FLORA Food Group™

Climate *transition* plan

Our *ambition*

Our climate ambition enables our commitments to inspire the shift to healthy, sustainable diets while achieving our science-based net zero targets.

The food industry contributes 30% of global greenhouse gas (GHG) emissions.[1] As a global branded food champion, Flora Food Group is leading the transformation towards sustainable nutrition by offering a compelling choice of lower-carbon products in our growing categories of dairy alternatives to butters, creams and cheeses.

Our role

At Flora Food Group, we strive to develop the next generation of delicious, natural and nutritious food that is both more affordable and more sustainable than dairy equivalents. In general, our products offer a lower-carbon choice for consumers compared to dairy equivalents.

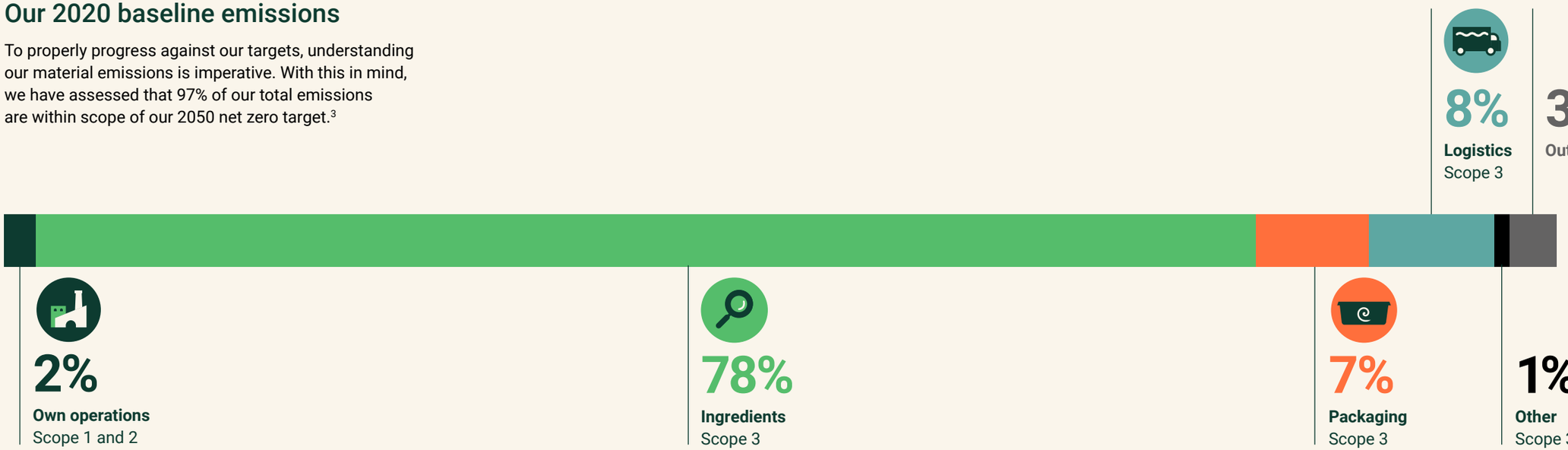
In 2024, we partnered with Quantis, a leading environmental sustainability advisor, to assess the sustainability benefits of our portfolio (based on lifecycle assessments, "LCA"). The study resulted in quantifiable impact comparisons with dairy equivalents, in our categories of butters and spreads, creams and cheeses. The study analysed about 50% of our product portfolio globally and found that, on average, across these categories, our products have a 70% lower climate impact, require 75% less land, and use 65% less water compared to the dairy equivalent.[2]

While certain levels of GHG emissions are unavoidable within our operations due to manufacturing, ingredients, packaging and logistics, we aim to deliver reductions across these sources of emissions.

Our overarching objective is to provide consumers with more sustainable food options while driving progress towards net zero across our value chain. Our climate transition plan and net zero targets are aligned with the latest scientific guidance to support global climate goals. Our progress towards net zero is driven both by our own initiatives and by advancements in other sectors, such as energy. These advancements, in turn, depend on a strong policy framework – one that we actively support and advocate for, and which underpins system-wide progress.

Our 2020 baseline emissions

To properly progress against our targets, understanding our material emissions is imperative. With this in mind, we have assessed that 97% of our total emissions are within scope of our 2050 net zero target.[3]



Our climate *journey*

We have been working on driving climate action since Flora Food Group was created.

