

EXPRESSION OF PRINCIPLES

Dated 10 October 2024

As entered into between:

- 1. the Minister of Climate Policy and Green Growth** acting as administrative body (*bestuursorgaan*) and as representative of the State of the Netherlands, represented by Mrs. S.T.M. Hermans;
- 2. the State Secretary of Infrastructure and Water Management – Public transportation and environment**, acting as administrative body (*bestuursorgaan*) and as representative of the State of the Netherlands, represented by Mr. C.A. Jansen;
- 3. the Provincial Executives of the Dutch Provinces of Noord-Brabant, Overijssel and Gelderland (Gedeputeerde Staten)**, acting as administrative body (*bestuursorgaan*) of the aforementioned Dutch Provincial bodies Netherlands, represented respectively by Mrs. I.R. Adema, Mr. E.N.W. Hoogland, and Mrs. J.E.M. Mol;

and

- 4. Coöperatie Koninklijke Cosun U.A.** with its registered office in Breda, with offices at van de Reijtstraat 15, 4814NE, in Breda (hereinafter referred to as "Cosun") , represented by Mr. J.A.M. Meeuwis and Mrs. M.H.A. Philipsen;

regarding cooperation to reduce Greenhouse gas emissions and Reactive Nitrogen in the Netherlands.

Parties 1 and 2 hereafter individually as well as jointly referred to as the "State";

Parties 1, 2 and 3 hereafter individually as well as jointly referred to as the "Governmental Parties";

Parties, 1, 2, 3 and 4 hereafter individually also referred to as "Party" and jointly referred to as "Parties".

WHEREAS:

Legal and policy framework for CO₂ reduction

1. Parties acknowledge that additional efforts for reduction of Greenhouse gas emissions are required to achieve the goals of The Paris Agreement, the European Climate Law and the Dutch Climate Law (*Klimaatwet*);
2. The tailor-made approach was introduced in the previous Dutch Coalition Agreement (dated 15 December 2021) as one of the instruments, in order to increase the national CO₂ reduction targets to at least 55% in 2030, and to aim for 60% CO₂ reduction in 2030, and for climate neutrality in 2050 and for establishment of a green economy that is climate neutral, fossil free and circular. As part of the current Coalition Agreement ("*Hoofdlijnenakkoord*", dated 16 May 2024, hereafter "*Hoofdlijnenakkoord*"), the tailor-made approach will be continued;
3. As laid down in the letter informing parliament about the additional climate policies ("*Kamerbrief Voorjaarsbesluitvorming Klimaat*", dated 26 April 2023, Kamerstukken II, 2023/24, 32813, nr. 1230), the proposed target is to reduce CO₂-emissions from the industry to a maximum of 29.6 million tons (hereafter: "Mton") in 2030. This target has been adjusted to 29.1 Mton with the '*Augustusbesluitvorming*' (*Kamerbrief Kabinetsaanpak Klimaatbeleid* dated 19 September 2023, Kamerstukken II, 2023/24, 32813 nr. 1291);
4. On 14 July 2023, the former Minister of Economic Affairs and Climate Policy presented a national roadmap (*Routekaart verduurzaming industrie 1.0*) to accelerate the transition in the Dutch industry towards a climate neutral, fossil free and circular economy. Parties acknowledge that their mutual cooperation will take place in the context of the developing policy around accelerating the transition of the industry.

Tailor-Made Approach ("*Maatwerk*")

5. The Government aims to facilitate the climate transition of the industry in the Netherlands with, amongst other instruments, a tailor-made approach, initially for the 10-20 largest industrial emitters. In order to reach the additional CO₂-reduction of 0.5 Mton as set in the '*Augustusbesluitvorming*' (see above), the tailor-made approach has been extended by gauging interest of the nrs. 21 to 30 industrial emitters, on the condition that they can achieve at least 0.1 Mton Additional CO₂ reduction (*Kamerbrief Voortgang Maatwerkafspraken* dated 18 March 2024, Kamerstukken II, 2023/24, 32816, nr. 203);
6. As set out in among others the letter informing parliament on the tailor-made approach¹ (hereafter: *Zomerbrief*) and the letter informing parliament on the progress of the tailor-made approach² (hereafter: "*Voortgangsbrief*"), the aim of the tailor-made approach is to support these companies, based on mutual commitments, in achieving additional and accelerated CO₂ reduction before 2030 and having a sustainable future in the Netherlands. Furthermore, the aim is to contribute and to meet now and in the long-term other sustainability challenges in the Netherlands;
7. Where needed, the Government, as stipulated in the Dutch Climate Policy Program, intends to support the largest industrial emitters in their endeavors in order to contribute to additional CO₂ reduction, while considering European principles regarding state aid and a level playing field on the internal market and aiming for an international level playing field;
8. In the *Zomerbrief* and the *Voortgangsbrief*, the Government explained the structure of the discussions for a tailor-made approach. The structure will be along the following lines:
9. First, discussions will be held to see whether parties can come to an Expression of Principles ("EoP"), in which they express their intention to further discuss the

