team managed to get our products to customers, although this was sometimes accompanied by delays.





Avebe shows its best side here. The tremendous dedication and commitment of our members and employees make us agile. This is possible because we work together as one Avebe team. That allows us to adapt to the constant changes. This is not easy, but it is necessary, for both the short and long term. After all, the market we operate in will constantly remain subject to change.

We are optimistic about developments in the market.

Changing market conditions

Although the acreage for Avebe remained the same, the European acreage for starch potato cultivation fell slightly. Last year's harvest was similar to the previous year's. But the starch yield per hectare was higher than last year's, increasing by 5%. The challenge for our members was found mainly in the constantly rising cost of cultivation and the pressure on income. Uncertainty and lack of clear prospectives due to laws and regulations is another big issue.

Another dynamic that certainly recurred this year is the increasing competition from other crops with starch potato crops. Wheat and barley prices rose sharply. This also shows the importance of continuing to make progress with raising the performance price. We need to keep starch potato cultivation attractive to ensure raw material supply for Avebe.

We are optimistic about developments in the market. There is increasing demand for plant-based food. That is why the demand for our products was so good

last year. We expect this trend to continue. This will provide opportunities for the further development and contribution of our innovative products, such as food protein and blends of starch and protein. The rapidly growing demand for plant-based products for meat and dairy substitutes, but also the replacement of synthetic and petrochemical products, play an important role here.

With our Solanic product portfolio, we have a high-quality, functional protein that is of value in various markets. To further flesh out this growth, we further expanded our Solanic capacity early this year and started a new production line in Gasselternijveen. We also improved our market approach around Solanic in order to further shape growth. We further expanded our protein production and associated capacity for the animal feed market with a new protein plant at the Dallmin (Germany) production site.

These are just a few examples of how Avebe is shaping the transition to more high-quality products. This is an essential part of the current strategy. It is needed to further reduce reliance on bulk potato starch.

Record performance award and payout to members

Despite all the cost increases and all the other challenges mentioned above, Avebe achieved a performance price of 98.56 euros per tonne in the 2021/2022 financial year. This is a solid step from the previous financial year (€93.30 per tonne). The financial year was concluded with a cooperative profit of 12.1 million euros.

This means we are distributing 5.6% more than last year to our members, which is a record achievement for Avebe and its members.

That development is necessitated by the increased cost of starch potato cultivation. This highlights the common interest for our members and Avebe: to keep starch potato farming financially attractive so that the raw material supply for Avebe remains protected into the future and the income of our growers goes up. This is because, as mentioned earlier, we are in a new reality.

The good results were achieved by increasing sales of our products and raising prices. Sales volume was up 4% on last year while net sales rose 20% to 711 million euros. In addition, strict internal cost management was applied. The World Class Operations Management (WCOM) programme is making an increasing contribution to this.

Production lines were in full operation due to healthy demand for our products.

Starch production at a good level

The total volume of starch produced was 1% higher than in the previous financial year and was at the level targeted by our strategy. The quality of the potatoes was good. The starch percentage came to 20.37%, which was 20% above the long-term average. At our location in Gasselternijveen we produce protein for human consumption. To produce as much food protein as possible, we processed potatoes in Gasselternijveen until 13 May 2022. Pressure on production and supply chain was high last year. Production lines were in full operation due to healthy demand for our products.

In short, the output of our production lines was at a good level. A great achievement by our staff. Because demand for our products is high and there is a need for stable and reliable production. But also because of all the challenges affecting our chain, such as the coronavirus and cost rises.

Investments

Avebe's strategy is characterised by achieving growth through sustainability and innovation. The annual investments therefore directly reflect this. We have taken significant and necessary steps this year in improving the process around Project & Portfolio management so that we continue to deliver our investments on time and in full.

Total investments amounted to approximately 44 million euros. The bulk of the innovation investments was about expanding the production capacity for Solanic protein and the new spray drying tower in Gasselternijveen. We also built a new protein plant at our Dallmin site and expanded the capacity for paper derivatives in Foxhol. We are also creating an increasingly sustainable production chain here. We are doing this, for example, by making investments that involve lower energy consumption. Solvency fell slightly to 32.5% due to the higher level of investments and global inflation, driven by higher inventories and outstanding funds with our customers. The higher accounts receivable position was caused by higher selling prices, among other things. We expect to return to a solvency level of around 40% in the coming years, despite the high investments.



Forecast of the board of directors

At the start of the new financial year, the impact of the Russia-Ukraine war and the long period of drought played a dominant role. The war means we are facing higher costs throughout the chain. The mounting energy crisis and an expected recession are also driving up costs. It is clear that we need to largely offset these costs in selling prices. We also need to look at our own spending.

The harvest year 2022/2023 has so far been characterised by a massive drought. The impact of the 2022 dry summer on crops is still uncertain. But it will not be an average harvest. Added to this are the increased costs of cultivation and - perhaps worst of all - the lack of clear prospects for the agricultural sector offered by the government. This is leading to a very challenging and uncertain situation for our growers.

Avebe is part of the solution for more sustainable chains.

All this means we are in a new reality. External circumstances have superseded the targets set in the current Binding and Building strategy. It means Avebe needs to remain agile and continuously adapt to this new reality, just as we did last year. Whether we meet the targets set for this year depends heavily on developments around price and the availability of energy in the winter months. Given the possible recession, it also depends heavily on

the effects of the drought on the harvest and the development of demand for Avebe's products.

Part of the solution

This new reality again highlights the importance of telling the story of Avebe, its growers and our role in the chain. We do this by explaining who we are and what we do. To our employees, growers and customers. But also other stakeholders, such as the government. Avebe is part of the solution for making chains sustainable in food, animal feed and industrial markets. We are increasingly replacing animal, synthetic and petrochemical products with our potato starch and protein. This is where opportunities lie for Avebe in the future. We foresee a further shift in our markets with sustainability in the supply chains for our customers becoming a more dominant part of the value proposition of Avebe. This means that in addition to making our production and supply chain more sustainable, we continue to take the necessary steps towards an ever-smaller footprint. Together with our growers.



Growth through sustainability and innovation

The core of Avebe's strategy is to achieve growth through sustainability and innovation, thereby creating more value for our customers. That Avebe is not seeking volume growth does however mean that the current raw material supply must be maintained. With pressures on available acreage from increasing laws and regulations, potentially more regularly occurring periods of drought and increasing competition in the field, maintaining raw material supplies is an unmissable theme for Avebe. As an example of cultivation, we are developing new potato varieties that will be more resilient, allowing higher yields in starch and protein per hectare with less use of plant protection products and water. In that context, we see cooperation with Solynta as an important tool. This collaboration aims to deploy hybrid breeding as soon as possible.

We will further shape our operational activities' sustainability in the coming year. For example, we are investing in electric steam boilers to reduce dependence on gas for our production. Investing in sludge reduction in water treatment at our Gasselternijveen site. And we are looking at our product portfolio in relation to energy use.

We must also accelerate the transition to adding more value for our customers. We are not looking at more, but rather fewer markets to achieve growth. This is based on the strength of clear value propositions to existing and new markets.

Outlook for the new Avebe strategy

The current Binding and Building strategy ends in the fiscal year 2022/2023. The strategic outlook was a performance price of 95 euros per tonne of potatoes at 19% starch in 2023 under normal conditions. We had

also set ourselves the target of achieving a performance price of 100 euros per tonne by the financial year 2024/2025. In the new reality, we have sharpened our targets and have set ourselves the target of a performance price of 105 for the financial year 2022/2023. That is well over 100 euros and 2 years earlier than expected. This is ambitious, especially in the context of the energy crisis and hugely increased costs throughout the chain. But it is also a necessary step to keep the yield of starch potato cultivation attractive for our members.

We have now started developing our new strategy. We expect to communicate the new strategy to our members, employees and other stakeholders in early 2023.

We explore how to accelerate the transition to more added value through sustainability and innovation in the strategy development process. In that process, we put the market and our customers first; Avebe remains an organisation that is and remains agile towards the future.

Investments

In the financial year 2022/2023, the investment level is around 50 million euros, which can be borne from own current resources and external funding. Therefore, we need to focus this year on further maximising returns on existing investments. We also want to invest in replacing or improving existing production assets. Reducing carbon emissions, water and waste is central to developing new technologies for our innovations. That is why investments are planned for both our Gasselternijveen and Ter Apelnkanaal sites to install electric steam boilers. This will further reduce our carbon footprint and gas requirements. Avebe is also focusing on the sustainable deployment of its employees.

For the coming year, it is anticipated that further automation and the efficiency measures already implemented in the business processes, combined with the natural outflow of staff, will result in a slight decrease in staffing levels.

To conclude

Yes, there are many uncertainties in the short term. The drought and the Russian-Ukrainian war resulting in the gas crisis and inflation are having a powerful impact. But the strong foundation of our cooperative positions us well for a good future, both in the short and long term, as being part of the solution to various issues.

For the board of directors

David Fousert

Rob van Laerhoven



Key figures



Key figures

Cooperative of




2,242
growers




1,332
Sustainably employable and committed employees


Turnover breakdown



63%
Food industry



28%
Industrial market



9%
Animal feed




€98.56
Performance price per tonne potatoes

Heading for more value





33%
Of the sales result of food ingredients derived from plant-based and environmentally friendly final products

Growth in good food

19%
Carbon emission reduction in total compared to 2017/2018

Improve our ecological footprint




1,394^{ha}
Acreage on which new Averis varieties are cultivated

Market-driven sustainable potato cultivation




8.3
Employee engagement score

Cooperation for the customer




How we create value



How we create value

Royal Avebe is an international cooperative of starch potato growers. Every year, our members' starch potatoes are processed into high-quality ingredients based on potato starch and protein. We supply these ingredients to customers worldwide, where they are used in food, animal feed and industrial applications. Our products deliver innovative and healthy solutions with an increasingly smaller impact on the climate and the environment. Together, we are working towards a sustainable food system.

Our members

Our members, our main suppliers, are potato growers in the Netherlands and Germany. We work closely with them to get the best quality starch potatoes. As a cooperative, we believe it is important to keep evolving. We are committed to sustainability in that regard. Both at the company, and in our members' fields.

Our locations

Avebe has 1,332 employees, six production sites across the Netherlands, Germany and Sweden, and sales offices in America, Europe and Asia. The Head Office is in Veendam.

The global market for healthy and plant-based food is growing.

Our markets

Avebe develops and produces ingredients based on potato starch and protein for three markets: food, feed and industrial applications. That is how we meet the need for sustainable and healthy products for people and animals and sustainable applications for customers in the construction, paper, glue and textile industries. Our customers are located worldwide, with major markets in Europe, Asia and North America.

Food

The global market for healthy and plant-based food is growing. In emerging economies, it is all about the availability, affordability and shelf life of ingredients. Food safety, health and sustainability requirements occupy a more central position in North America and Europe. Our ingredients offer customers unique chances and opportunities to grow in sustainable, plant-based alternatives to meat and dairy. A sustainable and transparent production chain is an absolute condition for this.





Animal feed

The livestock industry faces a major challenge to produce more sustainably. That means in a way that is less harmful to the climate and biodiversity. The livestock industry therefore needs proteins with the smallest possible footprint. The pet food segment is also experiencing robust growth, and this market is expected to continue to grow. With our potato starch and protein portfolio, we offer solutions to improve livestock and the nutritional value and texture of pet food.

Industrial applications

Potato starch derivatives are also used in various industrial products, such as construction and paper and glue manufacturing. Last year, we faced exceptional price increases in auxiliary materials and energy and serious delays in sea transport. Avebe has made considerable efforts to keep supplying all its customers as good as possible. The demand for our additives for cement tile adhesives, for example, continues to grow structurally. Around the world, the modern and efficient 'thin bed technique' is increasingly used to replace traditional tiling. Using this thin bed technique, our starch additives ensure that the tile stays firmly in place and does not slip.

Variety development and crop optimisation

To achieve a more sustainable crop, our growers must be able to work with the best starch potato varieties. Our subsidiary Averis Seeds B.V. focuses on the development, propagation and sale of starch potato varieties most suitable for cultivation in the Netherlands and Germany. In 2021 we started a partnership with Solynta, a company from Wageningen specialised in hybrid potato breeding. Avebe also supports growers with the Optimeel crop optimisation programme. This is how we work to make the cultivation more sustainable and to achieve a good commercial result for our members.

Our strategy

Five pillars have been identified to help us achieve our strategic goals. They are the ingredients we use to achieve our responsible growth. Cooperation for the client is the foundation of our new strategy. It supports the three pillars - growth in good food, market-driven sustainable potato cultivation and improve our ecological footprint. These three pillars carry the roof of the Avebe house and form the aim that we pursue: Heading for more value. This annual report describes our efforts per pillar from [page 21](#).



Our strategy

Our Binding & Building strategy was adopted in the financial year 2017/2018. In the strategy, the concepts of performance price, cooperative, starch potato and customer occupy an important position. Our strategy aligns with societal issues such as healthy food, the protein and energy transition and a fair, future-oriented agricultural system.

The strategic period runs until 31 July 2023. For that reason, in 2022/2023, we will develop a new strategy for the next five years.



Five ingredients for responsible growth



1. Heading for more value

We grow in value. We do this by creating the best solutions for our customers with our innovative potato starch and protein products. We call this 'creating shared value'. This is the overarching theme of our strategy.



2. Growth in good food

We are growing particularly as a supplier to the food industry. Our healthy, nutritious, eco-friendly and plant-based potato ingredients are used in alternatives to dairy and meat, for example. We will continue to serve markets such as bakery and confectionery products, noodles, soups and sauces.



3. Market-driven sustainable potato cultivation

Our raw material, the starch potato, is cultivated by our own members. We want to build on that unique position. With a high-quality raw material grown sustainably, we aim to increase the net income per hectare of starch potatoes by 500 euros.



4. Improve our ecological footprint

We reduce our ecological footprint in energy, water and waste in line with national and international targets. We achieve this with the most efficient and sustainable production and operations possible. That is how we go for responsible growth.



5. Cooperation for the client

We put the customer at the heart of everything we do. We achieve this with engaged, sustainably employable personnel working cross-functionally in a safe working environment. Our processes are well aligned, and we work towards common goals from all departments.

Target 2023

Increase performance price to at least €105 per tonne of potatoes due to the new reality for Avebe and its members.

Target 2023

The value of food ingredients used in plant-based and eco-friendly end products is increased fivefold.*

* Compared to 2017/2018

Target 2023

- 10% less environmental impact per hectare.*
- 10% more potato starch and protein from one hectare.*
- 10% reduction in carbon emissions per tonne of potato starch.*
- 3,000 hectares earmarked for new potato varieties.

* Compared to 2017/2018

Target 2023

- 12% lower carbon overall and per tonne of product.*
- 20% less water use overall.*
- 25% reduction in tare and sewage sludge waste streams.*







* Compared to 2017/2018

Target 2023

- >7.5 score on both employee engagement and enthusiasm.
- An accident frequency index below 0.5.
- Eight critical integrated processes have been improved since 2018/2019.

Our value creation model

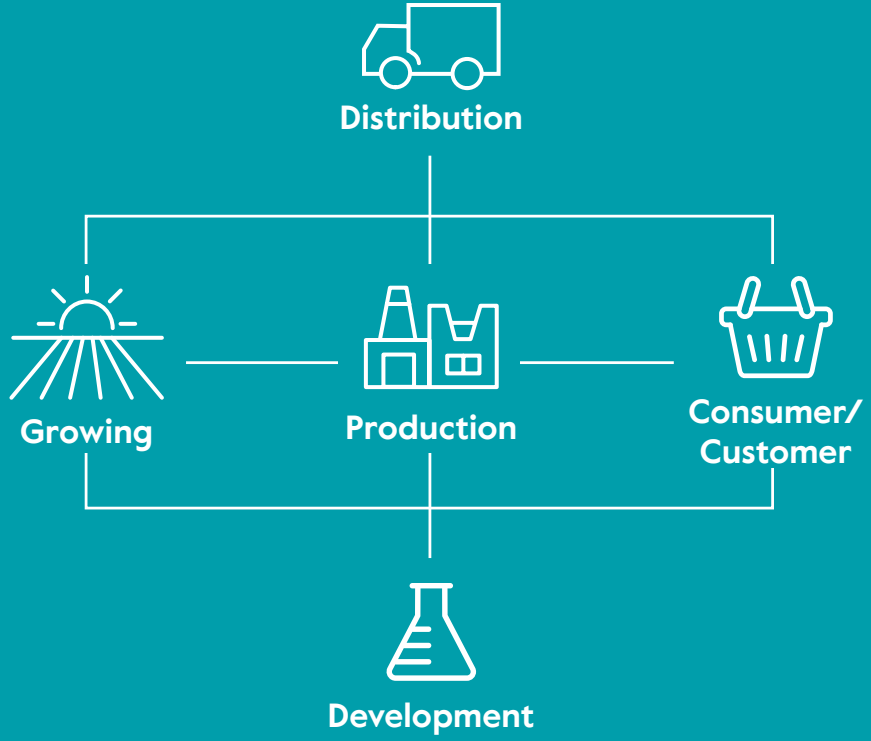
Input

-  Cooperative of 2,242 growers (social capital)
-  R&D (intellectual capital)
-  Potatoes, energy and water (natural capital)
-  Production facilities (produced capital)
-  Committed employees (human capital)
-  Equity & invested capital (financial capital)

Business model

What we do
Royal Avebe is a cooperative of starch potato growers in the Netherlands and Germany. We develop high-value ingredients from potato starch and potato protein. We are working towards a sustainable food system with our members, customers, employees and other stakeholders.

Our chain



Our goal for 2023
In 2023 we will have a positive effect on the lives of more than 500 million consumers by promoting their health, well-being, prosperity, and environmentally friendly lifestyle.

Output

- Heading for more value**
 - €98.56 performance price
- Growth in good food**
 - 33% of sales result from Good Nutrition products
 - 4 new patents filed
- Market-driven sustainable potato cultivation**
 - -2% potato starch and protein per hectare
 - -12% environmental impact per hectare
 - +2.2% carbon-eq per tonne of starch
 - 1,394 hectares of acreage with new Averis varieties
- Improve our ecological footprint**
 - 203 kilotons of carbon emissions
 - 0.181 tonnes of carbon per tonne of product
 - 121,169 tonnes gross weight of sludge
 - 5.4% tare of potato weight
 - 15.9 Mm³ water
- Cooperation for the customer**
 - 8.3 employee engagement score
 - 1.7 accident frequency index (TRIFR)
 - 356 customer complaints

Impact & SDG's

- Towards more plant-based food**
We are working to accelerate the protein transition with our products and in collaboration with partners.
 - 
 - 
- Towards more sustainable agriculture**
Together with our members, we work for a sustainable food system and resilient agriculture with a fair price for farmers.
 - 
 - 
 - 
- Towards more efficient production**
We reduce our water consumption, our carbon emissions and our waste streams to reduce our negative impact on natural capital such as climate and water.
 - 
 - 
 - 

Our impact

Royal Avebe is a cooperative of starch potato growers in the Netherlands and Germany. We develop ingredients based on potato starch and protein. Together with our members, customers, employees and other stakeholders, we work on the protein transition, sustainable agriculture and the most efficient production possible. This is how we create social value. We explain our value creation model's positive and negative impact below.

Towards more plant-based food

Potatoes are relatively resilient to climate change. Potatoes are also a much more environmentally and climate-friendly source of nutrition and protein than animal sources. That is why we want to get everything out of the potato. By basing our approach on our good food products, we create value for the cooperative, make a positive contribution to the protein transition and contribute positively to the lives of more than 500 million consumers.

Together with our members, we are working on future-proof agriculture.

Towards more sustainable agriculture

At the same time, the agricultural sector strongly impacts climate, soil health and biodiversity. As a cooperative of starch potato growers, we have an important role there.

Together with our members, we work on future-proof agriculture in which fertilisation, crop protection and renewable energy are core elements. We thus aim to improve the environmental impact of our cooperative while ensuring a fair income for farmers.

Towards more efficient production

To extract starch and protein from potatoes, we need a lot of heat (i.e. energy) and water. Moreover, the process has a number of residual streams, such as tare, sewage sludge and water. We work continuously to improve our production facilities to reduce our water and energy consumption and carbon emissions as well as our residuals.

Part of an efficient, sustainable production process is a safe working environment. Unfortunately, we had more incidents and accidents in the last financial year than in the previous year. The result is a TRIFR of 1.7. This development therefore also has our full attention.





1. Heading for more value





1. Heading for more value

Value creation for our growers, customers, employees and society is Royal Avebe's overarching goal. We do this in a market-oriented, innovative and sustainable way. As a cooperative of growers with our own breeding company, factories and innovation center, we play an important role throughout the supply chain: from the field to the customer.

This is how we work together to increase the performance price and the cooperative result. In the last financial year, the aftermath of the corona crisis and the war in Ukraine led us to adapt our ambition for the performance price (at least 95 euros per tonne of potatoes by 2023) to the new reality. With the sharp increase in growing costs, we want the performance price to rise faster. For 2023, this means we are going for a performance price of at least €105. Developments in the European energy market form an uncertain factor in this ambition. Where we can, we take measures to reduce our dependence on natural gas. The condition here is that all potatoes supplied by our members must be processed.

As a cooperative of growers, we play an important role in the whole chain from the field to the table.

Performance price

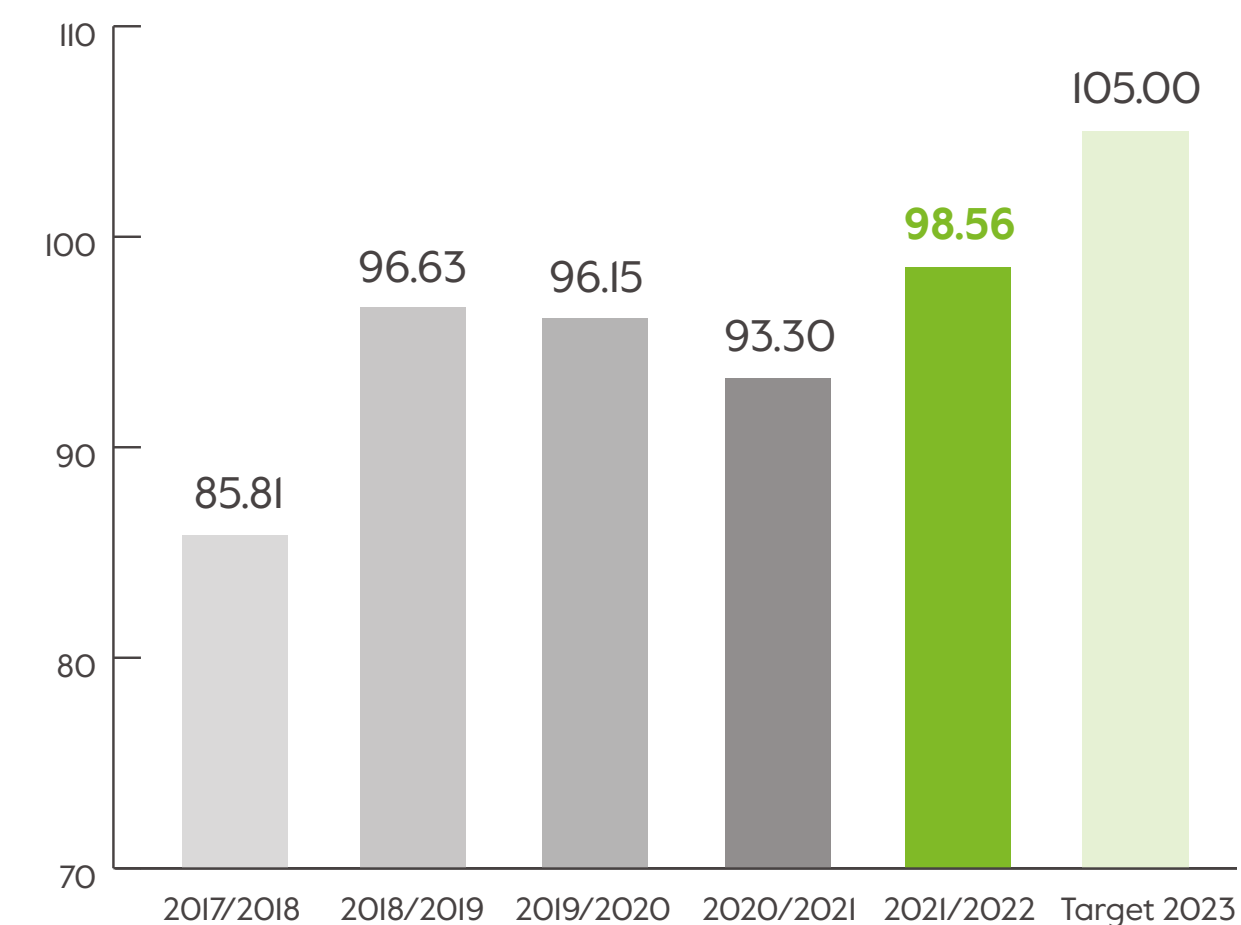
The performance price is the yield value per tonne of potatoes. It is one of the most important measures of the results that the cooperative achieves for its members. To compare the performance price of different years and exclude variables such as varying starch content, we consider a standard starch percentage of 19% in the calculation each year.

Royal Avebe bases the performance price on three components:

- Potato money: the money Avebe pays to all members for potatoes delivered, including all performance components (starch content, delivery time, quality premium and A-volume filling premium) and discounts (tare).
- Costs of loading and transport.
- Cooperative result: the financial result of the cooperative.

Based on these three components, the performance price in 2021/2022 was 98.56 euros.

Performance price per tonne of potatoes



Target 2023

Increase in performance price to at least €105 per tonne of potatoes due to the new reality for Avebe and its members.

A clear vision for a sustainable and circular farming system

Peter-Erik Ywema

Director of Sustainability at Avebe and member of the Programme Board of Fascinating



We need to work with the whole chain to achieve a future-oriented agricultural system. Cooperation in the sector is the key to success. That is exactly what is happening in the innovation programme Fascinating (Food Agro Sustainable Circular Nature Technology in Groningen). Here, Agrifirm, FrieslandCampina, Royal Avebe and Royal Cosun work together with other agricultural companies, knowledge institutions and the community. The goal: a nature-inclusive, sustainable and circular farming system. What exactly does that look like? Three questions to Peter-Erik Ywema, director Sustainability at Avebe and member of Programme Board of Fascinating.

What are the programme participants working on?

"The programme focuses on four tracks: healthy and balanced nutrition, sustainable production of nutritional crops, energy efficiency and sustainable processing and utilisation of residual streams. We want to offer products that make healthy eating easy and are produced more sustainably, and offer prospects to the agrifood sector with new business models. For example, by growing (new) protein-rich crops, which go well together in a cultivation plan with our starch potatoes."

Why in Groningen?

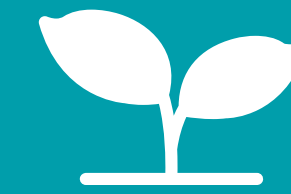
"Groningen is an arable province by its very nature. Moreover, many food producers and large-scale industrial infrastructure are present here. And, of course, the four agricultural cooperatives represent a large part of the food chain. Our northern agricultural sector mainly grows potatoes, grain and sugar beet. We want to add a fourth crop. That will promote soil health and biodiversity and reduce farmers' dependence on just a few crops." But which crop benefits nature value, farmer income and cooperatives like Avebe? "That is what we are experimenting with in this programme. Cooperation with another arable cooperative like Royal Cosun

may not be immediately obvious, but we both extract high-quality functional proteins from residual streams. Cosun does that with beet foliage. Because our processes are similar, we are pulling together on this." It doesn't stop there: "The visionary end goal is a joint circular protein production plant, with residual streams flowing back to livestock production."

What successes have already been achieved?

"One of the projects we are currently working on focuses on the more sustainable production of functional protein from potatoes, a process that requires a lot of heat and water," Peter-Erik explains. "And trial fields have been established to grow seven protein-rich crops at four arable trial farms in the Northern Netherlands. To learn how best to grow potatoes in our area. Fascinating ultimately creates a major role for Groningen in the protein transition, where classic and new crops suitable for plant protein products can be grown on a large scale. With a good price for farmers."

2. Growth in good food



2. Growth in good food

The world population is growing and so is the demand for food. In addition, as affluence is increasing for parts of the world's population, more consumers are eating foods with a greater environmental impact, such as meat, fish and other animal products. At the same time, especially in consumer markets such as North America and Europe, there is a lot of focus on health, sustainability and animal welfare. This is reflected in the increasing demand for plant-based products.

Our strategic pillar 'Growth in good nutrition' aligns with these developments. Our goal is to create more value with potato protein and potato starch products used in plant-based alternatives to dairy and meat.

The target for 2023 is a five-fold increase in the value of food ingredients used in plant-based and environmentally friendly end products compared to 2017/2018.

Accelerating the protein transition

We extract everything to be had from the potato. In the Netherlands, we are the largest producer of vegetable protein from Dutch-sourced raw materials. And we don't need a single hectare of additional land for this. We have consciously taken the step to focus even more on potato protein for several years now. We would therefore venture to say that Avebe was at the forefront of the protein transition in the Netherlands. Potato proteins are a healthy and nutritious alternative to animal ingredients and have a lower impact on the climate. We focus our innovation on developing plant-based alternatives to animal products such as

dairy and meat and replacing animal ingredients such as gelatine and egg. We thus take advantage of potato protein's unique functional and nutritional properties. We are growing particularly as a supplier to the food industry.

Potato protein is a healthy and nutritious alternative to animal ingredients.

Developments of good nutrition products

Recently, we have developed several new concepts, such as applications for plant-based burgers from key global players. We also developed a plant-based pâté, several meat and dairy alternatives and a plant-based alternative to gelatine from pig and cow bones in confectionery. We are also working on applications for plant-based cheese. Last year, for instance, we launched plant-based Parmesan, feta and pizza cheese.





