Entreprise B Certifiée

First sugar factory
in the world - 09/2024

iscal

# ESG Report

## 2024-2025

# Open letter from **Robert**, **CEO** of iscal

At iscal, each year marks another step toward a more sustainable future. This 4th ESG (Environmental, Social, and Governance) Report bears witness to our commitment to transforming our ambitions into quantifiable, meaningful actions. It reflects our desire to upgrade our model by placing positive impacts at the heart of all our decisions.

And the facts speak for themselves. In September 2024, iscal became the first sugar factory in the world to obtain B Corp certification. A strong symbol of the recognition of our commitments to the greater good, and a great starting point for an even bigger and more general positive impact.

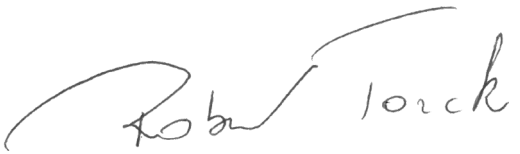
We're also celebrating another milestone, as our wind turbine was inaugurated 1 year ago. More than a simple investment, it embodies our ambition to reduce our carbon footprint and produce sustainable energy for our site.

Last but not least, for the first time since 2016, we have had both a full sugar season and a mini-season (transforming stored syrup into sugar), proving that the investments in our industrial tool – evaporation, heat exchangers, automation – have paid off. This has allowed us to improve our performance and to actively prepare for the future, by adapting our practices to this ever-changing world.

This 4th ESG Report illustrates our ambition to act rather than promise. It highlights actual actions, committed employees, dedicated partners, and a shared vision to make iscal a sustainable company with a positive impact, both for today and for tomorrow.

Happy reading!

On behalf of all the iscal teams,
**Robert Torck**
CEO



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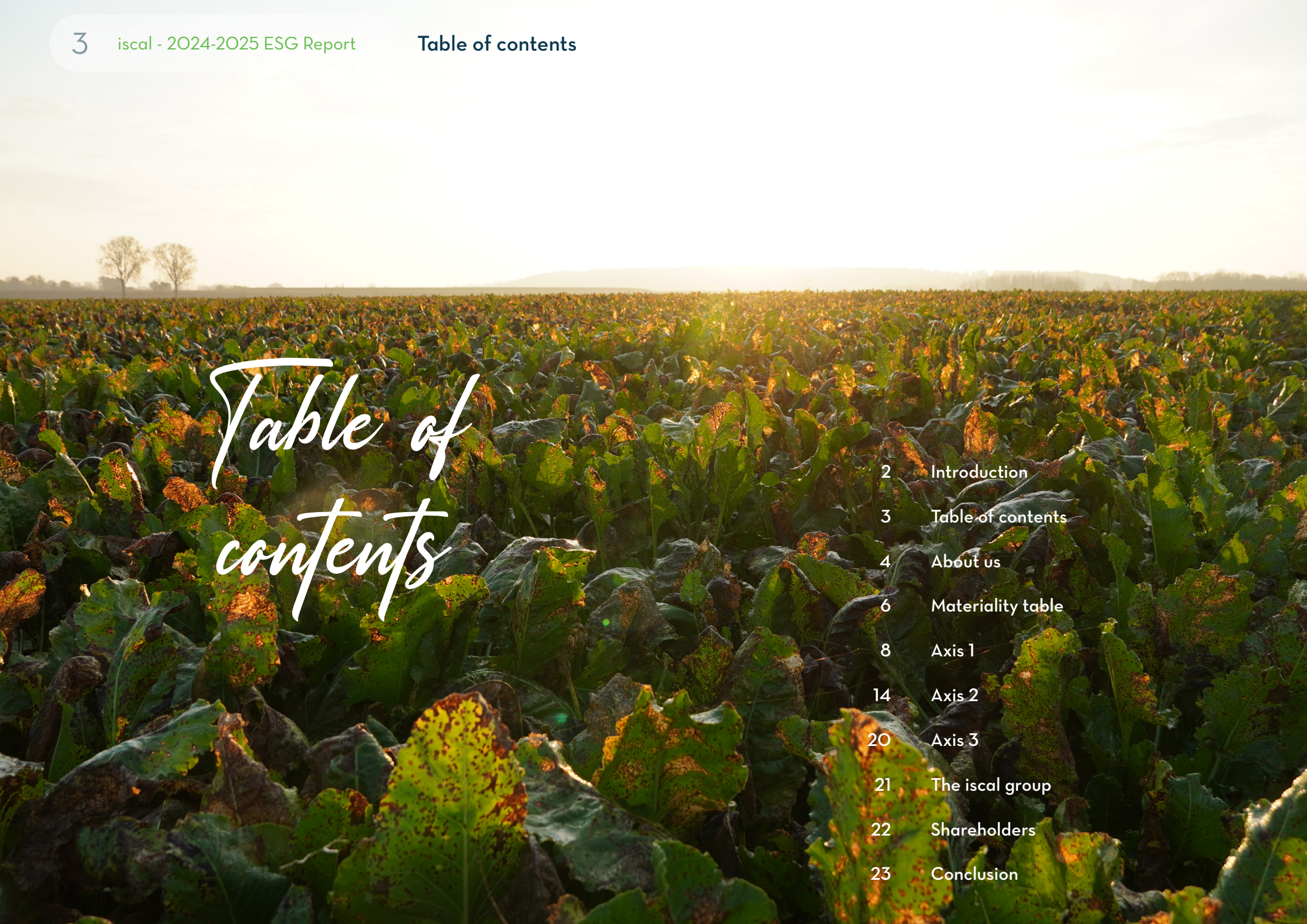