¹ Kamerbrief *Zomerbrief Maatwerk*, d.d. 8 July 2022.

² Kamerbrief *Voortgang Maatwerkafspraken*, d.d. 27 February 2023.

possibilities of reducing additional CO₂-emissions and reduction of impact on the local environment by the respective companies and the possibilities of the Government to assist therewith;

10. Second, if an EoP appears to be a good basis for further discussions, parties intend to continue discussions with the aim to define the specific measures to be taken and intend to agree on those in a draft Joint Letter of Intent ("JLoI");
11. Third, the draft JLoI will be submitted to the '*Adviescommissie Maatwerkafspraken Verduurzaming Industrie*' for an expert advice to the Minister of Climate Policy and Green Growth with respect to, among others feasibility, cost-effectiveness and level of ambition;
12. Finally, if a final JLoI has been agreed upon and signed, parties intend to implement and elaborate their agreements in binding tailor-made agreements;
13. The current EoP, therefore, is only of an indicative, non-binding nature, which means that in the further discussions in the context of the tailor-made approach neither Party can be legally held to expressed intentions, statements, facts or numbers mentioned in this EoP, among other things because in this stage, such expressed intentions, statements, facts or numbers cannot and will not be fully verified by the Parties to this EoP and because neither Party wants to enter into legally binding commitments with this EoP;
14. Parties confirm explicitly that (i) they shall have full discretion in agreeing on a JLoI or not, and in modifying, removing or completing any intentions, statements, facts or numbers mentioned in this EoP, and (ii) that at its sole discretion, either Party may terminate discussions at any time for any reason.

Cosun in the Netherlands

15. Cosun is a leading international agricultural cooperative. The cooperation was founded more than 125 years ago, owned by its 8,100 members, nearly all Dutch sugar beet growers. Cosun develops and produces food, food ingredients, animal feed, biobased ingredients and green gas. Cosun had an annual turnover of EUR 3.7 billion in 2023, of which EUR 1.0 billion in The Netherlands;³
16. The Cosun group consists of six business groups. For Cosun's operations in The Netherlands, four business groups are relevant for the tailor-made approach: Cosun Beet Company (hereafter: "CBC"), Aviko Group (hereafter: "Aviko"), Sensus and Duynie Group (hereafter: "Duynie"):
 - a) CBC is a sugar beet processor, producing sugar and sugar specialties (e.g. icing sugar or sugar syrups) for retail and industrial clients. In addition, the company also produces animal feed, bio-ethanol, molasses, lime fertilizer and green gas. CBC's main production facilities in The Netherlands, both subject to the Dutch CO₂ Levy are situated in Dinteloord (Noord-Brabant) and Ververlaten (Groningen). In the year 2020 CBC's ETS CO₂-emissions were 228 kilotons ("kton");
 - b) Aviko is a potato processor and specializes in frozen and dried potato products for retail, food service and industrial clients (business to business, hereafter: "B2B"), whereby Rixona, a subsidiary, specializes in dehydrated potato products. Aviko's main production facility in The Netherlands, subject to the Dutch CO₂ levy, is situated in Steenderen (Gelderland). In the year 2020 the ETS CO₂-emissions of the Steenderen site were 57 kton. Aviko has another production facility in Lomm (Limburg) which is neither subject to the Dutch CO₂ Levy nor the ETS. Rixona's production facilities are located in Venray (Limburg) and Warffum (Groningen). In the year 2020 the ETS CO₂-emissions of the Venray site were 40 kton. The production facility in Warffum is neither subject to the Dutch CO₂ Levy nor the ETS;
 - c) Sensus is a chicory root processor and produces food ingredients, such as inulin and oligofructose. The ingredients are used in bread, dairy products,