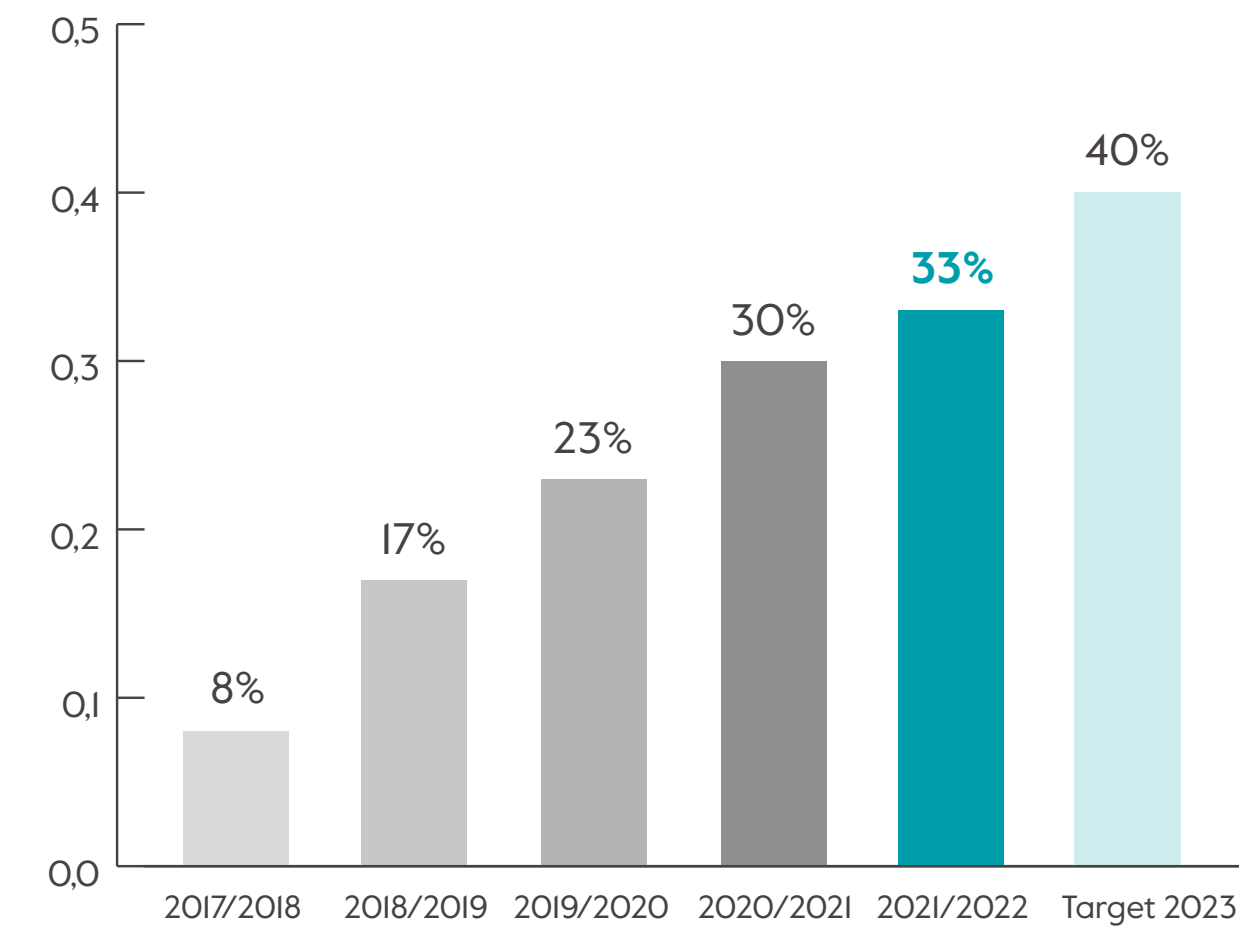
The corona crisis, slowed down growth in our good food products in 2020, but the market developed well in the last financial year. Customers are refocusing on new products they want to introduce. The next step is to develop plant-based alternatives that are protein-rich and optimal in terms of nutritional value. The market focuses on aspects such as improved recipes, with fewer additives and raw materials. We have a good position here because, unlike most other plant proteins, our potato protein is similar to milk in terms of amino acid composition.

The next step is to develop optimal plant-based alternatives in terms of nutritional values.

Clean label

We are also seeing a trend around 'clean label' products. Food manufacturers want to make their ingredient labels as clear as possible to consumers. They prefer to do this by removing E numbers from their recipes. Setting up our production processes so that the starch functionality resembles that of standard variants is challenging but not impossible. We offer a clean-label starch that can be used for soups and sauces, puddings, dairy, meat, and plant-based alternatives.

Value of products in plant-based and environmentally friendly final products (good food)



The value refers to the sales profit of the defined good food in the relevant financial year expressed as a percentage of the sales profit of all food products in reference year 2017/2018.

Target 2023

The value of the food ingredients used in plant-based and environmentally friendly end products will increase fivefold compared to 2017/2018.

Helping customers with a smaller footprint

The move from animal to plant-based proteins significantly reduces the food system's impact on climate. We help our clients understand the impact of consumer products through life cycle assessments (LCA). The LCA method determines the environmental impact of products and analyses all raw materials, materials used and processes for each product, from the field to the customer.

Scaling up capacity

At the production site in Gasselternijveen, Avebe has been producing potato proteins for plant-based food under the name Solanic since 2007. Production capacity has been increased over the past three years and a new production line will be built in 2021 to meet the growing demand for plant-based dairy and meat applications. Now our focus is developing and expanding our product portfolio to fully exploit our capacity to accelerate the protein transition.

Growth in plant-based building materials

The use of plant-based materials to replace fossil applications is also increasing in industrial markets. We see this in the construction sector, where circularity and climate neutrality play a major role. There is increasing demand for our functional solutions for building materials for ceiling and roof panels, among other applications.

Innovation and development

Innovation is at the heart of fully exploiting the potential of the starch potato and ensuring sustainable processes. Our Research & Development department works to develop distinctive products and solutions. With the aid of government grants, we were able to purchase €1.6 million worth of innovative equipment for the innovation centre last year. We also continuously focus on knowledge development and patenting processes and products.

Innovation forms the basis for fully exploiting the potential of the starch potato.

Patenting our innovative processes and products

Pending patents cover a large part of our turnover. Last year, we filed four new patents to protect our future sales. We are constantly expanding our patents, focusing both on incremental product innovation and longer-term radical innovation. These are often processes that require larger investments. Patenting and marketing our intellectual property is of strategic value for the future.

Developing knowledge

The knowledge of our employees is very important to our ability to innovate quickly and achieve a short 'time-to-market'. That is why we pay a lot of attention to the development of employees and why we look at where external knowledge is needed. We unite employees through cross-functional platforms to develop and enhance knowledge and insights on plant-based and healthy food, continuously responding to the market. The Research & Development department employed 71 people last year.

Together with the customer

From our Customer Experience Centre, we support food and industrial business partners and customers with their recipes, demonstrate new concepts and provide training to customers and distributors. In parts of 2021, corona measures meant we could only serve our customers and contacts online. Meanwhile, physical meetings are possible again. That is important because we prefer to let customers experience our products on-site. In 2021/2022, we provided specific support to customers and distributors in 432 cases.

It looks like meat and tastes like meat, but it is not meat: ME-AT The Alternative.

*Willem Cranenbroek,
General Manager at ME-AT The Alternative*



What does a sustainable, future-proof food system in 2050 look like? Vion asked itself that question in early 2019 with the arrival of CEO Ronald Lotgerink. By 2050, the world's population is expected to number 10 billion people. Prosperity will also increase. This development goes hand in hand with the increased demand for animal protein. If animal protein consumption increases globally to current levels in Europe and North America, 1.7 planets will be needed for production.

Although Vion derives its turnover almost entirely from meat, the company set out on a new course. With ME-AT The Alternative, it focuses on producing plant-based meat alternatives. And that is where Avebe's protein plays an important role. Meanwhile, ME-AT has grown considerably, with Willem Cranenbroek at the helm.

25% of consumers eat a meat substitute at least once a week.

A growing market

Eating meat substitutes has become increasingly popular in recent years. Although the market is still relatively small, the Netherlands is a European leader in the consumption of plant-based alternatives: 25% of consumers eat a meat substitute at least once a week. Although the name ME-AT The Alternative is in no way inferior to well-known brands like Beyond Meat or De Vegetarische Slager, the products are not sold as their own label. William: "To minimise the barrier to buying meat substitutes, we want to approach meat as close as possible. That is why the products can be found

as private labels on fresh food shelves. Once the fresh product supply grows, the move from meat to plant-based becomes easier."

Working together from farm to fork

Most producers of plant-based meat substitutes use imported soy from South and North America, the cultivation of which is often associated with deforestation, soil depletion and water pollution. More sustainable alternatives include wheat and legumes. ME-AT has the scoop on meat substitutes based on field beans grown in the Netherlands, a legume with a high protein content. Chain management from 'farm to fork' is a key aspiration. "The field bean chain had to be built from scratch," explains Willem. "Together with Agrifirm, Herba Ingredients and ZLTO, we started working on this." And not without success: Some 30 hectares were grown in 2021, and 60 hectares by 2022. Thanks to cultivation by Dutch farmers, the chain is simple, short and transparent.

Expanding the world of plant proteins

The field bean protein is converted into a tasty plant-based meat substitute at the Leeuwarden factory. Royal Avebe is an important partner for ME-AT in this regard. The potato protein gives a meat-like texture, making the meat substitutes almost indistinguishable

from 'real' meat. William: "We also work together on product development based on our needs and requirements, providing feedback on what works well and what doesn't."

Potato protein gives a meat-like texture, making meat substitutes almost indistinguishable from 'real' meat.

ME-AT is committed to making smarter use of plant proteins from crops for direct use in the food industry or in the form of a functional ingredient. "There are so many useful proteins that are not being put to good use right now. Watercress, tomato plants and even grass: plant proteins can be extracted from anything," says Willem.

ME • AT
THE ALTERNATIVE



3. Market-driven sustainable potato cultivation



3. Market-driven sustainable potato cultivation

Together with its members, Royal Avebe is working on making starch potato cultivation more sustainable to serve the market with innovative ingredients now and in the future. The starting point for cultivation is higher yields and less impact on climate and biodiversity.

We are working with our growers on a sustainable cultivation programme, with three goals in mind for 2023:

- 10% less water per tonne of potatoes processed compared to 2017/2018.
- 10% more potato starch and protein of one hectare compared to 2017/2018.
- 10% lower carbon footprint (carbon equivalent) per tonne of potato starch compared to 2017/2018.

Achieving these targets should also ensure an additional 500 euros per hectare is available to our growers.

We therefore call our programme the '3 × 10 = 500 programme'. We aim to have 3,000 hectares of land used for growing new potato varieties, developed by our breeding company Averis by 2023.

Sustainable cultivation programme '3x10=500'

Our sustainable cultivation programme was established in 2018. The programme focuses on:

- The most resistant varieties
- Using less nitrogen fertiliser
- Reducing the number of movements in the field;
- A more conscious choice of crop protection products with lower environmental impact.

We work with our growers on a sustainable cultivation programme.

On our trial and demo fields in the summer of 2021, we showed that the targets from the cultivation programme are possible. For the harvest year 2022, the Environmental Yardstick for Starch Potatoes was established in both the Netherlands and Germany to clarify the environmental impact of plant protection



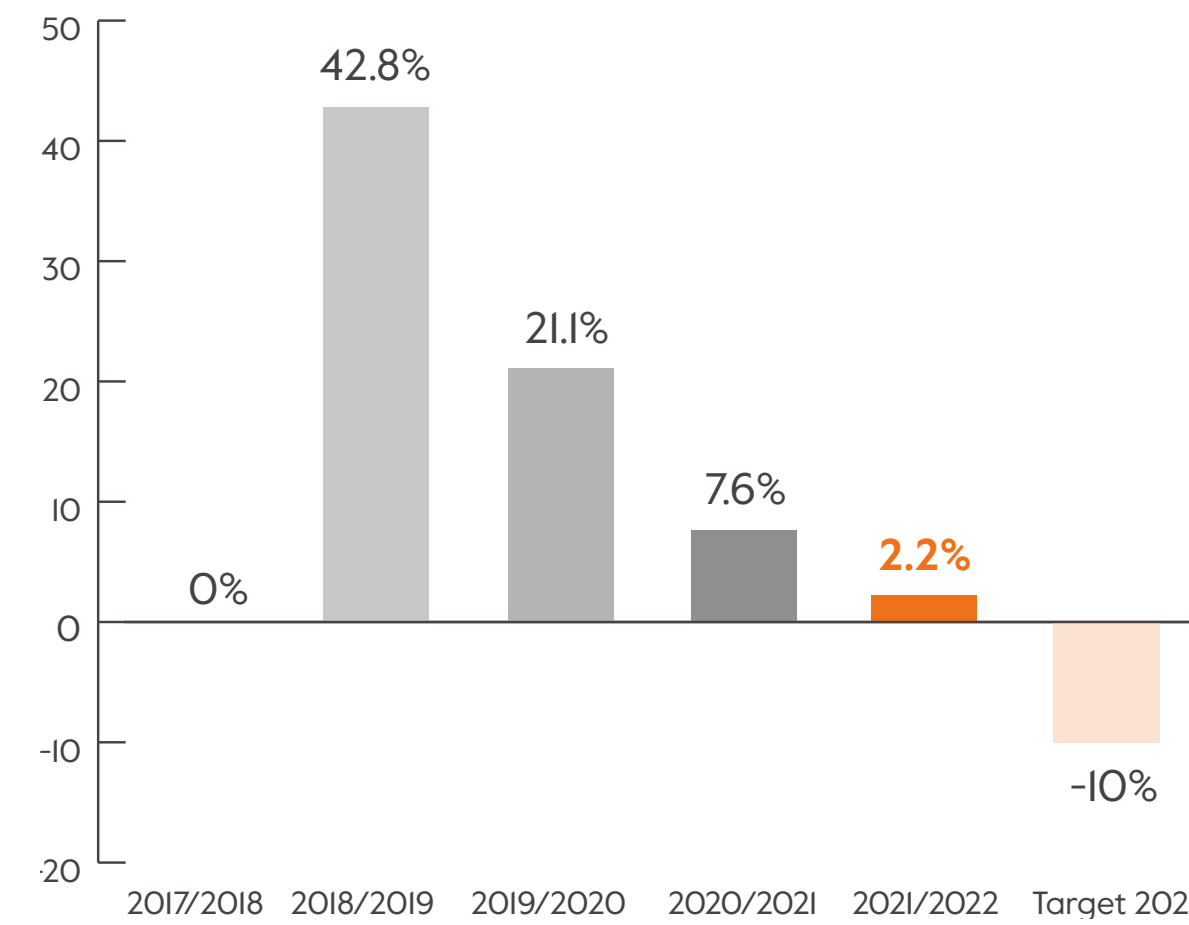


products. This is something our growers can take into account in their choices. This component was addressed when comparing existing and new varieties in the trial and demo fields.

Six training sessions were organised for our account managers in cooperation with Aeres Hogeschool Dronten.

Six training sessions were organised for our account managers in cooperation with Aeres Hogeschool Dronten. These sessions responded to future-focused potato cultivation, covering topics such as sustainable soil and water management, integrated crop production, precision agriculture, society, and policy. With these training sessions, account managers increase their knowledge to raise awareness of the 3×10=500 programme among our growers. In addition, our account managers received training on how to use the *Cool Farm Tool*. This tool calculates the carbon footprint of the cultivation. Avebe has taken the initiative to set up a Dutch user group. We are now working with other processors and suppliers to further improve the *Cool Farm Tool*. The reference year was a year of excellent yields. That kept the carbon footprint per tonne of product low. In subsequent drought years, the same inputs and operations result in lower yields and thus a bigger carbon footprint. We are making efforts to educate our growers on what factors play a role, and despite not reaching our target yet, we see a good downward trend.

Carbon emissions per tonne of starch*



Target 2023

-10% carbon emissions per ton of starch compared to 2017/2018 (% carbon equivalent).

*The 2018/2019 and 2019/2020 figures have been adjusted in line with an adjustment in the *Cool Farm Tool*.

Sustainable cultivation study group

To connect growers more with each other, a sustainable cultivation study group was established as part of the 3×10=500 programme. This is a unique collaboration between Royal Avebe, Agrifirm and Royal Cosun, in which account managers from the three cooperatives are working together with 12 growers to find a more sustainable cultivation system with an improved earnings model for members. The cooperatives and arable farmers met six times over the winter and shared their ideas on possible crop plan adjustments and the expected impact on earning power and soil, climate and biodiversity. They did this in anticipation of expected

policy on the Nitrates Directive, the European Common Agricultural Policy (CAP) and the Farm2Fork strategy.

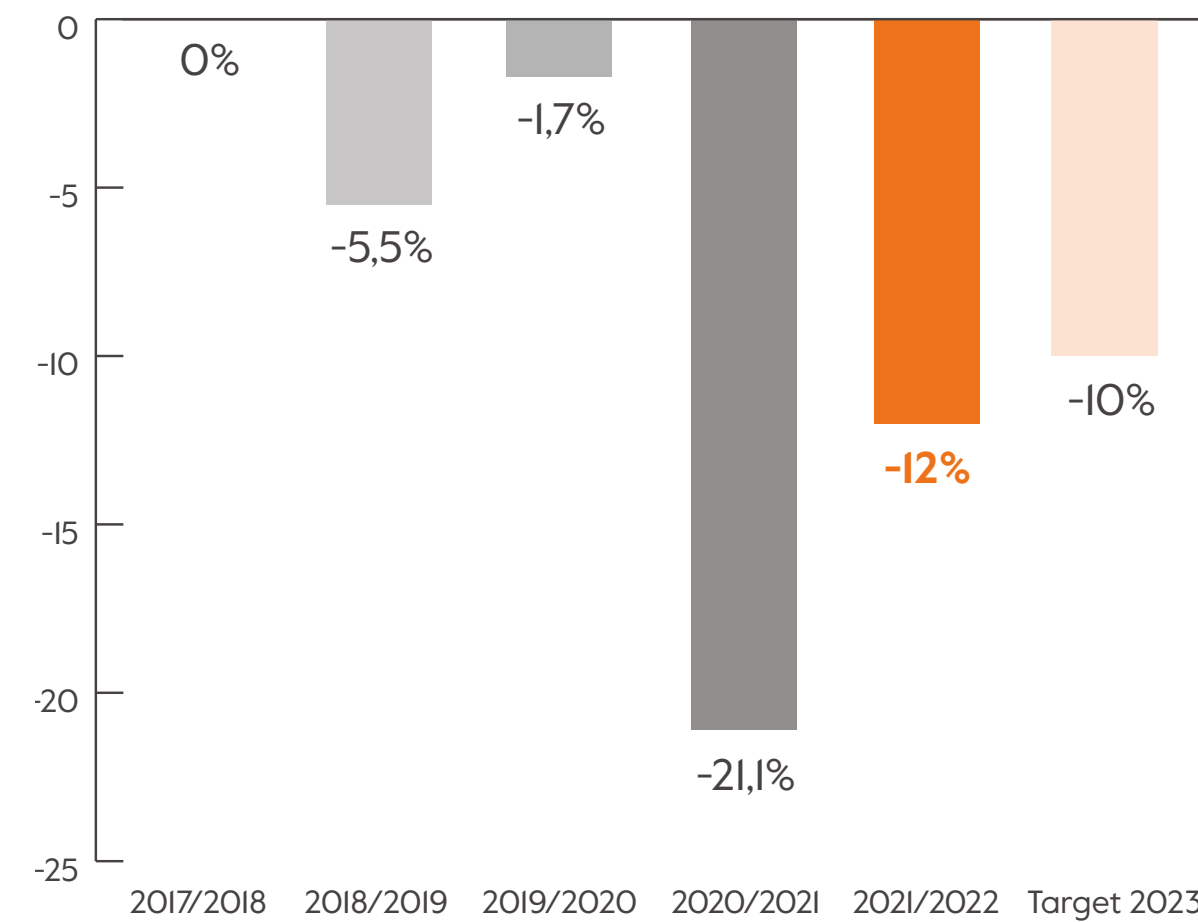
Optimal nitrogen fertilisation

An optimal starch yield calls for adequate fertilisation. The amount of nitrogen is particularly important here. Nitrogen affects yield, starch and protein percentage, the susceptibility of potatoes to diseases and pests and the time of ripening of the crop. However, nitrogen fertiliser also affects a large part of the crop's carbon footprint, and excess residual nitrogen can have a negative impact on groundwater quality. Nitrogen fertilisation trials have been conducted at two sites with different soil types in recent years. These trials were conducted with mostly new varieties. Through these trials, we can determine the optimal nitrogen application rate and give variety-specific fertilisation advice to growers.

Nitrogen fertilisation trials have been conducted with different soil types in recent years.

In response to discussions on the European Nitrates Directive, research was conducted shortly after the experimental fields were harvested to determine the residual nitrogen in the soil. Initial measurements show that race-dependent differences play a role in this. Based on these results, we will continue our research extensively in the coming years to better understand the differences between varieties, and thus the differences in nitrogen efficiency of the varieties, and exploit them to improve groundwater quality.

Environmental impact of crop protection products per hectare*



Target 2023

-10% of environmental impact points of crop protection products per hectare compared to 2017/2018.

* The figures for 2018/2019 and 2019/2020 have been adjusted in line with a recalculation of environmental pressure.

We clearly see a more conscious use of chemical plant protection products across the board, and we seem to be meeting our target. However, it should be noted that the trend is not linear but very weather-dependent. This issue has our undiminished attention, which includes deploying more resistant varieties.





New starch potato varieties

Averis Seeds B.V. develops new potato varieties with high starch and protein yields and optimal resistance to diseases such as potato fatigue and wart disease. This way, we can secure sufficient and high-quality potatoes, make starch potato cultivation more sustainable and achieve our strategic goals.

The potato of the future

A key development is hybrid breeding. In 2021, we started a collaboration with Solynta, a hybrid potato breeding company from Wageningen. With its innovative Hybrid True Potato Seed, the company has developed a technique that allows us to better control progress in variety traits. Hybrid breeding brings several advantages. In combination with the DNA-marker technique that we have developed, naturally occurring characteristics, such as resistance to drought, pests and diseases, can be quickly bred in without reducing other characteristics. The result is a shorter development process and faster progress with the properties that are of value to Avebe's growers. Implementation of the programme is on track.

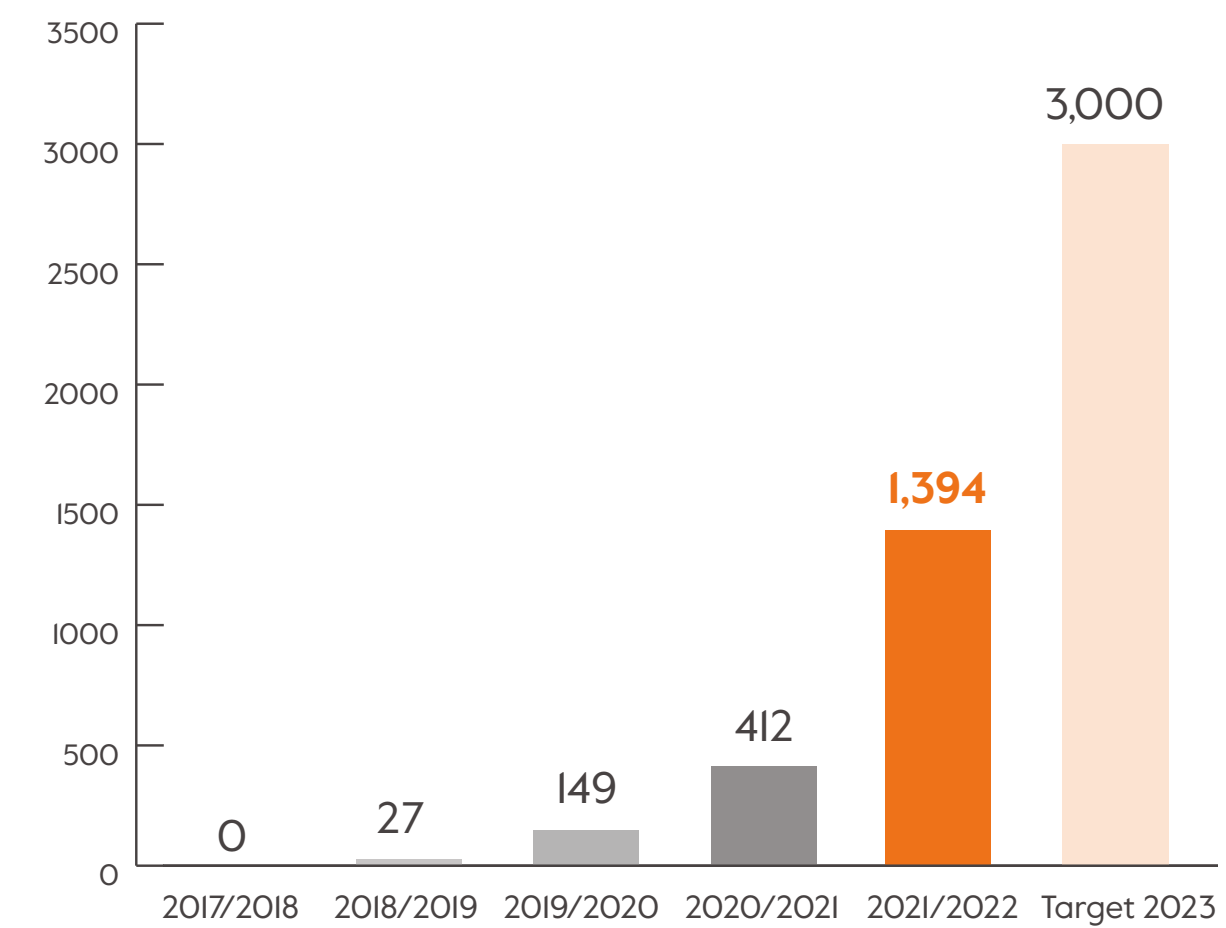
Resistant new varieties

Every year new crossbreeds are made between parent breeds that contain the desired properties and that can pass them on to their offspring for the breeding programme. In 2021, Averis for the first time selected all seedlings resulting from these crosses for the four main diseases: potato fatigue, wart disease, phytophthora and Y-virus. This is a big step towards sustainable seed and starch potato production, as it significantly reduces the need for chemical crop protection. The Avici variety was included in the variety list in early 2022. Three other varieties are entering the second year of research. Another three varieties have also

been registered for inclusion in the variety list. With a successful introduction, our growers will have more choices of varieties with good productivity and resistance to phytophthora, nematodes and viruses.

The seven Averis varieties launched in 2018 grew to an area of 1,394 hectares in 2021, 3.5 times the 2020 area. Based on 2022 seed potato sales, the 3,000 ha target is expected to be met as early as harvest year 2022. The build-up of seed potatoes is also on track and will grow to 5% of the Dutch area in the coming years.

Acreage used to grow new Averis varieties (hectare)*



Target 2023

3.000 hectares of the acreage are earmarked for new varieties.

* The figures for 2020/2021 have been adjusted in line with a recalculation.

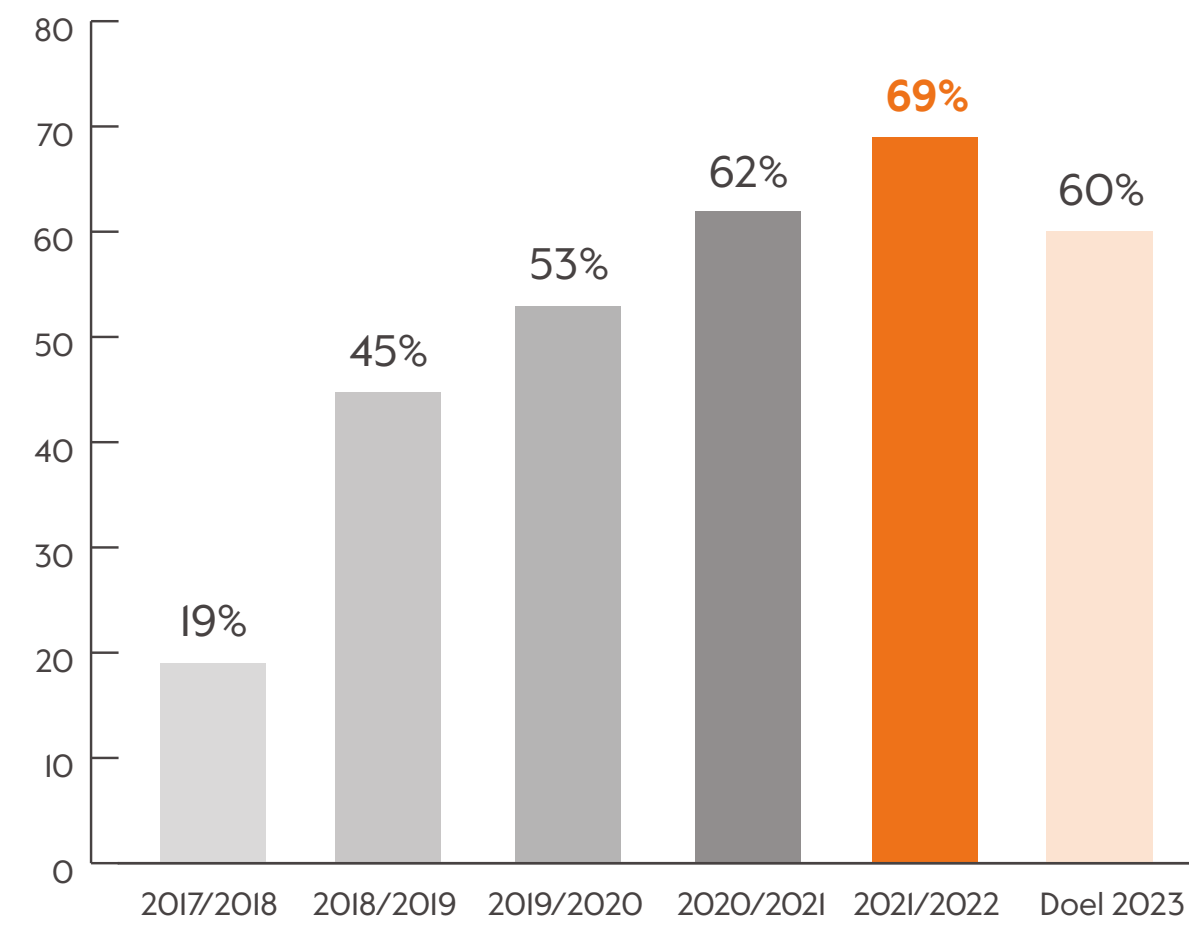
Optimeel

Optimeel is Avebe's crop optimisation programme, in which it works to continuously improve starch potato crop yields. The pillars of Optimeel are crop registration, trial and demo fields, study groups and the introduction of new starch potato varieties developed by Averis. Crop registration provides an insight into cultivation practices. Thanks to the information and recruitment campaign, the number of participants has grown in recent years. Optimeel participation continued to increase last year to 69% of the total crop area. Despite the corona crisis, study groups and physical member meetings at the trial and demo fields continued. Of course, corona measures were followed here.