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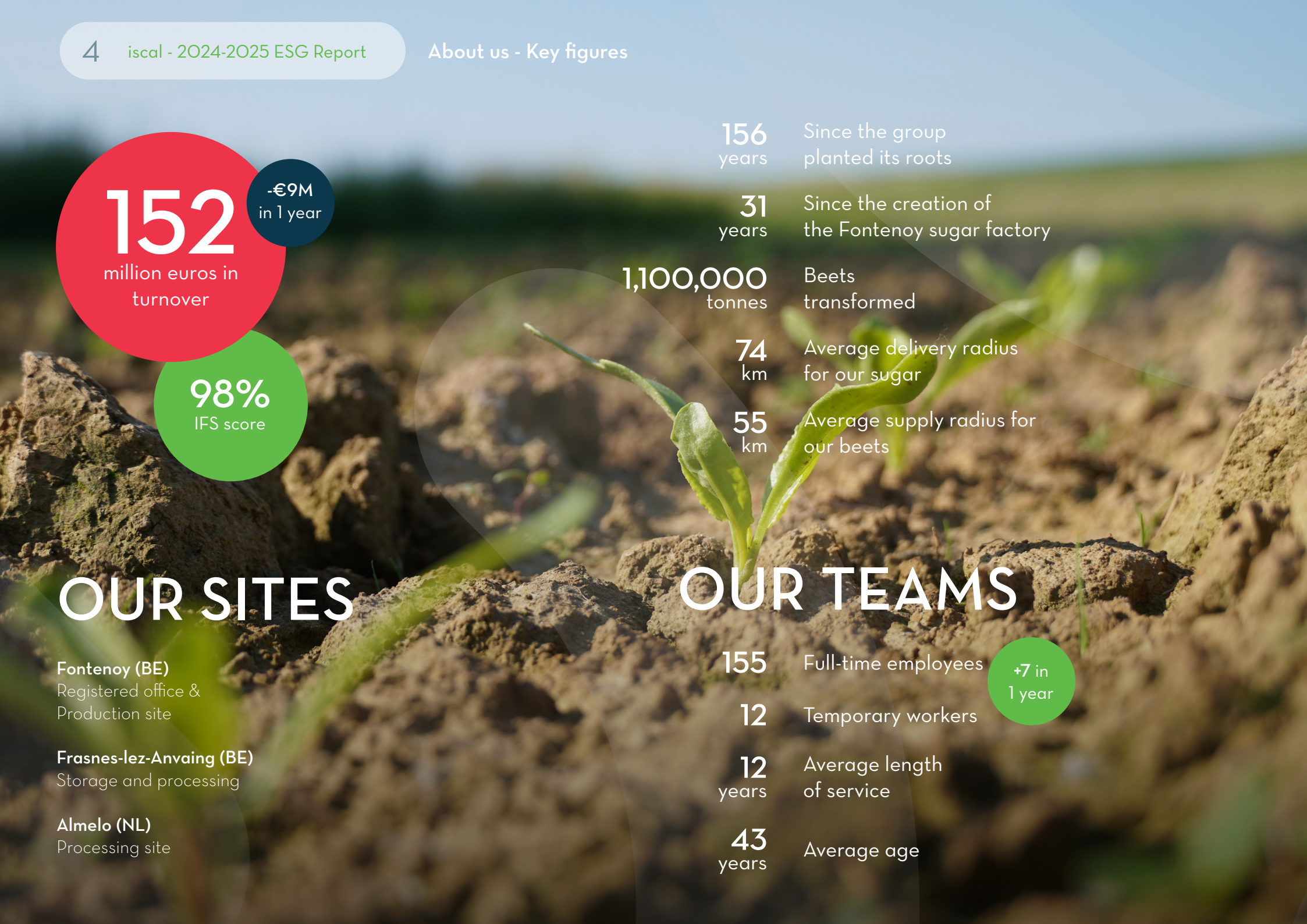


**152** million euros in turnover

-€9M in 1 year

**98%** IFS score

**156** years — Since the group planted its roots

**31** years — Since the creation of the Fontenoy sugar factory

**1,100,000** tonnes — Beets transformed

**74** km — Average delivery radius for our sugar

**55** km — Average supply radius for our beets

# OUR SITES

**Fontenoy (BE)**
Registered office & Production site

**Frasnes-lez-Anvaing (BE)**
Storage and processing

**Almelo (NL)**
Processing site

# OUR TEAMS

**155** Full-time employees

+7 in 1 year

**12** Temporary workers

**12** years — Average length of service

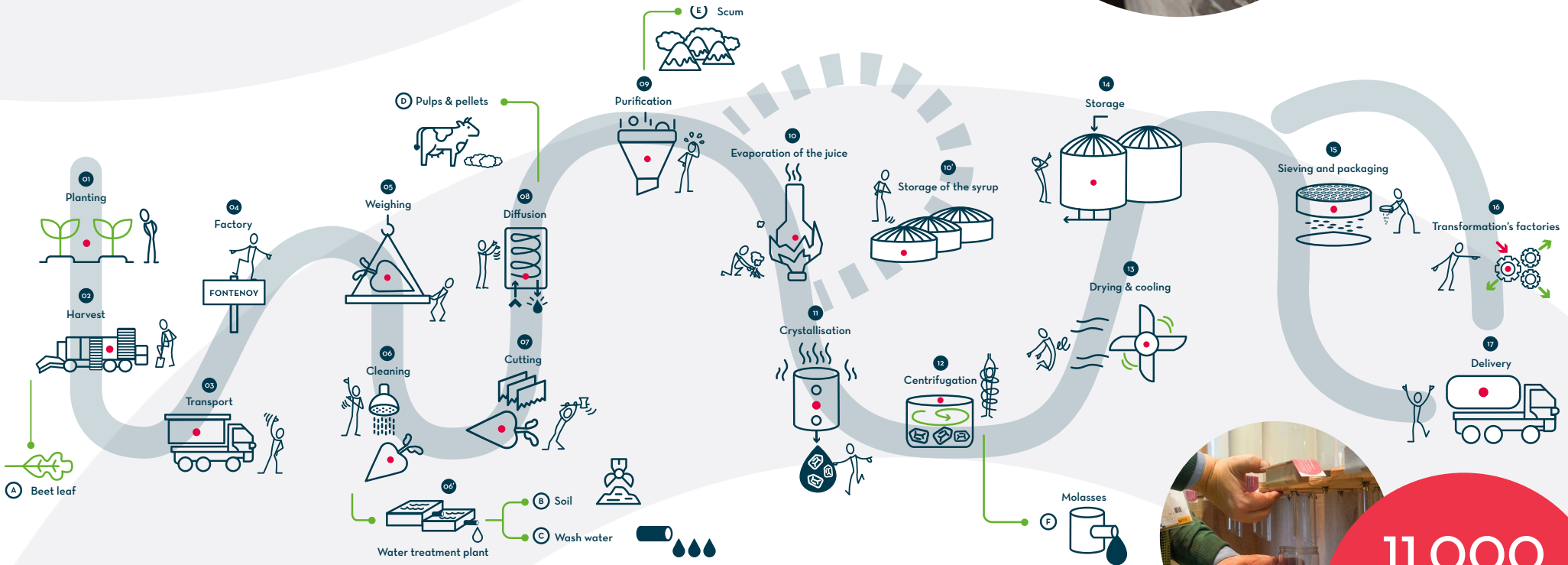
**43** years — Average age

**0.5%**
Percentage of Belgium covered by beets for Fontenoy

**350 m³/hr**
Maximum flow released into the river L'Escaut in peak season

The sugar transformation process follows similar steps in numerous sugar factories across the world. It starts with extracting the sugar from a plant that is naturally rich in sugar by soaking it in water. This sugary juice is then concentrated, increasing the sugar content from 17% to 100%.