We underwent industrial, digital and cultural transformation to become the business we are today – all while continuing to renovate and innovate our sustainable product portfolio.

Our climate actions have focused on helping deliver a more sustainable food system. We have made strategic acquisitions, entering into a new category and creating partnerships. In 2020, we developed an International Organization for Standardization (ISO)-compliant lifecycle assessment (LCA) tool with Quantis to calculate the environmental impacts for our portfolio. We set an on-pack carbon labelling target in 2020 and reached 1 billion labels in 2024, surpassing our original target. In 2022, we opened a state-of-the-art innovation facility: our Food Science Centre. In 2023, we were the first in our category to introduce paper-tub packaging, earning us global recognition in 2024. Also in 2024, our emissions-reduction targets were approved by the Science Based Targets initiative (SBTi).

In the following years, we will review, evolve and adjust our plans as we aim to deliver against our net zero commitments. Most importantly, we aim to continue to inspire the shift needed in the food system to deliver healthy and sustainable diets.

Our climate timeline

Building on our 150+ years of global heritage, we have undergone a significant transformation over the last five years while continuing to make progress on our climate ambition.

2018–2020

- Flora Food Group is created
- Set No-Deforestation Policy
- Achieved 100% Roundtable on Sustainable Palm Oil (RSPO) (mass balanced and segregated)
- Set our baseline year for carbon emissions
- Set carbon labelling target of 500 million
- Entered the cheese category through the acquisition of Violife

2021–2022

- Published first comprehensive ESG Report
- Reported avoided emissions of our products compared to dairy equivalents
- 100% of our palm supply chain is satellite monitored; updated responsible sourcing policies
- Invested €40 million to build our Food Science Centre
- Published first Task Force on Climate-related Financial Disclosures (TCFD) report
- Launched factory decarbonisation plan
- LCA tool created to communicate carbon, water and land impacts of products in key markets

2023–2024

- Exceeded 1 billion carbon labels for 500 million carbon labels target
- First in category to introduce award-winning paper packaging
- ‘Skip the Cow’ campaign showcasing climate benefits of products
- Established Future of Food Conference
- SBTi targets approved for net zero commitment
- Published Climate Policy
- Launched primary data collection programme with key suppliers
- CDP recognised us as leaders (received A- for climate change)

2025+

- Deliver on actions in the Climate Transition Plan as detailed in the following pages
- Ongoing evaluation of data, plans and actions to achieve our targets
- Continue to inspire the shift needed in the food system

Our *net zero* targets

We have committed to science-based targets as they provide a credible and effective framework for achieving meaningful climate action.

By setting ambitious targets, we are encouraging innovation across our product development, operations and supply chains, mitigating our impact on the climate as a consequence. This helps us to recognise new business opportunities while reducing our overall environmental impact.

We commit to reach net zero GHG emissions across the value chain by 2050.[5]

Our near-term targets (2030)

- We commit to reduce absolute Scope 1 and 2 GHG emissions 80% by 2030 from a 2020 base year.[6]
- We commit to reduce:
  - Absolute Scope 3 non-FLAG GHG emissions from purchased goods and services, fuel- and energy-related activities, and upstream transportation and distribution 25% by 2030 from a 2020 base year.
  - Absolute Scope 3 FLAG GHG emissions from purchased goods and services 30.3% by 2030 from a 2020 base year.[7]
- We commit to eliminating deforestation across primary deforestation-linked commodities, with a target date of no later than December 31, 2025.

Target year	Percentage reduction from 2020 baseline
2030	**80%** Scope 1 and 2
	25% Scope 3 (non-FLAG)
	30.3% Scope 3 (FLAG)

Our long-term targets (2050)

- We commit to reduce absolute energy- and industry-related Scope 1 and 2 GHG emissions 95% by 2050 from a 2020 base year.
- We commit to reduce:
  - Absolute energy- and industry-related Scope 3 non-FLAG GHG emissions 90% by 2050 from a 2020 base year.
  - Scope 3 FLAG GHG emissions 72% by 2050 from a 2020 base year.

Target year	Percentage reduction from 2020 baseline
2050	**95%** Scope 1 and 2
	90% Scope 3 (non-FLAG)
	72% Scope 3 (FLAG)

What are FLAG and non-FLAG emissions?

FLAG emissions refer to GHG emissions associated with the forestry, land use and agriculture (FLAG) sectors. These emissions represent a significant proportion of global carbon emissions. Activities within scope include deforestation, land degradation, agricultural practices and livestock production. Addressing FLAG emissions is crucial for achieving climate goals, as these sectors contribute substantially to global warming and environmental degradation.