Plant health action plan

Avebe, as a member of BO Akkerbouw, supports the Plant Health Action Plan. This plan provides direction on key issues such as a resilient cropping system, precision agriculture, greening the resource package, and strengthening biodiversity in the field. These topics are related to the setting where we produce and the continuity of cultivation, now and in the future. For example, alternatives to chemical weed control on sandy soils are being studied. Some of the results are also relevant to starch potato cultivation. We inform our members about new developments in the Plant Health Action Plan through the newsletter Informail and at open days.

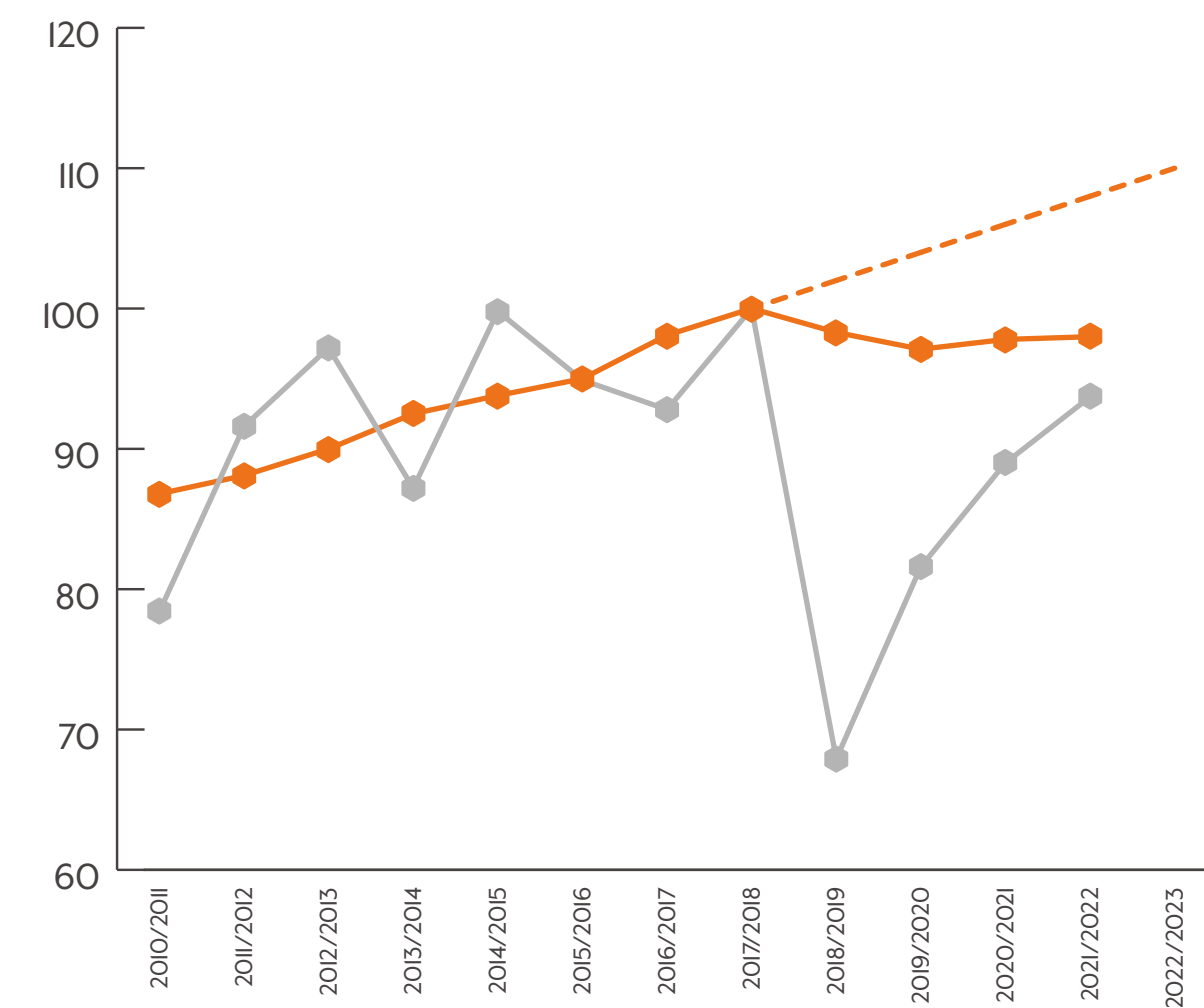
Development of crop registration participation in percentage (area of crop registration/total area)



Target 2023

The percentage of acreage participating in crop registration is at least 60%.

Starch yield, 10-year average, per ha (% over 2017/2018)



- % starch yield per hectare
- 10-year average % starch yield per hectare
- - - target % starch yield per hectare

Target 2023

10% higher starch yield, 10-year average per hectare (% over 2017/2018).

Ensure fertile and healthy soil.

Markus Kaufmann
Avebe member



Markus Kaufmann is a farmer in Lüchow-Danneberg, in eastern Lower Saxony. Together with Royal Avebe, he focuses on sustainable and efficient processes in growing starch potatoes.

Preventing crop rotation diseases and maintaining soil fertility

The company KKL Landbau KG, formed in 2019 by two other companies, grows about 110 hectares of potatoes, of which some 60 hectares are for starch potatoes for Avebe. The remaining 50 hectares are potatoes for processing in the crisps industry. Besides potatoes, sugar beet, energy maize, wheat, triticale, spelt and other crops are part of the common crop rotation on the farm. "For us, sustainable potato growing starts with shaping the crop rotation. We aim for the longest possible breaks of four to five years between potato and potato," says Markus. "This way, we combat crop rotation diseases and give the soil time to recover."

Legumes and catch crops for good nitrogen management

New crops such as peas and lupins are grown regularly to make crop rotation even smoother. Moreover, growing catch crops before root crops is important to maintaining soil fertility and health. In this regard, KKL Landbau KG focuses on legumes and mixtures of oats and fodder radish. "In part, we like to use mixtures with vetch because it can also bind nitrogen at the same time. For Markus, nitrogen fixation by legumes is an important aspect of nitrogen management.

Reducing nitrogen fertilisation possible with Averis varieties

Some of KKL Landbau KG's land is located in nitrogen-limited 'roten Gebieten', or red areas. This is why Markus attaches great importance to efficient nitrogen fertilisation. At the beginning of cultivation, phosphorus, potassium and nitrogen are dosed through row fertilisation. In total, potatoes get about 120 kilos of nitrogen per hectare. A few years ago, starch potatoes were given a higher nitrogen dose. But in cooperation with Avebe and thanks to the use of Averis varieties, Markus successfully reduced the amount of nitrogen fertilisation while achieving good starch yields. "The potato is the most important crop on our farm. For that reason, we are always on the lookout for information and new working methods around crop protection and fertilisation. We have benefited a lot from Avebe in that area. And thanks to the Averis varieties, we keep space in our fertiliser balance even in the red areas," explains Markus.

4. Improve our ecological footprint





4. Improve our ecological footprint

We process starch potatoes into products at our potato starch and protein plants. We do this using processes and operations that require energy, water and other resources. We strive daily to make our footprint smaller, sometimes through big investments and innovations and sometimes through small, smart adjustments.

Our targets for 2023 are:

- 12% reduction in carbon emissions per tonne of product compared to 2017/2018
- 20% less water use in total production compared to 2017/2018.
- 25% reduction in tare and sewage sludge waste streams compared to 2017/2018.

Reduction of carbon emissions

Renewable energy and energy efficiency

We focus on reducing our energy consumption and using sustainable energy to reduce our carbon emissions. With the current energy crisis, this is relevant from an environmental perspective and a cost-saving measure to become less dependent on natural gas. Several energy-saving projects have been implemented under the WCOM Programme (World Class Operations Management), which, among other things, now makes even better use of residual heat. We highlight some of the projects below.

Membrane technology

In 2020, we implemented the unique process 'DUCAM' (Sustainable Concentration of Potato Juice with Membranes) that we developed together with Wafilin Systems. This technique allows us to reuse the water filtered from potato juice. This provides substantial energy savings and shifts energy demand from gas to electricity. Last year, this membrane technology was applied to the plants in Dallmin and Gasselternijveen, partly thanks to grants from the German and Dutch governments.

Transport of wet starch

In Gasselternijveen, it has been made possible for starch to be loaded wet and transported between Avebe's various factories. Because the campaign in Gasselternijveen lasts longer, the other factories can use wet starch for longer. This way, we avoid having to dry some of the starch first in Gasselternijveen to add water elsewhere. This yields a lot of energy savings.

Electric steam boilers

For the Gasselternijveen and Ter Apelkanaal sites, we received an SDE++ grant (sustainable energy subsidy) in 2020, earmarked for electric steam boilers.





Last financial year, these boilers were installed and are expected to be operational in the second half of 2022. These electric boilers produce steam hybrid using both electricity and gas. Last year, an SDE++ grant was also awarded for an electric steam boiler in Foxhol.

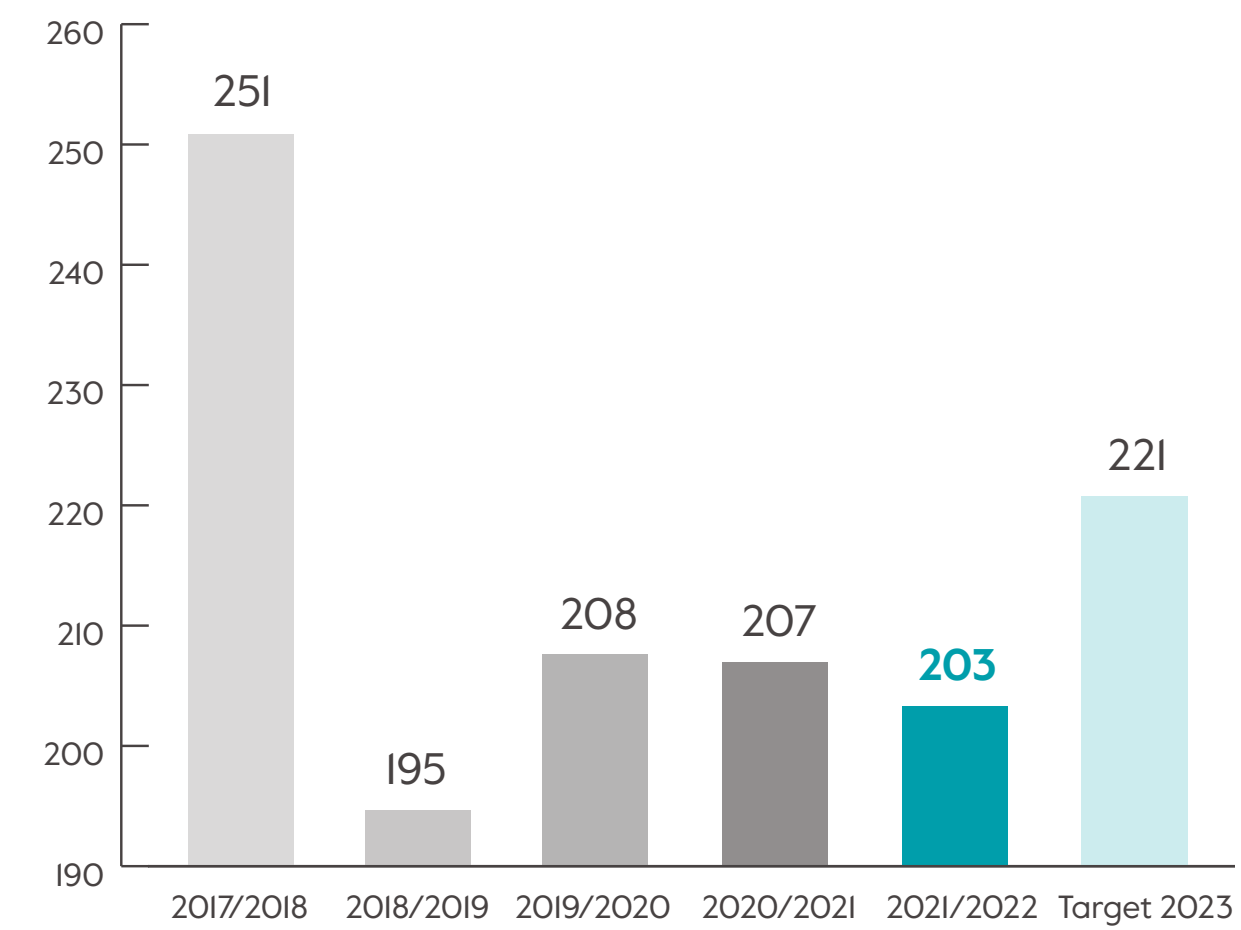
Thanks to the use of green electricity from the solar parks Hollandia and Ter Apelkanaal, we substantially reduce our carbon emissions with the electric boilers. For our factory in Germany, we are investigating whether we can buy biogas from a nearby biogas digester. In this digester residual flows from our own factory can be converted into biogas.

Through all these projects, we are on track to achieve our carbon emission reduction targets for 2023.

Sustainable transport

Steps have also been taken in our logistics. Last year, considerable challenges arose in road transport, mainly due to a shortage of drivers from Eastern Europe. We solved this by transporting our pre-shipment from German production sites to the port of Hamburg by train. This reduced carbon emissions by 38% on this particular route and created more flexibility at our charging locations. Through all these projects, we are on track to meet the 2023 carbon emission reduction targets.

Carbon emission (in kilotons)*



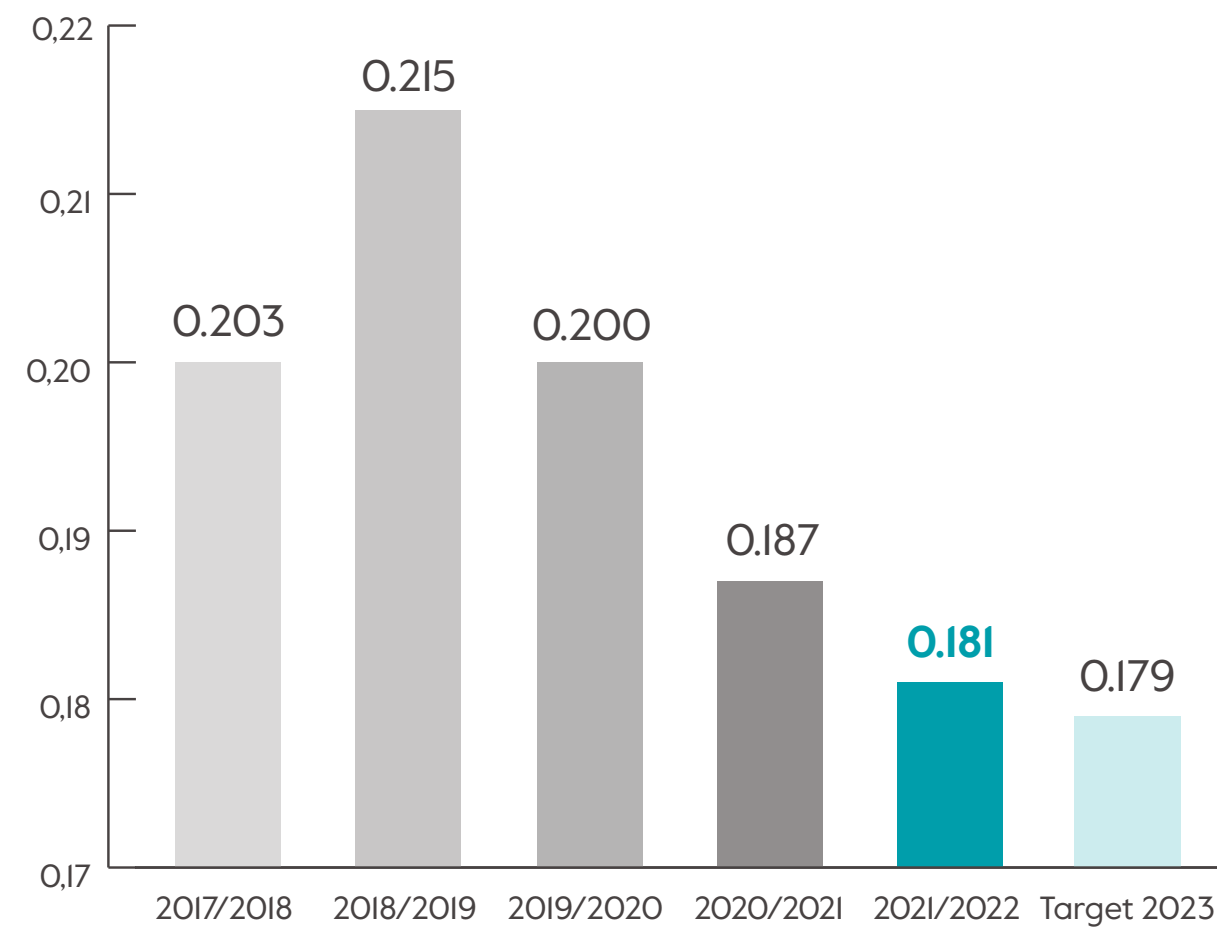
The extreme year 2018-2019 was characterised by a very low harvest. This affected carbon emissions.

Target 2023

12% reduction in carbon emissions overall and per tonne of product compared to 2017/2018.

* This concerns the carbon emissions (scope 1 and 2) corrected for what is produced for third parties (other companies on site). The emission factor for Guarantees of Origin for green electricity has been set at 0.

Carbon emission per tonne of product



Target 2023

12% reduction in carbon emissions overall and per tonne of product compared to 2017/2018.

Towards less water consumption

Water is needed to extract ingredients from potatoes and to add specific properties to the starch (derivation process). Our strategic water programme focuses on process improvement and innovation to reduce our water consumption. Our goal is to use 20% less water in 2022/2023 compared to 2017/2018.

Dilution and disposal of saline process water

Regarding water conservation, we initially focused mainly on the Ter Apelkanaal site. The potato processing and derivatisation processes result in water with an increased salt load as a residual stream. Treated wastewater is allowed to contain a limited amount of salt to prevent the salinisation of surface water. Reducing water use thus goes hand in hand with reducing salinity.

The DUCAM technology produces about 350,000 m³ of good quality water as a residual stream.

Our plant in Foxhol is connected to the Veenkoloniale Afvalwaterleiding (VKA), which drains treated but brackish water to the sea at Eemshaven. This way we don't have to dilute the saline water with fresh water, saving a lot of water. To make more use of this, we have moved part of the production from Ter Apelkanaal to Foxhol in the financial year 2019/2020. This has reduced Ter Apelkanaal's water consumption by about 20%. Furthermore, we achieved a reduction of about 10% through changes in the recipe. We are also committed to water reuse: in addition to saving energy, DUCAM technology provides around 350,000 m³ of good-quality water as a residual stream. We reuse this water in our processes. Through these various measures, our savings target for 2023 has already been achieved in FY2020/2021.





Green chemistry

In recent years, our green chemistry programme has focused on reducing the phosphate content of wastewater at the Ter Apelkanaal site and removing residual chlorate from native potato starch. By greening the production process of some modified starches, the phosphate content in wastewater has been dramatically reduced in recent years. This adjustment additionally provides annual financial savings. Modifications to the extraction process for native potato starch have ensured completely chlorate-free native potato starch for all Avebe sites. This achieved a key objective from our Binding and Building strategy.

Focus on further water reduction

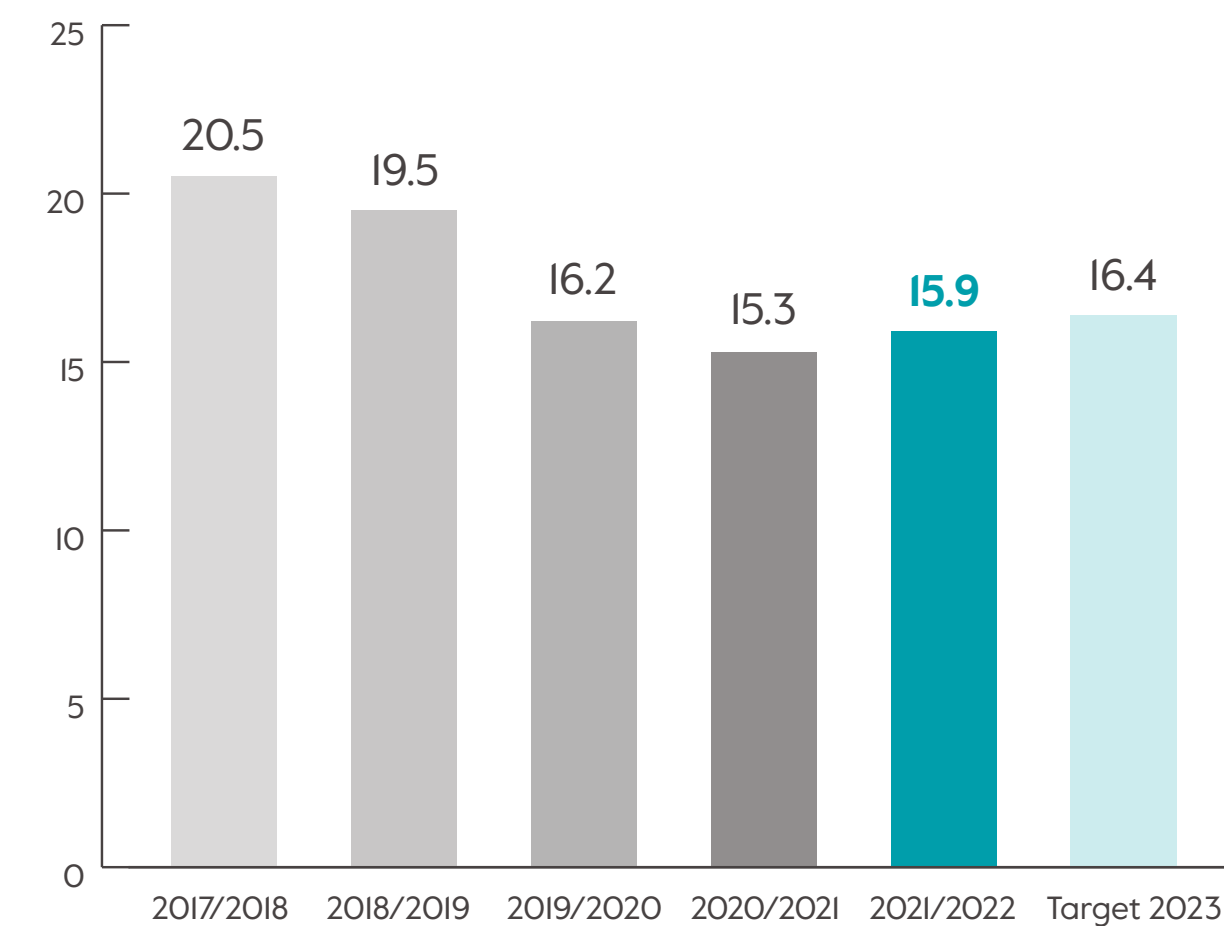
Water reduction remains an important point of attention at all locations. With growing volumes of products with higher water consumption, we continuously look for saving opportunities and technology to (re)use water more efficiently. Thanks to the expansion of DUCAM technology to the Dallmin and Gasselternijveen sites, we can convert more potato juice into process water.

Availability of water

Besides water reduction, water availability is also high on the agenda. In recent years, it has become clear that we have to reckon with periods of water surpluses or water shortages due to climate change. This climate risk affects both the supply of starch potatoes and water availability for our process. Moreover, the demand for fresh water in the northern Netherlands is increasing. This applies to the production of plant-based protein substitutes and to hydrogen production and data centres, for example. The Hunze en Aa's Water Board explicitly addresses this in its Water Management Programme 2022-2027.

Part of the solution is based on measures such as making water buffers available. We have sharpened our focus on this subject and we are working together with the region on it. For the longer term, we are working on scenarios to reduce our dependence on water. We are considering the use of other methods for the production of starch derivatives. We are working out these scenarios in preparation for the next strategy period.

Water consumption (Mm³)*



Target 2023

20% less water use (Mm³) in total production compared to 2017/2018.

*The total water consumption in million m³ (Mm³) is expressed as the total of drinking water, well water and surface water of the six production sites of Royal Avebe.

Reducing tare and sludge

Waste reduction is the third focus within the ecological footprint spearhead. Royal Avebe concentrates on sewage sludge and tare waste streams. For both streams, we are aiming for a 25% reduction compared to 2017/2018.

Sludge

Avebe's wastewater contains residues of potato juice, protein and starch from the production process. Sludge is left behind after the waste water is purified. With the growth of our good food products, we produce more wastewater and thus more sewage sludge. Last year, several new projects were therefore set up to reduce product losses and sewage sludge volumes.

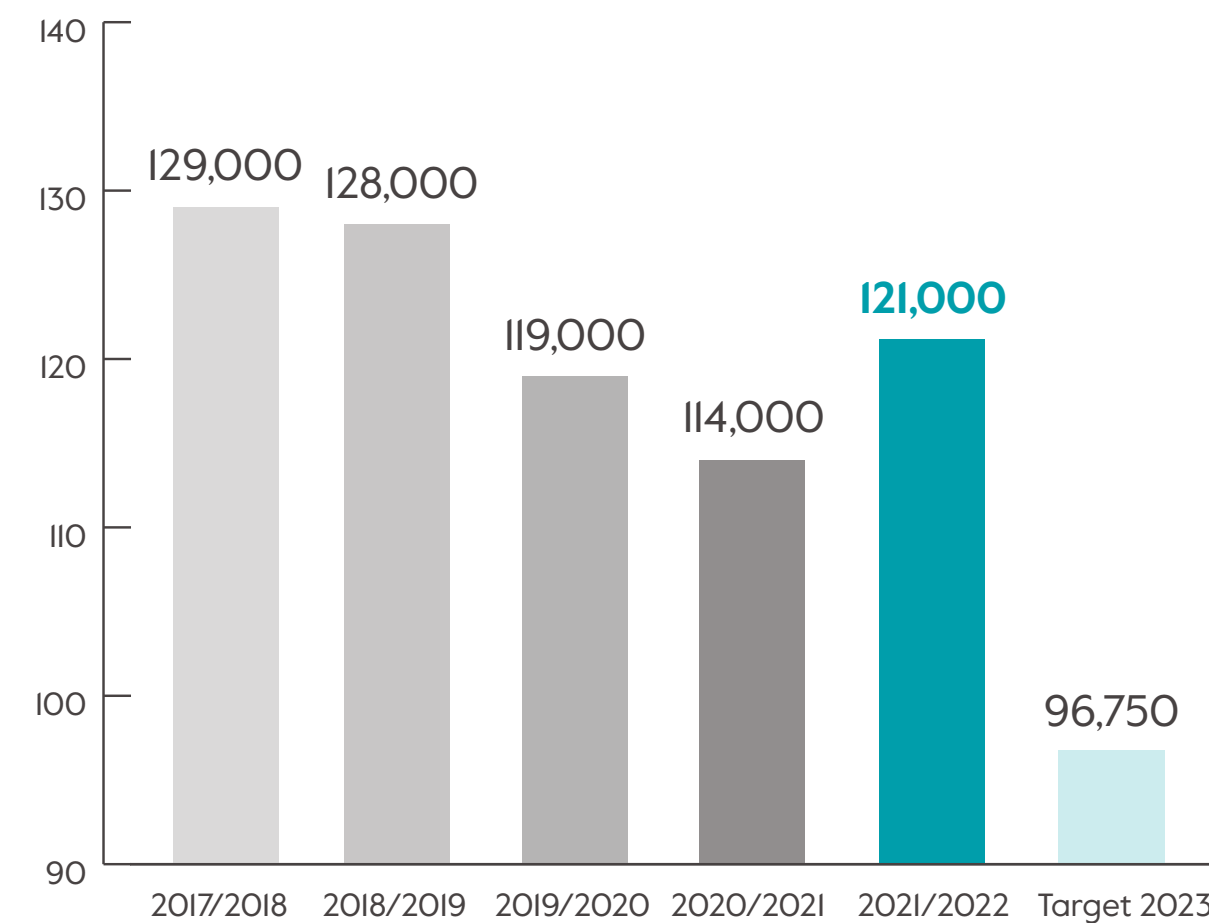
A successful pilot was carried out in Gasselternijveen, where we treated wastewater without oxygen.

This will reveal the actual waste cost per product and make it easier to factor in decisions on introducing new products. In Ter Apelkanaal, WCOM activities reduced the consumption of auxiliary materials to produce starch derivatives. This has reduced product costs and created less sludge. In Gasselternijveen, the wastewater treatment plant was expanded again to handle the increased pollution load. That prevented the processing of good food products from increasing sludge production much compared to last year. This year, the treatment plant will be further improved to better handle increased

production. In Gasselternijveen, we also conducted a successful pilot in which we treated wastewater under anaerobic conditions (without oxygen). An anaerobic process requires less electricity for wastewater treatment, produces biogas and creates less sludge. In the coming months, we will explore the feasibility of implementation.

These measures mean the amount of sludge produced by Avebe in 2021/2022 was 6% lower than in 2017/2018. To reduce this even further, we focus on improving production concerning chemical consumption and product losses.

Sludge (gross weight in tonnes)



Target 2023

25% reduction in both tare and sludge waste streams compared to 2017/2018.