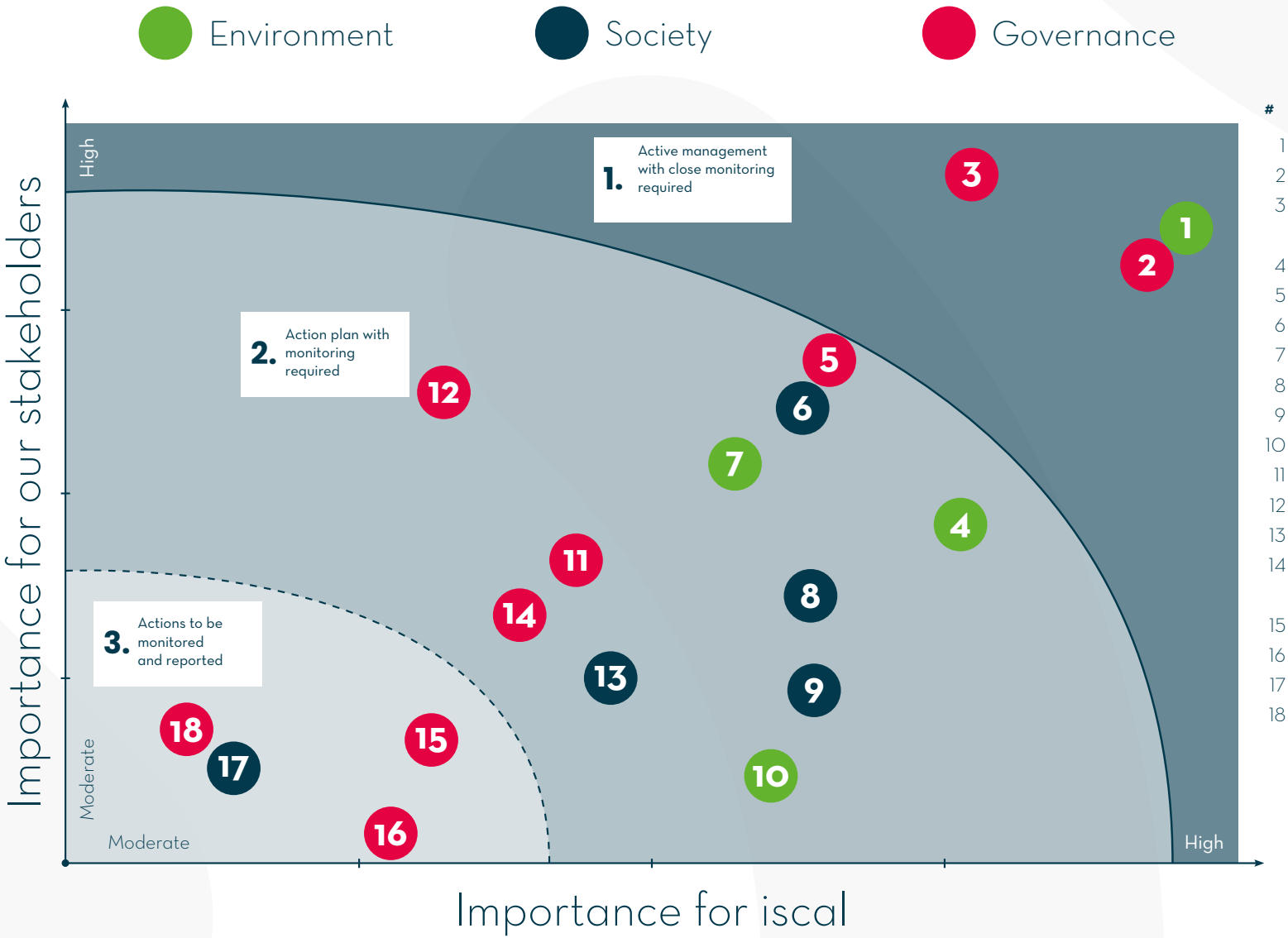
This transformation also leads to the generation of various co-products. Some are reused on our site in an innovative way, while others are sent to our partner farmers for use.




**11,000 tonnes**
Maximum capacity of sugar delivered in 1 week

Want to find out more about our process?

# iscal materiality table

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## Updated materiality table

We decided to update our materiality table to better reflect our current priorities. The iscal Management Committee began by adapting the list of topics to take into account. We then questioned a representative sample group among our employees, each member of the Management Committee, and our critical stakeholders – the chair of our Board of Directors, 4 farmers, 3 customers, 2 suppliers, 1 shareholder, and the city of Antoing.

This new materiality table highlights the 3 topics deemed essential by all parties. They are now included under Axis 1. The other 15 topics are divided between Axis 2 and Axis 3. As such, this report will follow the order in the table, addressing each topic in descending order of importance.


## B Corp: iscal, the first B Corp-certified sugar factory in the world

In September 2024, iscal became the first sugar factory in the world to obtain B Corp certification, and with it, international recognition of our environmental, social, and ethical commitment.

This certification was not the ultimate goal, but the beginning of a long arduous road to improvement. As of 2021, we began implementing "Benefit For All" projects to satisfy people's need as well as the B Corp criteria. For example, we formalised our transparency procedures (notably by sharing our financial profits), improved our employee integration processes, and further defined our relationships with our suppliers. Initiatives that contribute to our employees' wellbeing and the integration of local purchases also lead to our final score of 83.1 points.

This approach is part of a continuous improvement process. In order to retain our certification, new audits will be performed every 3 years.

We intend for this certification to become a framework for all of our projects, and a driving force for all of our teams. Other initiatives are scheduled between now and 2027, in order to strengthen our positive impact and make iscal a company of which we can all be proud.

This B Corp certification is not a medal. It is a commitment, guiding us all forward in the right direction, step by step.

Beet crops

## The importance of proximity

At iscal, proximity is a lever for sustainability. On average, our beets only travel 55 kilometres before arriving in Fontenoy: a distance that confirms our local integration. The same applies to our co-products, also used in close proximity to our site.

Throughout each 4-month season, 43,000 trips are required for our beets, and 10,000 are required for our co-products. Our logistics rely on over 160 dedicated transporters and numerous farmers who attend to their own deliveries.

This organisation, coordinated from start to end by our agronomy team, is subject to strict planning and scheduling processes in order to ensure a well-controlled, constant flow. All thanks to effective logistics, designed to optimise resources, reduce the environmental impact of our transport practices, and keep our sugar factory running at optimal capacity.

## Season report

2024 was not a good year for beet crops. There was a lot of rain (40% more than usual) and very little sun (15% less than usual). The March-May sowing period was particularly problematic due to extreme rainfall (+72%), making access to the fields difficult as the soil was water-soaked.