Non-FLAG emissions refer to GHG emissions that come from sectors outside of FLAG. Examples of non-FLAG emissions sources include emissions from energy consumption based on fossil fuels and emissions from broader industrial and urban activities. Reducing non-FLAG emissions is essential for global climate change mitigation efforts.

Our plan to *achieve* net zero targets

As part of our science-based targets, we commit to reducing Scope 1 and 2 emissions from 93 kilotonnes to 19 kilotonnes by 2030 and Scope 3 emissions from c. 3.7 million to 2.7 million kilotonnes by 2030 (30.3% for FLAG and 25% for non-FLAG emissions), all while maintaining business growth.

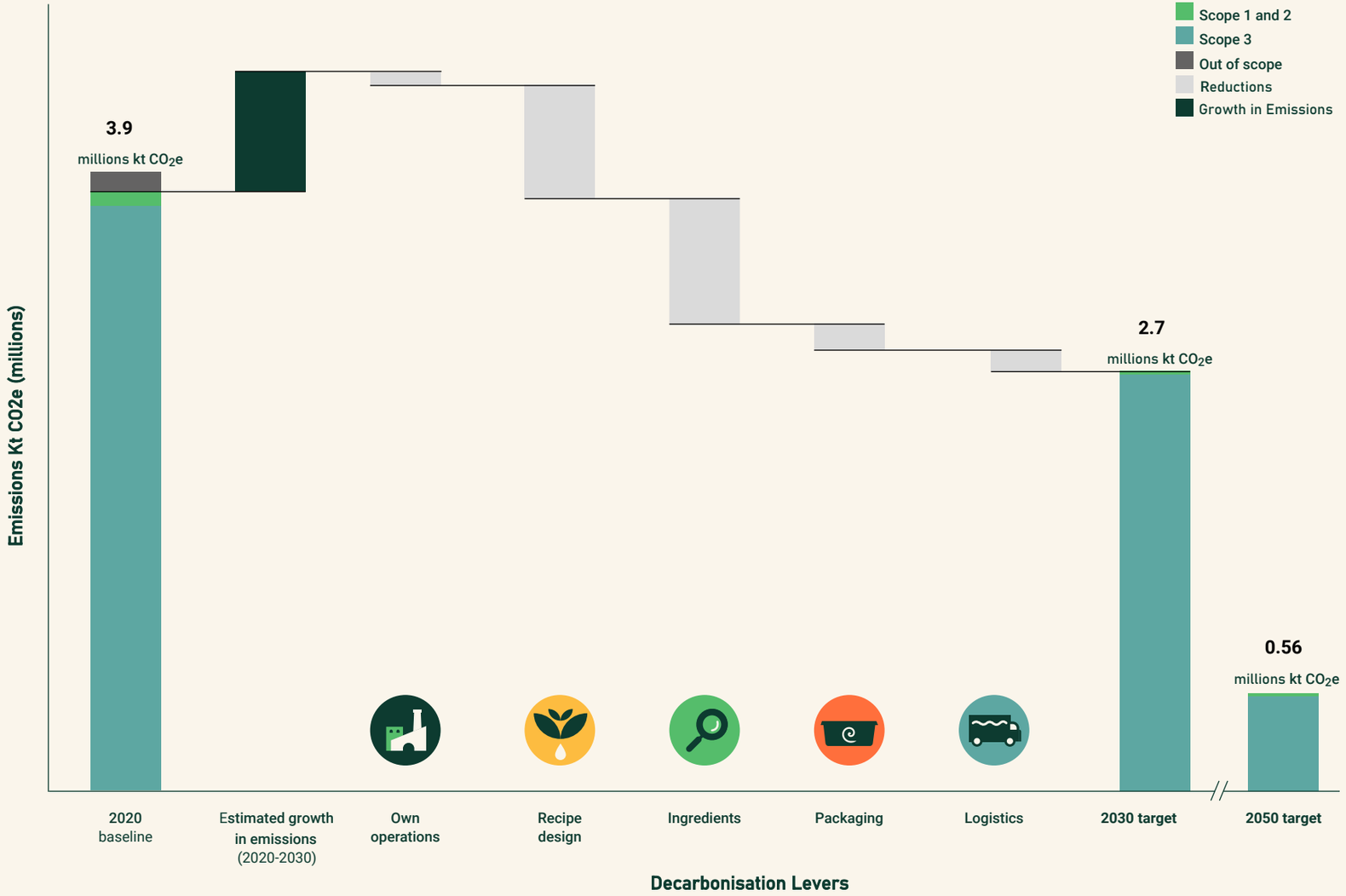
To facilitate effective climate action, we have developed a clear strategy for accelerating progress towards our 2030 interim net zero targets. We will reevaluate regularly and update our analysis, plans and actions to work towards our 2050 net zero target.