Reducing the quantity of tare

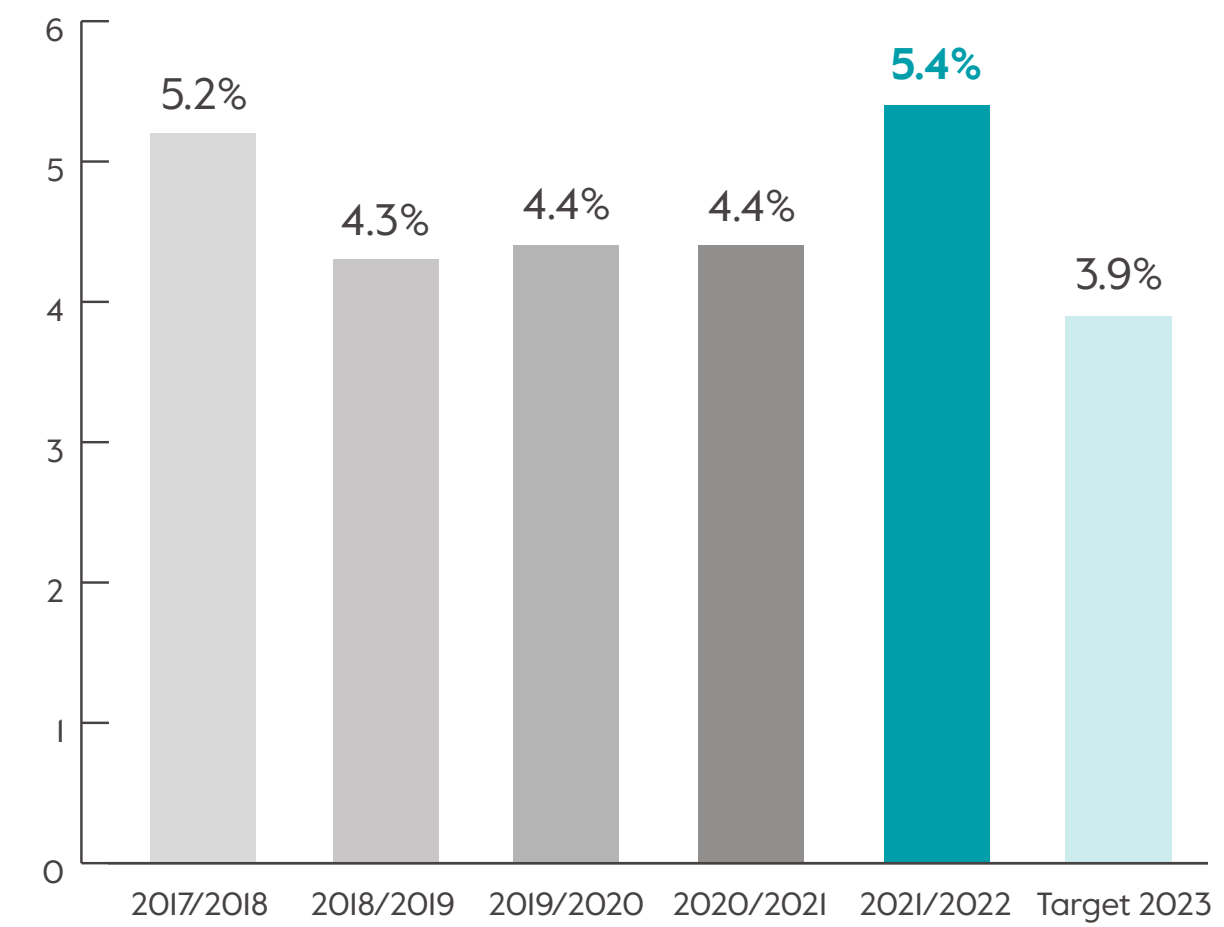
When the potatoes are delivered to our factories, sand, foliage and stones are often stuck to them. We call this tare. We see tare as a waste stream when it arrives at the factory. It is not easy to find a useful application for this.

Together with the machine suppliers, modifications were made to the existing cleaners.

We adjusted agreements with growers in 2019 to make it more financially attractive for them to supply cleaner potatoes. Agreements on stones were added in 2021. Last year also saw trials with a new machine to better separate foliage and stones in addition to soil. We will apply this technique in Germany next year. Adjustments have been made to the existing cleaners with the suppliers of the machines we use. These adjustments allow us to reduce tare at a lower cost.

Harvesting conditions were weaker in 2021 due to rainfall. As a result, despite the measures, tare increased again to the 2017/2018 level. Under normal harvesting conditions, we expect next year's result to be close to the target.

Tare (% tare of potato weight)



Target 2023

25% reduction in both tare and sludge waste streams compared to 2017/2018.

Green power from our own members.

Mark Mijnen | Erik Emmens

Energy Portfolio Specialist at Avebe | Avebe member



The first signature of the contract to purchase green power certificates was made in early 2022. These Guarantees of Origin (GoO) entitle Royal Avebe to certificates that make its electricity consumption more sustainable. Avebe was already buying these certificates on the green power market but is now involving its own members in producing and buying green power with a new revenue model. Erik Emmens, Avebe member, and Mark Mijnen, Energy Portfolio Specialist at Avebe, are enthusiastic.

Guarantees of Origin

Many Avebe members have solar panels on their roofs to provide green power to their own businesses. They can sell remaining electricity via GoOs to other parties who can use it to make their electricity consumption more sustainable. A survey held by Avebe among its members last year showed that they were interested in selling GoOs to Avebe. A system was set up to make this happen. In early 2022, the first contract was signed by Avebe member Erik Emmens and David Fousert, CEO at Avebe. Erik is very enthusiastic about it: "It is a challenge to work with members on making our businesses and the cooperative more sustainable. This way, we take a good step, the green power stays in our own chain, and we benefit financially as cooperative members."

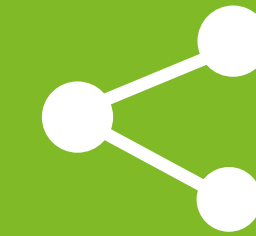
Reducing our carbon footprint

Mark: "Avebe aims to reduce its carbon emissions by 12% by 2023. Reducing energy consumption is a key focus area to achieve this, but sustainably generated energy is used where this is not possible. Ideally, we would like to buy all the renewable electricity we need from our members." Since the beginning of 2022, the new GoO procurement system has been in place, and the first certificates have been pouring in from members. The first step towards green power from its own chain has been taken.

Future

Meanwhile, several members have expressed their intention to sell their GoOs to Avebe. Erik and Mark held close talks with the farmers to make the process as simple as possible and therefore minimise the threshold to join. Growers can easily sign up with a concise one page A4 contract. Moreover, if they want to, they can easily get out again. Erik and Mark aim to enthuse even more cooperative members in the future, both in the Netherlands and Germany.

5. Cooperation for the customer



5. Cooperation for the customer

We work with our members, customers, research institutions and other stakeholders to produce healthy, nutritious and environmentally friendly ingredients. We achieve this with sustainably employable, vital and engaged employees who can work in a safe working environment.

For 2023, we have the following targets:

- A score on employee satisfaction and engagement of higher than 7.5
- An accident frequency index (TRIFR) lower than 0.5
- Improving 8 critical integrated processes

Good employment practice

At Royal Avebe we see employee development as a continuous process. As well as gaining substantive knowledge, we support employees in the development of their skills. As part of the Play to Win leadership programme, we invest in developing management, project, and personal leadership skills.

Attracting new talent

Over the past year, Strategic Personnel Planning (SPP) has taken more shape. A future-oriented workforce planning for the entire organisation was worked on in a collaborative effort between the Finance Department, the HR Business Partners and line management. SPP makes the numbers of employees and the required knowledge, skills and competences transparent. This insight forms the ideal basis for a recruitment

and selection plan and, thus, the organisation's inflow, throughput and outflow. Due to the tight labour market, much attention has been paid to Employer Branding (labour market communication) over the past year. This has led the recruitment team to pay extra attention to existing and new partnerships with intermediate and higher professional education and universities. We also use social media to interest different target groups in a job at Avebe. When searching the labour market, we are mindful of a broad diversity of employees. We were able to retain many trainees early on by offering a career at Avebe. We welcome our new employees with boarding days. During these days, new colleagues get to know Avebe, its members and its chain. We also encourage our own employees to share job vacancies on social media. We see this being done more and more often and bearing fruit.

Training & development

We work on transparent growth paths so that employees can take control of their own careers. We also work with training matrices that show a person's knowledge and skills and what still needs to be done to remain sustainably employable. Last year, we piloted a new performance management model focused on continuous dialogue on performance, employability and talent (PET)





between employee and manager. We will roll out this programme across Avebe in the next financial year.

In addition, last year we started a talent management process focusing on the ambition of employees and Avebe's goals. We offer ambitious employees the opportunity to talk to a mentor from senior management. The meetings make it possible to discuss personal growth, but also issues at Avebe and ways of tackling them. The project management community also offers everyone working in projects the opportunity to share experiences and improve their personal project management skills. Sharing knowledge and getting knowledge from outside the organisation is central to this.

Play to Win and employee engagement

We believe that it is important for our employees to be fit and healthy, able to develop and feel engaged with Avebe. Collaboration, taking responsibility, development and commitment to our strategic goals are key pillars in this respect. These pillars also form the basis for our Play to Win leadership programme, which will be followed up in the next financial year. We also test our employees' commitment every two years with an employee satisfaction survey. We conducted a survey last financial year (2021) and plan to hold another one next financial year (2023).

Safety

Safety is a key focus within Royal Avebe. Besides being a food company, we are also a chemical company and belong to the heavy chemical industry. We want everyone working at our sites to be able to do their jobs safely. We can only achieve this by working on the safe behaviour we want and making our production processes technically safer.

Accident index

We measure safety with the accident frequency index TRIFR (Total recordable Injury Frequency index), an international standard based on the number of incidents per 200,000 hours worked at our sites. The strategic target is 0.5. This objective is for all people working at our sites because we feel responsible for everyone, and safety must be implemented jointly. Last financial year, unfortunately, we had more incidents than expected. We ended last year with a TRIFR index of 1.7. This is much higher than our target of 0.5. We did not achieve our target with this. Fortunately, there were no fatalities or accidents with serious consequences involving a recovery period of more than six months. We are well aware that the high number of incidents increases the likelihood of a serious accident, and we are doing all we can to reverse this trend.

Employees need to be vital, able to develop and feel engaged.

Last year, we worked on improving incident investigations to identify the root cause. We have achieved this through resources, training and joint action in incident investigation. The underlying cause is important to implement improvements better. Take repairing one ladder: this provides less safety than if all ladders are preventatively inspected annually so that no unsafe situation arises. We are not yet seeing the results of the better incident investigation in the accident index. This will take some time, but it is the direction we need to take to solve security problems structurally.

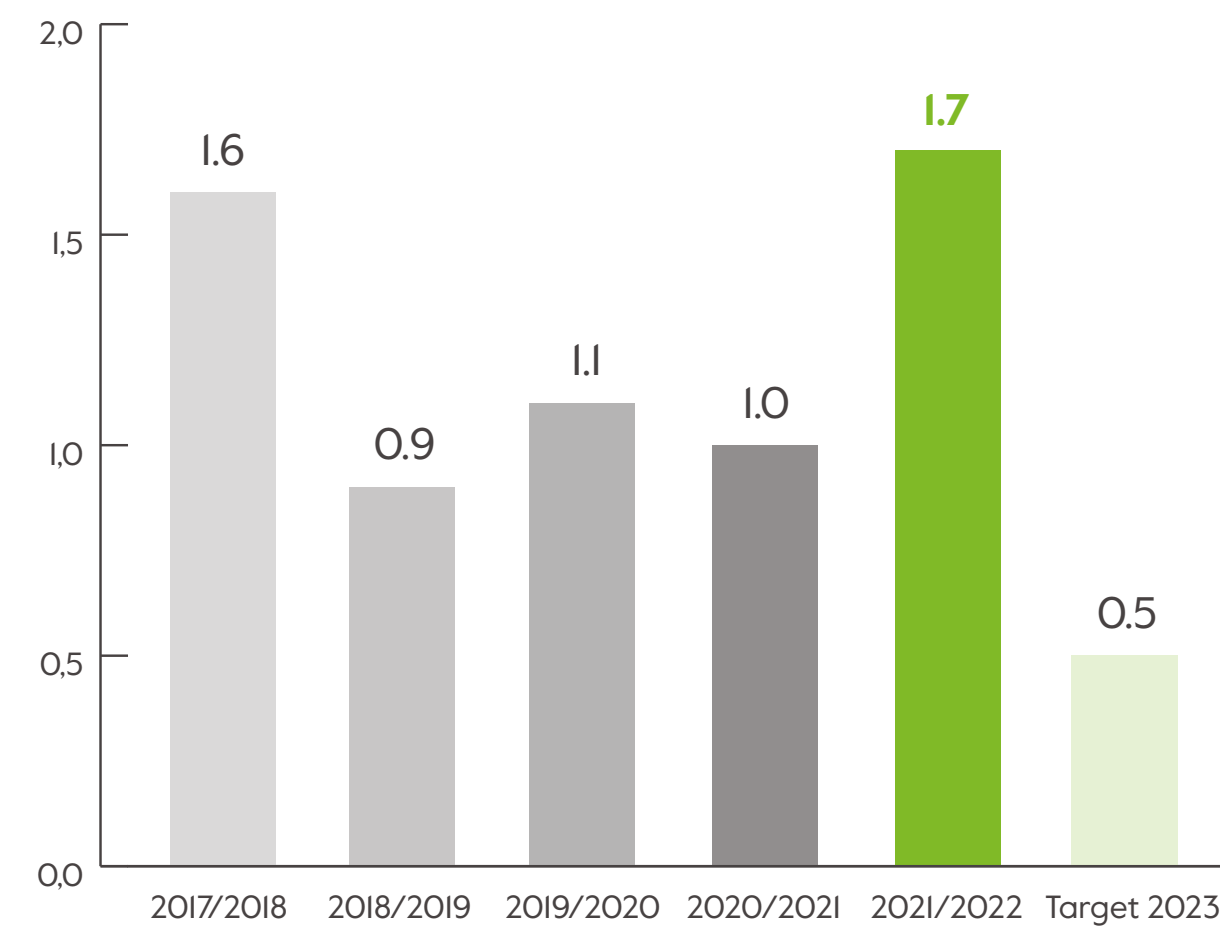
The excessively high accident index has several reasons. Among other things, advisory staff working from home in the Corona period seems to have played a role here. That shows how important it is to continue communicating our agreed safety behaviours. According to these safety behaviours, we speak to each other about safety to help each other work safely. We also follow the rules and procedures. We work safely or not at all, regardless of pressure. Finally, we report dangerous situations to prevent accidents.

Safety training

All employees are trained on safety topics at least once a year. Depending on the position or responsibility, additional courses and training are provided.

Corona was less dominant for much of the year, and we are in the process of shaping hybrid working within Avebe. We put the individual first to get the most out of hybrid working. Besides safety, we actively focus on the well-being and health of our employees. Every two years, we organise the 'van Waarde Scan', which focuses on employee health and well-being. Participation is voluntary, and the results will be treated anonymously and considered in Avebe's policies. In addition, various initiatives to improve employees' health are ongoing, and they can seek help from various agencies and specialists such as the Company Medical Officer.

Accident index



Target 2023

An accident frequency index below 0.5.

Working together in cross-functional teams

Collaboration is important within Avebe. This is how we achieve the best result for the customer. We focus sharply on the alternatives presented by the starch potato to provide a good answer to constantly changing customer demand. At Avebe we work in cross-functional teams to develop innovative solutions. It is very important in this type of collaboration that the employees have the same interest and aligned goals.

The XFHP (drive Cross Functional High Performance) strategic programme focuses on improving customer cross-functional collaboration. This programme aims to improve eight critical integrated processes by 2023. Meanwhile, seven of the eight processes have





been updated. In the past financial year. Three processes were central to this:

- **Road to Market Success**

This process is the collaboration between Innovations and Commerce. Together, they optimise the 'time to market' for new products and applications. It is important to work with a common objective throughout the process. Together, they put the process into a timeline that defines the 'time to market'. As a result, they work together towards the same goal towards the customer.

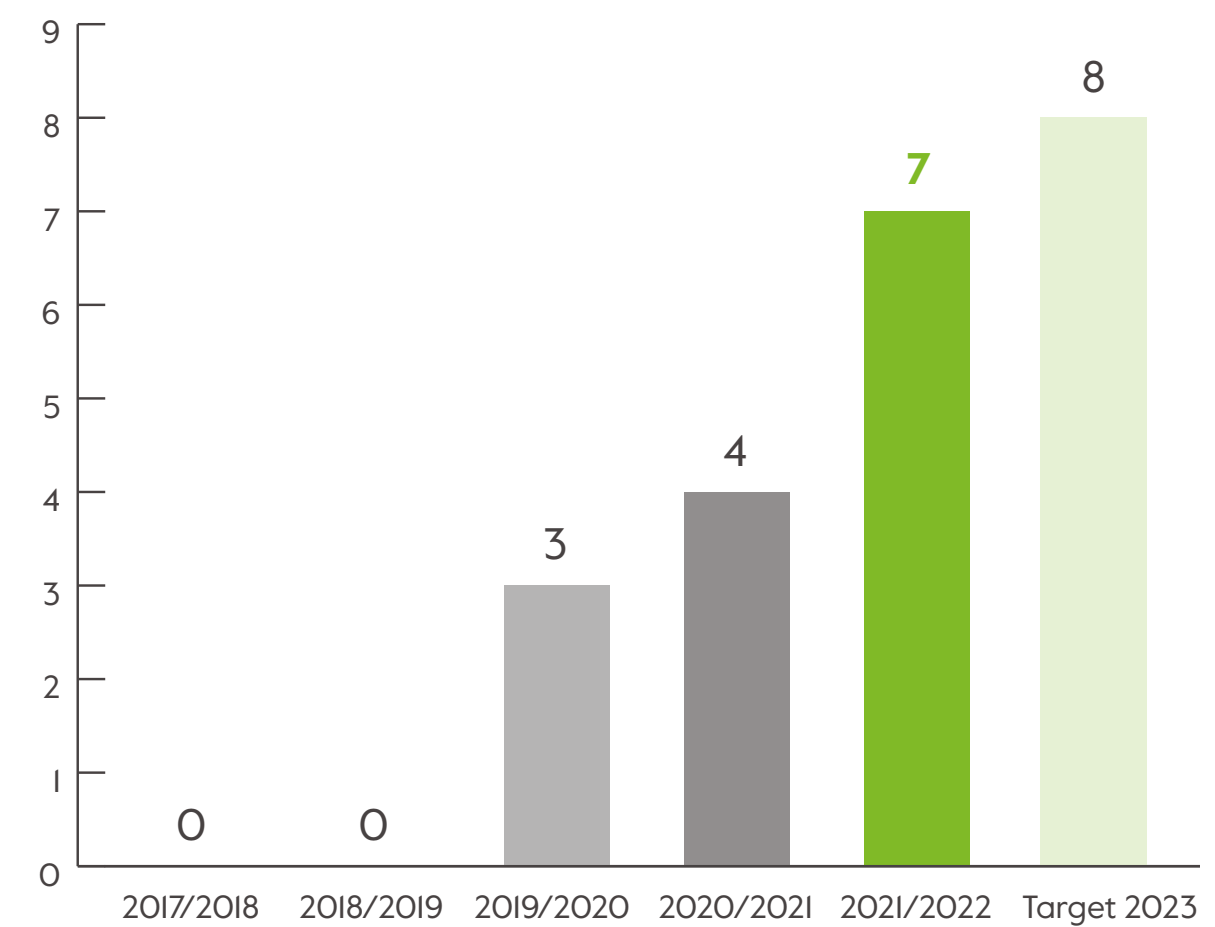
- **Balancing Demand Supply Stock**

This process focuses on collaboration between Operations and Commerce to stock native potato starch in fewer different packaging forms. The number of different packaging forms held in stock has been growing in recent years. This also increases stocks. The 'Balancing Demand Supply Stock' project aims to change this and structurally reduce the number of packaging forms. This also reduces inventory levels.

- **Customer Packaging Request**

Operations and Commerce also work together in this process. The project focuses on reducing costs arising from specific 'Customer Packaging Requests'. We supply products to customers based on established specifications. Beyond this, additional agreements are sometimes made, especially on the form of delivery. This leads to additional costs due to packaging and logistics. This project will initially clarify the problem and based on these insights, better arrangements will be made to keep costs manageable.

Improving critical integrated processes



Target 2023

Eight critical integrated processes have been improved since 2018/2019.

We attach great importance to ensuring that the number of complaints keeps going down.

Customer satisfaction

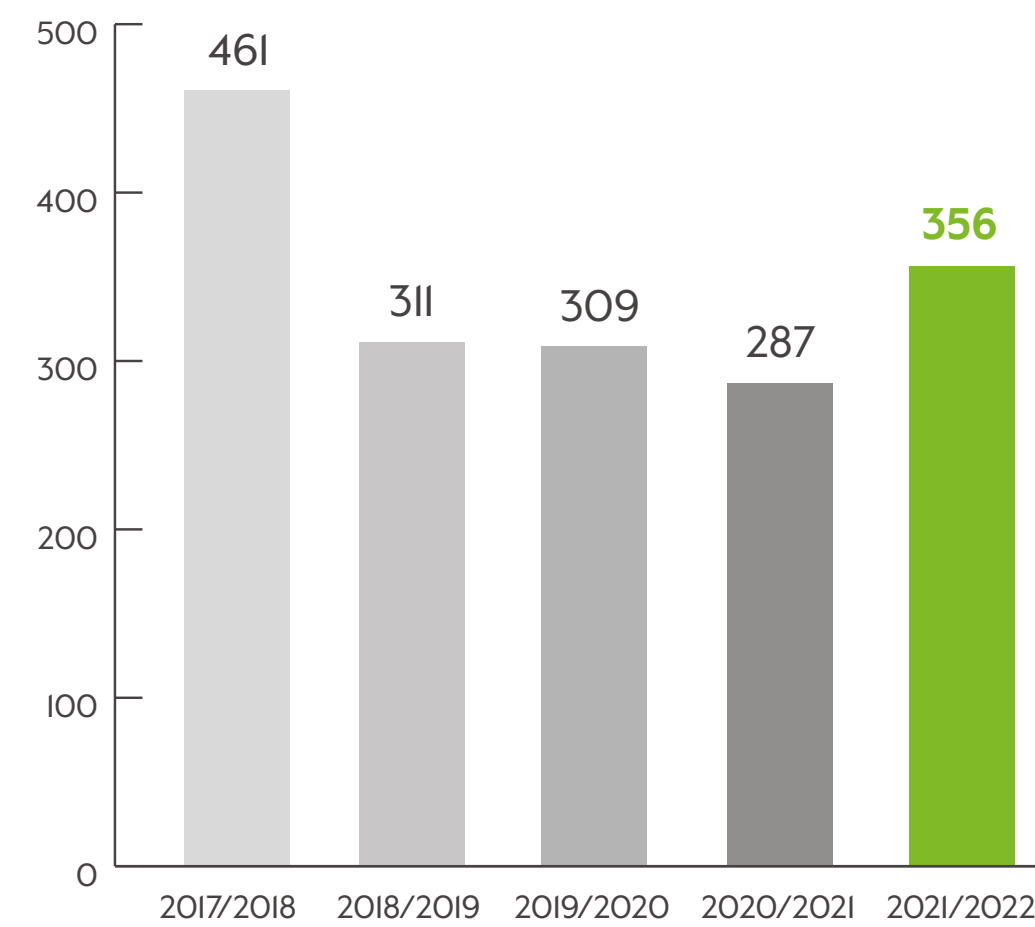
We go for satisfied customers. It is important to listen carefully to our customers and resolve complaints quickly and professionally. Preventive actions also prevent an incident from happening again. That's how we work and create value for our customers. To achieve our

target of less than one customer complaint per day, we must continue to focus on cooperation.

Last year was a special year concerning customer complaints due to the resurgence of the coronavirus resulting in lockdowns. In the first few months, complaints were significantly lower than expected, but in the last few months they have actually been higher. In financial year 2021/2022, the number of customer complaints rose to 356. That is 24% more compared to the previous financial year. For the first few months, customers were still very understanding of the situation created by the lockdowns. Complaints about delayed sea deliveries have been growing in recent months. Here, the problems in the Suez Canal continued to affect this year, especially in shipments to the Americas and Asia.

Next year, our target remains less than one customer complaint per day. We believe it is important to always reduce the number of complaints and design our processes in such a way as to prevent complaints and thus satisfy our customers.

Customer complaints*



Target 2023

Less than one customer complaint per day.

* The number of customer complaints is defined as complaints that, after investigation, have turned out to be justified, excluding the smaller damaged bags complaints (under 250 euros).

Greening for a sustainable end product

More and more of our customers want to offer a finished product with a sustainability label. As a result, the focus from customers on our sustainability performance, e.g. in terms of carbon emission reductions, is growing. This commitment to sustainability works its way down the chain, and the solutions are varied.

Over the past year, one of the things we worked on was having chemicals delivered in undiluted form as standard. As a result, we have fewer transport movements, which reduces our carbon emissions and also saves costs.





The second advantage is that locations can help each other when there are shortages. Last year we adapted the process for sulphuric acid, and next year we will start working with sodium bicarbonate.

More and more customers want to offer a finished product with a sustainability label.

We also make more efficient use of our materials by using fewer additives for the same amount of finished product. We are also working to reduce our packaging materials. Last year, we focused more on reusing pallets. Again, we achieve both a sustainability and financial benefit.

A more detailed explanation can be found in the chapter [Improve our ecological footprint.](#)

Supplier assessment

Avebe buys sustainably and wants insight into suppliers' sustainability performance. In 2019, we implemented a Responsible Sourcing Policy (RSP), which defines our human and environmental principles. Currently, more than 75% of our suppliers have signed these RSP principles. Of the remaining 25%, 21% have been assessed as 'low risk' and 4% are being approached to establish potential risks. We engage suppliers through personal contact, information letters and a webinar.

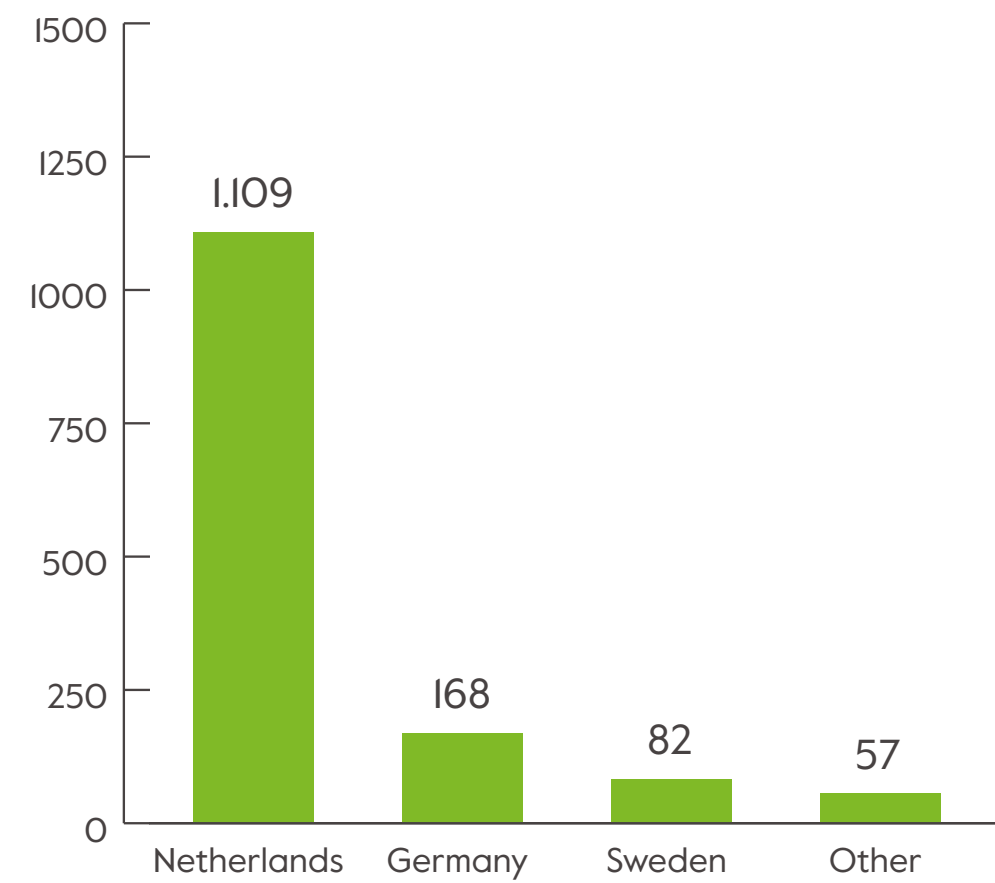
The goal was for all suppliers to have signed up to the RSP by the end of 2021, but that proved a bit too ambitious. We have therefore not yet met this target. That's why we incorporated our RSP principles into

Avebe's general procurement terms and conditions this year, ensuring that the policy is integrated into new contracts. We are also including our RSP in supplier audits this year to verify their full compliance with the principles. From spring 2022, we will actively include our sustainability criteria in supplier selection criteria.

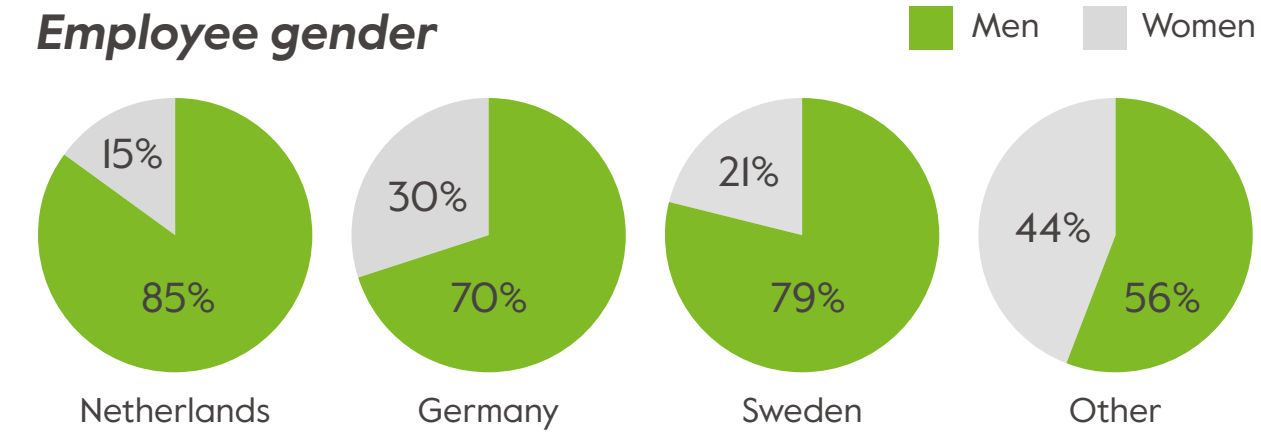
Social key figures

Figures are based on the total number of employees (excluding externals) within Avebe. The reference date is 31 July 2022.