Summer, and notably the month of August, came with additional problems, with wet weather (+77%) but also quite a lot of sun (+22%). These conditions led to significant leaf damage and disease.

The weather conditions remained generally unfavourable, notably due to insufficient sun, but also a relatively dry end-of-season. This allowed for good harvesting conditions, but did not offset the negative effects on beet quality and yield.

The results were undeniably poor:

- Low sugar content: average polarisation of 16.55°.
- Disappointing root yield: below 70 tonnes per hectare.
- Poor total transformed volume: below 1,100,000 tonnes of beets at the Fontenoy site.

This volume is well below expectations and is a sign of a generally disappointing season.

Beet crops

## Carbon under control

We have been collaborating with Soil Capital since 2022 in the context of a pilot project to measure our carbon capture across 8 farms, totalling 465 hectares, of which 75 hectares of beets. As beets are included in the farms' crop rotations, it is vital to calculate all of their emissions and they constitute complete ecosystems. We have calculated that, on average, each farm emits 28 $tCO_2eq$ per year.

Beet crops play an interesting role in $CO_2$ capture on farms, as they generally emit very little while capturing an impressive amount of $CO_2$. According to our measurements, 1 hectare of beet crops in western Belgium can capture approx. 90 $kgCO_2eq$, and by applying best practices, we can even reach almost 400 kg/hectare.

## Committed partnerships

Beet crops depend heavily on lenient weather conditions. In 2024, these conditions were particularly unforgiving, leading to late sowing due to rain. Given the expectation of a lower yield, we decided to implement a financial compensation scheme to help support our farmers.

And this is not the first time: in 2023, we also provided assistance following the loss of 800 hectares of crops due to the successive freezing and thawing periods. While these initiatives are not systematic, they are proof of our commitment to our farmers, with whom we strive to cultivate true partnerships beyond our contracts.

Because supporting our industry means showing up when we are needed the most.

## Coming full circle

Every year, our 2 digesters produce approx. 20,000 tonnes of digestate. During the sugar season, this digestate is stored on site in bags. As of mid-February, during the mini-season, it is directly distributed at farms within a 30-km radius around the sugar factory.

Derived exclusively from beet co-products (pulp and tailings), this digestate is particularly suited to organic farming. Thus, 35% of the total volume is distributed across certified plots.

Rich in organic materials, it offers genuine agronomical value, improving soil stricture, stimulate microbial life, and contributing to the sustainable fertility of the land.

This circular agricultural model reflects our desire to come full circle, and to make the most of our residues to enrich the lands of the farmers that supply our beets.

# Industrial performance

## KPI

| | 2022 | 2023 | 2024 |
|---|---|---|---|
| Days (season) | 135 | 130 | 102 |
| Days (mini-season) | 64 | 67 | 64 |
| Net tonnage of beets | 1,200,000 | 1,150,000 | 1,100,000 |
| Tonnage of sugar (season + mini-season) | 189,000 | 168,000 | 165,000 |

## Combined season + mini-season

During the season, we can transform 100% of our beets through evaporation. Beyond that, 40% of our syrup volumes are stored in tanks for crystallisation, as part of a mini-season.

Since the construction of our 80-kilotonne silo, 2024 marks the second consecutive year where we have had both a full season and a mini-season. There are numerous benefits to this practice: less cleaning, disassembly, and reassembly; reduced start and stop times; and a long uninterrupted maintenance period in the spring. The main disadvantages are fatigue for the teams and wear for the machines after 6 months of continuous operation, and clogging in the heat exchanger and evaporation tubes leafing to slightly poorer performance across the facilities.

The latter was less of an issue than expected this year thanks to the efforts of our teams prior to and during the season. We have progressed at an average equivalent to 2021, where we required a 2-month interruption between the season and the mini-season to bring the factory back to its previous condition.

## Season report

Backed by the knowledge acquired over the 2 previous seasons, we began operations on 18 September, deeming it better to deal with beets that were less rich in sugar at the start of the season than to deal with frosts in the winter. Several improvements were made to the factory in between the seasons, which rapidly proved effective.

Operations were stable throughout, processing an average of 10,650 tonnes of beet per day – a record since 2018. Our processing speed was slightly reduced at the start of the season due to the difficult of transporting the beets to the factory, and later due to the presence of clay on the beets. Our remarkable work this year was only impacted by the quality of our beets, which was slightly lacking.

The season ended in late December, allowing for a mini-season that ended in early March, with positive results. This gave us over 6 months to prepare for the 2025-2026 season, which we are using to ensure even better performance across our factory.

Industrial performance

## Investments in reliability

A sugar factory is a complex industrial facility composed of multiple machines that are all interdependent from the start to the end of the process. This year, we improved the factory by adding 5 heat exchangers and 1 new pulp press, and by renovating the existing equipment.

Our sugar factory was built over 30 years ago and works at full capacity for approx. 6 months out of the year, thereby requiring significant maintenance investments. Between the 2024 season and mini-season, several dozens of projects made it possible to reduce marginal losses, notably thanks to the renovation of sections of piping and ageing machinery. By taking these details into consideration, we were able to achieve our goal in terms of the factory's stability and reliability, while also improving its speed.

## Every detail under control

To guarantee an optimal start to the season, the tests performed between seasons were reorganised and professionalised. For 2 years now, we have paid particular attention to the scheduling and weekly monitoring of maintenance and tests across all the equipment sectors that make up our process.

Thanks to this new organisation, maintenance and testing are no longer performed over a short period only, reducing the risk of error and overload, and the need for haste.

The scope of these tests has also been extended: each element is now inspected, from the filters to the piping, and across all heat exchangers, tanks, and measurement instruments. Each test is documented from year to year to allow for continuous improvements.

This proactive approach allows for increased efficiency in the factory right from the start of the season, but also for the reinforced general safety of the facilities thanks to preventive maintenance.

## Precision in all day-to-day operations

The iscal laboratory is at the heart of our industrial performance, carrying out almost 225 analyses per day, including 175 for process monitoring and 50 for quality control. These analyses focus on 150 sampling points spread throughout the site.

The monitoring process makes it possible to optimise yield and guarantee consistent quality through various measurements: dry substances, Brix, pH, sugar content, purity, etc. Quality control covers all our finished products, such as sugar, molasses, pulp, foam, and digestate, and also includes fine-tuned analyses: granulometry, humidity, contaminants (heavy metals, pesticides), $SO_2$, and microbiology.