Our plan details the core levers required to achieve our 2030 near-term targets as part of our ambition to achieve net zero by 2050. Our levers include first and foremost providing consumers with a low-carbon choice. By facilitating the switch to lower-carbon, more sustainable products, we are supporting the transition to a sustainable food system. This is our biggest climate opportunity.

Building on our resilience plans that address the physical risks from climate change potentially affecting our own operations, we focus on reducing our Scope 1 and 2 emissions.

We have diversified sourcing practices and flexible recipes that mitigate potential single-commodity risks associated with climate change, guaranteeing the long-term security of our ingredients. We focus on reducing our Scope 3 emissions via our recipe design, the ingredients we buy, our innovative packaging and making logistics more efficient.

Decarbonisation Pathway



Climate *transition* plan

Our climate transition plan outlines our strategy to develop pioneering lower-carbon products while reducing emissions across our operations and value chain. Our plan details the core levers required to achieve our 2030 near-term targets as part of our ambition of net zero by 2050.

Our plan to achieve net zero

The levers, shown below, detail our actions to achieve our 2030 decarbonisation goals. We will continuously reevaluate and update our analysis, plans and actions to reach our long-term 2050 net zero commitments.

Consumers' choice

Shifting consumers towards healthy, sustainable diets is perhaps one of the most influential levers we can utilise for driving meaningful sustainable change.[8] Our product portfolio and scale of operations uniquely position us as potential industry leaders for delivering the dietary shift required for a sustainable food system. In 2024, choosing Flora Food Group's butters and spreads, creams and cheeses, compared to a representative market mix of dairy and non-dairy alternatives, avoided an estimated 2.7 million tonnes of CO_2e emissions, 4,028 km^2 of land occupation and 67.5 million m^3 of water withdrawal globally. This is equivalent to the GHG emissions from over two years of electricity usage in Amsterdam, the land area the size of approximately 1,180 New York City Central Park and the water volume sufficient to fill more than 27,000 Olympic-sized swimming pools.[9]

We want to inspire consumers and customers to choose our products by communicating the lower impacts of our products compared to dairy equivalents. Our climate efforts also help retailers and food services decarbonise their supply chains, reducing their Scope 3 emissions and reach their own net zero targets.

Climate levers

Avoided emissions

Consumers' choice

Grow our business and provide customers with a compelling choice of more sustainable products with lower-carbon products in our categories

Help retailers and food services decarbonise their supply chain emissions by providing lower-carbon products than dairy equivalents

Scope 1 and 2

Own operations

Increase the use of renewable energy in our operations

Reduce energy consumption by increasing energy efficiency

Scope 3

Recipe design

Reduce the use of high-carbon-impact ingredients and prioritise lower-carbon products

Integrate carbon considerations in our product innovation and development process to develop more sustainable products with lower impact

Ingredients

Source our ingredients sustainably

Remove deforestation from our supply chain

Encourage suppliers to set emissions reduction targets aligned with the SBTi

Packaging

Increase the use of recycled materials and reduce our overall packaging weights

Innovate our packaging's design to reduce carbon emissions

Eliminate packaging materials with high carbon footprints

Logistics

Increase transportation efficiency through load fill and network optimisation

Increase share of low-carbon transportation modes through intermodal and explore new modes such as electric vehicles (EVs)

Explore and increase the use of low-carbon fuels, such as biofuels, by our logistical partners

Collaborate with our suppliers to understand hotspots and encourage them to reduce emissions across our value chain (ingredients, packaging and logistics)

Own operations

How we operate our manufacturing sites will be critical in decarbonising our Scope 1 and 2 emissions. In 2020, our emissions from our manufacturing sites represented 2% of our total baseline emissions.

Our plan

To decarbonise our manufacturing sites, we are integrating energy-efficiency measures, increasing renewable electricity procurement and deploying low-carbon solutions wherever feasible. Our key initiatives include installing heat pumps, transitioning to biofuels and installing photovoltaic solutions.