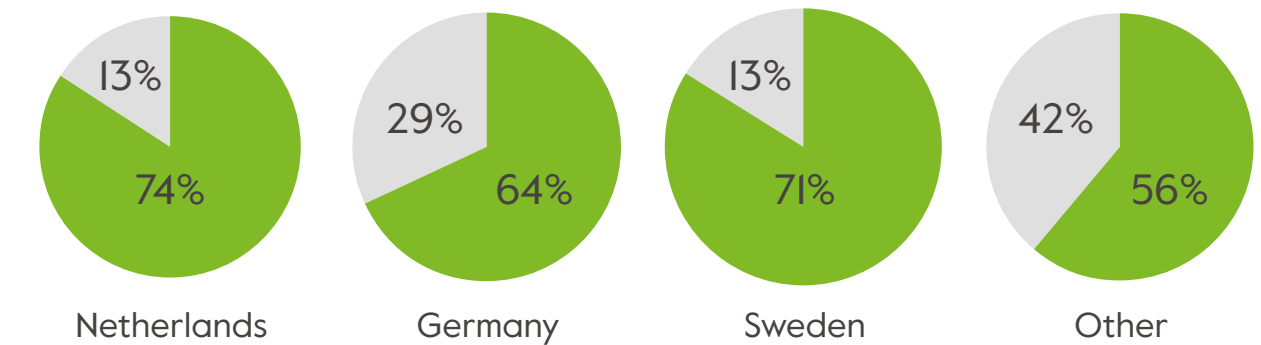
Number of employees, including externals



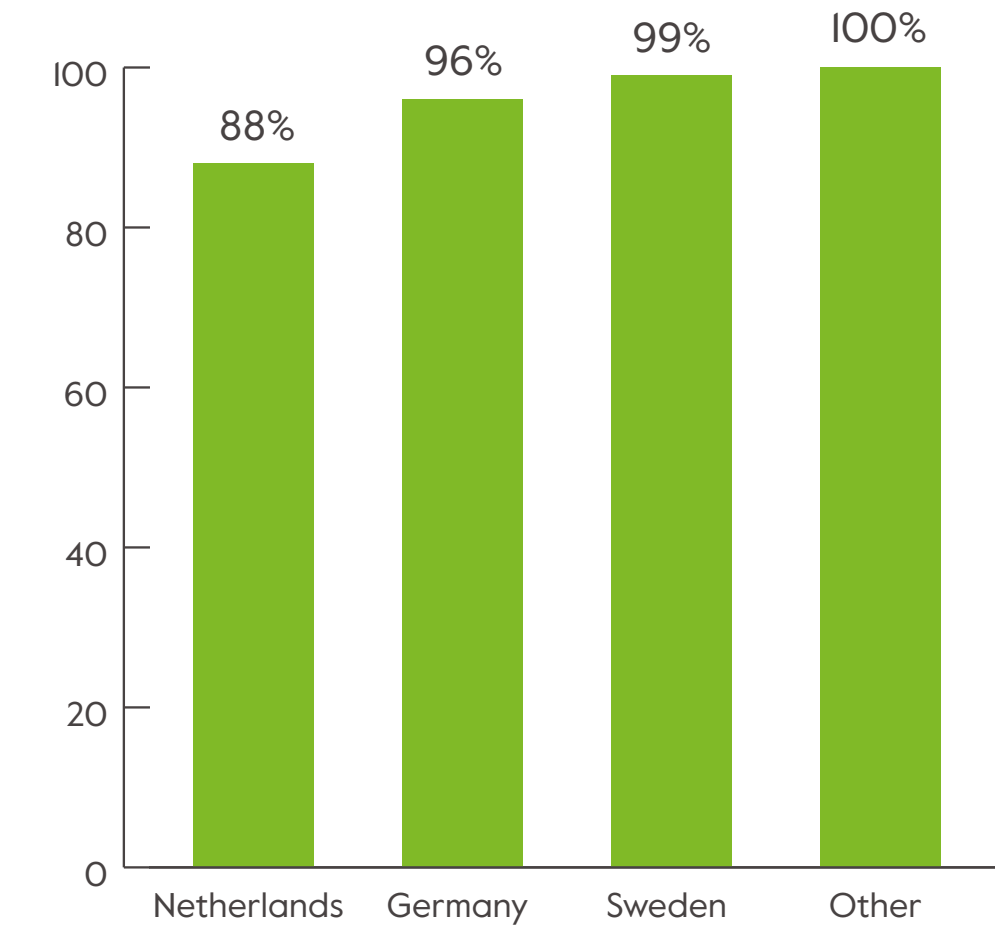
Employee gender



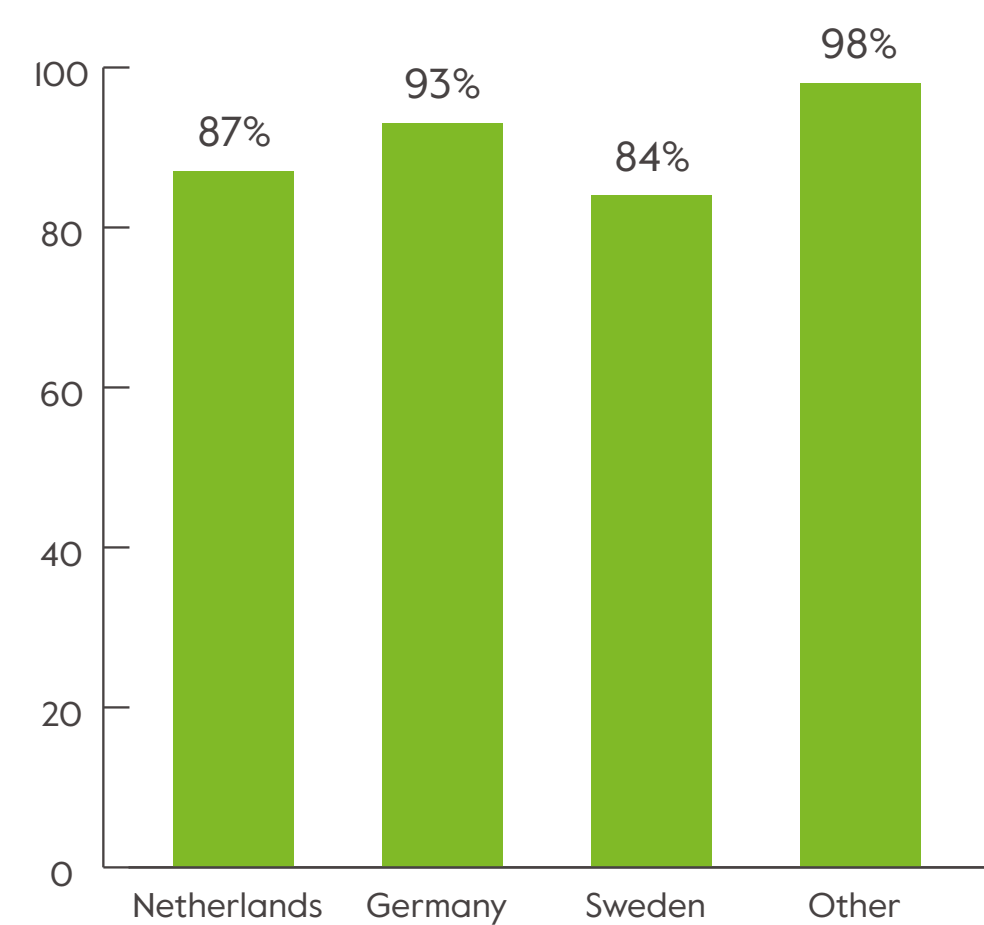
Gender of employees with permanent contracts



Fulltime employees



Employees with permanent contracts



1,332
Number of employees in total

90%
Full-time employees in total

82/18%
Number of men and women in total

88%
Employees on permanent contracts in total

94%
Employees covered by collective labour agreement in total

71
Number of employees Innovations

17%
Women in management in the Netherlands*

6,3%
Absence through sickness in the Netherlands

*including external hiring

Chain cooperation for a climate-neutral product.

Taís Pinheiro
Head of People & Operations Sustainability



Denmark's Novozymes is a global market leader in biological solutions. The company engages in micro-organism fermentation and enzyme encapsulation. Their industrial enzymes, micro-organisms and other proteins enable companies to use raw materials and energy and replace traditional chemicals with more sustainable alternatives more efficiently.

Towards net zero operations

Novozymes aims not only to supply more sustainable products but also to make its own processes more sustainable. The company aims to use 100% renewable energy by 2030 and complete net zero operations by 2050. To achieve that, the company has set a Science-Based Target (SBT) for 2030, aiming to reduce scope 1, 2 and 3 carbon emissions by 50%.

Novozymes and Avebe have been working together for many years, strengthening each other in terms of sustainability.

Reducing scope 3 emissions is a particular challenge, explains Taís Pinheiro, Head of People & Operations Sustainability at Novozymes. "This concerns the carbon footprint of raw materials and manufactured products in the use phase. It is estimated that this is more than half of our total carbon footprint." Novozymes is now building a model to better map scope 3 emissions, but this is not easy: "To calculate our scope 3, we rely on supplier information. Data quality and data maturity are a challenge here."

Moving forward as partners

Novozymes and Avebe have been working together for many years, strengthening each other in terms of sustainability. Thanks to the carbon footprint Avebe provides with its products, Novozymes knows better what its scope 3 emissions are. This is an important starting point for lowering them. Because Novozymes' scope 3 emissions are Avebe's scope 1, 2 and 3 emissions, Avebe will also continue to work on making its processes more sustainable, thereby reducing its product carbon footprint.

Corporate Governance



Report of the supervisory board

In a performance price of €98.56, we see a result that was achieved against all the odds. It was characterised by hard choices, clear focus and flexibility among everyone who contributed to it.

On 1 October 2021, Bert Jansen handed over the boardroom gavel to David Fousert. Making a start in troubled times is possible only when there is a strong foundation present in a company and there is a strong, driven team. During the year, the challenge increased due to many changing circumstances.

Seeking certainty in uncertain times.

This year, a good foundation was laid with a normal harvest over season 2021/2022. After several bad, dry years, cooperative members desperately needed a good harvest. A good supply of raw materials is and will remain the basis for Royal Avebe. Without potatoes, there are no satisfied customers, members and employees. We continue to pay attention to resource security within the council. Sufficient raw material has never been a given, but the pressure on raw material supply has increased in recent years.

Besides climatic conditions, the threat to sufficient raw materials comes increasingly from changing laws and regulations. Last year, for instance, the Dutch arable sector was caught by surprise by the content of the 7th Nitrates Directive Action Programme. Despite Avebe's

commitment to meeting set environmental and climate targets, these plans are so unrealistic and unachievable that much has been done to amend these government plans. The engagement took place widely, together with members, employees, local Dutch authorities and other sector partners. Unfortunately, at the time of writing this annual report, we are still waiting for clarity on the amendment proposals.

The nitrate plans are not the only changes coming to Avebe and its members. The new Common Agricultural Policy (CAP), the Farm to Fork strategy, the climate law, the expansion of red areas in Germany and recently, the nitrogen issue in the Netherlands are all changes that affect Avebe. Fortunately, we see that Avebe also has many answers to deal with these changes. Short-term clarity and longer-term perspective through realistic integrated targets are basic prerequisites for proving in practice that it is possible to meet these targets.

Besides the lack of perspective in laws and regulations from the government, Avebe also had to relate to increasingly challenging conditions on the market side. Consumables in particular, including energy and transport, have shown considerable price increases. Besides cost increases, availability and security of supply also played a major role in this. These themes not only received extra attention from the supervisory board (SB)



last year but will continue to do so in the coming period. Challenging developments are feeding through into the financial results. A number of ratios that affect the continuity of the business call for tighter choices.

Corona continued to play a big role in people's lives last year, including at Avebe. Working from home and online meetings became increasingly normal. But the lack of personal contact did leave its mark. In a cooperative, connecting with members is very important, which is why all farmer members are given a say. Avebe therefore made every effort to meet physically as soon as it was possible again.

A worrying development is found in Avebe's safety figures. These show an upward trend. This is undesirable. Therefore, extra attention is being paid to safety. It remains important for everyone to work safely and return home safe and well.

In addition to the matters mentioned above, which were given extra attention during the Supervisory Board meetings, the board also discussed the ongoing issues in the Operations, Commerce, Innovations, Agro and Human Resource departments in detail. Of course, there is room in the meeting for taking a closer look at the various components, especially at how attention is paid to meeting the strategic goals of the different disciplines.

The council makes a number of deep-dives within its committees for relevant sections. For example, a deep dive on cybersecurity took place within the audit committee. Cybersecurity has gained a higher risk profile in recent years. The audit committee had three meetings during the last financial year. Within the Selection, Remuneration and Appointments Committee,

organisational culture and employee satisfaction are topics of extra attention. This committee had four meetings last year.

The supervisory board also maintains contact with the works council. For instance, a meeting is held with the works council twice a year, attended by the executive board, the supervisory board chair, and supervisory board member Angelique Heckman. Angelique Heckman is also a confidential advisor to the works council; in this capacity, she has occasional contact with the chair of the works council. Last year, there was a change within the Works Council, as chair Henk van Kalsbeek retired. The supervisory board chair also attended a Works Council meeting to explain the impact of the 7th Nitrates Directive Action Programme on Avebe's members.

The board had six regular meetings and two additional meetings last year. Members of the supervisory board also attended the members' meetings. A board delegation attended the district board meetings and the additional district members' meetings.

With a strong foundation and many opportunities, we can meet the challenges.

The board had no personnel changes last year. The board focuses on self-reflection. That means that a review takes place at every meeting. The board also reflected on the terms of the supervisory directors. Following this reflection, the terms were adjusted to 2 × 4 years and 2 × 2 years for both the members and the chair, instead

of 3 × 4 years for members and 4 × 4 years for the chair. Avebe's Binding and Building 2.0 strategy comes to an end next financial year. A new strategy has therefore been launched. We are involved in the process as the supervisory board. Importantly, especially given the challenges, the new strategy shows the prospects for Avebe. With a strong foundation and many opportunities, we can meet the challenges.

In troubled times and with uncertainty playing out over the past year, we see that the performance price of €98.56 can be described as a good result. It is an achievement that could only come about because of the special effort and flexibility of Avebe's employees. We would like to take this opportunity to thank everyone who contributed.

Marijke Folkers-in 't Hout
Chair of the supervisory board



Governance and assurance

Principles of good governance

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

Members' council

As a cooperative of starch potato growers, our members' council forms the highest body in Royal Avebe.

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

Cooperative board

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

Executive committee

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

Supervisory board

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

Ethics & Integrity

Our Corporate Governance Policy sets out our organisational structure, values and business principles, and the standards of behaviour we apply towards stakeholders. Avebe also operates a whistle blower policy. In 2021/2022, this was used once.

Avebe has also, since this financial year, committed to the UN Global Compact guidelines. This is a voluntary platform for the development, implementation and reporting concerning corporate responsibility.

Securing the strategy Binding and Building 2.0

Eleven programmes have been developed to give substance to the strategic objectives. Various teams, led by the Strategic Business Owners and programme managers, have been tasked with carrying out these programmes. They drive the projects within the programmes and report progress to the executive committee at a monthly strategy meeting. The director of sustainability ensures the progress of sustainability targets and reports to the CEO. The executive committee is responsible for the entire strategy and therefore for making Avebe more sustainable.

Remuneration policy

Our remuneration policy for the board of directors is based on both financial and non-financial performance criteria. The three criteria for the past year follow from the Binding and Building strategy and place emphasis on critical processes and developments.

1. Performance price, in the short and long term
2. Solanic, the protein strategy
3. The energy and carbon emission reduction programme on track

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

Cooperative board and executive committee



D.P.C. (David) Fousert
1978 (m)

Chief Executive Officer
and chair of the board
Appointed on 1 Oct. 2021
Focus areas: *Operations,
Commerce, Agro, Innova-
tions, HR, Communication,
Sustainability and Public
Affairs*



N.D. (Nico) Buijs
1967 (m)

Chief HR Officer



C. (Chris) Hollebek
1969 (m)

Chief Commercial Officer



M.E. (Mark) Tettelaar
1959 (m)

Chief Operations Officer



**R.P.F. (Rob) van
Laerhoven, 1967 (m)**

Chief Financial Officer
and member of the board
Appointed per 1 Aug. 2017
Focus areas:
*Finance, ICT, Corporate
& Legal Affairs, Energy*



J.L. (Arjan) de Rooij
1967 (m)

Managing Director Agro



G. (Gerard) ten Bolscher
1968 (m)

Chief Innovation Officer

Supervisory board



**M. (Marijke) Folkers-
in 't Hout, 1983 (f)**
Chair
appointed in 2016



**D. (Dirk) Kloosterboer
1954 (m)**
Vice-chair
appointed in 2018



**H.W. (Hans) Giere
1959 (m)**
Vice-chair
appointed in 2014



**J. (Johan) Emmens
1969 (m)**
appointed in 2015



**M. (Martin) Möllering
1964 (m)**
appointed in 2016



**P. (Peter) Poortinga
1961 (m)**
appointed in 2013



**A.G. (Angelique) Heckman
1968 (f)**
appointed in 2020



**N. (Nanne) Sterenberg
1967 (m)**
appointed in 2020

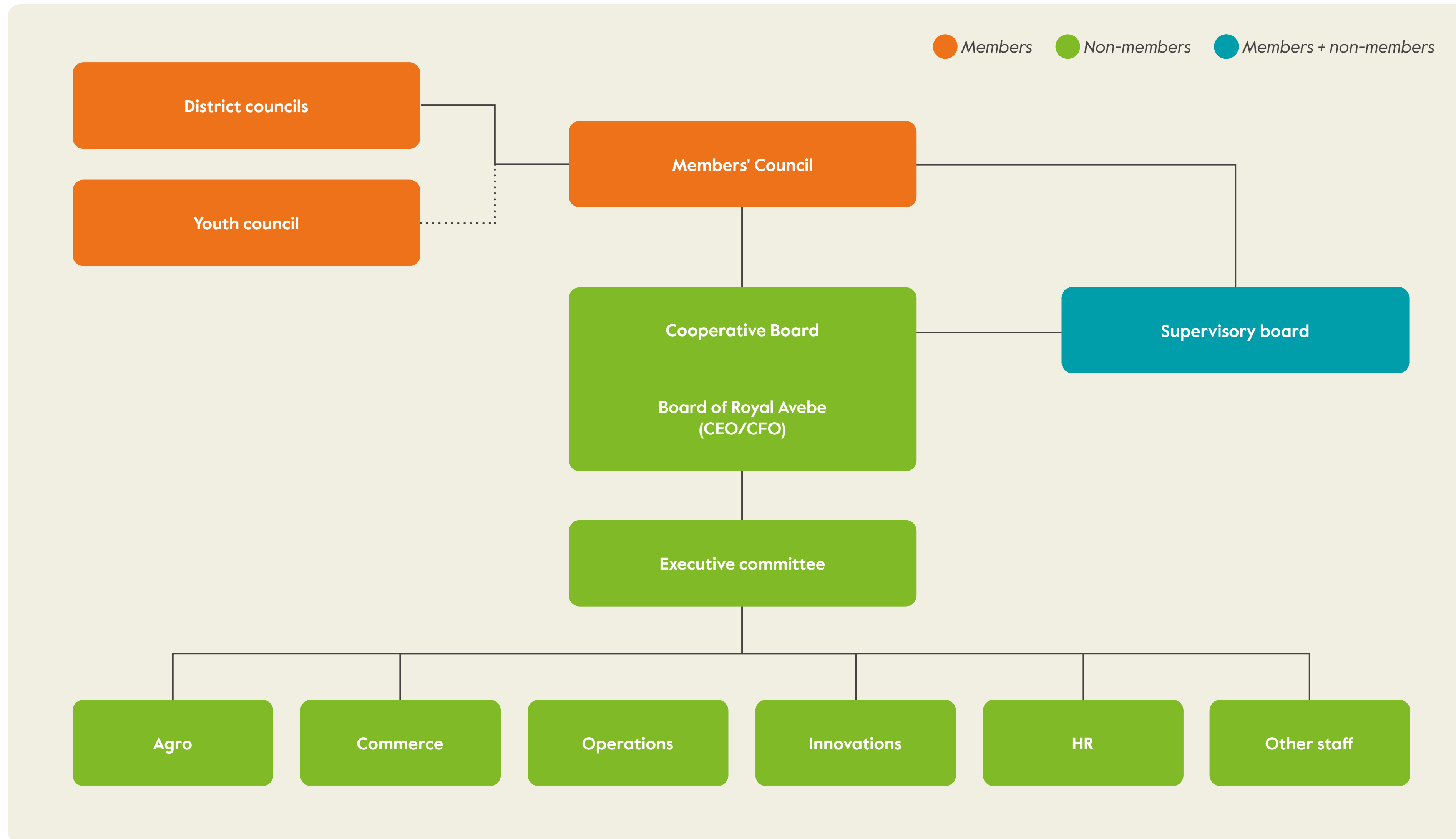


**R.P. (Robert) Smith
1960 (m)**
appointed in 2018



L. (Lennart) van der Ree, 1975 (m)
Secretary
appointed in 2018

Organisation chart



District councils and youth council

District councils

North

S. Wieringa (chair)
H.J. Hoiting (vice-chair)¹
H.F. Bakker
D.D. Bouwman
E.H. Emmens
A. Groenwold¹
K. de Jonge
C. Kamphuis
J. Smant
H.J. Takens
A.H. Houwing²

East

H.G. Begeman (chair)
L. Tammes (vice-chair)¹
D.P.J.R. Beuling
W. Dinkla¹
J. Deuring
J.E.B. Drent
J. Koop¹
J.R. Kunst
G.H.M. Manning¹
J. Nieboer Jzn.
P. Boonman²
H.W. Kaiser²
H. Migchels²

Central

J.A. Daling (chair)
R.H. Roosjen (vice-chair)
A.de Boer
W. van Dalen
H. van der Horst Hzn.
H. Houwing
R.H. Kunst
R. Otten
H.J. Prins
B.F.J.M. van der Sterren

South

R. Kuper (chair)³
J.H. Kersten (vice-chair)
E.H.M. Schwieters¹
J. Bartelds¹
W.H. Meijerink
B. Michel
A.J. van Roekel
E. Snijders
D. Woestenenk
H.G. Herbert⁴
M.J.H. Koopman²
B. van Dijk

KPW

F. Schröder (chair)
B. Kaufmann (vice-chair)
C. Basedau
C. Bönki
H. Dammann
M. Dralle
O. Glühe
H. Geldermann¹
J. Meyer
H. Milatz
H.G. Harms²

Weser-Ems

B. Specken (chair)
C. Kaiser (vice-chair)
J. Kruse
J. Langeborg
G. Lehmkuhl
L. Pott
R. van Werde

Youth council

North

M.J.J. Berg
R. Jager¹
A. Vegter
A. Groenwold²

East

R. Kruit
R. Speelman (chair)¹
G.H. Sterenberg

Central

A. de Buck¹
J. Kunst
A.J. Hoving
R. Buijter²

South

E. Bakker
J. Klumpers
W. Katerberg

KPW

J. Gaafke¹
J. Keil
G. Tebel
M. Hennings²

Weser-Ems

M. Harren
H. Fecker¹
M. Schulte
M. Krüssel²

¹ effective 10 December 2021

² stepped down as of 9 December 2021

³ chair effective 10 December 2021

⁴ stepped down as of 9 December 2021

+ chair up to 9 December 2021

Risks and uncertainties

Risk management is part of how Avebe aims to pursue its strategy and it is important for achieving our long-term objectives. Pursuing the cooperative's objectives and implementing the business activities involves certain risks and opportunities. Avebe aims to seize the opportunities that present themselves while considering the risks involved. Avebe aims to identify these risks in time, analyse them and effectively and efficiently manage or financially hedge them within the primary business processes. This is how we are better able to embed, monitor and implement the strategy within the organisation.

Risk management

Risk management has been implemented throughout the organisation, from the executive board - overseen by the supervisory board - to the factory shop floor. Risk management at Avebe has been under the responsibility of the Director of Internal Audit & Risk Management, who is primarily accountable to the executive committee and audit committee. The Director of Internal Audit & Risk Management is tasked with securing the risk management process, facilitating risk sessions and providing reports. Risk management is conducted along three pillars: strategic risk management, major investment projects and processes/compliance. Part of the compliance process is the annual fraud risk assessment that is carried out. Results are reported periodically to the board and the audit committee. In this way, the audit committee and ultimately the supervisory board are actively involved in Avebe's risk management.

Risk appetite

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

Main risks

This section outlines the main risks and the accompanying control measures identified in the risk management process. The selection was based on estimates of the probability that the risk will manifest itself and the possible impact if it does.

The overview of risks is divided into four categories: strategic, tactical, operational and compliance. Financial risks are explained on [pages 87](#) and [88](#).



Risk	Causes and consequences	Control measures	Trend
Strategic risks Failure to achieve strategic objectives (increase performance price, growth in good nutrition, sustainable agriculture and improve ecological footprint)	<ul style="list-style-type: none"> • Changes in relevant laws and regulations, including the 7th Nitrates Directive Action Programme and the Common Agricultural Policy, may seriously impact our members and, therefore, the security of potato supplies for Avebe. • Rising inflation, fuelled in part by rising energy prices, is putting pressure on Avebe's returns and those of our members. • Extreme weather conditions (drought or rainfall) and soil diseases that are difficult to control can substantially reduce the supply of starch potatoes. • Insufficient funding for the necessary investments can lead to our failing to meet targets. • Because the market is extremely dynamic, making investments into relevant and well-timed products has to be extremely precise. • Sustainability requires sufficient awareness. Without that, there is no urgency and investments are placed under pressure. <p>This could lead to the failure to achieve one of the strategic objectives (on time), reputation damage, loss of turnover, customers, members, suppliers and employees.</p>	<ul style="list-style-type: none"> • We draw up a management plan based on scenario analyses (such as: what to do in case of lower potato receipts or extreme drought). • Increase the agility of the sales organisation and cost awareness within Avebe to continue to achieve sufficient returns for our members. • Optimisation of the crop yield per hectare. • (Further) development of new resistant starch potato varieties. • Putting the customer first and striving for optimal customer satisfaction. • Focus on the quality of our project management in order to complete projects on time, within budget and in accordance with quality requirements. • Innovation policy based on market needs and the right balance between short and long term innovation. • Implementation of measures through transparent project management with measurable KPIs. • Monitoring of the effect of our implementation strategy by an internal strategic agency. • Since 2019, the Sustainability department has been set up to raise awareness of sustainability. • Sustainability is translated into clear KPI's and monitoring is part of the planning & control cycle. Sustainability is embedded in our policies for operations, investments, etc. 	▲

Risk	Causes and consequences	Control measures	Trend
Tactical risks			
Rising prices and availability of energy and raw materials	<ul style="list-style-type: none"> The corona pandemic seriously impacted global trade, putting pressure on prices and availability of commodities (other than potatoes). Energy prices, including gas prices, have risen sharply, partly due to the impact of the corona pandemic and the war in Ukraine. <p>The rise in prices and scarcity of raw materials leads to an increase in the cost price of our products. As a result, certain products may no longer be profitable or, at worst, no longer possible.</p>	<ul style="list-style-type: none"> The risk of rising energy costs is partly mitigated by hedging our future energy needs. The cost of energy prices is assessed daily, and we actively determine our purchasing strategy. An active procurement policy that links well with our S&OP process allows us to identify bottlenecks in raw material availability early on. By continuously monitoring market cost developments, we promptly identify price developments and scarcities in the commodity market. In light of our sustainability goals, we are actively investing in sustainable solutions to reduce our energy demand. Rising raw material prices are passed on to Avebe's customers where possible. In light of our sustainability goals, we are actively investing in sustainable solutions to reduce our energy demand. 	▲
Pandemic	<ul style="list-style-type: none"> A pandemic in a general sense. Another wave of infections due to coronavirus. <p>This could lead to infections among staff, downtime in production processes and delayed investment projects. It can also have an effect on the continuity of deliveries to our customers and loss of turnover. Regarding impact, it should be borne in mind that Avebe is considered a vital business. This is because Avebe supplies the food industry.</p>	<ul style="list-style-type: none"> Crisis management organisation. This crisis management organisation has a cross-functional task force that monitors the effects and makes adjustments where necessary. Concrete management plans have been drawn up on the basis of scenario analyses (both worst-case scenarios and most likely scenarios). 	▼

Risk	Causes and consequences	Control measures	Trend
Tactical risks			
Cyber security risk	<ul style="list-style-type: none"> • High level of automation in the primary business processes. • Insufficient security in software, hardware and networks can lead to security risks. • Insufficient awareness of cyber security risks among employees. <p>This can lead to hacked systems, downtime in production processes, theft of crucial data, reputational damage, loss of market lead and financial damage.</p>	<ul style="list-style-type: none"> • We have drafted and implemented an IT security and privacy policy. An IT Security Officer has also been appointed. • Timely updating of software and hardware. • Reinforcing our firewalls. • Raising awareness among staff by raising their awareness of online risks. • We check for non-compliant behaviour. • Use external security controls and penetration testing. • Only authorised employees have access to the server rooms. 	▲
Failure of data centre/ IT systems	<ul style="list-style-type: none"> • A disaster at the location of our data centre, for example due to a power failure, explosion or flooding. • A facility in the data centre that fails due to technical or process causes. <p>This can lead to the full or partial failure of operational production, networks at office locations and network connections to foreign locations.</p>	<ul style="list-style-type: none"> • Fire and extinguishing equipment has been installed. • A power backup has been set up. • Extra systems in the data centre to cope with a system failure (redundancy). • The data centre is well maintained. • Office data is backed up and stored at a location other than the data centre. • A Disaster Recovery Plan has been drawn up. • Only authorised employees have access to the server rooms. 	▶

