Corporate Governance

Foreword

Corporate Governance concerns sound management and the supervision thereof. This Corporate Governance Code describes the roles, values, principles and strategic objectives of Coöperatie Koninklijke Avebe U.A. and all its affiliated companies (collectively: Avebe).

We invite customers, members, employees and other interested parties to read this Code. Comments, questions or feedback are welcome; you can contact us by telephone on +31 (0)598 66 91 11, or by email at info@avebe.com.

With your feedback, we can continuously improve our performance and further develop as a socially responsible cooperative.

Executive Committee
Coöperatie Koninklijke Avebe U.A.

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1 Mission, vision and strategic objectives

Avebe creates value from potatoes. We aim to provide sustainable solutions for food, animal feed and industrial applications. We are committed to innovation, quality and collaboration with our growers and customers.

Together, we are building sustainable growth. We are accelerating the transition towards more plant-based solutions by creating distinctive value for our members, employees, customers and society. The starch potato is our foundation. From soil to customer, we provide a sustainable and transparent chain through our innovative solutions.

Based on four pillars, we further strengthen our solid foundation towards sustainable growth, market innovations and added value for our farmer members, customers and employees. In doing so, we aim to achieve substantial increases in the potato payment and remain sustainably relevant for farmer members, customers and society.

1. **Strengthening the base**
   We expand the unique functionalities of potato starch and protein and leverage the sustainability of the potato as widely as possible. We do this by optimising line capacity and improving the performance of our product portfolio. With a structurally lower cost base and a more efficient organisation, we increase productivity through reliable production lines, digitalisation and automation. By deploying existing production lines flexibly and efficiently, we also reduce our footprint for ingredients used in plant-based food and in the development of renewable products for the construction and packaging industries.

2. **Accelerating plant-based**
   Where there is demand for distinctive plant-based alternatives, we offer propositions that contribute to sustainability and innovation within the sector.

3. **New Horizon**
   We explore market and cultivation opportunities to further utilise and market all raw materials and applications derived from the starch potato, possibly in combination with alternative protein crops. We do this using both existing and new technologies, such as developing synergies in production lines with alternative protein crops and exploring the valorisation of residual streams through fermentation.

4. **Together towards more value**
   Within the cooperative, we aim for the highest possible result for our members, continue to learn and focus on sustainable employability for a profitable future. “Together towards more value” means an increase of at least €25 in our performance indicator, achieved through the programmes we implement during this strategic period. Possible increases in potato cultivation costs are not included and should be reflected in higher prices passed on to the market.

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2 Our vision on Corporate Governance

We are committed to the sustainable development of our cooperative. This requires a careful and balanced consideration of the interests of our various stakeholders. Whether decisions relate to strategic direction or day-to-day operations, all decisions are assessed against our shared values and principles.

We aim for the sustainable development of our cooperative. This means carefully balancing the interests of our various stakeholders in the decisions we make. Whether it concerns adjustments to our strategy or decisions in day-to-day operations, all decisions are assessed against our shared values and principles.

Our Corporate Governance Code consists of the following elements:

- ✓ Mission, vision and strategic objectives: why we exist as a company, how we create value and the direction we aim to pursue;
- ✓ Roles in Corporate Governance: how we manage the organisation and the various roles involved;
- ✓ Relationship with stakeholders: how we engage with our stakeholders (customers, members, employees or their representatives, suppliers, local residents around our production sites, politicians, authorities, media and society at large) to create the right conditions for Avebe's sustainable continuity;
- ✓ Core values: the fundamental beliefs that guide our behaviour and decision-making;
- ✓ Business principles: how we translate these values into daily practice.

3 Roles and how we manage the organisation

Below are key principles describing how Avebe and its subsidiaries are governed, based on the Articles of Association of Coöperatie Koninklijke Avebe U.A. and relevant internal rules and regulations.