Each of our manufacturing sites have their own energy-reduction targets included in their annual operational improvement plan. While some factories are undertaking larger, long-term projects, others have implemented smaller initiatives, yielding effective short-term results.

Read our TCFD report, found in the ESG Centre, to learn about the impact of climate risk on our manufacturing sites, resilience and adaptation measures.

Our dependencies and challenges

- Local legislation favouring low-carbon solutions moving at a slower pace than anticipated.
- The availability, maturity and affordability of new associated technologies.
- Infrastructure adaptation requirements; retrofitting solutions into existing infrastructure and space constraints for on-site solutions.
- Suppliers' on-time delivery of materials providing complete, integrated solutions for each market.

For progress across all levers in our Climate Transition Plan, read our latest report found in the **ESG Centre**.

Recipe design

Our products represent our greatest opportunity to drive positive climate impact. Our innovation in healthy, sustainable foods offer consumers sustainable choices without compromise.

We strive to balance taste, performance and nutrition, all while achieving a smaller carbon footprint.

Our plan

We are continuously innovating our recipe design to look for ways to reduce our product carbon emissions, meeting taste, natural, nutrition and affordability criteria. Each recipe revision considers the carbon impact across ingredients, packaging, production and distribution. Additionally, we are looking for new product innovations that result in new products with smaller carbon footprints. We have a peer-reviewed, ISO-compliant LCA tool to support our recipe design decisions to select sustainable ingredients and reward lower-carbon suppliers.

Our dependencies and challenges

- Technology development for replacing carbon-intensive ingredients.
- Availability and affordability of low-carbon alternatives meeting taste, natural, nutrition and affordability criteria.
- Market-specific consumer preference and subsequent recipe adjustment that meets taste, affordability, nutrition and sustainability criteria.

Read our TCFD report, found in the ESG Centre, to learn about our climate transition opportunity analysis.

Ingredients

The sourcing of ingredients and products represents approximately 78% of our total baseline emissions. This is primarily attributed to key plant oils such as palm, soy, rapeseed and sunflower, as these ingredients contribute to our highest volume and highest emissions.

Our plan

Our initiatives to address ingredient use can be attributed to one of two categories: those contributing to agricultural emissions (called FLAG) and those that are non-agricultural emissions (called non-FLAG).

To reduce the emissions of the ingredients we use, we have focused on initiatives with key suppliers. Our approach targets land use change, including deforestation, and farming practices, as well as emissions from the production of oils.

We are committed to sourcing plant oils sustainably and removing deforestation from our key supply chains. Since 2018, we have pledged to source 100% deforestation-free high-risk ingredients with a focus on palm, soy and paper. This commitment is aligned with our science-based targets and is supported by a robust programme, including strict policies, RSPO certifications and satellite monitoring.

Our decarbonisation efforts are significantly dependant on our suppliers' commitments to reduce their own emissions. That is why we are encouraging them to set up SBTi and no-deforestation and conversion targets.

Our dependencies and challenges

- Securing ingredients that align with our sustainability goals while meeting taste, performance, nutrition and cost requirements, and maintaining a resilient and diverse supply chain.
- Since the majority of our Scope 3 emissions are associated with our suppliers, we depend on the quality of the emissions data they share and their decarbonisation plans.
- Suppliers use different methodologies and approaches to manage emissions, making alignment a challenge. Accurately accounting for progress is highly dependent on how the industry harmonises these approaches.
- Adapting to and leveraging new and existing regulations that encourage sustainability practices among suppliers and enable more accurate, transparent reporting within regulatory frameworks.
- We greatly depend on the pace of adoption of industry and sector standards related to sustainable practices.
- We depend on policies enabling and supporting farmers to produce lower carbon products and/or incorporate lower carbon practices.

Read our TCFD report, found in the ESG Centre, to learn more about physical climate risk and our key commodities.

For progress across all levers in our Climate Transition Plan, read our latest report found in the **ESG Centre**.

FLAG vs non-FLAG emissions?

For FLAG emissions (agricultural):
Our action to reduce FLAG emissions will focus on land use change, specifically by achieving deforestation- and conversion-free (DCF) in our priority supply chains by 2025, improving traceability and achieving DCF for primary ingredients.