Risk	Causes and consequences	Control measures	Trend
Tactical risks			
Increase in the number of employees who are not sufficiently able to do their work for Avebe	<ul style="list-style-type: none"> • Changing working conditions through new processes, technology or organisational structure. • Sickness absence among employees, partly due to aging of the workforce. • Lack of clarity among employees because the performance targets are not sufficiently concrete. • Appraisal interviews not held on time. • Insufficient information/insight for managers to steer on the competences and training wishes of employees. <p>This can lead to lower productivity, more production errors and limited insight into training requirements and wishes. Insufficient alignment of employee training with organisational needs leads to improper strategic formation planning.</p>	<ul style="list-style-type: none"> • Interventions by company social work. • Employees are offered a Periodic Medical Examination. • The Time Task Competence method is used to gain insight into the cause of absenteeism or inadequate performance. • We set up strategic staff planning and use it as a means of control. At the production sites, we use an employability matrix to determine workplace suitability. • We use a digital learning platform (LMS) for training and education. • We will closely monitor the interview cycles with employees. • Talent management has been given a prominent place since the recent organisational change in the HR department. 	▶
Operational risks			
Personal safety	<ul style="list-style-type: none"> • Open production processes: e.g. maintenance/cleaning of washing drums and vacuum dryers. • Risk assessment is not up-to-date which creates possible causes for injuries. • Changes to procedure are not always correctly implemented • Risk culture with regard to hazardous chemicals and machinery is low. <p>This can lead to personal accidents, sanctions by the Labour Inspectorate (and related reputational damage), business interruption or (civil) lawsuits.</p>	<ul style="list-style-type: none"> • An emergency response organisation has been set up for each location. • Avebe has installed safety zoning at the production sites and introduced procedures for personal protective equipment and periodic safety rounds. • A safety awareness programme is being implemented. • Contractors and suppliers receive safety instructions. • Unsafe situations are reported and followed up in Primecase. • Safety studies are carried out in the form of HAZOP studies and risk assessments. • Explosion safety documents are provided. 	▶

Risk	Causes and consequences	Control measures	Trend
Operational risks			
Contamination of products (in production process or storage)	<ul style="list-style-type: none"> Insufficient food safety in the production of our products. If the security of external silos fails, criminals can gain access. Terrorists or criminals who contaminate or poison our products (food fraud). <p>Contamination leads to loss of value of Avebe products and reputational damage. In the worst case, it can lead to the processing of contaminated Avebe product with all the (health) risks involved and the recall of products.</p>	<ul style="list-style-type: none"> Avebe is an AEO and is FSSC22000 (food safety) certified by internal and external audits. Investments are made in measures that guarantee food safety. Periodically updating the food fraud risk assessment. Several standard procedures (e.g. for recalls and complaint handling) have been set up. 	▶
Compliance risks			
Avebe works with foreign agents	<ul style="list-style-type: none"> In countries without their own sales organisation, Avebe uses foreign agents. <p>This can lead to higher risks of corruption as the agent's activities fall outside the direct (internal) management environment of Avebe.</p>	<ul style="list-style-type: none"> Contracts with agents are drawn up on the basis of a fixed standard, including a 'right to audit'. A background check is performed for both new and existing agents. The commissions received by foreign agents for their work are consistent with the activities carried out by the agent. Our foreign agents must comply with our anti-corruption policy. 	▼
Non-compliance with laws and regulations	<ul style="list-style-type: none"> Major Accidents Risk Decree/Seveso: failure to meet the requirements set out in the Decree ATEX (dust explosion): <ul style="list-style-type: none"> Backlog of required ATEX modifications; no ATEX-based design/materials/tools for changes/maintenance. <p>This could lead to temporary loss of the Licence to Operate at the production sites.</p>	<ul style="list-style-type: none"> A safety management system at our production sites that meets the requirements of BRZO/Seveso has been implemented. Periodic internal and external audits are carried out on the safety management system. Explosion safety documents are provided. We increase ATEX awareness by training our employees. Reduced dust formation is a constant focus of attention during maintenance and adjustment of the production process. Cleaning procedures and safety inspection rounds. 	▶

Risk	Causes and consequences	Control measures	Trend
Compliance risks			
Changing legislation and regulations	<ul style="list-style-type: none"> The processing of potatoes results in a number of waste streams. The potato waste stream that Avebe provides to farmers to use as manure for their land no longer meets the permit requirements and the applicable laws and regulations. <p>This could increase the costs for processing and, in extreme cases, may result in loss of the Licence to Operate.</p>	<ul style="list-style-type: none"> All critical issues and changes in laws and regulations relevant to us are discussed with the authorities in a timely manner in order to agree on licensing conditions with them. Agro account management will, in cooperation with the farmers, draw up an optimal planning for the potato waste stream (supply/delivery). 	▶
Financial risks			
Financial risks*	<ul style="list-style-type: none"> Variable interest rate on the credit facility. Investments in and loans to foreign group companies. Foreign currency purchases and sales. Credit risk on outstanding receivables. 	<ul style="list-style-type: none"> Interest Rate Swaps are used to convert interest on short-term debt into a fixed rate. Forward foreign exchange contracts and currency call options are used to hedge the Company against the risks of buying and selling foreign currencies. Taking out credit insurance to reduce the credit risk on sales. The requirements of the bank agreement on external financing are monitored and met. 	
*See page 87 for a detailed explanation of the financial risks.			

Financial statements

All amounts in euros x 1,000, unless stated otherwise



Consolidated balance sheet as per July 31, 2022 ((after proposal result appropriation))

Assets

	31-7-2022	31-7-2021	Ref
Fixed Assets			
Intangible fixed assets	13	17	1
Tangible fixed assets			2
Land and buildings	38,596	34,420	
Plant and machinery	168,586	151,994	
Other fixed assets	9,924	10,001	
Assets under construction	58,377	73,177	
	275,483	269,592	
Financial fixed assets			3
Other participating interests	151	151	
Other loans	1,631	1,585	
Deferred tax	7,207	7,120	
	8,989	8,856	
Current assets			
Inventories			4
Starch	71,237	54,953	
Derivatives	91,338	85,605	
By-products	37,630	25,415	
Other products	31,606	29,169	
	231,811	195,142	
Receivables			5
Trade receivables	114,016	99,804	
Other receivables	4,815	9,704	
Prepayments and accrued income	240	78	
	119,071	109,586	
Cash at bank and in hand	912	934	6
Total assets	636,279	584,127	

Liabilities

	31-7-2022	31-7-2021	Ref
Group equity	211,412	208,607	7
Provisions			8
Transition	2,940	2,066	
Deferred tax liabilities	135	77	
Pensions	1,365	1,446	
Onerous contracts	4,902	2,682	
Overige	9,692	7,772	
	19,034	14,044	
Current liabilities			
Amounts owed to credit institutions	289,785	249,835	9
Trade creditors	68,017	64,088	
Pension liabilities	3,934	4,142	
Taxes and social security	7,330	6,664	
Other debts	29,120	28,737	10
Accruals and deferred income	7,647	8,010	
	405,833	361,476	
Total liabilities	636,279	584,127	

Consolidated profit and loss account

	2021/2022	2020/2021	Ref
Gross turnover	768,827	636,103	11
Direct selling expenses	57,231	42,912	
Net turnover	711,596	593,191	
Movement in stocks of finished goods	20,129	21,033	
Capitalised production	1,802	1,933	
Other operating income	2,910	8,121	12
	24,841	31,087	
Total operating income	736,437	624,278	
Raw materials and consumables	-451,272	-362,404	
Salaries	-89,859	-89,670	13
Social security charges	-25,851	-26,414	13
Depreciation, amortization and impairment	-38,189	-37,087	14
Other operating expenses	-112,702	-101,709	15
Total operating expenses	-717,873	-617,284	
Operating result	18,564	6,994	
Interest income and similar income	83	60	
Interest expenses	-4,397	-3,536	
Net finance expenses	-4,314	-3,476	
Result on ordinary activities before taxation	14,250	3,518	
Income tax expense	-2,181	5,697	16
Cooperative result after taxation	12,069	9,215	

Consolidated cash flow statement

	2021/2022	2020/2021	Ref
Cash flow from operational activities			
Cash flow from operating activities	18,564	6,994	
Result on ordinary activities before taxation	38,189	37,087	14
Movement in working capital			
Changes in stocks	-36,668	-23,402	4
Movement in receivables	-9,484	-33,714	5
Movement in current liabilities	3,562	4,669	
	-42,590	-52,446	
Movement provision			
Contribution provisions	9,925	2,906	
Withdrawals from provisions	-4,879	-4,378	
Movement provision	5,046	-1,472	9
Corporate income tax paid	-2,660	-1,452	
Interest paid	-4,259	-3,416	
Gross operating cash flow	12,290	-14,705	
Cash flow from investment activities			
Investments in tangible fixed assets	-44,160	-66,369	2 3
Disposals of tangible fixed assets	53	7	
Other movements in fixed assets	-46	-46	
	-44,153	-66,408	
Cash flow from investment activities	-31,863	-81,113	
Cash flow from financing activities			
Final payment to members	-3,546	-3,297	21
Reimbursement of share premium	-1,549	-1,547	21
Return on share premium	-258	-351	21
Issuance of shares incl, share premium	36	453	
Other	454	11	
	-4,863	-4,731	
Net cash flow	-36,726	-85,844	
Exchange rate and conversion differences	-3,245	-1,279	
Change in net debt	-39,971	-87,123	

Notes General

General accounting principles

Objective

The objective of Royal Avebe is to meet the needs of its members in accordance with the contracts entered into with the enterprises they conduct or have conducted for that purpose. Avebe sets out to achieve this objective by processing raw products into starch and other derived products.

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

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

Consolidation principles

The consolidation includes the financial information of Royal Avebe together with its group companies and other legal entities over which it exercises control or which it centrally manages. Group companies are legal entities in which Royal Avebe can exert direct or indirect dominant control because it holds the majority of the voting rights or is able in any other way to control their financial and operational activities. This includes potential voting rights that can be directly exercised on the balance sheet date. The group companies and other legal entities over which Royal Avebe can exert dominant control or which it centrally manages are included in full (100%) in

the consolidation. The share of third parties in the equity capital and the results are stated separately.

Intercompany transactions, intercompany profits and mutual receivables and debts between group companies and other legal entities included in the consolidation are eliminated if the results are not achieved through transactions with third parties outside of the group. Unrealized losses on intercompany transactions are also eliminated other than in cases where a special devaluation has taken place. The accounting policies of group companies and other consolidated entities have been changed where necessary, in order to align them to the prevailing group accounting policies. Reference is made to [page 97](#) and [98](#) for a list of consolidated group companies.

Cash flow statement

The cash flow statement has been prepared using the indirect method. The net debt in the cash flow statement consists of debts to banks less the cash at bank and in hand. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Interest paid and received, dividends received, and income taxes are included in cash from operating activities. The return on the share premium and the repayment of share premium are included under cash flow from financing activities. Transactions not resulting in inflow or outflow of cash, such as entering into a financial leasing agreement, are

not recognized in the cash flow statement. Investments in fixed assets are based on the statement of changes in the fixed assets and not in cash flow form. This is due to the fact that amounts at supplier level cannot be traced back to investments or costs.

General accounting principles for the preparation of the consolidated financial statements

General

The consolidated financial statements have been prepared in accordance with Title 9, Book 2 of the Netherlands Civil Code. Valuation of assets and liabilities and determination of the result takes place under the historical cost convention, unless presented otherwise. Income and expenses are accounted for on accrual basis. Profit is only included when realised on balance sheet date. Liabilities and any losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Comparison with the prior year

The valuation principles and method of determining the result are the same as those used in the prior year, except for the reclassification of the provision for onerous contracts of EUR 2.7 million from other debts to the provisions.

Going concern

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

Estimates

In applying the principles and policies for preparing the financial statements, the executive committee of Royal Avebe make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the true and fair view required under Book 2, article 362, paragraph 1, the nature of these estimates and judgments, including assumptions related to the uncertainties, is disclosed in the notes to the relevant financial statement items.

Foreign Currency

Functional currency

Items included in the financial statements of group companies are measured using the currency of the primary economic environment in which the respective group company operates (the functional currency). The consolidated financial statements are drawn up in euros; this is both the functional and the presentation currency of Royal Avebe.

Conversion of foreign currency

Assets and liabilities denominated in foreign currency are translated at the rate of exchange prevailing at the balance sheet date. Income and expenses are translated at average exchange rates during the financial year. Exchange rate differences arising from the conversion are charged to or debited from the result. Assets and liabilities of foreign participating interests are converted at the rate on the balance sheet date; the items in the statement of operating income and expenditure are converted at the average exchange rate for the financial year. Exchange rate differences related to converting the equity of foreign participating interests and loans

to or debts of participating interests in the nature of equity are charged to the equity as a statutory reserve.

Affiliated parties

All legal entities that can be controlled, jointly controlled or significantly influenced are a related party. Also entities which can control the Company are a related party. In addition, the board of directors of Avebe and its members are regarded as related parties. Transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is necessary in order to provide the required insight.

Impairments

Royal Avebe ascertains on each balance sheet date whether there are indications that an asset could be subject to a special downward value adjustment. If such indications are present, the realizable value of the asset is established. If it proves impossible to ascertain the realizable value of the individual asset, the realizable value of the cash flow generating entity to which the asset belongs is ascertained instead. A special downward valuation is applied if the book value of an asset is higher than its realizable value; the realizable value is the higher of the sale value and the going-concern value. The sale value is calculated with the aid of the active market. In cases where there is a lack of clarity about market data and/or future cash flows, the book value of assets is set at zero. A special downward valuation loss is charged directly as a loss to the statement of operating income and expenditure. If it is established that impairments shown in the past no longer exist or

have decreased, the increased book value of the asset in question is not set higher than the book value that would have been calculated if no impairment had been shown for the asset.

In determining the value in use, an estimate is made of the future net cash flows from the continued use of the asset/cash-generating unit; these cash flows are then discounted to their present value using a discount rate. The discount rate does not reflect risks that have already been taken into account in the future cash flows. For financial instruments the company carries out an assessment on each balance sheet date to establish whether there are any objective indications for impairments on a financial asset or a group of financial assets. If there are objective indications of impairments the company determines the extent of the loss based on the impairments and immediately incorporates this in the statement of operating income and expenditure.

Financial instruments

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

The notes to the specific items of the balance sheet disclose the fair value of the related instrument if this deviates from the carrying amount. If the financial instrument is not recorded in the balance sheet, the information on the fair value is disclosed in the notes to the 'Non-recognised assets and liabilities and contingent assets and liabilities'.

Primary financial instruments

For the principles of primary financial instruments, reference is made to the recognition per balance sheet item of the 'Principles for the valuation of assets and liabilities'.

Derivative financial instruments (derivatives)

The treasury activities, including currency and interest management as well as the financing of the group and its operating companies, are centrally coordinated from the Netherlands. The policy approved by the board of directors is aimed at hedging currency positions related to buying and selling in foreign currency. Currency call options and currency forwards contracts are used as hedging instruments. It is not permitted to adopt speculative positions. Derivative financial instruments (forward exchange transactions, currency call options and interest rate swaps) are concluded exclusively from financial institutions that issue credit to Royal Avebe.

Derivatives are initially recognized in the balance sheet at fair value, the subsequent measurement of derivative financial instruments ("derivatives") depends on whether the underlying derivative is listed or not. If the underlying derivative is listed, the derivative is stated at fair value. If the underlying derivative is unlisted, the derivative is shown at its cost price or lower market value. The method of accounting for changes in the value of derivative financial instruments depends on whether or not hedge accounting is applied with the derivative financial instrument.

Royal Avebe applies hedge accounting. Records are kept as soon as a hedge relationship is entered into. Royal Avebe periodically assesses the effectiveness of the hedge relationship by carrying out a test. This can be done by comparing the critical features of the hedge

instrument with those of the hedged position, or by comparing the change in the hedge instrument's fair value and the hedged position. The foreign currency risks on a net investment of a business operation abroad are hedged, whereby the exchange differences are recognized in the reserve for conversion differences in equity. Since 1 July 2022, there has been hyperinflation in Turkey based on RJ 122. Royal Avebe has assessed the impact of hyperinflation on the valuation of its participation Avebe Nisasta and determined that this has no material impact on the consolidated and company financial statements of Royal Avebe for the 2021/22 financial year. Based on this, this impact has not been accounted for.

Principles of valuation of assets and liabilities

Intangible fixed assets

Intangible fixed assets are valued at their acquisition price, less depreciation based upon economic lifespan. If applicable impairments are taken into account, which are entered if the book value of the asset (or the cash-flow generating unit to which the asset belongs) is higher than its realizable value.

Research and Development expenditure

Expenditure on research into new products and new production techniques is accounted for as costs. Development expenditure is only capitalized if it is incontrovertibly demonstrated that an identifiable asset has been created that will yield a future economic benefit for Royal Avebe.

Tangible fixed assets

Tangible fixed assets are presented at cost less accumulated depreciation and, if applicable, less impairments in value. Depreciation is based on the expected future useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use. Land is not depreciated. Annual straight-line depreciation is based on the estimated useful life of buildings, which is twenty-five years for buildings and ten years for plant and machinery. The other fixed assets are amortized over five years or less, depending on the type of asset. Periodical major maintenance is capitalized according to the components approach, with which the aggregate expenditures are allocated to the component parts. Major maintenance costs on assets that have been fully depreciated is capitalized and depreciated according to the depreciation period for the type of asset in question, provided that this extends the life cycle.

Government subsidies granted for investments are deducted from the acquisition price. Impairment losses expected on the balance sheet date are taken into account. To establish whether there is any impairment on tangible fixed assets, reference is made to the section on impairments.

Financial fixed assets

Where significant influence is exercised, associated companies are valued under the net asset value method, but not lower than a nil value. In the event that 20% or more of the voting rights can be exercised, it may be assumed that there is significant influence. The net asset value is calculated in accordance with the accounting principles that apply for these financial statements.

If the valuation of an associate based on the net asset value is negative, it will be stated at nil. If and insofar as Royal Avebe can be held fully or partially liable for the debts of the associate or has the firm intention of enabling the participation to settle its debts, a provision is recognized for this.

Where no significant influence is exercised associated companies are valued at cost and if applicable less impairments in value.

Other receivables presented under financial assets include issued loans and other receivables as well as purchased loans that will be held to their maturity date. These receivables are initially measured at fair value and subsequently carried at amortized cost. If loans are issued at a discount or premium, the discount or premium is recognized through profit or loss over the maturities of the loans using the effective interest method. Also transaction costs are included in the initial valuation and recognized through profit or loss as part of the effective interest method. Impairment losses are deducted from amortized cost and expensed in the income statement. If there are objective indications of impairments the company determines the extent of the loss based on the impairments and immediately incorporates this in the statement of operating income and expenditure.

We refer to [page 80](#) for the principles of valuation of the deferred tax asset.

Inventories

Inventories of raw materials, consumables and goods for resale are valued upon initial recognition at cost and then at the lower of cost of acquisition and net realizable value. This lower net realizable value is determined by individual assessment of the inventories. The valuation of inventories of raw materials and consumables is based on fifo. The inventories of goods for resale are valued individually, at acquisition price or lower net realizable value.

Starch, derivatives and by-products are valued at cost price, if necessary, less a provision for obsolescence or, if applicable, at a lower net realizable value. The realizable value is the estimated selling price less the directly attributable selling costs. The portion for potatoes included in the integral cost price is the approximate cost price based on the long-term average purchase price of central wheat for which Royal Avebe has made estimates for the average production per hectare and the variable costs. The fixed-cost mark-up incorporated in the cost price is based on a standard production level for each financial year.

Receivables

Receivables are valued at the fair value of the consideration upon being processed for the first time. Receivables are valued at the amortized cost price after being processed for the first time. If the receivable is deferred on the basis of an agreed extended payment term, the fair value is based on the cash value of the anticipated receipts and interest income is written to the statement of operating income and expenditure on the basis of the effective interest rate. Provisions for bad debt are deducted from the book value of the receivable. Other securities shown under the receivables are valued at their fair value.

Cash at bank and in hand

Cash at bank and in hand consists of cash, bank credits and deposits with a term of less than twelve months. Current accounts at banks are shown under debts to banks under current liabilities. Cash at banks and in hand is carried at nominal value. If cash is not freely disposable, then this has been taken into account upon valuation.

Statutory reserve participations

The statutory reserve relates to unrealized exchange results on net investments in foreign group companies and issued loans, as well as exchange results on forward exchange contracts concluded to hedge the exchange risk on the aforementioned investments and loans.

Provisions

General

Provisions are formed for legally enforceable or actual commitments existing on the balance sheet date for which it is likely that an outflow of resources will be required and the level of which can be reliably estimated. The provisions are valued at the best estimate of the amounts needed to settle the commitments on the balance sheet date. In the absence of statement to the contrary, the provisions are valued at the nominal value of the expenditure that will probably be required to meet the commitments. If the time aspect is material, the provisions are valued at present value.

Transition

The transition provision relates to the estimated costs of transition plans incurred before the end of the financial year concerning certain sections of the organization, which have been communicated before the financial statements were drawn up. In addition, this relates to employees with whom agreements are being or have been made at individual level. The provision for long-term

illness is formed in respect of obligations existing on the balance sheet date to continue to pay salaries in the future to employees who, on the balance sheet date, are expected to be permanently or unable to perform work due to illness or incapacity for work. This provision also includes any severance payments due to these employees. The provision for long-term illness is recognized at the present value of the expected salary payments during the period of employment. The provision also relates to the heavy professions regulation- and generation scheme as included in Avebe's collective labor agreement, which relate to continued payment of salaries to eligible employees who are (partially) released from work earlier than their retirement date.

Deferred tax

Deferred tax positions are calculated on the basis of the difference between the fiscal valuation of the assets and liabilities and the commercial book value at the end of the financial year at the applicable tax rates. Deferred tax assets and liabilities can be set off within the same fiscal unit. Deferred tax assets are included if it is likely that future profits will be available to compensate losses and set-off options. Deferred tax assets are shown under the financial fixed assets and deferred tax liabilities under the provisions.

Pensions

Dutch pension schemes are subject to the provisions of the Dutch Pensions Act and the compulsory, contractual or voluntary premiums are paid to pension funds and insurance companies by Royal Avebe. The premiums are shown as personnel expenses as soon as they are payable. Prepaid premiums are shown as prepayments and accrued income if this leads to a refund or to a reduction in future payments. Premiums not yet paid are shown in the balance sheet as a commitment. Royal Avebe has

processed all pension schemes in accordance with the obligation approach. The premiums payable over the reporting year are included as a charge. Changes to the pension provision are also processed in the statement of operating income and expenditure. The amount shown as the pension liability is the best estimate of the not yet financed amounts required to settle the relevant commitments on the balance sheet date. Pension schemes of foreign subsidiaries that are comparable with how the Dutch pension system is organized and operates are also processed according to the obligation approach. For foreign pension schemes that are not comparable a best estimate is made of the commitment on the balance sheet date, based on an actuarial valuation method generally accepted in the Netherlands.

Onerous contracts

A provision for onerous contracts is recognized in the balance sheet when the benefits to be gained from a sales agreement are expected to be less than the unavoidable costs of meeting the obligations under the agreement. The provision is measured at the present value of the expected net cost of continuing the contract or, whichever is less, at the present value of the expected cost of terminating the contract being any compensation or penalty arising from the non-performance of compliance with the contract.

Other

The other provisions pertain to the provision for anniversary bonuses, demolition costs and other liabilities and risks that are related to the operational activities. The anniversary provision is recognized at the present value of the expected benefits during the period of employment. The calculation of the provision takes into account, among other things, expected salary increases and the likelihood of staying. For discounting

purposes, the market rate of 2.15% for high-grade corporate bonds was used as the discount rate.

The provision for demolition charges is based on the anticipated costs of the planned demolition of buildings and machinery during the next five years. The other provisions are formed for commitments and risks related to the business operations and are shown at their nominal value.

Long-term and short-term liabilities

Upon initial recognition, the loans and liabilities recorded are stated at fair value and then valued at amortized cost. Transaction charges that can be directly attributed to the acquisition of the accruals are included in the valuation upon being processed for the first time.

The difference between the book value determined and the ultimate repayment value is incorporated in the statement of operating income and expenditure as an interest charge based on the effective interest rate during the estimated term of the debts.

Leasing

Lease contracts in which a large proportion of the advantages and disadvantages of ownership are not borne by Royal Avebe are accounted for as operational lease. Commitments based on operational leasing are processed on a straight-line basis on the statement of operating income and expenditure over the term of the contract. Royal Avebe has no financial lease contracts.

Principles for the determination of the result

Net turnover

Net turnover is the proceeds of goods supplies less discounts, etc., freight charges and tax on sales, following the elimination of group transactions.

Revenues ensuing from the sale of goods are accounted for when all major entitlements to economic benefits as well as all major risks have transferred to the buyer. The cost price of these goods is allocated to the same period.

Other operating income

Other operating income includes results that are not directly related to the delivery of goods or services in the context of normal, non-incident business activities. These revenues are allocated to the reporting period in accordance with the terms of the agreement.

Raw materials and consumables

The cost of sales consists of the cost of goods sold and delivered, consisting of direct use of materials, direct wages and machine costs and other direct and indirect production costs that can be attributed to the production. The costs of raw materials and consumables are calculated on the basis of the FIFO (first-in, first-out) method. The amount shown under this item for the purchase of starch potatoes is based on the campaign price plus the premiums and plus or less the effect of the calculation of the potato component in the finished product. Reference is made to the inventories item on [page 77](#) for the valuation principle.

Salaries and wages

Wages, salaries and social security charges are shown in accordance with the employment conditions in the statement of operating income and expenditure to the extent that they are payable to employees respectively the tax authority.

Depreciation on intangible and tangible fixed assets

Intangible fixed assets including goodwill and tangible fixed assets are amortized from the date they are available for use over the estimated future useful life of the asset. Land and investment property are not amortized. If there is a change in the estimate of the future useful life, the future depreciation is adjusted accordingly. Book profits and losses from the incidental sale of property, plant and equipment are included in the depreciation expenses.

Interest income and expenses

Interest income and expenses are shown in proportion to time, taking account of the interest rate and the relevant assets and liabilities.

The transaction expenses and loans received are taken into account for the incorporation of interest charges.

Exchange rate differences

Exchange rate differences arising on settlement or conversion of monetary items are shown in the statement of operating income and expenditure in the period in which they arise unless hedge accounting is applied.

Income tax expense

Taxation on the operating result for each country is calculated over the result before taxation in the statement of operating income and expenditure, taking account of the losses from prior financial years that can be set off against tax (if not included in the deferred tax receivables) and exempted profit components, and following the addition of non-deductible costs. Account is also taken of changes to the deferred tax receivables and deferred tax liabilities resulting from changes to the tax rate being operated. Tax adjustments are processed within the fiscal unity in Royal Avebe.

Share in result of non-consolidated associated companies

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

Notes to the specific items of the consolidated balance sheet as of July 31, 2022

I. Intangible fixed assets

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

	Software license
Acquisition costs	4,374
Cumulative amortizations and other impairment	-4,357
Balance as of July 31, 2021	17
Investments	-
Amortization	-4
Balance as of July 31, 2022	13
Acquisition costs as of July 31, 2022	4,374
Cumulative amortizations and other impairment	-4,361
Balance as of July 31, 2022	13
Amortization period	5 year

2. Tangible fixed assets

The movements in the tangible fixed assets are as follows:

	Land and buildings	Plant and machinery	Other fixed assets	Assets under construction	Total
Acquisition costs	107,718	714,073	59,892	73,177	954,861
Cumulative depreciation and other impairment	-73,299	-562,079	-49,891	-	-685,269
Balance as of July 31, 2021	34,420	151,994	10,001	73,177	269,592
Investments	6,450	17,381	3,860	16,496	44,160
Exchange rate differences	-72	-72	70	43	-31
Book value of disposals	-53	-	-	-	-53
Impairments	-	-	-	-442	-442
Depreciation	-2,149	-31,587	-4,007	-	-37,743
Commissioning of assets under construction	-	30,870	-	-30,870	-
Balance as of July 31, 2022	38,596	168,586	9,924	58,377	275,483
Acquisition costs as of July 31, 2022	114,043	762,252	63,822	58,377	995,533
Cumulative depreciation and other impairment	-75,448	-593,666	-53,898	-	-720,050
Balance as of July 31, 2022	38,596	168,586	9,924	58,377	275,483
Depreciation period	0-25 year	10 year	3-5 year	N/A	

Due to developments in the potato starch market and price developments in the energy market, part of Royal Avebe's assets were written down to their recoverable amount in this financial year or in prior years.

3. Financial fixed assets

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

	Other participating interests	Other receivables	Deferred tax asset	Total
Balance as of July 31, 2021	151	1,585	7,120	8,856
Capital contribution	-	-	-	-
Loans issued	-	-	-	-
Interest	-	46	-	46
Other	-	-	87	87
Balance as of July 31, 2022	151	1,631	7,207	8,989

The other loans relate to a loan issued to JoinData U.A. and the issued mortgages related to sale of land for the establishing of solar parks. The term of the loan to JoinData U.A. is 7.5 years. The interest rate is 3.25%.

The other loans include a mortgage loan. The term of the mortgage loan is twenty years. The interest rate is 0%. Mortgage and pledge rights have been established on these lands. The amounts are valued at nominal value. The discount rate ratio is 3.5%.

As of July 31, 2022, carry-forward losses are valued for an amount of EUR 7.2 million (prior year: EUR 7.1 million). It is expected that on the balance sheet date an amount of EUR 0 is realized within one year.

4. Inventory

The inventories valued at lower realizable value on the balance sheet date have a carrying amount of EUR 9.5 million (prior year EUR 24.8 million). The total provision for inventories amounts to EUR 5.8 million (prior year EUR 3.1 million). The provision relates to products that are made as a trial product, products that do not meet the prescribed product requirements or products that are provided on the basis of the age of the product.