³ Annual report Cosun 2023.

baby formula, breakfast cereals, as well as nutritional supplements and bars. Sensus has two production facilities in the Netherlands which are situated in Zwolle (Overijssel) and Roosendaal (Noord-Brabant). In the year 2020 Sensus ETS CO₂-emissions were 28 kton;

- d) Duynie is a leading processor of co-products released in the agrifood, beverage and biofuels industry. Duynie markets its products in the food, animal feed, pet food, technical industrial products and bio-energy industry. Duynie has multiple production locations in the Netherlands (e.g. Nijmegen, Cuijk) but does not have production locations subject to ETS or the Dutch CO₂ Levy;
17. Cosun is important for the national economy and several regional economies, amongst others, for the following reasons:
- a) Cosun provides direct employment for approximately 4,500 people, of which approximately 2,500 reside in the Netherlands;⁴
 - b) Cosun processed 11.4 Mton of agricultural crops and biomass in 2023, of which 7.3 Mton were Dutch sugar beets;⁵
 - c) CBC processes 100% of the sugar beet output in The Netherlands (7.3 Mton in 2022) with approximately 8100 farmers supplying the two production sites in Vierverlaten and Dinteloord. Sugar beets are grown on 80,000 hectares of land in The Netherlands, which accounts for approximately 15% of the Dutch open field agricultural area. Sugar beet farmers and Cosun are mutually dependent, as evidenced by the cooperative ownership;
 - d) Aviko is another important part of Cosun with a large market share in The Netherlands and is a big exporter of potato products. Potatoes for Aviko are grown on 20.000 hectares of land in The Netherlands. Aviko hence is a large job provider in rural regions of The Netherlands;
 - e) Cosun aims to become a leading developer and producer of plant-based proteins, based on new crops (such as '*veldboon*'), innovative fermentation technologies, and residue streams from their own- and third-party food industry operations in The Netherlands and elsewhere in Europe, contributing to the Dutch protein transition strategy ('*Nationale Eiwitstrategie*'). Cosun participates actively in the national program. As a first step, Duynie has realized a demo plant for residue-based food grade proteins located in Nijmegen and considers to co-invest in new assets in The Netherlands.

Decarbonization

- 18. Cosun's mission for the future is named 'The Plant Positive Way' and is based on their 125 years of experience in the valorization of agricultural crops such as sugar beet, chicory root and potatoes, into a diverse portfolio of products, provided to a wide international customer base. Cosun aims to unlock the full potential of plants and creates smart and sustainable solutions for current and future generations;
- 19. Cosun's 'Unlock' strategy is aimed to achieve this mission by "getting the most value out of plants" to offer societal solutions in the field of food, animal feed and climate (change) by producing plant-based food and feed ingredients, biobased products, and green energy (e.g. biogas, green gas, bio-ethanol);
- 20. Cosun's expressed global ambition for 2030, which is part of its 'Unlock' strategy, is to reduce 45% of its global scope 1 and 2 CO₂ emissions compared to 2020. Part of the 'Unlock' strategy ambition is the goal to increase the global revenue from sustainable or health promoting ingredients by 30%. With support of the tailor-made approach, Cosun intends to increase and accelerate its CO₂ reduction

⁴ Annual report (p.92)

⁵ Cosun annual report and Wageningen University:

agrimatie.nl/ThemaResultaat.aspx?subpubID=2232&themaID=3577&indicatorID=3591§orID=7539