3.1 Role of members

As a cooperative of starch potato growers, the Members' Council is the highest governing body of Avebe. Through the Members' Council, members exercise control over key matters, such as appointing Supervisory Board members, adopting the annual accounts and taking other decisions laid down in the Articles of Association. The Members' Council also acts as a sounding board for the Management Board. It consists of members elected per district and includes a Youth Council. The Youth Council serves as a talent pool for future governance within the cooperative and represents aspiring and young members.

3.2 Role of the Supervisory Board

Avebe's Supervisory Board consists of nine members, five of whom are members of the cooperative. The Supervisory Board supervises the Management Board and the execution of strategy, as well as the policy of the cooperative and its subsidiaries.In addition, the Supervisory Board is responsible for the remuneration policy, appointing members of the Management Board (employer role) and approving the annual accounts, budgets and strategy.

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Members of the Supervisory Board are appointed by the Members' Council, and the Board appoints its own Chair from among its members. In addition to its formal duties, the Board also provides solicited and unsolicited advice on strategy and policy.

3.3 Role of the Management Board

The Management Board (cooperative board), consisting of the Chair (also CEO) and one member (also CFO), represents the cooperative and implements decisions. The Management Board is accountable to the Supervisory Board for its actions.

3.4 Role of the Executive Committee

The Management Board, together with the directors of HR, Agro & Strategy, Commerce & Innovations, and Operations, forms the Executive Committee. The Executive Committee is responsible for safeguarding the strategy and for the tactical and operational implementation of that strategy and related policies.

3.5 Role of management of subsidiaries

The management of each subsidiary applies Avebe's business strategy and policies. The Executive Committee of Avebe supervises this.

4 Communication on Governance

This Corporate Governance Code is a fundamental instrument for value creation with key stakeholders such as members, customers, employees, local residents, future employees and suppliers.

4.1 Compliance

We report in our integrated annual report on our objectives, activities and results that contribute to the sustainable development of our cooperative. We share information on our financial and social performance, as well as on health, safety and the environment.

5 Relationships with stakeholders

5.1 Connected to our environment

A continuous dialogue with all stakeholders is one of the key pillars of a successful cooperative. We strive for sustainable and transparent relationships with parties who have an interest in Avebe and/or are important to Avebe. Support, mutual respect, transparency and reliability are essential in this respect.

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We take responsibility throughout the chain, from cultivation through to the sale of potato starch and potato protein products. In doing so, we operate in a sustainable and socially responsible manner and comply with the laws of the countries in which we operate. Health, safety and the environment are a top priority at Avebe. We support fundamental human rights.

5.2 Members

Our strategy is aimed at achieving an optimal performance indicator (under normal conditions), thereby ensuring continuity for both our members and employees. The earning capacity of our members/suppliers is paramount. We therefore seek to pay a fair price for delivered potatoes. Crop optimisation enables members to contribute to this themselves.

5.3 Customers

Market orientation is a key pillar of our strategy. We aim to provide added value to our customers by delivering the right combination of quality, reliability of supply, innovation, sustainability and price.

We take responsibility across the entire value chain, from cultivation through to sales.

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5.4 Employees
We strive for sustainable and vital employability of our employees. We do this by offering good, safe and healthy working conditions and market-based employment terms. We work as one team, One Avebe, with the core values of collaboration, responsibility and development.

5.5 Suppliers (including contractors)
We aim for long-term relationships with suppliers that are beneficial for both parties. In addition to delivering quality at competitive costs, we value their contribution to achieving our sustainability objectives.

Employees of suppliers (including contractors) are expected to comply with Avebe's safety regulations. To maintain a professional relationship with suppliers, a code of conduct applies to all employees, customers and suppliers. In principle, employees may not accept gifts or invitations from suppliers with a value exceeding €50.

We value the contribution of our suppliers in achieving our sustainability objectives.

5.6 Local residents around our locations
We also consider our relationship with local residents to be important. We therefore maintain close contact with our surroundings and strive for maximum transparency. We aim to create sustainable connections by safeguarding Avebe's continuity and maintaining and developing employment.