For the valuation of the portion for potatoes included in the cost price, Royal Avebe uses the approximate cost price based on the long-term average purchase price of central wheat. The 2022 wheat price used for this has been normalized for the impact of extraordinary geopolitical conditions.

5. Receivables

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

A provision for bad debt has been deducted from the trade receivables in the amount of EUR 0.7 million (prior year EUR 0.0 million). This provision is determined on the basis of the age of the outstanding receivables. The fair value of the other receivables approaches the book value based to their short- term character.

6. Cash

The cash at bank and in hand are placed at the free disposal of Royal Avebe.

Cash at bank and in hand consists of cash, bank credits and deposits with a term of less than twelve months. Current accounts at banks are shown under debts to banks under current liabilities. Cash at banks and in hand is carried at nominal value.

7. Equity

For notes on the group equity reference is made to the company financial statements.

8. Provisions

	Transition	Deferred taxes	Pensions	Onerous contracts	Anniversary	Demolition	Total
Balance as of July 31, 2021	2,066	77	1,446	2,682	5,428	2,345	14,044
Allocations	2,459	81	165	4,902	265	2,145	10,017
Withdrawals	-1,585	-12	-203	-2,682	-338	-153	-4,973
Currency exchange differences	-	-11	-43	-	-	-	-54
Balance as of July 31, 2022	2,940	135	1,365	4,902	5,355	4,337	19,034
Current part	1,910	-	75	4,902	343	750	7,981

The provisions are long-term unless stated otherwise.

Pensions

Based on the implementation agreement with the pension fund and the pension agreement with the employees, there are no extra commitments in the context of extra payment, back service commitments, extra administration charges, extra pension claims, losses on individual value transfers. Neither are there any pledged reimbursements, excess interest, profit appropriation or gains on individual value transfers in the favour of Royal Avebe Pension is accrued under the average salary system, with a maximised payable contribution based on Collective Defined Contribution.

The coverage ratio of Stichting Pensioenfond Avebe on 31 December 2021 was 126.5% (prior year: 118.1%). The “beleidsdekkingsgraad” amounts 124.6% (prior year: 114.6%).

The provision for the foreign companies relates to a 'reserve deficit' and pledged schemes. This concerns commitments to be financed in the future. The amount involved in this is EUR 1.2 million (prior year EUR 1.3 million).

Demolition

The provision for demolition costs is formed for the anticipated costs of the planned demolition and asbestos clearance of a number of buildings and machines at Avebe locations in the Netherlands in the next 5 years. The cost estimate for this is based on standard rates and quotations received.

9. Current interest-bearing liabilities

	31-7-2022	31-7-2021
Debts to credit institutions	289,785	249,835

Royal Avebe entered into a revolving credit facility with its principal bankers in September 2020. After the 2 year extension option already exercised, this facility has a remaining term of 3 years with an end date of September 2025. The credit facility can be broken down as follows:

- A three-year committed facility of EUR 140 million (Term Loan).
- An accounts receivable and inventory-based facility totalling EUR 220 million, also committed for three years.
- A facility for guarantees of EUR 15 million.
- An accordion facility of EUR 100 million.

The following covenants have been agreed for this facility:

- The solvency must be at least 20% on January 31.
- The solvency must be at least 30% on 31 July.
- The cooperative result after tax must be at least nil.

Specific calculation rules have been agreed with the banks for the calculation of the ratios. Royal Avebe has complied with all the conditions in the covenant on the balance sheet date; the cooperative result after tax amounts EUR 12.1 million and the solvency is 32,5%. The solvency is calculated on the basis of the prescribed covenant.

The interest payment in the financing contract is based on 1-month Euribor plus a margin of 1.2% to 1.7%. The variable interest has partly been converted into a fixed interest rate via Interest Rate Swaps. In addition, a discount from the lender of a maximum of 0.05% is obtained when specifically agreed KPIs with regard to sustainability are achieved, if no KPI is achieved, there is a malus of 0.05%.

Current liabilities that are interest-bearing have a remaining term of less than one year. The fair value of the current liabilities approaches the book value owing to their short-term character.

10. Other debts

This item includes a debt to members of EUR 6.5 million (prior year EUR 5.4 million). The debt to members consists of the following components:

	31-7-2022	31-7-2021
Final payment to members	4,725	3,546
Return on premium	258	351
Share premium repaid	1,549	1,547
	6,532	5,443

The other debts and accruals and deferred income have a term of less than one year. EUR 0.9 million is of a long-term nature. The fair value of the other debts approaches the book value owing to their short-term character.

Off-balance sheet commitments

Royal Avebe has provided the following securities to the banks: mortgage on the property in the Netherlands; and pledging of inventories and receivables in the Netherlands and Germany.

The long-term commitments relating to operational lease and rental agreements amount to 67.9 million euros, 11.3 million of which matures within one year. A sum of EUR 30.7 million which matures within five years and a sum of EUR 25.9 million which matures after more than five years. The amounts included in the 2021/2022 profit and loss account for lease and rental agreements amount to EUR 7.4 million.

Guarantees have been issued for 0.9 million euros. Royal Avebe has entered into commitments in the worth of EUR 6.5 million in the context of current investments.

Up to and including 1992 Royal Avebe has made use of bills of exchange for the payment of potato money. During this period a sum of approximately NLG 1.3 million (EUR 0.6 million) in bills of exchange had not yet been collected. These bills of exchange are still subject to interest commitments.

Fiscal Unity

Royal Avebe forms a fiscal unity for corporation tax with its 100% Dutch participating interests. Under the standard conditions the company and its affiliated subsidiaries are jointly and severally liable for the tax payable by the consortium and its incorporation within the tax entity. The parent company settles on the basis of the subsidiaries taxable results.

Off balance assets

In 2008 Royal Avebe was allocated, free of charge, a certain number of emission rights concerning the annual emission of carbon. These emission rights are freely negotiable. The actual emission and the emission rights obtained are reviewed retrospectively each year. If the actual emission exceeds the emission rights, additional purchase and penalty clauses will come into effect. Royal Avebe expects the actual emission to be lower than the available emission rights and has not valued the current surplus of emission rights.

Financial instruments

For the notes on financial instruments reference is made to the specific item by item note. The group's policy in respect of financial risks is included below. In addition, the financial derivatives of the group and the related risks are disclosed.

General

The main financial risks the group is exposed to are the currency risk, the interest rate risk, the liquidity risk and the credit risk. The group's financial policy is aimed at mitigating the impact of currency and interest rate fluctuations on the result in the short term and to follow the market exchange rates and market interest rates in the long term. The group uses financial derivatives to control financial risks linked to business operations at control. By using financial derivatives, the group takes no speculative positions.

Translation hedging

Royal Avebe hedges the currency risk on net investments in foreign group companies and issued loans by means of forward exchange contracts where this is possible in view of the associated costs. These forward exchange contracts are subject to net-investment hedge accounting, with exchange differences being incorporated in the revaluation reserve for the effective component of the hedge relationship. The non-effective component of the hedge relationship is accounted for directly in the statement of operating income and expenditure.

Transaction hedging

Positions not shown in the balance sheet are hedged with options and forward contracts. Royal Avebe applies cost-price hedge accounting for these derivative financial instruments. Hedge instruments are not revalued until the hedged position has been incorporated in the balance sheet. For the options, the difference between the spot rate applicable when the derivative is concluded and the forward rate at which the derivative will be settled is capitalised and will be amortised over the term of the contract. The non-effective component of the hedge is accounted for directly in the statement of operating income and expenditure. Option premiums paid are capitalised under trade receivables and are amortised over the term of the option contract. The amortisation costs of the option premium are shown in the statement of operating income and expenditure under gross turnover. Forward contracts are valued at the rate applicable on the balance sheet date. Realized profits or losses on derivative financial instruments used to hedge positions not shown in the balance sheet, are deferred until the time at which the profits or losses on the hedged positions are accounted for in the statement of operating income and expenditure.

Interest risk hedging

Royal Avebe applies cost price hedge accounting for the interest swaps used to ensure that the interest paid on variable interest-bearing credit facilities are converted into fixed interest. The non-effective component of the change of value in the interest swaps is accounted for in the statement of operating income and expenditure under the financial income and expenditure.

Currency risks

Currency risks related to procurement and sales are hedged on the basis of the anticipated period in which they will occur. Currency risks based on investments in foreign group companies established outside of the euro region are also covered by means of financial instruments in the currency of the country where the foreign group company is established.

Interest risk

The purpose of the interest policy is to limit the risk of interest rate fluctuations. Royal Avebe uses financial instruments (interest swaps) to convert the interest on short-term debts into a fixed interest rate.

Credit Risk

Royal Avebe has concluded credit insurance with a reputed insurance company to mitigate its sales credit risk. In principle, sales only take place to customers who meet the credit worthiness assessment. This rule can be deviated from in individual cases, but additional security will generally have to be obtained in those cases.

The 'notional amounts' given in the statement below are the underlying values for which contracts have been entered for financial instruments. The market values indicate how much will be paid to or received from independent counterparties in exchange for the termination of the contracts on the balance sheet date without any further obligations. This market (actual) value of the instruments reflects the unrealised result upon revaluation of the contracts at the exchange rates on the balance sheet date.

	Notional amount	Market Value
Forward exchange contracts	22,378	-15
Currency call options	97,270	1,334
Interest Rate Swaps	140,000	6,748
Gas commodity contracts	79,790	2,384

The fair values given above have been calculated by external parties on the basis of the market information available and generally accepted valuation methods.

All of the hedge instruments held by Royal Avebe on 31 July 2022 are entirely effective, no fair value changes are shown in the statement of operating income and expenditure.

Notes to the consolidated income and expenditure

II. Gross turnover

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

	2021/2022	2020/2021
Starch	190,087	149,043
Derivatives	464,803	402,154
Protein	99,746	70,584
By-products	14,191	14,322
	768,827	636,103

	2021/2022	2020/2021
European Union	46%	45%
Rest of Europe	7%	7%
Rest of the world	47%	48%
	100%	100%

12. Other operating income

The other operating income consists of the following::

	2021/2022	2020/2021
Result on assets sold	0	1,621
Commissions, seed potatoes and other	2,910	6,500
	2,910	8,121

13. Personnel

The average number of people employed during the financial year averaged 1,332 (prior year 1,328). Of this total is 294 (prior year 290) working outside the Netherlands. The social security charges amount to EUR 12,837 (prior year EUR 13,091) of pension charges. The average number of employees can be broken down according to the establishment at Royal Avebe as follows.

	2021/2022	2020/2021
Operations	946	944
Commerce	121	126
Group	265	258
	1,332	1,328

14. Depreciation, amortization and impairments

This item in the consolidated statement of operating income and expenditure comprises the following components:

	2021/2022	2020/2021
Depreciation tangible fixed assets	37,743	36,668
Impairment on tangible fixed assets	442	311
Amortization intangible fixed assets	4	108
	38,189	37,087

15. Other operating expenses

Audit fees

	2021/2022	2020/2021
Audit of the financial statements	396	325
Other audit services	11	22
Non-audit services	33	29
	440	376

The fees listed above relate to the procedures applied to the Company and its consolidated group entities by accounting firms and external auditors as referred to in Section 1, subsection 1 of the Audit Firms Supervision Act ('Wet toezicht accountantsorganisaties - Wta') as well as by Dutch and foreign-based accounting firms, including their tax services and advisory groups. These fees relate to the audit of the 2021/2022 financial statements, regardless of whether the work was performed during the financial year.

16. Income tax expense

The income taxes of EUR 0.1 million (previous year EUR 7.1 million) credited to the result is the balance of settlements within the fiscal unity and their processing via the valued carry-forward losses. The losses yet to be settled amount to EUR 27.9 million as at 31 July 2022 (previous year: 28.4 million) and are valued at the applicable corporate income tax rate of 25.8%. The remaining temporary differences between financial statements and tax returns of EUR 26.0 million (previous year EUR 32.7 million) have not been valued due to uncertainty regarding future settlement options. Compared to the nominal tax rate (25%), the 2021/22 fiscal year shows a different effective tax rate, caused by tax deductions (energy investment deduction) and the development of temporary differences, in particular related to the fiscal base value of buildings and fiscal inflow of commercially recognized impairments in the past.

Company balance sheet as at July 31, 2022 (after proposal result appropriation)

Assets

	31-7-2022	31-7-2021	Ref
Fixed Assets			
Intangible fixed assets			
Tangible fixed assets			17
Land and buildings	23,152	23,259	
Plant and machinery	95,207	102,054	
Other fixed assets	5,875	7,720	
Assets under construction	37,777	56,864	
	162,011	189,897	
Financial fixed assets			18
Participating interests in group companies	88,689	138,934	
Other participating interests	150	150	
Receivables from group companies	72,599	65,429	
Other loans	1,619	1,572	
Deferred tax	7,207	7,120	
	170,264	213,205	
Current assets			
Inventories			19
Starch	42,335	28,807	
Derivates	80,051	75,749	
By-products	36,313	19,196	
Other products	28,438	26,254	
	187,137	150,006	
Receivables			20
Trade receivables	100,220	88,643	
Other receivables	1,366	5,426	
Prepayments and accrued income	197	48	
	101,783	94,117	
Cash at bank and in hand	0	0	
Total assets	621,208	647,242	

Liabilities

	31-7-2022	31-7-2021	Ref
Shareholders' equity			21
Share capital	23,438	23,408	
Share premium	21,396	22,940	
Other reserves	166,577	162,259	
	211,411	208,607	
Provisions			22
Transition	2,940	2,066	
Onerous contracts	4,902	2,682	
Other	9,166	7,213	
	17,008	11,961	
Current liabilities			
Debts to credit institutions	289,886	250,181	23
Trade creditors	57,737	57,431	
Group companies	2,030	76,426	
Pension liabilities	3,410	3,663	
Taxes and social security	7,438	7,262	
Other amounts payable	25,578	24,745	24
Accruals and deferred income	6,709	6,966	
	392,788	426,674	
Total liabilities	621,208	647,242	

Company statement of operating income and expenditure

	2021/2022	2020/2021	Ref
Gross turnover	712,018	613,705	25
Direct selling expenses	59,991	49,444	
Net turnover	652,027	564,261	
Movement in stocks of finished goods	34,947	5,327	
Capitalised production	1,802	1,933	
Other operating income	251	4,847	
	37,000	12,107	
Total operating expenses	689,027	576,368	
Raw materials and consumables	-469,743	-374,330	
Salaries	-70,544	-72,659	26
Social security charges	-20,509	-21,251	26
Depreciation, amortisation and impairments	-26,257	-26,073	27
Other operating expenses	-90,337	-78,267	
Total operating expenses	-677,390	-572,580	
Operating result	11,637	3,788	
Interest income and similar income	846	468	
Interest expenses	-4,776	-3,545	
Net finance expenses	-3,930	-3,077	
Result on ordinary activities before taxation	7,707	711	
Income tax expense	85	7,118	28
Result from participations	4,277	1,386	
Cooperative result after taxation	12,069	9,215	

Notes to the company financial statements

General accounting principles

The company-only financial statements have been prepared in accordance with Title 9, Book 2 of the Netherlands Civil Code and the firm statements of the guidelines for annual reporting issued by the Board for Annual Reporting.

For the general principles for the preparation of the financial statements, the principles for valuation of assets and liabilities and determination of the result, as well as for the notes to the specific assets and liabilities and the results, reference is made to the notes to the consolidated financial statements, if not presented otherwise hereinafter.

Participations in group companies

Participations in group companies in which significant influence is exercised on the business and financial policy, are valued under the net equity value, but not lower than nil. This net asset value is based on the same accounting principles as applied by Royal Avebe. If the net asset value is negative, the participating interest is valued at nil. This likewise takes into account other long-term interests that should effectively be considered part of the net investment in the participating interest. If the company fully or partly guarantees the liabilities of the associated company concerned, or has the effective obligation respectively to enable the associated company to pay its (share of the) liabilities, a provision is formed. Upon determining this provision, provisions for doubtful debts already deducted from receivables from the associated company are taken into account.

Notes to the company balance sheet

17. Tangible fixed assets

Movements in the value of the tangible fixed assets over the financial year are as follows:

	Land and buildings	Plant and machinery	Other fixed	Assets under construction	Total
Acquisition costs	67,698	502,143	42,704	56,863	669,409
Cumulative depreciation and other impairment	-44,438	-400,089	-34,984	-	-479,512
Balance as of July 31, 2021	23,260	102,054	7,721	56,863	189,897
Investments	1,466	14,264	1,283	12,223	29,236
Exchange rate differences	-	-	-	-	-
Book value capitalization at subsidiary (*)	-	-	-	-30,870	-30,870
Impairments	-	-	-	-442	-442
Depreciation	-1,573	-21,112	-3,126	-	-25,811
Balance as of July 31, 2022	23,153	95,206	5,878	37,774	162,011
Acquisition costs July 31, 2022	69,164	516,407	43,987	37,774	667,332
Cumulative depreciation and other impairment in value July 31, 2022	-46,011	-421,201	-38,109	-	-505,321
Balance as of July 31, 2022	23,153	95,206	5,878	37,774	162,011
Depreciation period	0-25 year	10 year	3-5 year	N/A	

*) Assets under construction, taken into use in 2021/22, have been capitalized within subsidiary Solanic B.V.

18. Financial fixed assets

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

	Participating interests in group companies	Other participating interests	Receivables from group companies	Other loans	Deferred tax asset	Total
Balance as of July 31, 2021	138,934	150	65,429	1,572	7,120	213,205
Capital contribution	-	-	-	-	-	-
Loans issued	-	-	7,170	-	-	7,170
Share in net result after taxation	4,277	-	-	-	-	4,277
Dividend received	-	-	-	-	-	-
Exchange rate differences	-1,935	-	-	-	-	-1,935
Other movements	-52,587	-	-	-	87	-52,500
Interest	-	-	-	47	-	47
Balance as of July 31, 2022	88,689	150	72,599	1,619	7,207	170,264

The line other movements relates to the movement of the deferred tax asset (EUR 87) and for EUR 52,587 to the liquidation of three companies: Avebe Nederland B.V., Avebe Food Investments B.V. and B.V. Livadia.

As of July 31, 2022, carry-forward losses are valued for an amount of EUR 7.2 million (prior year: EUR 7.1 million). The deferred tax asset has been formed on the basis of changed tax legislation whereby deductible losses from the past can be carried forward indefinitely. It is expected that on the balance sheet date an amount of EUR 0 is realized within one year.

Royal Avebe has direct interests in the following participations:

		Holding in %
Aktiebolaget Stadex	Malmö	100,00
Avebe America Inc.	Princeton (factual Cranbury)	100,00
AVEBE Asia Pacific Holding B.V.	Veendam	100,00
Avebe European Sales Centre GmbH	Meerbusch	100,00
Avebe (Far East) PTE Ltd.	Singapore	100,00
Société Avébé France SARL	Evry	100,00
Avebe (Shanghai) Co. Ltd.	Shanghai	100,00
Avebe Italia S.r.l.	Milaan	100,00
Avebe Japan Co. Ltd.	Yokohama	100,00
Avebe Kartoffelstärkefabrik Prignitz/Wendland GmbH	Dallmin	100,00
Avebe Nisasta Sanayii ve Ticaret Limited Sirketi	Izmir	100,00
Avebe North America Inc.	Dover (factual Cranbury)	100,00

		Holding in %
AVEBE S.A.	Barcelona	100,00
Avebe UK Ltd.	London	100,00
Averis Saatzucht GmbH	Visbek	100,00
Averis Seeds B.V.	Veendam	100,00
GFL Anlagen KG	Lüchow	100,00
GFL mbH	Lüchow	100,00
Solanic B.V.	Veendam	100,00
Stichting Averis	Veendam	100,00
Coöperatie JoinData U.A.	Amersfoort	7,14

The 100% participating interest Avebe Food Ingredients DMCC (Dubai) is being liquidated. The intention is to merge the 100% participation of Solanic B.V. with Avebe U.A. with retroactive effect on August 1, 2022. The Stichting Averis was established on March 9, 2022. There were no activities in the Stichting Averis last year.

19. Inventories

The inventories valued at lower realizable value on the balance sheet date have a carrying amount of EUR 9.5 million (prior year EUR 24.8 million). The total provision for inventories amounts to EUR 4.9 million (prior year EUR 2.0 million). The provision relates to products that are made as a trial product, products that do not meet the prescribed product requirements or products that are provided on the basis of the age of the product. For the valuation of the portion for potatoes included in the cost price, Royal Avebe uses the approximate cost price based on the long-term average purchase price of central wheat. The 2022 wheat price used for this has been normalized for the impact of extraordinary geopolitical conditions.

20. Receivables

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

A provision for bad debt has been deducted from the trade receivables in the amount of EUR 0.7 million (prior year EUR 0.0 million). This provision is determined on the basis of the age of the outstanding receivables. The fair value of the other receivables approaches the book value based to their short-term character.

21. Equity capital

Share Capital	Total shares 2021/2022	Value 2021/2022	Total shares 2020/2021	Value 2020/2021
Balance as of July 31, 2021	103,120	23,408	101,455	23,030
Mutations shares	133	30	1,665	378
Balance as of July 31, 2022	103,253	23,438	103,120	23,408

During the financial year 5,493 shares were transferred to other shareholders with the approval of the board of directors. All issued shares have been fully paid up. The company has 1,608 shares under its own management.

Share Premium

	2021/2022	2020/2021
Balance as of July 31, 2021	22,939	24,411
Received upon transfer of shares	6	75
Repayment from proposed profit appropriation	-1,549	-1,546
Balance as of July 31, 2022	21,396	22,939

The share premium comprises two components: A free share (EUR 19.8 million, prior year EUR 19.8 million) and a share that is related to the issued shares (EUR 1.6 million, prior year EUR 3.1 million). When the share is transferred the related share premium will also transfer to the new owner.

Under the following conditions a maximum of 10% a year of the premium related to the shares can be repaid by Royal Avebe to the members:

- The cooperative result must be at least nil;
- The solvency ratio is at least 30%.

The aforementioned conditions only come into consideration after processing of the dividend on the share premium and the normal final payment.

The deposited share premium qualifies for a share premium dividend of 6% if:

- After payment of the dividend, the net result is at least nil;
- The solvency ratio is at least 30%.

Statutory reserves

	2021/2022	2020/2021
Balance as of July 31, 2021	-	-
Exchange rate result of hedging financial fixed assets	-1,288	-212
Conversion differences foreign group companies	-1,935	-910
Transfer from other reserves	3,223	1,122
Balance as of July 31, 2022	-	-

Other reserves

	2021/2022		2020/2021	
Balance as of July 31, 2021		162,259		158,052
Transfer to statutory reserve		-3,223		-1,122
Cooperative result current year	12,069		9,215	
Return on share premium	-258		-351	
Final payment to members current year	-4,725		-3,546	
		7,086		5,318
Payment received for surrendering of shares to the cooperative and other		455		11
Balance as of July 31, 2022		166,577		162,259

The balance of the statutory reserve conversion differences in the other reserves is minus EUR 19.9 million (prev. yr. negative EUR 16.8 million).

22. Provisions

Movements in the provisions over the financial year are as follows:

	Transition	Onerous contracts	Anniversary	Demolition	Total
Balance as of July 31, 2021	2,066	2,682	4,936	2,278	11,962
Movements charged to the profit and loss account	2,459	4,902	265	2,143	9,769
Withdrawals	-1,585	-2,682	-304	-152	-4,723
Balance as of July 31, 2022	2,940	4,902	4,897	4,271	17,008
Current part	840	4,902	343	750	7,267

Demolition

The provision for demolition costs is formed for the anticipated costs of the planned demolition and asbestos clearance of a number of buildings and machines at Avebe locations in the Netherlands in the next 5 years. The cost estimate for this is based on standard rates and quotations received.

23. Current interest-bearing liabilities

See the notes to the consolidated financial statements.

24. Other debts

The other debts and accruals and deferred income have a term of less than one year. EUR 0.5 million is of a long-term nature.

Off-Balance sheet commitment

Royal Avebe has provided the following securities to the banks: mortgage on the property in the Netherlands; and pledging of inventories and receivables in the Netherlands and Germany. These securities remain in place.

Guarantees have been issued for EUR 0.9 million. Of the issued guarantees, EUR 0.7 million relates to consolidated participating interests.

Royal Avebe forms a fiscal unity for corporation tax with a number of Dutch group companies stated in the financial statements. Under the standard conditions the company and its affiliated subsidiaries are jointly and severally liable for the tax payable by the consortium.

The long-term commitments relating to operational lease and rental agreements amount to EUR 62.8 million euros, EUR 10.0 million of which matures within one year. For EUR 28.7 million the term is longer than five years. The remaining amount of EUR 24.1 million matures within five years.

Royal Avebe has entered into commitments worth EUR 5.6 million in the context of current investments.

Up to and including 1992 Royal Avebe has made use of bills of exchange for the payment of potato money. During this period a sum of approximately NLG 1.3 million (EUR 0.6 million) in bills of exchange had not yet been collected. These bills of exchange are still subject to interest commitments.

Fiscal Unity

Royal Avebe forms a fiscal unity for corporation tax with its 100% Dutch participating interests. Under the standard conditions the company and its affiliated subsidiaries are jointly and severally liable for the tax payable by the consortium and its incorporation within the tax entity. The parent company settles on the basis of the subsidiaries taxable results.

Declaration of liability

Royal Avebe has issued a declaration of liability for the subsidiaries included in the consolidation as provided for in Section 2:403 of the Dutch Civil Code. The declaration of liability relates to Averis Seeds B.V. in Veendam and Solanic B.V. in Veendam.

Off Balance assets

In 2008 Royal Avebe was allocated, free of charge, a certain number of emission rights concerning the annual emission of carbon. These emission rights are freely negotiable. The actual emission and the emission rights obtained are reviewed retrospectively each year. If the actual emission exceeds the emission rights, additional purchase and penalty clauses will come into effect. Royal Avebe expects the actual emission to be lower than the available emission rights and has not valued the current surplus of emission rights.

Notes to the company profit and loss account

25. Gross turnover

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

	2021/2022	2020/2021
Starch	180,957	148,982
Derivatives	420,004	381,479
Protein	96,266	70,584
By-products	14,791	12,659
	712,018	613,705

Breakdown of gross turnover by geographical regions:

	2021/2022	2020/2021
European Union	49%	46%
Rest of Europe	6%	8%
Rest of the world	45%	46%
	100%	100%

26. Personnel

The average number of people employed in the Netherlands during the financial year averaged 1,015 (prior year 1,014). The number of employees at year-end was 1,005 (prior year 989). None of these employees work abroad. The social security charges include EUR 11,403 (prior year EUR 11,793) of pension charges. The average number of employees can be broken down according to the establishment at Royal Avebe as follows.

	2021/2022	2020/2021
Operations	743	750
Commerce	44	46
Group	228	218
	1,015	1,014

27. Depreciation, amortization and impairments

This item in the individual statement of operating income and expenditure comprises the following components:

	2021/2022	2020/2021
Depreciation tangible fixed assets	25,811	25,634
Impairment of fixed assets	442	310
Amortization intangible fixed assets	4	129
	26,257	26,073

28. Income tax expense

The income taxes of EUR 0.1 million (previous year EUR 7.1 million) credited to the result is the balance of settlements within the fiscal unity and their processing via the valued carry-forward losses. The losses yet to be settled amount to EUR 27.9 million as at 31 July 2022 (previous year: 28.4 million) and are valued at the applicable corporate income tax rate of 25.8%. The remaining temporary differences between financial statements and tax returns of EUR 26.0 million (previous year EUR 32.7 million) have not been valued due to uncertainty regarding future settlement options. Compared to the nominal tax rate (25%), the 2021/22 fiscal year shows a different effective tax rate, caused by tax deductions (energy investment deduction) and the development of temporary differences, in particular related to the fiscal base value of buildings and fiscal inflow of commercially recognized impairments in the past.

Other notes

Remuneration members of the supervisory board

The remuneration for the supervisory board (nine persons) for the 2021/2022 financial year jointly amounted to € 330,000 (2020/2021: € 285,000). This concerns a fixed fee for their work, including participation in various committees.

In addition to the annual fee, the supervisory board members receive a travel allowance for the kilometers traveled and, if necessary, hotel costs are reimbursed. In addition, the cooperative bears the costs of any training for supervisory directors or advice to the supervisory board.

Directors' remuneration

The gross fixed remuneration (including pension compensation) for the board members collectively amounted to €1,004,000 gross in the 2021/2022 financial year (2020/2021: €970,000). This includes the employer's share of other Royal Avebe social security contributions.

The variable remuneration for the 2021/2022 financial year for the board members jointly amounted to €384,000 gross (2020/2021: €344,500). This variable remuneration for the 2021/2022 financial year will be paid in 2022, except for part of the long-term incentive plan, which is paid out when the set annual targets are met for three consecutive years.

Distribution of results

With the approval of the Supervisory Board, in anticipation of the adoption by the Members' Council, the Board has proposed to distribute the cooperative result after tax as follows:

Return on premium in accordance with contract	258
Final payment members 2021/2022	4,725
Additional payment members	-
Addition to other reserves	7,086
	12,069

The proposed profit appropriation has been incorporated in the 2021/2022 financial statements. The addition to the other reserves is intended in part for the repayment of the share premium. Refer to the section 'Other information'.

Other information

Liability of the members

By virtue of article 27 of the articles of association the obligation of members and former members of the cooperative to contribute to a deficient upon dissolution of the cooperative has been eliminated.

Appropriation of net result

According to article 23 of the articles of association, a credit balance is placed at the disposal of the general members' meeting.

Share premium reserve

In keeping with the board decision of December 17, 2009, a 10% share premium was repaid on the basis of the result and the balance sheet on July 31, 2022.

This repayment of EUR 1,549 has been incorporated in the 2021/2022 financial statements.

Audit report of the independent auditor

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

Annexes



Annex 1 About this report

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

Report scope

This annual report relates to the financial year 2021/2022: from 1 August 2021 to 31 July 2022. The previous annual report was published on 9 December 2021.

There were no significant acquisitions and updates during this period in terms of size, structure and ownership. The chain also remained largely the same as last year.