- ambition in the Netherlands, by realizing a 70% reduction of CO₂ emissions when compared to 2020 emissions, for its Dutch ETS production locations;
21. Through participation in the tailor-made approach, Cosun intends to reduce its CO₂ emissions subject to the Dutch CO₂ Levy to a level of 100 kton below the expected amount of dispensation rights of 166 kton in 2030;
 22. Cosun sees the following main pillars as drivers for its decarbonization in the Netherlands, as described in its 'Unlock' strategy (see also article 3.2):
 - a) Energy efficiency projects through process-integrated MVR heat pump technology and improved usage of internal residual heat;
 - b) Electrification through a combination of e-boilers and heat pumps;
 - c) Process innovation of the lime kiln operations at both sugar factories;
 - d) Expanded Biogas and Green Gas production, substituting Cosun's current natural gas consumption, as well as feeding into the national gas network.
 23. The Government aims to facilitate the energy transition of the industry in the Netherlands, both with pricing instruments such as the Dutch CO₂ Levy for the industry and with instruments covering uneconomical parts of necessary and efficient investments and operations and recognizes the necessity of continued involvement with the industry to monitor whether the current governmental instruments are indeed suitable and sufficient towards this end;
 24. Parties acknowledge that there may be a potential to capture (biogenic) CO₂ at various Cosun locations as a next step after the decarbonization routes mentioned in paragraph 22. Parties recognize the need for CO₂ infrastructure at appropriate scale for Cosun's operations, and welcome future developments by various parties considering the realization of CO₂ capture and usage or storage (hereafter referred to as CCU and/or CCS);
 25. Parties acknowledge that the use of biomass is essential in the transition to a climate-neutral and circular economy. In line with the Integrated Biomass Sustainability Framework (Duurzaamheidskader Biograndstoffen), only sustainable biomass can contribute to this transition, and sustainable raw materials must ultimately be used for the highest-value applications possible. Therefore, the government aims to, over time and gradually, limit fuels from biotic sources, such as green gas, to those applications where carbon-free alternatives are difficult to achieve or not feasible;
 26. Cosun continues to explore the potential for highest-value applications of its biomass, for instance through its role in the project 'Biobased Circular', consistent with the Government objectives as formulated in the Integrated Biomass Sustainability Framework ('Duurzaamheidskader Biograndstoffen') and the National Strategy Energy Systems ('Nationaal Plan Energiesysteem');
 27. Cosun considers dual use of their biotic sources, for product applications and green energy, as an essential transition lever towards its sustainability goals;
 28. Cosun also has various other ambitions, i.e. reduction of Scope 3 CO₂ emissions and Scope 1 CO₂ reduction at production locations that are not subject to the ETS or the Dutch CO₂ Levy. These ambitions will be further elaborated upon under article 3.4;
 29. Cosun supports its farmers in implementing best practices and innovative techniques for lowering farm-based CO₂ emissions, while improving biodiversity, plant health and/or soil condition. One of Cosun's initiatives is the setup of "inspirational farms" ('inspiratieboerderijen') within their "GroeiKracht Cosun" program, focused on testing and sharing knowledge and farmer's experiences of those techniques and innovations.

Environmental impact

30. Parties acknowledge that the Dutch Government aims to decrease its reactive nitrogen emissions (particularly nitrogen oxides and ammonia) in order to reduce

the deposition thereof in Dutch Natura 2000 nature areas, and that each sector, including the industrial sector, is expected to contribute fairly to the necessary reduction of reactive nitrogen emissions. The letter to parliament regarding nitrogen⁶ explains the policy framework;

31. Parties recognize the aim, in line with the European Zero Pollution Ambition, to progressively reduce air-, water- and soil contamination to levels that are no longer harmful to general health and natural ecosystems by 2050, thereby taking into account the limits of planet earth with the aim of realizing a toxin-free environment. The Government has formulated emission reduction and health gain ambitions in several policy acts to this end;
32. Parties recognize the State policy that includes the legal obligation to prevent and minimize emissions of persistent pollutants and pollutants of high concern – in Dutch referred to as '*zeer zorgwekkende stoffen*' (ZZS) and inform the authorities, on achieved reduction and next steps to further reduce emissions, every five years;
33. Cosun utilizes ground and potable water at several locations and has been exploring ways to increase its water utilization efficiency and/or ways to reduce or at least limit the intake (e.g. water upcycling and recycling). As a result of such efforts, CBC has – for example – not used any ground water since 2012.⁷ Parties acknowledge that Cosun's operations have an impact on the availability of water, which is increasingly becoming an area of concern.

Other

34. Parties acknowledge that decarbonization projects by industry require the timely realization of the required energy and CO₂ infrastructure and a clear industrial demand for such infrastructure. The Government has developed a national and regional infrastructure program (*Programma Infrastructuur voor een Duurzame Industrie* – '*PIDI*') in which governments, industry and grid operators work together to (i) take stock of all infrastructural needs for the industry, including for Cosun, and (ii) to enable acceleration of infrastructural projects admitted to the '*Meerjarenprogramma Infrastructuur en Klimaat*' (MIEK) where desirable and possible;
35. Parties acknowledge that Cosun's projects for CO₂ reduction and less impact on local environment take place in an evolving local context. Parties intend to take stock of the relevant developments in the direct environment (proximity) of the Cosun sites, notably when related to spatial planning. Parties intend to find ways forward, when needed and within each Party's purview, to promote that Cosun's operations develop in harmony with its direct environment.