The laboratory is also called upon for other strategic points: boiler water quality (conductivity, iron, silicium), operability of the digesters (volatile fatty acids [FOS), alkalinity [TAC]) and water treatment plant (chemical oxygen demand [COD], nitrates, total suspended solids [TSS]) necessary for our environmental and energy performance.

Our teams also participate in the development of new analysis methods and conduct pilot tests to boost all our processes.

# Food safety


## Quality culture report

Food safety can only be ensured thanks to complete comprehension and commitment at every level. These last few months, we have organised several training and awareness courses to help our teams familiarise themselves with the notion of food fraud and the prevention of illicit practices. These sessions helped to provide our teams with additional knowledge and to consolidate our culture of quality in the field.

To assess the impact of these actions, a follow-up questionnaire has been in use since 2023. The results obtained in 2024 show a clear improvement in success rates, proving that the teams better understand the challenges related to food safety.

At the same time, we have distributed targeted communications on the risks to be controlled and the means with which to do so (CCP [critical control points], oPRP [operational prerequisite programme]), notably via in-house screens and during 15-minute quality meetings. These messages have elicited numerous reactions in the field, allowing for the clarification of certain notions that may seem abstract, and enriching the teams' general comprehension of quality requirements.

In 2025, the 5th edition of the Safety Day is evolving to become a Quality, Health, Safety, and Environment (QHSE) Day. The goal of this transformation is to increase awareness, enhance existing knowledge, and encourage a strategy of continuous improvement among the teams.

## Heightened safety and comfort

2024 was synonymous with targeted infrastructural investments, both in Fontenoy and in Frasnes-lez-Anvaing, allowing for better food safety.

In Fontenoy, Silo 3 and the ripening chamber were fitted with new-generation magnets to detect small metallic foreign objects such as metal filings. To facilitate access and guarantee inspections every 2 hours during the sieving period, a lift has been installed, thus improving the operators' working conditions. An inline gas analyser has also been installed on the boiler, to continuously measure our $NO_x$, $SO_2$ and $CO_2$ emissions.

In Frasnes, the small silo has been completely renovated: soffit insulation, new external roof, new concrete paving, refreshed expansion joints, and food-safe epoxy paint on the walls.

Food safety

## IFS: consistent excellence

iscal has been IFS-certified for 10 years, and continues to strengthen its culture of food safety. This strategy has borne fruit, as our IFS score has increased from 93% in 2022 to 98.1% in 2025, even in spite of the introduction of new requirements in Version 8 of the Specifications.

The improvement observed is due to everyone's commitment to food safety. Thanks to targeted training courses, better understanding of HACCP (hazard analysis critical control point) principles, strict monitoring of performance indicators, and our teams' active commitment in the field, iscal has solidified its risk management practices. Supported by Management, this approach has made it possible to guarantee the production of safe food, in compliance with customer standards and satisfaction.

| | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Justified claims | 18 | 12 | 15 | 6 |
| Unjustified claims | 10 | 2 | 19 | 5 |

## Responsiveness and care

Continuous improvements in terms of quality require the effective management of customer feedback. Thanks to close collaboration between the logistics, sales, and quality teams, a reply is systematically sent within 48 hours of receiving a claim.

This rapid response time has been integrated as an internal KPI, allowing us to maintain a high level of responsiveness. In collaboration with the packaging and production teams, cause analysis can then be conducted in order to identify the origin of the problem and propose a clear, thorough, and well-structured action plan.

This strategy concerns all of our products, including our co-products. Claims and complaints concerning our pulp continue to decrease compared to the previous year, demonstrating the effectiveness of the efforts made in terms of quality and monitoring. Despite this encouraging trend, there is still room for improvement.

We realise that our efforts cannot stop here, and remain committed to listening to our customers and farmers, and further refining our practices in order to satisfy their ever-higher expectations.

Energy efficiency

## Production under control

| | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Total $CO_2$ ss | 49,673.12 | 65,286.02 | 48,215.98 | 42,587.04 |
| Tonnage of sugar | 192,000 | 189,000 | 168,000 | 165,000 |
| kg $CO_2$/tonne of sugar | 266.86 | 354.06 | 292.73 | 260.48 |
| g $SO_x$/tonne of sugar | 8 | 1,164 | 431 | 11 |
| g $NO_x$/tonne of sugar | 229 | 432 | 204 | 125 |

For several years, we have been investing in the modernisation of our industrial machinery, with a specific aim to improve our energy efficiency. We continuously measure our $CO_2$, $SO_2$, and $NO_x$ emissions in order to better manage our environmental impact. Between 2021 and 2024, we invested in 2 digesters that generate biogas, thus reducing our need for natural gas. Improvements have also been made to our boiler, which is now fitted with low $NO_x$ burners, as well as all our other industrial machinery, in order to boost its efficiency. In 2024, despite a difficult season marked by beets with a low sugar content, the $CO_2$ emissions specific to our sugar production slightly decreased (260.48 kg/tonne compared to 266.86 kg/tonne in 2021), while our NOx emissions were almost reduced by half (125 g/tonne compared to 229 g/tonne). Our new in-line gas analyser allows for precise real-time monitoring of these pollutants.

## An ever-greener energy mix

Our industrial process requires a significant amount of energy, which can be spread between electricity (15%) and thermal energy (85%). Our boiler currently uses fossil gas and biogas to produce high pressure steam. This year, we have improved the efficiency of our digesters while continuing to use our water treatment plant. This has allowed us to achieve a thermal energy mix of 82.89% natural gas and 8.46% biogas, with a 1.03% increase in the latter compared to the previous season. The remaining 8% is emitted by our lime kiln, for which we use coke. As for electricity, our wind turbine has allowed us to reduce our grid consumption by half.

## The wind of positive change

Since its inauguration in March 2024, our wind turbine has served as a symbol of our commitment to decarbonisation. In just 1 year, it has produced enough energy to power the equivalent of 1,795 houses, 50% of which was used on site, covering half of our electric energy needs. The remainder was injected into the ORES grid. At the end of the mini-season, we tested a mechanical vapour recompression process, which should allow us to use more of the electricity produced by our wind turbine and less thermal energy (often derived from fossil gas) by the next season. This will allow us to reduce our dependence on fossil energy and our $CO_2$ emissions, further improving on our low-carbon energy mix.

Customer relations | Farmer relations

## Listening – Demonstrating – Sharing

In 2024, iscal reinforced its proximity with its customers through a more proactive approach. For the first time, we participated in the SIAL Global Food Marketplace in Paris: a major trade fair in the food processing industry. It was the ideal opportunity to meet up with our former, current, and future customers, to share our vision, and to showcase our recent B Corp certification, which elicited a great amount of interest. And beyond trade fairs, our transparency strategy has also led to the organisation of several customer visits to our Fontenoy site. There is nothing better than seeing things for oneself to better understand our know-how, the complexity of our industrial facilities, and the demanding nature of our processes. A direct and effective way to foster trust and build solid relationships.