Guidelines and verification

This report was drawn up in accordance with the statutory requirements for annual reporting of Book 2, Title 9, Article 391 of the Dutch Civil Code and in accordance with the standards of the Global Reporting Initiative (GRI). It is in line with GRI Standards level 'Core'.

The report was adopted by the members' council at the members' council meeting on 8 December 2022.

We are also working towards external verification of the sustainability information. To achieve this objective, we made a start this financial year with completely internal testing of the sustainability information by the Internal Audit Department.



Annex 2 GRI table

GRI Standard		Page reference	Omission
GRI 101: Foundation 2016			
GRI 102: General disclosures 2016			
Organisational profile			
102-1	Name of the organisation.	Cover Colophon, p. 127	
102-2	Activities, brands, products and services.	How we create value, p. 15-16 Key figures, p. 13	
102-3	Location of the head office.	Addresses, p. 126	
102-4	Branches and locations.	Key figures, p. 13 Addresses, p. 126	
102-5	Ownership structure and legal form.	Governance and assurance, p. 57 Notes General, p. 74 Colophon, p. 127	
102-6	Markets and customers.	Key figures, p. 13 How we create value, p. 15-16	
102-7	Size of the organisation.	How we create value, p. 15-16 Key figures, p. 13	
102-8	Information about personnel and other employees.	Cooperation for the customer, p. 45	
102-9	Information on the supply chain.	How we create value, p. 15 Cooperation for the customer, p. 51	
102-10	Significant changes in the organisation and its supply chain during the reporting period.	Growth in good food - Scaling up capacity, p. 27 Report of the board of directors, p. 7	
102-11	Explanation of the precautionary principle.	Risks and uncertainties, p. 62 Reducing our ecological footprint, p. 37	
102-12	External initiatives that the organisation supports or to which the organisation is affiliated.	Annex 4 Stakeholder dialogue and cooperation, p. 117-122	
102-13	List of important memberships (such as trade associations and/or national and international interest groups).	Annex 4 Stakeholder dialogue and cooperation, p. 122	

GRI Standard		Page reference	Omission
Strategy			
102-14	Declaration by the highest decision-maker on the relevance of sustainable development to the organisation and its strategy.	Report of the board of directors, p. 6	
102-15	Description of main impact, risks and opportunities.	Risks and uncertainties, p. 62	
Ethics and integrity			
102-16	Description of core values, principles, standards and behavioural norms.	Governance and assurance, p. 57	
Governance			
102-18	Governance structure: The governance structure of the organisation, including committees under the highest governing body. And the committee responsible for decisionmaking on economic, environmental and social issues	Governance and assurance, p. 57 Organisational structure, p. 60	
Stakeholder engagement			
102-40	List of stakeholder groups engaged by the organisation.	Annex 4 Stakeholder dialogue and cooperation, p. 117-122	
102-41	Percentage of employees covered by a collective bargaining agreement.	Cooperation for the customer, p. 52	
102-42	Principles for the identification and selection of stakeholders.	Annex 4 Stakeholder dialogue and cooperation, p. 117-122	
102-43	The method by which stakeholders are engaged, including the frequency with which they are engaged by type and group of stakeholders.	Annex 4 Stakeholder dialogue and cooperation, p. 117-122	
102-44	Main topics and issues that have emerged from stakeholder consultations and how the organisation has responded to them, including through its reporting.	Annex 4 Stakeholder dialogue and cooperation, p. 117-122	
Reporting principles			
102-45	Overview of all companies included in the consolidated financial statements that are not covered by this report.	N/A	
102-46	Process for determining the content and specific demarcation of the report and the principles used for this purpose.	Annex 3a Materiality analysis, p. 115	
102-47	Material issues identified during the process of determining the content of the report.	Annex 3a Materiality analysis, p. 115	
102-48	Consequences of any rewording of information provided in a previous report and the reasons for such rewording.	Market-driven sustainable potato cultivation - Environmental impact per hectare and acreage new Averis varieties, p. 33-34	

GRI Standard		Page reference	Omission
Performance price			
GRI 103: Management approach 2016			
103-1	Explanation of the materiality of the subject and the delineation.	Heading for more value, p. 21 Materiality, p. 116	
103-2	Management's explanation of the topic and its various aspects.	Heading for more value, p. 21 Report of the board of directors, p. 6	
103-3	Management evaluation of the topic.	Report of the board of directors, p. 6	
GRI 201: Economische prestaties 2016			
201-1	Direct economic value including the performance price paid to growers.	Heading for more value, p. 21 Report of the board of directors, p. 6	
Innovating			
GRI 103: Management approach 2016			
103-1	Explanation of the materiality of the subject and the delineation.	Report of the board of directors, p. 7 Growth in good food, p. 24 Materiality, p. 116	
103-2	Management's explanation of the topic and its various aspects.	Growth in good food, p. 24	
103-3	Management evaluation of the topic.	Growth in good food, p. 24	
Own indicator			
201-1	Turnover covered by current patents.	Our value creation model, p. 19	
Good nutrition			
GRI 103: Management approach 2016			
103-1	Explanation of the materiality of the subject and the delineation.	Growth in good food, p. 25	
103-2	Management's explanation of the topic and its various aspects.	Growth in good food, p. 25	
103-3	Management evaluation of the topic.	Growth in good food, p. 25	
Own indicator			
	The value of the food ingredients used in plant-based and environmentally friendly end products.	Growth in good food, p. 26	

GRI Standard		Page reference	Omission
New varieties			
GRI 103: Management approach 2016			
103-1	Explanation of the materiality of the subject and the delineation.	Market-drive sustainable potato cultivation, p. 30 Materiality, p. 116	
103-2	Management's explanation of the topic and its various aspects.	Market-driven sustainable potato cultivation, p. 30	
103-3	Management evaluation of the topic.	Market-driven sustainable potato cultivation, p. 30	
Own indicator			
	Percentage of potato starch yield per hectare.	Market-driven sustainable potato cultivation, p. 35	
	Proportion acreage area intended for new varieties.	Market-driven sustainable potato cultivation, p. 34	
Energy and carbon reduction			
GRI 103: Management approach 2016			
103-1	Explanation of the materiality of the subject and the delineation.	Improve our ecological footprint, p. 38 Materiality, p. 116	
103-2	Management's explanation of the topic and its various aspects.	Improve our ecological footprint, p. 38	
103-3	Management evaluation of the topic.	Improve our ecological footprint, p. 38	
GRI 305: Emissions 2016			
305-5	Reduction of greenhouse gases in cultivation per tonne of potato starch.	Improve our ecological footprint, p. 32	
305-5	Reduction of greenhouse gases in production per tonne of product manufactured.	Improve our ecological footprint, p. 39-40	
GRI 303: Water and residual flows 2018			
303-5	Water consumption.	Improve our ecological footprint, p. 41	

GRI Standard		Page reference	Omission
Customer satisfaction			
GRI 103: Management approach 2016			
103-1	Explanation of the materiality of the subject and the delineation.	Cooperation for the customer, p. 50 Materiality, p. 116	
103-2	Management's explanation of the topic and its various aspects.	Cooperation for the customer, p. 50	
103-3	Management evaluation of the topic.	Cooperation for the customer, p. 50	
Own indicator			
305-5	Number of customer complaints.	Cooperation for the customer, p. 50	
Employee engagement			
103-1	Explanation of the materiality of the subject and the delineation.	Cooperation for the customer, p. 47 Materiality, p. 116	
103-2	Management's explanation of the topic and its various aspects.	Cooperation for the customer, p. 47	
103-3	Management evaluation of the topic.	Cooperation for the customer, p. 47	
Own indicator			
	Score on biennial employee satisfaction survey.	Cooperation for the customer, p. 47	
Safety at work			
GRI 103: Management approach 2016			
103-1	Explanation of the materiality of the subject and the delineation.	Cooperation for the customer, p. 47 Materiality, p. 116	
103-2	Management's explanation of the topic and its various aspects.	Cooperation for the customer, p. 47	
103-3	Management evaluation of the topic.	Cooperation for the customer, p. 47	
GRI 403: Employee health 2018			
403-9	Work-related injuries.	Cooperation for the customer, p. 48	

GRI Standard	Page reference	Omission
Effective organisation		
GRI 103: Management approach 2016		
103-1 Explanation of the materiality of the subject and the delineation.	Cooperation for the customer, p. 49 Materiality, p. 116	
103-2 Management's explanation of the subject and its various aspects.	Cooperation for the customer, p. 49	
103-3 Management evaluation of the topic.	Cooperation for the customer, p. 49	
Own indicator		
Number of critical integrated processes improved.	Cooperation for the customer, p. 49	

Annex 3a Materiality analysis

We periodically carry out a materiality analysis on which topics our stakeholders find most relevant for Royal Avebe. Last year, an extensive analysis was carried out to determine which topics are material to Avebe according to internal and external stakeholders.

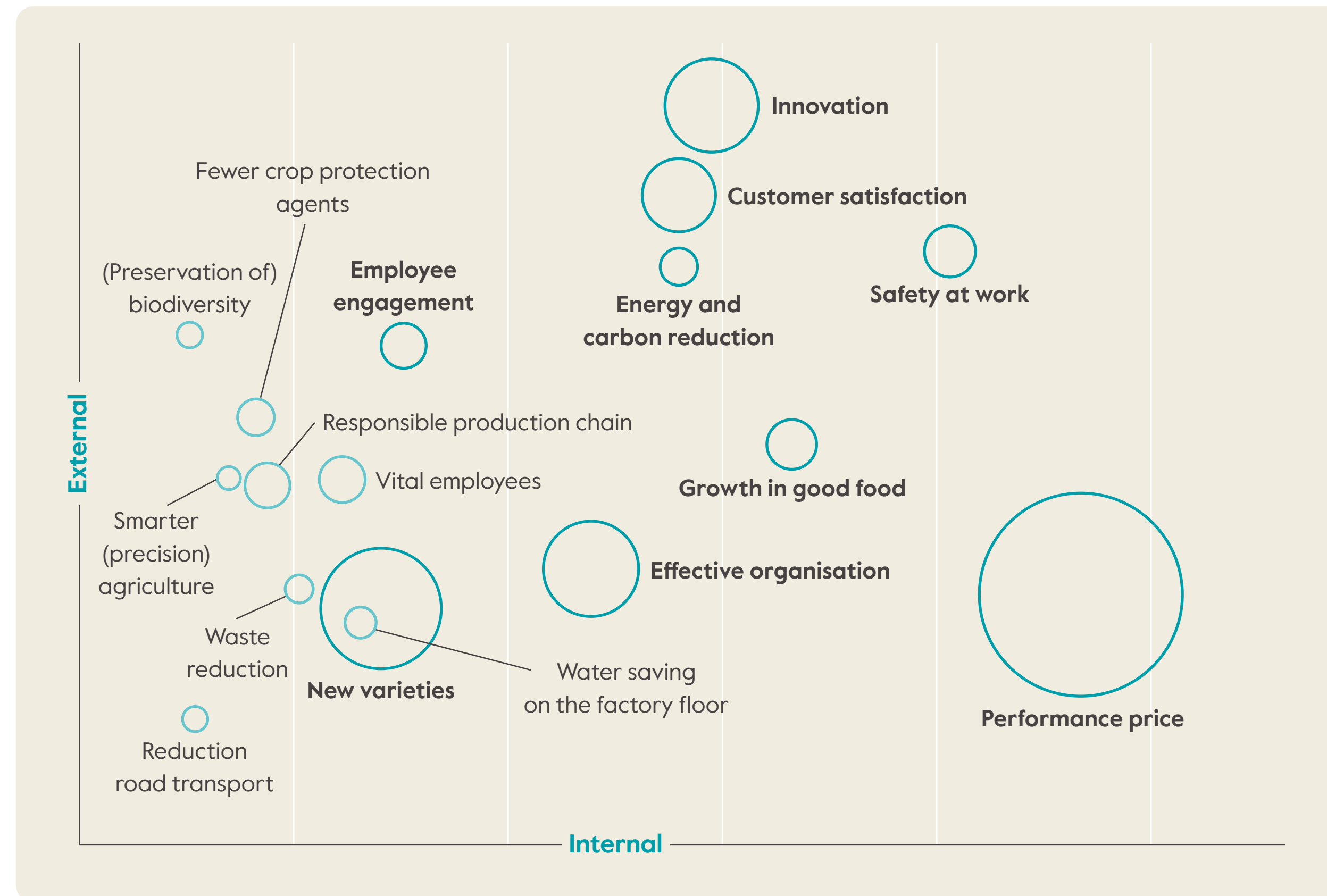
Internal and external stakeholders

As a cooperative, our growers are an important stakeholder group, but they are not part of the group of internal or external stakeholders. Therefore, we decided to add a third dimension to the analysis we conducted through a survey. The internal stakeholders consisted of 39 colleagues from various departments, such as the executive committee, Agro, Commerce, Operations and HR. The 21 external stakeholders consisted of, customers, suppliers, NGOs, banks, trade unions and scientists. A further 49 members of the cooperative completed the survey.

Explanation matrix

This integrated annual report covers the topics that emerged from the analysis as the most material for Avebe. The materiality matrix shows the relationship between the various subjects and their relevance for Avebe. The higher the subject on the vertical axis, the more relevant it is to external stakeholders. The further to the right on the horizontal axis, the more relevant it is to Avebe's business success. The larger the data point, the more relevant it is to the members of the cooperative.

○ Members: The size of the diameter indicates the importance that members attach to a topic



Annex 3b Materiality

<p>Heading for more value</p> 	<p>Performance price Key financial indicator of the cooperative result and the potato money for the members.</p>			
<p>Growth in good food</p> 	<p>Innovation Product innovation focuses on more value, particularly in the food market, and on good food.</p>	<p>Good food To promote a healthy and environmental friendly lifestyle with plant-based food ingredients.</p>		
<p>Market-driven sustainable potato cultivation</p> 	<p>New varieties The development of potato varieties that produce more starch and protein and are more resistant to disease and drought.</p>			
<p>Improve our ecological footprint</p> 	<p>Energy and carbon reduction Improve our production processes by focusing on energy saving and sustainability. We are also reducing our water consumption and our waste streams such as tare and sludge.</p>			
<p>Cooperation for the customer</p> 	<p>Customer satisfaction When all of us within Avebe - from grower to sales employee - put the customer at the heart of our operations, we will be successful. We do this by means of key account management, among other things, and by entering into long-term cooperation projects with customers.</p>	<p>Employee engagement Working together and looking beyond the boundaries of your own field of expertise is an important starting point. Enthusiastic and vital employees are essential in this respect and we pay attention to sustainable employment.</p>	<p>Effective organisation Achieving more value for all stakeholders through better cooperation. Cross-functional working between departments, optimising innovation processes and efficient production are central to this.</p>	<p>Safety at work We work safely and offer safe working conditions within our own organisation.</p>

Annex 4 Stakeholder dialogue and cooperation

Choice for stakeholders

In the course of the year, Avebe holds talks with various stakeholders, such as civil society organisations, governments and cooperation partners on relevant themes. The choice of stakeholders is based on our relationship, our focus or their role in our sector in general. This continuous dialogue ensures sustainable and transparent communication with stakeholders and contributes to the achievement of our objectives.

Interest of stakeholders

When developing the Binding and Building 2.0 strategy in 2018, we consulted various stakeholders. We believe it is important to keep talking to these stakeholders and in 2021 and 2022, for example, we spoke to them about our focus and achieving the objectives. Our sounding board group has also been a source of information, conversation and external feedback for decades.

Stakeholder Group	Method and frequency of contact	Subject	Discussed SDGs	Follow-up (short and long term)	Attendees of Avebe
Members					
Growers	Via the Members' Council twice a year, dozens of district and regional meetings and (digital) demo fields	Cultivation sustainability, CO ₂ , environmental impact of crop protection and once a year on annual financial report	6, 7, 12 and 15	Sustainable cultivation programme; (implementation of) strategy, cultivation related issues.	<ul style="list-style-type: none"> • Cooperative Board • Company management • Agro Director • Account Managers Agro • Supervisory Board
Customers					
Industrial, feed and food customers	<ul style="list-style-type: none"> • Annual interviews, customer days and customer visits • Trade association (food industry clients; FNLI) 	Including food waste, ICSR and climate agreement	2, 9, 12 and 17	Producing and delivering various footprints on our products; calculating our impact with the customer.	<ul style="list-style-type: none"> • Director of Commerce • Sales and account managers • Manager Public Affairs

Stakeholder Group	Method and frequency of contact	Subject	Discussed SDGs	Follow-up (short and long term)	Attendees of Avebe
Internal					
Sounding board group	<ul style="list-style-type: none"> 3 December 2021 (online) 22 June 2022 (Social Advisory Council, Van der Valk hotel Zwolle)" 	<ul style="list-style-type: none"> 3/12/2021: Green crop protection products, precision agriculture and Cripr-Cas 22/6/2022: Installation of new Social Advisory Board, presentation Who is Avebe and explanation about forming the new strategy 	6, 7, 9, 12, 15 and 17	<p>We decided in 2022 to convert the Sounding Board Group into a Social Advisory Council. Whereas in the sounding board group we used outside speakers to arrive at new insights, we have now opted for a new working method.</p> <p>We have recruited new members (partly replacement sounding board group members, partly new), a new chair and we are using the social advisory council to obtain input on and calibrate our course.</p>	<p>3/12/2021:</p> <ul style="list-style-type: none"> Marijke Folkers (supervisory board) David Fousert (CEO) Barbara Huneman (PA) Peter Erik Ywema (Director Sustainability) Arjan de Rooij (Director Agro) Johan Hopman (Manager Averis) Frans Wigchering (Cooperative member) <p>22/6/2022:</p> <ul style="list-style-type: none"> Marijke Folkers (supervisory board) David Fousert (CEO) Barbara Huneman (PA) Peter Smale (PA) Peter Erik Ywema (Director Sustainability) Arjan de Rooij (Director Agro) Frans Wigchering (Cooperative member) <p>4/6/2021</p> <ul style="list-style-type: none"> Marijke Folkers (supervisory board) Bert Jansen (CEO) Barbara Huneman (PA) Johan Russchen (PA) Peter Smale (PA)

Stakeholder Group	Method and frequency of contact	Subject	Discussed SDGs	Follow-up (short and long term)	Attendees of Avebe
Internal					
					<ul style="list-style-type: none"> • Peter Erik Ywema (Director Sustainability) • Frans Wigchering (Cooperative member)
Partners					
Transporters	Annual interviews	Reduce waste (tare) and ongoing trials	12	Loading machines will have to be converted in due course. New method of loading; reduction in tare content.	<ul style="list-style-type: none"> • At technical level, Agro
Knowledge institutions					
Hanze University of Applied Sciences Groningen	Several times a quarter, online and physical	Collaboration, internships, work field committee Masters Food, Taste panel, lectureship L. Oudhuis	4, 6, 7, 9, 12 and 17	Building cooperation on various topics	<ul style="list-style-type: none"> • Technology Officer • Principal scientists • Director Talent Management
University of Groningen	Several times a year online and physical	Participation in various CCC projects, PhD sponsorship, sustainability	6, 7, 9, 12 and 17	Knowledge building & Innovation in relevant projects	<ul style="list-style-type: none"> • Technology Officer • Principal Scientists
Wageningen Food & Bio-based Research	Several times a quarter, online and physical	Participation in various TKI projects, IP evaluation & licensing, knowledge-building starch & protein, sustainability	6, 7, 9, 12 and 17	Knowledge building & Innovation in relevant projects	<ul style="list-style-type: none"> • Technology Officer • Principal Scientists
UMCG	Monthly	Sponsoring a PhD student, research related to healthy eating	3, 12 and 17	Potato protein as a preventative agent against COVID-19 and follow-up initiatives.	<ul style="list-style-type: none"> • Technology Officer • Principal Scientists
Wageningen University & Research	Various ad hoc discussions about cultivation and innovation	Environmental pressure on cultivation	15	Evaluation and monitoring of the use of plant protection products.	<ul style="list-style-type: none"> • Manager Averis
Civil society organisations and NGOs					
Agricultural Nature Association East Groningen and Drenthe	<ul style="list-style-type: none"> • 2 physical meetings • 2 online meetings 	About greening agriculture. Research collaboration and field margins Presentation on Avebe and role 1,000 km field margins	15		<ul style="list-style-type: none"> • Sustainability & Public Affairs (Regiegroep Innovatie Veenkoloniën)

Stakeholder Group	Method and frequency of contact	Subject	Discussed SDGs	Follow-up (short and long term)	Attendees of Avebe
Civil society organisations and NGOs					
Innovation Veenkoloniën	<ul style="list-style-type: none"> • 6 online meetings • 2 physical meetings 	Reorganisation Innovation Veenkoloniën. New region deal, POP grant application submission, deployment of transition funds, impact CAP	1, 2, 4, 8, 9, 12, 14, 15 and 17	Review mission vision participants, submit grant application	<ul style="list-style-type: none"> • Sustainability & Public Affairs
Government					
Ministry of Agriculture, Nature and Food Quality	12 times (online and physical)	7th Nitrates Directive Action Programme National Protein Strategy/Green Deal Protein Crops National Strategic Plan (new CAP)	2, 3, 8, 9, 12, 13, 14, 15 and 17	Elaboration of 7th AP (list of winter crops and customised approach) and NSP (eco-regime)	<ul style="list-style-type: none"> • Public Affairs, Agro, Sustainability
Ministry of Economic Affairs	12 times (online and physical)	Energy and climate, Network congestion/Cluster 6 Grants	7, 8, 9, 13 and 17	Management and Recovery Plan Gas Elaboration Cluster 6	<ul style="list-style-type: none"> • Public Affairs, Energy & Utilities
Provinces of Drenthe and Groningen	12 times (online and physical)	Innovation Veenkoloniën, Area-based approach and 7th AP Protein transition, Agricultural policy and energy transition (regional energy strategy/solar parks), Field margins, Crop rotation, Fascinating, Spatial economic policy, Permits VKA (Groningen)	7, 8, 9, 12, 13, 14 15 and 17	Innovation Veenkolonien Area-based Approach and 7th AP Fascinating Environmental visions provinces Finalise safe use of VKA	<ul style="list-style-type: none"> • Public Affairs, Sustainability, Agro
Municipalities (Veendam, Midden Groningen, Westerwolde, Borger Odoorn and Aa en Hunze, Groningen)	12 times (online and physical)	Various topics (energy, climate, permits, solar park, water, etc.)	3, 7, 8, 9, 12, 13, 14 15 and 17	Continuing to invest in a good relationship	<ul style="list-style-type: none"> • Public Affairs, QESH

Stakeholder Group	Method and frequency of contact	Subject	Discussed SDGs	Follow-up (short and long term)	Attendees of Avebe
Sector association					
Association for Energy, Environment and Water (VEMW)	4 times a year	Electricity, heat and water for industry	6, 7 and 13	Role CHP in energy transition and sustainable alternatives heat generation	<ul style="list-style-type: none"> Public Affairs, Energy & Utilities
Association for the Dutch Chemical Industry (VNCI)	4-8 times a year	Climate agreement and sustainable (green) chemistry	7, 9, 12 and 13	Position chemical industry with respect to ETS agreement, Netherlands CO ₂ tax and innovation chemistry up to 2050.	<ul style="list-style-type: none"> Director of Operations, Public Affairs,
Dutch Food Industry Federation (FNLI)	4-8 times a year	IMVO, Food Waste and Climate Agreement Co-chair Cluster 6	6, 7, 9, 12, 15 and 17	Position food industry at ETS and climate agreement On behalf of FNLI, Avebe fulfils the role of co-chair of the 6th Cluster (industry table), is now about following up recommendations report Cluster 6	<ul style="list-style-type: none"> Director Public Affairs & Energy
Arable farming sector organisation (BO Arable farming)	Weekly contact by various staff members	7th Nitrates Directive Action Programme Sustainable agriculture Communication project 'Arable farming of tomorrow' Measuring biodiversity	2, 7, 8, 9, 12, 14, 15 and 17	Elaboration of 7th Nitrates Directive Action Programme Implementation of Plant Health Action Plan Reduction of crop protection Development and test of Biodiversity Monitor Drawing up plan Arable Farming for Area-based Approach	<ul style="list-style-type: none"> Director Agro, Public Affairs, Director Sustainability
Association of Dutch starch manufacturers (VNZ)	2 times a year	Healthy food and climate agreement	13, 15	Sugars/carbohydrates in food, starch industry as plant-based protein producers and carbon reduction.	<ul style="list-style-type: none"> CEO, Public Affairs
Nutrient Platform EN	3 times a year	Closing waste streams and cycles	12	Further value and utilisation of Avebe's residual flow	<ul style="list-style-type: none"> Waste programme manager
Starch Europe	EXCO participation 4 times a year, in addition to participation in various working groups	LCA Healthy food Food Law ETS Green Deal European Commission and F2F CBAM Taxonomy	6, 7, 8, 9 and 12	LCA, product category rules 2022 Positioning for European policy, 'Green chemistry' and biobased economy Starch industry as protein producer ETS, CBAM and starch industry	<ul style="list-style-type: none"> Director Innovation Director Agro, Public Affairs, Sustainability

Other memberships

- Noorderlink administrative office
 - BUNDESVERBAND der Stärkekartoffelzeugerzeuger
 - Cool Farm Alliance
 - Dutch Biorefinery Cluster
 - Eurosac
 - EVO / EVOFENEDEX (business association for logistics and export)
 - Industrial Federation Fund
 - Innovation hub East Groningen
 - MVO Nederland
 - NCR (National Cooperative Council for Agriculture and Horticulture)
 - Province of Groningen "Er gaat niets boven Groningen"
 - Thomson Reuters
 - U.F.E./CESPU (Union of potato starch factories in EU)
 - Association AgriNL
 - VLK (Glues and Cements Association)
 - VNO-NCW
 - UN Global Compact
 - Agro Agenda Northern Netherlands
 - Fascinating
-

Annex 5 Shared value - Sustainable Development Goals

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

2. No hunger

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

6. Clean water and sanitary facilities

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

7. Affordable and sustainable energy

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

8. Dignified work and economic growth

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

9. Industry, innovation and infrastructure

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

12. Responsible consumption and production

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

15. Life on the land

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

17. Partnership to achieve objectives

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



Annex 6 Management & supervisory board profiles

Name	Current job:	Ancillary positions
Cooperative board and executive committee		
David Fousert	Chief Executive Officer and chair of the board	<ul style="list-style-type: none"> • Top team Agri & Food; Director Federation of Dutch Food Industry
Rob van Laerhoven	Chief Financial Officer and member of the board	
Mark Tettelaar	Chief Operation Officer	<ul style="list-style-type: none"> • Director - Association of the Dutch Chemical Industry
Arjan de Rooij	Managing director Agro	<ul style="list-style-type: none"> • Director - Brancheorganisatie Akkerbouw • Director - Foundation Cultivation Protection Measures Starch Potatoes
Chris Hollebek	Chief Commercial Officer	
Gerard ten Bolscher	Chief Innovation Officer	<ul style="list-style-type: none"> • Director - Dutch Biorefinery Cluster Foundation • Vice president Starch Europe • Member of the Supervisory Board Carbohydrate Competence Center
Nico Buijs	Chief HR Officer	<ul style="list-style-type: none"> • Temporary appointment
Supervisory board		
Marijke Folkers	Co-owner mixed farm, Veendam	<ul style="list-style-type: none"> • Chair Agro Agenda* • Chair CESPUS* • Chair NLB* • Member of AB NPG - until 01-07-2022 • Member of the Supervisory Board of ForFarmers
Chair of the Supervisory Board Chair SRB Committee		
Peter Poortinga	CEO Plukon Food Group	<ul style="list-style-type: none"> • Chair Supervisory Board Solynta • Member of the board - Association of the Dutch Poultry Processing Industry Nepluvi
Audit committee:		
Nanne Sterenberg	Owner of arable/nature farm, Onstwedde and Romania	<ul style="list-style-type: none"> • CESPUS member* • Member of the board - ChristenUnie Stadskanaal • Member TBM committee*
Appeals Committee		
Hans Wilhelm Giere	Farm owner	<ul style="list-style-type: none"> • Chair supervisory board Vereinigte Saatzuchten eG VSE • Chair of the Board Viehverwertung Bevensen-Bienenbüttel eG • Member of the board of directors of Forstbetriebsgemeinschaft Kalbe/Milde • Chair Bundesverband Stärkekartoffeln BVS* • CESPUS member* • Representative member BVS at UNIKA
Appeals Committee SRB Committee	Manager Windpark Liesten Giere GmbH & Co. KG Manager Bürgerwindpark Wulfstorf GmbH & Co. KG	
Johan Emmens	Owner of arable farm Rolde	<ul style="list-style-type: none"> • Member Foundation TBM*
Audit committee Chair Appeals Committee		

* has a link to the role at Avebe

Name	Current job	Ancillary positions
Supervisory board		
Martin Möllering Appeals Committee	Betriebsleiter Wirtschaftsbetriebe Meppen	<ul style="list-style-type: none"> • Im Vorstand der VNS (Verein Niedersächsischer Saatgutvermehrter) • Im Vorstand zweier Wasser und Bodenverbände
Angelique Heckman SRB Committee	Chief People & Culture Officer Royal Swinkels Family Brewers	<ul style="list-style-type: none"> • Member of the supervisory board of Witteveen + Bos • Member of the supervisory board of Stichting Bernbosch (historical position) • Member of the supervisory board at Stichting Zelfstanding Behandelcentrum Bernhoven (ZBCD)
Robert Smith Chair Audit committee:	Retired	<ul style="list-style-type: none"> • Member of the HZPC Association board • Member of the board Cosun OG B.V./Puttershoek Vastgoed B.V. • Member of the Supervisory Board of Wageningen Research Foundation • Member of the board - Shipyard Barkmeijer B.V. • Member supervisory board ISPT-AF Foundation
Dirk Kloosterboer Appeals Committee SRB Committee	Retired	<ul style="list-style-type: none"> • Member of the Supervisory Board of Bolsius International B.V. • Member of the Board of Directors Darling Ingredients Inc. (Irving, Texas) • Member of the Supervisory Board Darling Ingredients International Nederland Holding B.V.

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