⁶ Kamerbrief *Stand van zaken stikstof en landelijk gebied*, d.d. 15 juli 2022.

⁷ <https://www.cosunbeetcompany.nl/duurzaamheid/milieuenmaatschappij>

Have agreed:

1. Definitions

The following terms, if capitalized as indicated, shall have the following meaning:

- a. **BAT:** best available technologies (*beste beschikbare technieken*) as defined in article 1.1 paragraph 1 of the Dutch Environmental Permitting (General Provisions) Act (*Wet algemene bepalingen omgevingsrecht*);
- b. **Biogas:** gas produced through the process of fermenting manure, organic waste or organic (agro) residues;
- c. **Carbon Capture and Storage:** the process of capturing, transporting and permanent storing of carbon dioxide to prevent it for entering the atmosphere, hereafter also be referred to as 'CCS';
- d. **CHP:** Combined Heat and Power installation;
- e. **Climate neutrality:** net-zero Greenhouse gas emissions in CO₂ equivalent terms;
- f. **CO₂:** all Greenhouse gases in CO₂ equivalent terms, unless stated otherwise;
- g. **Cosun:** Coöperatie Koninklijke Cosun U.A., with its registered office in Breda, with offices at van de Reijtstraat 15, 4814NE, in Breda;
- h. **Dutch Climate Law:** the law enacted on 2 March 2022, also known as the *Klimaatwet*;
- i. **Dutch Climate Policy Programme:** the governmental policy programme (*beleidsprogramma Klimaat*) dated 2 June 2022 on the main features of the climate policy until 2030 aimed at the realisation of the objectives of the Dutch Climate Law;
- j. **Dutch CO₂ Levy:** the national levy on industrial CO₂ emissions, governed by the 'Wet belastingen op milieugrondslag' chapter VIB;
- k. **EoP:** this Expression of Principles;
- l. **Government:** the government of the Netherlands;
- m. **Green gas:** gas produced with biomass and upgraded to the quality of natural gas;
- n. **Greenhouse gases:** the gases listed in Annex II to Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the European Union;
- o. **kton:** kiloton (1,000 tons);
- p. **Meerjarenprogramma Infrastructuur Energie en Klimaat:** the multi-annual program in which the Government, together with other stakeholders, coordinates timely decision-making and realisation of infrastructural projects of national interest that are needed to achieve CO₂ reduction and will hereafter be referred to as 'MIEK';
- q. **Mton:** Megaton (1,000,000 tons);
- r. **NH₃:** ammonia;
- s. **NO_x:** a collective term for nitrogen oxides most predominantly nitric oxide (NO) and nitrogen dioxide (NO₂);
- t. **Parties:** the parties to this Expression of Principles;
- u. **Party:** one of the Parties to this Expression of Principles;
- v. **Permits:** means any permit, license, exemption, consent or other authorization that Cosun requires from the State or any (local) governmental organization for the realization of projects executed by Cosun relating to the tailor-made approach;
- w. **PIDI:** *Nationaal Programma Infrastructuur Duurzame Industrie*;
- x. **Projects:** all projects mentioned;
- y. **Reactive Nitrogen Emissions:** refers to all forms of nitrogen emitted except for molecular nitrogen (in particular ammonia and nitrous oxides);
- z. **ZZS:** *Zeer Zorgwekkende Stoffen* refers to substances as defined in article 5.22a of the 'Besluit Activiteiten Leefomgeving'⁸ (Bal).