6 Values and core competencies

Working together towards a better Avebe and a better future. We do this by reflecting, innovating, changing, delivering and connecting. Together, we take responsibility and contribute to our shared success.

Our internal culture is based on Play to Win. The following core competencies underpin our behaviour:

Reflect Critically assessing our own performance, strengths and areas for improvement, and continuously striving to learn and develop.

Innovate Thinking in an exploratory and "outside the box" way, navigating complexity and ambiguity, identifying connections and developing new solutions beyond conventional approaches.

Change Embracing change, exploring new situations and demonstrating curiosity in seeking out new experiences and opportunities for learning and improvement.

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Realize Identifying the best course of action in both familiar and unfamiliar situations, demonstrating determination and confidence, and striving to achieve successful outcomes.

Connect Showing genuine interest in others, exchanging ideas and perspectives, and working together to achieve shared goals and mutual understanding.

7 Business principles

7.1 Transparency and reporting

Avebe aims to be transparent about its business objectives, activities, structure and financial results. We place great importance on high-quality disclosure, accounting and controls, and we apply comparable standards to non-financial information that is subject to legal requirements, such as environmental and social reporting. Our financial reporting standards are based on Generally Accepted Accounting Principles (Dutch GAAP) and are aligned as much as possible with applicable sustainability reporting frameworks, such as CSRD and GRI. Where there is no commercial sensitivity, information on risk factors that may affect stakeholders is disclosed.

We are transparent about our governance structure and any policies that are relevant to external stakeholders. Finally, Avebe's business information system is based on the principle of a single source of data, promoting consistency and reliability of figures and enabling timely reporting.

7.2 Employees, trade union relations, diversity and inclusion

Avebe ensures fair compensation for all employees. We respect the right to representation by trade unions and other employee representatives. We enable authorised employee representatives to negotiate collective employment terms and give them the opportunity to consult with management representatives on matters of mutual interest.

Prior to negotiations, we provide employee representatives with relevant information. We also strive for dialogue and cooperation between Avebe, its employees and their representatives, and we keep them informed about the performance of subsidiaries, departments or Avebe as a whole. Where legislation is not in place, we determine our approach on a case-by-case basis.

Within Avebe and its subsidiaries, discrimination on the basis of race, colour, gender, religion, political opinion, national origin, sexual orientation or social background is not permitted, unless such differentiation supports government policy aimed at promoting equal opportunities in the labour market. Avebe respects the privacy of every employee and collects and retains employee information only as required (by law) for effective business operations. Policies and procedures are in place to protect personal data.

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Avebe respects the privacy of every employee.

Avebe recognises the importance of a balanced gender distribution within its organisation and takes this into account in appointments. We also aim to create opportunities for diverse groups in the labour market, encouraging young people to apply, supporting the advancement of women into leadership roles, and offering people with a distance to the labour market the opportunity to gain work experience.

7.3 Policy on inappropriate behaviour

We expect our employees to contribute to a positive working environment through their attitude and behaviour. Unwanted advances, racist remarks, discriminatory behaviour, swearing, verbal aggression, physical aggression or threats, insults and sexual harassment are unacceptable and will not be tolerated.

Any employee with a concern or complaint about inappropriate behaviour in the workplace should, where possible, first discuss the matter with a colleague, who may act as a mediator to help resolve the issue. If the matter is not resolved in this way, the employee should report it to their line manager (unless the manager is involved), the relevant HR Director, the Legal department, or via the SpeakUp procedure. It may then be decided to submit the complaint to the complaints committee, which will initiate an investigation.

Investigations are always conducted professionally by at least two individuals. The identity of the complainant, any witnesses and the person accused is protected. If inappropriate behaviour is confirmed, measures will be taken against those responsible. Depending on the findings, these measures may range from guidance to disciplinary action and dismissal. Avebe has also appointed an external confidential adviser with whom such matters can be discussed.