## Stability across the chain

Over the past 8 years, the price of sugar has fluctuated between €400 and €1,000/tonne. While a higher price benefits both iscal and our farmers, our priority is long-term stability. As we only represent 1% of the European sugar market, we have little sway. This is why we implemented several multi-year contracts (2 to 3 years) with certain clients in 2024. These contracts set a stable price that is fair to farmers, the sugar factory, and manufacturers alike. This approach favours predictability and economic equilibrium, and appeals to Belgian customers who share our values of sustainability and our long-term vision.

## Sowing the seeds of best practices

This year, our 8 agronomists have travelled far and wide to meet our 2,300 farmers. These visits and discussions make it possible to take stock of the previous season, refine the choice of seed varieties based on tests carried out by the Royal Belgian Institute for Beet Improvement – IRBAB –, and to learn from the precedent of past crops. At the same time, our team orchestrates the logistics surrounding the seeds, from organising sowing operations to taking orders, and from storage to distribution. In 2024, 18,000 units were delivered, i.e., almost 1.7 billion seeds sowed for the upcoming season.

Some of our agronomists are also farmers, representing a precious advantage and an authentic point of view when it comes to the reality of and in the field. This way, they can regularly follow up with the crops and offer rapid, well-suited advice to help optimise each plot of land.

## Bonds cultivated throughout the year

As well as personalised communications between agronomists and farmers, we also strive to provide numerous points of contact for their more general needs. Between 2024 and 2025, we sent 11 digital newsletters to our 2,300 farmers, including 6 during the sugar season, i.e., one every 17 days. 72% of recipients read these emails, where we discuss all sorts of subjects that directly or indirectly concern the reality of their situations.

We also organise group meetings, with 4 visits to our factory during the season, attended by 78 farmers and 22 agricultural entrepreneurs, for example. At the end of the season, we organise 6 debriefing sessions along with representatives among the farmers and IRBAB, allowing us to learn from the past months and look to the future.

## Respect for the environment

Between 2024 and 2025, we carried out 2 measurement campaigns in order to better understand our impact on the environment and immediate surroundings, including 1 olfactive study and 1 acoustic study. 10 readings allowed us to identify the main sources of odour: beet transformation, digestate, water treatment plant, lagoons. These measurements, taken every 50 to 100 metres, take into account weather conditions. As for acoustics, nocturnal analyses made it possible to isolate noise emissions from the sugar factory: the dust extractor for Silo 3 is the main source. It will thus be fitted with sound insulation to limit noise pollution and improve our cohabitation with the local environment.

## The value of each resource

Our production process relies on a circular model, where every co-product has its value. Pulp is used for animal feed or to produce biogas; digestate becomes a fertiliser; sugar residues are reinjected into the system; and steam is recovered for other steps in the process. This circularity also applies in-house, thanks to strict recycling and reuse practices for paper, plastics, oils, big bags, and so on. To strengthen this approach, we held a recycling day involving every member of the company, with each team managing a separate part of the factory. These genuine actions allow us to improve the cleanliness and sustainability of our site.

## Transparency and employee development plans

In order to ensure better transparency and fairness among our salaries, we have designed a classification concerning the roles of our labourers. This required us to review the descriptions for each role during and outside of the seasons, and allowed us to divide each task into 7 categories.

We were then able to establish a compensation scale for each category, and clearly define the possibilities for development and pay rises within these categories. Certain roles were restructured in order to better recognise their value based on the level of skill and responsibility required. This process was undertaken in collaboration with both Management and the workforce, and allowed for valuable discussions between the various participants.

## iscal: a company that inspires

Boosting our appeal is an integral part of our talent management strategy. Throughout the year, we participate in job fairs, organise visits to our sugar factory (with 1,238 visitors last year), and welcome interns and trainees from vocational and technical schools.

These initiatives allow us to spread awareness about our company, highlight the value of our profession, share our know-how, and create durable bonds with the talents of the future. It's also a great opportunity to identify future employees and strengthen our teams in a progressive and sustainable way.

**Employee wellbeing | Technical natural resources**

## Safer working conditions for all

| | 2022 (FR/SR) | 2023 (FR/SR) | 2024 (FR/SR) |
|---|---|---|---|
| Sector 10810 | 10.19 - 0.25 | 14.93 - 0.53 | N/A |
| iscal | 14.46 - 0.75 | 22.61 - 0.59 | 4.38 - 0.06 |

2024 was an almost exemplary year, with a frequency rate (FR) of 4.38 and a severity rate (SR) of 0.06, confirming a clear decrease in the number of accidents. These results reflect our collective commitment to safety and security. This positive evolution is all thanks to concrete actions: awareness campaigns, regular field audits, preventive measures to avoid potential accidents, and improvements to personal protective equipment. These improvements include, for example, specific gloves for root-cutting operations, custom-moulded earplugs, and new protective footwear. These efforts are a testament to our inextinguishable ambition to guarantee a safe, ergonomic, and health-focused work environment.

## An environment worthy of our teams

Improving our employees' wellbeing means providing a quality work environment. This is why, in 2024, we undertook several major renovations on our site, from the administrative building to the entrance hall and bathrooms in the sugar department, and from the automation engineers' office to the brand new laboratory. These upgrades now allow for better working conditions for some 50 people, whether they are full-time employees, temporary labourers, or seasonal workers. More than just comfort, these renovations prove our desire to invest in our teams' everyday lives and offer a more functional, modern, and pleasant place to work.

## Every drop counts

In 2024, our consumption of catchment water stabilised at 155,068 $m^3$, comparable to that of 2023. This performance is the result of our continuous efforts to optimise our process and better recycle the water already present in our beets. At the same time, our consumption of tap water significantly increased over the last 2 years, amounting to 10,112 $m^3$ in 2024 (compared to 6,060 $m^3$ in 2023). Efforts are required to manage this consumption.

| | 2022 | 2023 | 2024 |
|---|---|---|---|
| Tap water | 5,253 | 6,060 | 10,112 |
| Total pumping | 200,928 | 163,052 | 155,068 |

## From forests to crafts

Last year, 7% of our sugar was delivered in 25-kg paper bags. This format is suitable for independent craftspeople such as bakers or small companies such as breweries. We procure these bags from suppliers who manage their forests in accordance with PEFC certifications. The unbleached inner layer represents half of this volume and is sourced from France. The bleached outer layer is transported by boat from Finland. In total, 5 hectares of forest are required to produce these bags.