⁸ [§ 5.4.3 Besluit activiteiten leefomgeving](#)

2. Objectives for the cooperation between the Parties

The objectives of this EoP are to:

1. express non-binding principles for potential subsequent mutual agreements on the cooperation between the Parties to pursue the intentions as stated below in this section each from their own purview (see recitals above) and subject to each Party's internal criteria for cooperation and decision making;
2. accelerate reduction of Cosun's CO₂ emissions subject to the Dutch CO₂ Levy in the Netherlands, aiming for 230 kton CO₂ reduction in the year 2030 relative to the emission in the year 2020;
3. accelerate reduction of Cosun's (local) environmental impact in the Netherlands, with a focus on Reactive Nitrogen, odour and ground and potable water efficiency; and
4. accelerate various projects aimed at, other than Scope 1 CO₂ emissions, reduction across Cosun's value chain.

3. Intentions

3.1 *Intention 1– establish basis for cooperation*

1. Parties intend to cooperate on the basis of mutuality ('*wederkerigheid*') in a staged process to create mutual and simultaneously increasing levels of commitment, in due course towards binding agreement(s) on achieving the objectives, to be laid down in writing and subject to authorised signature.
2. As the next step, Parties intend to strengthen their cooperation by drawing up and agreeing on a JLoI. The JLoI will elaborate on the levels of commitment related to all intentions to be pursued thereafter. Parties will discuss an appropriate schedule for drawing up a JLoI.
3. Parties acknowledge that apart from an adequate application process, early alignment, effective prioritisation, planning and cooperation between the State, the relevant (local) governmental authorities, the relevant public institutions and Cosun are important for effectively conducting permitting processes to obtain the relevant Permits, including Reactive Nitrogen related permits, and to that effect:
 - a) Parties acknowledge each Party's and other entities' responsibilities under various laws and regulations;
 - b) Parties intend to, individually and jointly, engage and align, where considered necessary, with relevant public entities and institutions to promote a timely and predictable permitting process. Cosun intends to continue its engagement with relevant stakeholders, e.g. those in the vicinity of its operations, in relation to the permitting process;
 - c) The State intends to facilitate, where possible and within its purview, timely decision-making on permit applications for any Permit and, whilst respecting their respective authority and role under public law, encourage relevant public entities and authorities whose actions and/or decisions are required for obtaining any Permit, to contribute to timely decision making; and
 - d) The State has informed and consulted all relevant provincial authorities about the proposed tailor-made approach for Cosun's activities.

3.2 *Intention 2– reduction of Cosun's scope 1 CO₂-emissions*

1. This objective relates to CO₂ emissions of Cosun's activities at their production sites that are subject to the Dutch CO₂ Levy. In the year 2020 Cosun's CO₂ emissions under the Dutch CO₂ Levy were 294 kton.
2. The execution of the projects by Cosun is expected to result in a reduction of Cosun's annual Scope 1 CO₂-emissions as defined in article 3.2.1. by 230 kton in the year 2030 when compared to 2020, of which a reduction of 100 kton is in addition to the expected reduction of 130 kton achieved through the CO₂ levy in 2030.

3. As a consequence of Cosun's aim as described in article 3.2.2, Cosun's CO₂-emissions outside the Dutch CO₂ Levy, caused by its Combined Heat and Power installations (CHP's), are expected to be reduced by 20 kton in 2030, when compared to the year 2020 (from 60 kton in 2020 to approximately 40 kton in 2030). The total intended CO₂ reduction sums up to 230 kton CO₂ under the Dutch CO₂ Levy and 20 kton CO₂ outside the Dutch CO₂ Levy, leading to a total of 250 kton.
4. Cosun aims to realize CO₂-emission reduction projects in total of 300 kton, partially reduced by 50 kton caused by maximizing their existing production capacity, leading to a net CO₂ reduction of 250 kton. Cosun aims to achieve this ambition by the following portfolio of projects:
 - a) Energy efficiency projects through process-integrated MVR heat pump technology and improved usage of internal residual heat;
 - b) Electrification through a combination of e-boilers and heat pumps;
 - c) Process innovation of the lime kiln operations at both sugar factories; and
 - d) Expanded Biogas and Green Gas production, substituting Cosun's current natural gas consumption, as well as feeding into the national gas network;
5. The table below provides an overview of the projects and their corresponding CO₂ reduction. This overview is indicative by nature and could be altered by Cosun, whilst maintaining the 2030 ambition:

Intended CO ₂ reduction projects	kton CO ₂
Energy Efficiency	120
Electrification	60
Process innovation of the lime kiln operations	30
Renewable gas	90
Increased activity level	-50
Total CO₂ reduction (ambition)	250
ETS CO₂ emissions 2020	352
Total CO ₂ reduction (ambition)	250
ETS CO₂ emissions 2030 (ambition)	102
Projects planned for 2030-2035	55
ETS CO₂ emissions 2035 (indicative)	47