7.4 Forced and child labour

Avebe recognises that forced and child labour exist in certain countries. We do not accept this and ensure that such practices do not occur within our organisation. We also make every effort to ensure that our suppliers and business partners do not engage in forced or child labour.

7.5 Corporate Social Responsibility (CSR) and sustainability

Through our plant-based products, we help reduce the ecological footprint of our customers in the food industry as well as in the construction and packaging sectors. For the latter, it is important to note that our products are biobased, renewable and contribute to circularity. We strive to reduce our footprint in line with the Paris Climate Agreement, both in our own operations and for our customers. This includes structurally reducing our energy consumption, lowering water intake and promoting the circular use of residual streams.

In cultivation, we also take account of climate change. Our subsidiary Averis develops new varieties that are more resilient to, for example, drought and potato diseases, while also delivering higher yields of starch and protein per hectare using fewer crop protection products.

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7.6 Health, safety and environment

We report on our sustainability objectives, actions and performance in the areas of Environmental, Social and Governance (ESG). Our reporting aligns as closely as possible with the Corporate Sustainability Reporting Directive (CSRD). This directive enhances transparency and comparability in sustainability performance, supporting our continued progress in sustainability.

Some of our production sites fall within the highest risk category of the chemical industry. Safety is our top priority and consists of both technical measures and human behaviour. Where safety cannot be addressed through technology or automation, we focus strongly on safety behaviour and culture, supported by general and specific training and assessments. This ensures that everyone understands their role, and together we reduce risks — including in the field of cybersecurity. Cybersecurity focuses on safeguarding digital environments such as offices, telecommunications, networks and production sites.

We value the health of our employees and offer opportunities to improve vitality and well-being. Health information is handled with the utmost care and strict confidentiality. We aim for zero safety and environmental incidents, including when employees are working outside our locations. We promote transparent reporting of incidents and apply a "no blame" policy. Incidents are carefully investigated and measures are taken to prevent recurrence.

We aim for zero safety and environmental incidents.

Avebe applies Life Saving Rules: essential safety rules designed to minimise risks and prevent serious accidents and injuries. This is a key part of our ongoing commitment to a safe and healthy working environment for everyone at Avebe.

Life Saving Rules

Alcohol & drugs
Do not work under the influence of alcohol or drugs.

Work permit
Only work with a valid work permit and adhere to the relevant safety rules.

Confined space
Be aware of risks when working in confined spaces and take the right safety measures.

LoToTo
Isolate machines and equipment according the LoToTo procedure before you start to work.

Work at height
Protect yourself from falls and falling objects when working at heights.

Hoisting
Ensure that lifting equipment is suitable for the purpose and prevent people from being under the load.

Overrides
Always obtain permission before overriding a safety device and implement the necessary precautions.

Line of fire
Position yourself so that you are not exposed to moving parts or released pressure.

Hot work
Recognize ignition sources and ensure that no flammable material is present before starting work.

Personal protective equipment
Always wear your personal protective equipment.

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7.7 Business ethics

Avebe recognises that trust, integrity and honesty are the foundation of its business operations. It is essential that all employees understand their responsibilities in relation to business ethics and anti-corruption. Through procedures and training programmes, we aim to raise awareness of our anti-corruption policy and ensure compliance. This is further detailed in the internal Code of Conduct.

Trust, integrity and honesty form the foundation of our business conduct.

Key principles include:

- ✓ business decisions must be based solely on legitimate business considerations;
- ✓ any perception that gifts or hospitality create preferential treatment must be avoided;
- ✓ gifts or invitations with a value exceeding €50 from parties with a (commercial) interest in Avebe should, in principle, not be accepted;
- ✓ employees offered gifts that may be considered bribes or secret commissions should follow the whistleblowing policy (see paragraph 7.8).