## Cybersecurity in all everyday operations

At iscal, cybersecurity is a strategic priority. Protecting the company's systems and data as well as those of our employees, customers, and partners is essential for the continuity of our business. With this in mind, an IT penetration test was performed to assess the sturdiness of our IT infrastructure. The results confirmed the decent overall sturdiness of the system while identifying a few areas for improvement. Corrective measures were therefore rapidly implemented.

At the same time, as part of the Cybersecurity Awareness Month (October), we rolled out an in-house awareness campaign to teach everyone about best practices: locking computers when leaving the workstation, never clicking on suspicious links, choosing secure passwords, etc. This is all part of our constant ambition to secure our digital environment, in line with the European Union's NIS2 Directive.

## Safety on the line

Every year, an on-site penetration test is performed to verify the effectiveness of our security measures and the responsiveness of our employees in the presence of unidentified individuals. These exercises help to reinforce our teams' "food defence" culture and instil the right reflexes in terms of vigilance.

We have also installed a speed camera to limit speeding on our site. The maximum authorised speed is 20 km/hr, ensuring everyone is safe, and notably those on foot.

## Evolving practices

Since 2017, 32 treatment substances have been removed from the authorised list, while 5 have been added. As of 2024, 53 substances were authorised for the treatment of beets and the improvement of yields in Belgium. This decrease in the number of active substances and the quantity of product authorised per hectare exposes crops to a risk of fluctuations in terms of yield.

The objective at iscal is to find alternatives through collaborations with our various partners and farmers. An increase in mechanical weeding and genetic improvements in beet varieties are examples of levers that could alleviate these risks. There are no miracle seeds nor products, and we must therefore count on everyone's knowledge and know-how to ensure the durability of crops in our regions.

## Committed and compliant

Belgian and European laws are constantly changing. In order to ensure our compliance, we are working on a CSRD (Corporate Sustainability Reporting Directive) Report to convey iscal's data to the Finasucre group. From the identification of stakeholders to our double materiality table, we had begun compiling data when a revised deadline was announced, pushing the report back to 2028.

Changes have also been made to our financial model, as we now pay a monthly amount to each farmer based on their delivery schedule since the latest season. These payments are usually made at around 30 days from the delivery date, as a way to prove our commitment to our farmers.

## B Corp: the keys to positive change

With a view to renewing our B Corp certification in 2027, we wished to include our employees and place them at the heart of our approach. A team of determined employees was formed, and every member was able to suggest a project in line with B Corp's 5 key categories. As a result, 17 projects were presented, and some have already been validated. By involving our teams, we also ensure their commitment while developing meaningful projects along the way. This collective driving force perfectly illustrates our desire to work together for a positive impact and a "Benefit For All" mindset.

## A culture that extends beyond the workplace

At iscal, our corporate culture reaches beyond our production lines. Thanks to our ambassadors, numerous collective initiatives have been launched, with an aim to improve wellbeing at iscal and to strengthen collaborations between different departments.

In 2024, our "Pink October" sports campaign allowed us to garner funding for breast cancer research thanks to 371 recorded hours of physical activity. We also participated in the big clean-up organised by BeWapp, collecting 180 kg of waste around our site. We recently surpassed the milestone of 50 employees opting for bicycle leasing through iscal, with a total of 27,000 km travelled in 2024 between home and work. All these initiatives reinforce our team spirit and turn our aspirations and values into reality.

## Better storage for better sales

After 21 months during which the price of sugar exceeded €700/tonne in Europe, it once again dropped below this threshold at the beginning of the 2024-2025 season. As producers of 1% of all sugar in Europe, iscal has very little influence on this economic reality. Beyond the impact that this price has on our turnover, it also influences the purchase price of our beets from our farmers.

| Changes in the price of sugar | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| BE - DE - FR - NL | €499 | €806 | €763 | €542 |

This year, we deemed that a price below €550 would not be sustainable, neither for us nor for our farmers. We therefore refused certain contracts and intelligently made use of our 126-kilotonne storage capacity in Fontenoy while we wait for the price to rise again, or for customers for whom the price is not a deciding factor.

## Agility at the heart of our actions

Our customers recognise our packaging department's ability to adapt and overcome, making it one of our major assets. Thanks to the scale of our company and the versatility of our teams, we are able to rapidly react and respond to even the most urgent requests. This operational flexibility allows us to offer custom solutions and to adapt to constraints that vary in complexity. This agility represents a genuine advantage over our competitors, and is often cited as our unique selling point. By listening to our customers' needs and responding rapidly, we boost their satisfaction and stand out on the market.

## Iscal x UMONS: focus on the future

Since January 2023, iscal has been a part of the PROTEBoost project – an initiative heralded by the FoodWal portfolio that unites numerous partners, including the 5 French-speaking universities of Belgium, 4 accredited research centres, and 9 sponsor companies, with the Wagralim competitivity hub as a preferred partner.

This project aims to enhance the value of co-products from the food industry by producing innovative microbial proteins. After an initial phase to identify the available sources in Wallonia, we answered the call for collaboration.

This phase allowed for the identification of 2 promising prospects (whose nature remains confidential) and access to data concerning their quality and abundance. Preliminary testing has been performed at University of Mons using site-derived samples.

There are now plans to scale-up the process, with free access to the co-products supplied by iscal. Discussions concerning large-scale industrial value enhancement have also taken place, which may lead to a new way to increase the value of our co-products.


## Agronomy & Tech: a match made in heaven

In a context of continuous improvement and digital transition, our agronomy department has entirely digitised the order and delivery process for seeds thanks to the SmartSales tool. 100% of orders (i.e., 2,300 this year) are now managed via tablet. This change allows for significant time savings for the teams, better traceability, and immediate access to essential information. This tangible progress has strengthened the responsiveness and efficiency of the department to the benefit of the entire chain.