6. Cosun intends to further reduce Greenhouse gas emissions to Climate Neutrality in 2050. As part of this intention, Cosun aims to further reduce CO₂ emissions at one of its locations by approximately 55 kton in the period 2030-2035 through an energy efficiency project using process-integrated MVR heat pump technology in one of its sugar factories. Cosun intends to complete the investment decision process for this CO₂ reduction project before the year 2030.
7. Parties intend to explore: (i) the potential to increase the share of flexible electricity consumption, in order to allow for the efficient integration of renewable electricity into the electricity grid in space and time, and (ii) the inclusion of future commitments in a JLoI regarding a certain share of flexible electricity consumption.
8. Parties intend to agree to monitor and periodically evaluate Cosun's additional CO₂ emissions reduction efforts.
9. According to Cosun, various general enablers are required to accomplish this intention (as described under 3.2 paragraph 2). The following topics require specific attention from all involved Parties in the next phase of the tailor-made approach:
 - a) (Accelerated) realization of MIEK infrastructure projects and electricity grid related infrastructure for relevant Cosun sites to ensure reliable and timely electricity supply;

- b) Clarity and a uniform interpretation of RED III certification schemes relating to the labeling of residue streams for Cosun's Biogas and Green Gas production operations;
 - c) Clarity and a uniform interpretation of schemes relating to the labeling of future energy efficiency and electrification projects using heat pumps and the risk of withdrawal of dispensation rights and free ETS allowances; and
 - d) The tariffs and scopes for existing and future subsidy schemes to be indexed to mirror market price developments and budget levels to remain adequate to mitigate uneconomical elements of the decarbonization projects described under 3.2 paragraph 5, in particular for the process-integrated MVR heat pump projects.
10. Parties intend to explore how they can contribute to the enablers mentioned in the previous article. For some of these enablers, the Parties also depend on third parties. In this context:
- a) The State intends to continue to coordinate the – in certain cases accelerated – realization of MIEK projects, reliable and timely electricity supply;
 - b) The State intends to explore how existing and future generic subsidy schemes can address possible deficiencies, subject to all internal criteria (political consent, subsidy design principles and state support regulations among others); and
 - c) Parties intend to explore the potential to increase the share of flexible electricity consumption, in order to allow for the efficient integration of renewable electricity into the electricity grid in location and time.
11. Parties acknowledge that it is Cosun's intention not to further trade with other companies additional CO₂ dispensation rights under the *Wet belastingen op milieugrondslag* that ensue from the additional CO₂ reduction realized by the tailor-made approach, in order to prevent a "waterbed effect". The effects hereof will be discussed in the coming period and worked out in more detail in the JLoI. Cosun ensures that the appropriate subsidiaries to whom the dispensation rights are allocated will be included in the JLoI.

3.3 Intention 3 – Reduction of Cosun's local and regional environmental impact

1. This intention relates to emissions to air and water (other than CO₂) and external safety. Parties acknowledge that air quality in the Netherlands and nitrogen (NH₃ and NO_x) deposition on nature conservation areas nearby production sites are important areas for cooperation. In addition, the development towards a sustainable operation of Cosun requires a continued focus on improving environmental performance. A sustainable operation is considered an operation in harmony with its local environment and regional policies, in compliance with applicable legislation, and in line with the European Zero Pollution Ambition and the Clean Air Agreement goal of 50% health gains in 2030 relative to 2016.
2. Following this, Cosun intends to explore opportunities to reduce NO_x and NH₃ emitted at its various locations (with specific attention for the Dinteloord site, identified by the RIVM as an industrial "Reactive Nitrogen Piekbelaster"⁹) and present these to the relevant parties involved in the tailor-made approach.
3. Overall, Cosun aims to reduce their Reactive Nitrogen emissions by a minimum of 25% compared to 2020. In principle, this reduction target applies separately to both NO_x and NH₃, and to each location in the scope of this EoP, if these emissions are material from a Cosun portfolio perspective and based on emission year freights, as annually registered in the digital environmental reports ('*electronische milieu jaarverslagen*' – e-MJV) reporting methodologies.
4. In any case, the lower end of NO_x and NH₃ reducing techniques as described in relevant BAT-reference documents (BREF) should be explored and should include an analysis of alternative processes and/or end-of-pipe abatement techniques.