Our internal control systems are designed to prevent bribery and other forms of corruption. We do not make payments or provide services without a legitimate and documented consideration, and we do not respond to such requests. Our financial and tax accounting principles and audit procedures prevent the existence of undisclosed or off-the-books accounts and ensure that reports accurately reflect transactions. We do not make payments to political parties or organisations whose activities are aimed at promoting political interests. All employees are expected to comply with the internal Code of Conduct, including procedures for accepting gifts and/or invitations.

7.8 Whistleblowing policy / SpeakUp

Avebe operates a whistleblowing policy designed to investigate reports of potential breaches of internal or external laws and regulations by employees. This includes any violation of our values and business principles, as well as potentially unlawful accounting practices or deficiencies in internal controls.

Employees are responsible for complying with all applicable rules and must report suspected violations in line with the whistleblowing procedure.

Employees can submit reports confidentially and anonymously, including via the SpeakUp system.

No adverse action will be taken against individuals who, in good faith, report concerns about potential violations or questionable accounting practices. Retaliation is not tolerated under any circumstances.

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All alleged retaliation must be reported immediately and will be investigated without delay. Investigations are conducted by individuals with appropriate expertise. Where necessary, external parties may be engaged, and they will adhere to the same whistleblowing standards.

The whistleblowing policy applies within Avebe and is also available to external stakeholders, such as customers and suppliers.

7.9 Science and technology

We are committed to establishing guidelines that facilitate the transfer and rapid dissemination of knowledge and technology, while protecting intellectual property rights and commercial effectiveness.

Where relevant, we conduct scientific research and develop technologies to meet the needs of local markets. Employees are expected to comply with policies governing the use and disclosure of knowledge.

7.10 Competition

We refrain from entering into or implementing anti-competitive agreements with competitors, such as price-fixing or coordinated quotation arrangements, for instance coordination of participating companies with regards to tenders. Employees must be familiar with and comply with the Competition Law Compliance Handbook.

7.11 Food safety, quality and compliance

Avebe strives as much as possible to ensure that its products are safe and comply with both legal requirements and customer expectations.

We use food safety and quality management systems to ensure product quality and safety, and these systems are regularly reviewed and updated.

Suppliers are part of our food safety management system and are continuously monitored through audits and questionnaires. Only suppliers that meet our standards are used.

Traceability is an integral part of our system and is regularly tested through simulated product recalls with the active involvement of customers and suppliers.

The Executive Committee has established internal QESH requirements to ensure consistent and optimal performance in food safety and quality and to facilitate learning from best practices. These requirements are regularly updated and available to all employees.

We systematically monitor developments in relevant legislation and integrate them into our processes where necessary. Avebe aims to comply with recognised quality standards, which are independently certified.

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7.12 Social media

Avebe has established guidelines for the use of social media. Employees are expected to observe normal standards of conduct and to act with restraint when communicating about or related to Avebe or its employees.

7.13 Risk policy

Achieving our objectives and conducting business activities involves risks. Avebe aims to identify, analyse and manage risks effectively and efficiently, or to mitigate them financially where appropriate.

Risk management is an essential part of our policy. Each business unit has a risk owner and a risk coordinator, who share responsibility for assessing risks and coordinating mitigation actions.

Avebe has procedures in place for managing incidents at site level as well as for incidents that affect multiple locations.

7.14 Economic principles underlying policy

A sound financial foundation is essential for the continuity of the organisation.

The cooperative result is distributed to members/shareholders as much as possible, taking into account the long-term financial needs of the cooperative, the ability to implement its strategy, make investments and meet social and sustainability requirements.

The cooperative result is an indicator of the efficiency of the organisation and the way in which end-users of our products and services value these products and services.

Investment decisions are based on economic, social and sustainability considerations.

Contact

If you have any questions or comments regarding this Corporate Governance Code, please do not hesitate to contact Avebe by email or telephone.

Coöperatie Koninklijke Avebe U.A.
P.O. Box 15
9640 AA Veendam
The Netherlands

T: +31 (0)598 66 91 11
E: info@avebe.com
www.avebe.com

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