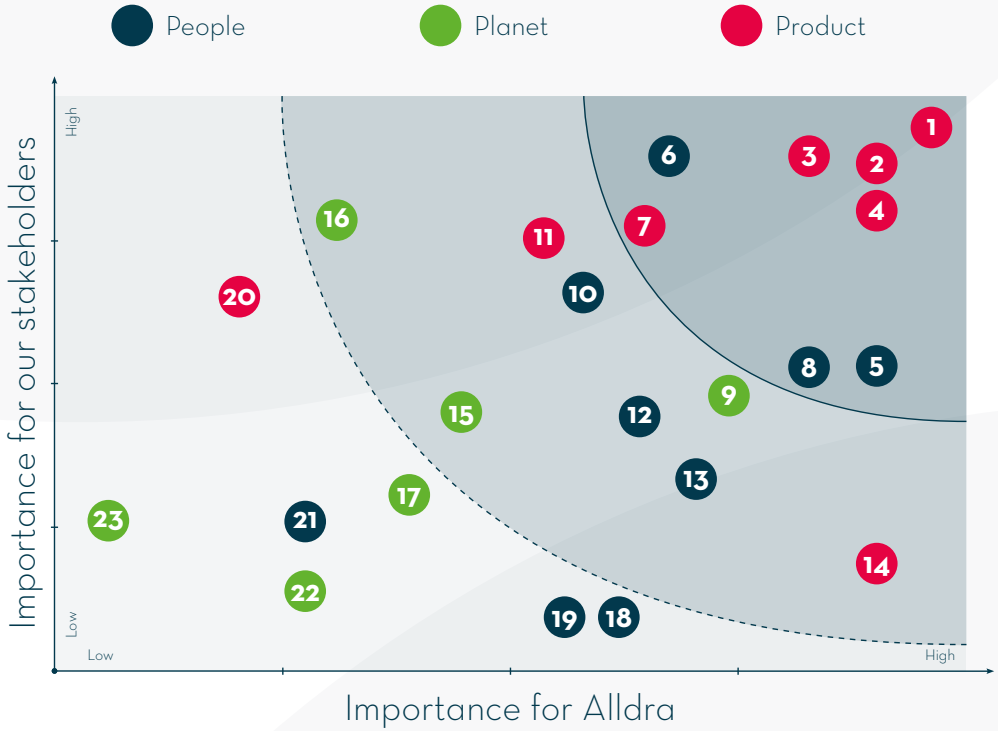
## Simplified IT processes with NinjaOne

In November 2024, iscal launched NinjaOne, a new IT management and ticketing platform. This tool allows for optimised monitoring of requests, better device management, and faster response and repair times in the event of issues. Since its launch, over 900 tickets have been processed, with an average of 120 per month. NinjaOne also facilitates the renewal of obsolete workstations, the roll-out of updates, and the monitoring of our IT equipment. The platform is currently installed on 116 computers, 19 mobile devices, and 102 other pieces of equipment (printers, routers, etc.). It represents a major advantage for the security of our IT environment and the digitisation of our tools.

## A voice at the EASM

From the Southern Common Market to Ukrainian products and European legislation, iscal has no real hold over subjects concerning international relations. We depend on the EASM (European Association of Sugar Manufacturers) to represent us with regards to European institutions. However, we are not entirely passive in this exchange, and iscal is represented in the various departments at the EASM. Robert Torck, our CEO, is a member of the Praesidium – the Board of Directors. We also organised a visit to our factory for European representatives based in Brussels.

## Alldra materiality table




| # | Challenges |
|---|---|
| 1 | Profitability |
| 2 | Food safety |
| 3 | Customer satisfaction |
| 4 | Product quality |
| 5 | Wellbeing |
| 6 | Business ethics |
| 7 | Promotion & marketing |
| 8 | Sick leave |
| 9 | Waste |
| 10 | External communication |
| 11 | Change in requirements |
| 12 | Contingency/Risk management |
| 13 | Working conditions act (ARBO) |
| 14 | Cybersecurity |
| 15 | Climate change |
| 16 | Sustainable suppliers |
| 17 | Energy |
| 18 | Multiculturality |
| 19 | Internal communication |
| 20 | Packaging |
| 21 | Laws and regulations |
| 22 | Resource efficiency |
| 23 | Geopolitics |

Last year, we indicated that we were actively looking for solutions to progressively reduce our dependence on natural gas and convert our production to electricity.

Unfortunately, we realised that at Alldra, the power purchase agreement for grid electricity was limited to 374 kW. Due to grid congestion, which concerns almost all of the Netherlands and particularly Almelo, any increase to the consumption of electricity is bridled by this limit. It is not possible to extend this power purchase agreement for at least 10 years (2035). This must therefore be taken into account in any future installations.

We have studied other means of reducing our consumption of natural gas, and have identified measures that would allow us to save 202,485 kWh of electricity (-16%) and 210,295 $m^3$ of natural gas (-53%). This would require an investment of €300,000 for annual savings estimated at €150,000.

Other conditional and as-of-yet uncertain energy-saving measures may also be possible, notably with regards to pressure from the steam boiler and air treatment.

## Key figures

**35**
employees

**4,000 tonnes**
of product

**400 varieties,**
always suited to specific needs

**100 customers**
75% EU
20% UK
5% Other

**90%**
of employees
live less than 25 km away

## Organisation of shareholders at iscal

iscal is majority-owned by the private Belgian group Finasucre, controlled by the Lippens family. This holding company owns 87,627% of shares and plays a central role in its corporate strategy. The remaining shares are split between 2 other shareholders: Agri Investment Fund (AIF), a branch of the Boerenbond, with 6.817%; and Sopabe SC, representing the partner farmers, with 5.556%.

Finasucre is a Belgian group focused on 3 sectors: sugar, lactic acid, and nuts & honey. Backed by its long history in the sugar sector, it founded the sugar factory in Fontenoy in 1993 and consolidated its hold on iscal in 2003 with the progressive launch of the Warcoing Sucre (Cosucra) and Sucrerie Couplet (Couplet Sugars) groups. The division of shares has remained stable since 2012. The group applies a "From Farm To Fork" strategy through its collaboration with farmers and by transforming raw materials on a global scale throughout all of its business sectors.

The bond between iscal and Finasucre is particularly strong, both historically and strategically. iscal plays a key role within the group, notably through its financial contribution and its involvement in important decisions.

Beyond this majority-owner, AIF provides precious expertise in agronomy, while Sopabe ensures a direct and transparent connection between the sugar factory and the farmers, guaranteeing fair compensation and a durable partnership.

# Conclusion

This 4th ESG Report marks a milestone in our continuous transformation process. By choosing to adopt a clear and well-structured ESG approach, we have managed to reinforce our responsibility, stand by our promise of transparency, and further our perpetual ambition to have a positive impact.

Our B Corp certification, the inauguration of our wind turbine, our industrial performance over the last season, and the vested interest of our teams in our shared goals, all serve as tangible proof of our commitment. But as we well know, nothing can or should be taken for granted. To remain faithful to our values, we must continue our efforts. We must continue to learn, correct, innovate, and most importantly, never lose sight of our mission.

While we only represent a small percentage of the sugar produced in Europe, we are utterly convinced that, even at this scale, our model can change the game, inspire other players, give meaning to actions, and prove that a sugar factory can be simultaneously human-centric, competitive, and sustainable.

So thank you, one and all, for making this possible. Let's keep moving forward, together.

*We hope to see you soon!*

*Iscal: a family-owned Belgian company, specialising in the sustainable production of sugar.*


Finasucre

Member of the Finasucre group

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