For non-FLAG emissions (energy and industrial):
Our action plan to reduce non-FLAG emissions focuses on processing emissions tied to key commodities, packaging, transportation and logistics. Efforts include encouraging suppliers to adopt renewable energy, improve energy efficiency and implement low-carbon production practices. Additionally, we aim to optimise transportation routes (inbound and outbound), adopting low-carbon logistics solutions and collaborating with suppliers to integrate decarbonisation initiatives across our value chain.

Packaging

Packaging represents about 7% of our total baseline emissions. While we expect our packaging to ensure product safety, we are committed to integrating environmental considerations into our solutions, incorporating sustainability into the product experience.

Our plan

To reduce the carbon impact of our packaging, we are innovating our packaging design to continuously search for opportunities to reduce the carbon impact. This can be done through lightweighting our packaging, reducing the reliance on high-carbon packaging materials and increasing the use of alternative packaging that uses non-fossil-fuel-based materials. For instance, we have introduced paper-based tubs, demonstrating our commitment to innovate an alternative to plastic.

We also actively incorporate low-carbon and recycled materials across our product design. In North America, we have increased the use of recycled paper for our shipping cases and are actively seeking to expand the use of recycled materials across our portfolio. These initiatives not only help to reduce our packaging-related emissions, but also align with our broader sustainability objectives and consumer expectations.

In order to make the right choice in our packaging, we run LCAs to inform our decisions and innovation pipeline. We plan to work with our suppliers to encourage low-carbon practices in their production practices (e.g. increasing renewable electricity use) and in their sourcing of materials. We will give preference to such suppliers.

Our dependencies and challenges

- While products are designed to global recycling standards, local markets may not have the necessary infrastructure and systems in place to facilitate our efforts.
- Varying local regulation; the EU Packaging and Packaging Waste Regulation (PPWR) will inform standards and help drive rules that govern packaging globally as other markets follow.
- Availability and approval of recycled materials for the food industry, such as rPET, and technical feasibility along with availability of other recycled materials at cost (e.g. recycled polypropene).
- Adoption of appropriate regulation at pace; national campaigns and incentivisation schemes are required to drive attributed consumer interest and behaviour.

Logistics

Logistics represent about 8% of our total baseline emissions. This includes emissions related to inbound and outbound transportation.

Our plan

To decarbonise our logistical supply chain, we are focusing on increasing transportation efficiency, transitioning to low-carbon fuels, and using more sustainable transportation modes where feasible.

We are optimising the load-fill of our trucks and improving carrier selection by prioritising efficiency and sustainability criteria of our logistical partners. These measures not only reduce emissions, but also lower costs and improve overall logistics performance. We are shifting more volume to intermodal transportation. For example, in the United States, we aim to increase intermodal transportation by train.

We actively promote the use of low-carbon fuels for our carriers. By collaborating with our logistics partners, we aim to transition to cleaner energy sources and support the wider adoption of sustainable fuel solutions.

We are preparing for the future of logistics by exploring opportunities for electrifying our transport fleet. While short-haul EV transportation is becoming more viable, we are also closely monitoring advancements in EV technology for long-haul transportation to ensure readiness as these options become available.

Our dependencies and challenges

- The rate of development and technological advancement, the affordability of low-carbon transportation modes and the ability of global infrastructure to support scalable implementation.
- Availability and scalability of low-carbon fuels and solutions requires investments and collaboration across industries and countries.
- Partner adoption rates of new technologies may be slower than anticipated; partners face significant hurdles in long-haul operations with lack of uniformity across supply chains, creating obstacles to decarbonisation.

For progress across all levers in our Climate Transition Plan, read our latest report found in the **ESG Centre**.

Enablers of our *action* plan

To achieve our plans, we are acting in the following ways to facilitate and support our climate ambition:

Inspire and enable collective action for sustainable food systems

We want to inspire our employees, partners and consumers, creating a community that supports leaders, innovators and creators within the food sector. We want to continue to play an active role in convening, inspiring and mobilising key players in our sector, exploring opportunities to accelerate the global dietary shift towards a more sustainable food system. Considering this, we will continue to empower our employees to be our greatest advocates for healthy, sustainable foods.

Advocate for climate action

We will continue to advocate for effective policy by working with the sector, industry peers, governments and non-governmental organisations to enable climate action and sustainable diets across our value chain through industry collaboration such as Consumer Goods Forum and World Business Council for Sustainable Development.

Enable brands

We want to accelerate the shift to a sustainable food system by helping our consumers make a lower-carbon choice with our products and supporting retailers and food services to decarbonise their supply chain in line with their emissions reduction goals. Our brands offer a compelling choice.

Collaborate with strategic partners

We will continue to collaborate with innovators, scientists, creators, chefs, suppliers, retailers and partners for cross-sector solutions to drive plant-forward food systems with sustainable agricultural practices, supporting decarbonisation across the value chain.

Preference suppliers

Specifically, within our supply chain, we will preference suppliers that have carbon commitments and high-quality carbon solutions. We will continue to engage with suppliers to understand and support their climate-related solutions.

Promote high-quality data

High-quality primary emissions data is a cornerstone of our ability to drive action. By using a digital platform, we enable suppliers to share their emissions data directly with us, providing accurate and timely insights into their decarbonisation efforts. This transparency allows us to evaluate supplier performance, strengthen partnerships and make data-driven decisions that enhance our climate strategies. Better data quality also supports the improvement of our product footprinting practices, ensuring we can offer customers precise and reliable information to support their climate plans.

Embed climate action

Decarbonisation strategies have been embedded across every facet of our operations. Next to the working groups, steering committees and forums, we have an embedded carbon control tower to manage progress and enable effective implementation of actions and initiatives.

The Board holds accountability for climate-related matters with the Chief Operations Officer and Product Officer (COPO) as executive sponsor, delegating to the Chief Sustainability Officer (CSO) for strategy and implementation.

For details on governance oversight and information on how remuneration is linked to climate ambition, please see our latest Financial and ESG Report found in the ESG Centre on our website.

As a member of the Executive Committee, the COPO is the executive sponsor of the Climate Transition Plan and has approved it along with the relevant Executive Committee members.

Investment and financial planning

We have incorporated climate investments and decarbonisations costs (Capex and Opex) into our yearly financial planning cycle. This ensures full integration in our strategic planning and alignment with our operating model. By doing this, we tackle climate risks and opportunities, align with local business priorities, and reinforce our commitment to achieving net zero.

Dependencies

While we are driving action in our control to achieve our net zero targets, we are highly dependent on the pace of external change on policy, energy pricing, affordability of new technologies and global and local regulations. There are worldwide factors and macro events outside of our control that may limit our ability to achieve our goals at pace.

Related documents

Task-force on Climate-related Financial Disclosures

Climate Policy

Annual Report 2024

End notes

1 Source: Principles for Sustainable Food Systems (WWF).

2 As this reflects a weighted average across these three categories, some of our SKUs may perform better or worse than the reported results. For individual product claims, see the technical summaries available for each product on the brand websites. We continue to work on enhancing data accuracy and further improving the environmental performance of our products. See methodology on company website: https://www.florafoodgroup.com/esg-centre

3 Figures have been rounded to the nearest whole number and, as such, may not total 100%.

4 Emissions related to capital goods, waste generated in operations, business travel, employee commuting and end-of-life treatment of sold products are out of scope of our net zero target.

5 Emissions in scope of our net zero target represent 97% of total baseline emissions, including 100% of Scope 1 and 2 and c. 94% of Scope 3.

6 The target boundary includes land-related emissions and removals from bioenergy feedstocks.

7 Target includes FLAG emissions reductions and removals.

8 Source: Achieving a plant-based diet (WWF).

9 Based on analysis conducted in 2024 by specialist sustainability consultancy Quantis, using moving annual total data from September 2023 to August 2024, examining 50% of Flora Food Group sold volumes of butters and spreads, creams and cheeses compared to market share of dairy or alternative plant-based and blended butter and spreads, creams and cheeses in operating markets (as defined in methodology summary). Data for about 50% of sold volumes of each category (butters and spreads, creams and cheeses) in operating markets was used to extrapolate results for 100% of sold volumes for Flora Food Group products in operating markets. While the analysis indicates that, overall, Flora Food Group products indicate avoided climate, water and land pressures, some SKUs may perform differently. Consequently, not all categories exhibit the same level of environmental benefits. Find out more in the methodological document, including details of the basis of our comparative claims. For a sample of product-specific claims, see available technical summaries on brand websites. Climate equivalency is based on 1,190 kt CO_2e emissions from electricity in the city of Amsterdam in 2022. Land equivalency assumes 3.41 km^2 as the area of Central Park in New York City, New York, U.S. Water equivalency assumes 2,500 m^3 of water per one Olympic-sized swimming pool. See methodology on company website: https://www.florafoodgroup.com/esg-centre

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