⁹ Rijksinstituut voor Volksgezondheid en Milieu ("RIVM") report "*Bepalen drempelwaarde piekbelasters-aanpak*" p. 16

Following this, Parties intend to determine the best reduction strategy on the basis of consensus, proportionality and the State support that may be needed to achieve this will then be further specified. In any case, emission limit values lower than what is required in applicable legislation are to be strived for. Cosun intends to conduct similar analyses for the production sites within the scope of this EoP.

5. In line with existing national and regional policies and European legislation, Cosun intends to realize the lowest possible emission limit value within the BAT Associated Emission Level bandwidth for fine particulate matter, noise, odor and/or other relevant environmental aspects. Regarding ZZS, and in line with the state policy regarding ZZS, emissions should be prevented and minimized. If no BAT-conclusions apply, such as for odor, noise and various emissions to water, other legislative frameworks apply. In any case, Cosun will strive to ensure that the proposed adjustments to existing processes and/or the realisation of new installations will not lead to an increase in negative effects on the (local) environment. In all cases, Cosun aims to improve the overall environmental performance of their facilities. Regarding water, special attention will be given to the goals and requirements of the European Water Framework Directive.¹⁰
6. Parties acknowledge that odor is an important topic for the local environment to assure the (future) license-to-operate of production sites, especially if these sites are close to current or future residential areas. Parties intend to evaluate odor measures and best practices to reduce (perceived) hinder, and determine whether these are technically and economically feasible. This evaluation should be accompanied by a coherent local and/or regional long-term policy that assures the future license-to-operate of those production sites.
7. Cosun aims to assess whether it is technologically and economically feasible to increase its water utilization efficiency and/or ways to reduce or at least limit the intake of ground and potable water by 20% at their locations within the scope of this EoP in 2030 compared to 2020, as well as researching whether it is safe, feasible and preferable to upcycle or recycle (waste- and process) water streams.
8. In addition, Cosun will ensure that the on-site and external safety exposure, on and around production- and storage sites will not deteriorate in comparison to the current situation and, where possible, improve. Where necessary and possible, Cosun will mitigate new risks.
9. Parties intend to agree to monitor and periodically evaluate Cosun's local environmental impact efforts.
10. Parties intend to explore the support needed to that is required from the State in terms of facilitating timely decision-making related to permitting (within its purview), infrastructure, amended regulations and financial feasibility. The mutual dependency and opportunities with the CO₂-reduction path will also be taken into account.

3.4 Intention 4 – Accelerate various projects aimed at reduction of emissions across Cosun's value chain, other than Scope 1 CO₂ emissions

1. Initiatives for Scope 3 CO₂ emission reduction associated to Cosun's operations

Cosun intends to further explore possibilities to promote other scope 3 CO₂ emission reductions, together with various partners (customers, suppliers and value chain partners). Relevant Governmental Parties intend to engage with Cosun in further exploring these potential initiatives and determine how these projects may be appropriately facilitated with the tailor-made approach. Cosun's initiatives include:

- a) Contributing to the creation of energy hubs related to Cosun's and its partners' energy surpluses and needs. Such energy hub initiative is currently being explored in the AVIKO-Steenderen area and known as the "Energie

¹⁰ Water Framework Directive

Regiorotonde Steenderen-8rhk" supported by the local community authorities and province of Gelderland;

- b) Contributing to reducing CO₂ emissions associated with transporting crops and products to and from Cosun sites, for example by modality shift (transport by ship instead of by truck) and/or electrification of transport;
- c) Cosun is partner of the Biobased Circular materials consortium. The aim of this consortium is to develop and create closed circular value chains in the Netherlands for plastic products (polymers) based on carbohydrate-rich biomass sources. This consortium received 102 M€ conditional funding and 236 M€ funding as a reservation from the Dutch National Growth Fund ("Groeifonds").

2. Initiatives for improved circularity and valorisation of residue and co-products streams

Cosun intends to mature a portfolio of projects that improve recovery and use of plant-based proteins and starches from agro-residues and co-products. Cosun aims to progressively introduce measures consistent with the vision for regenerative and circular agriculture, to increase the circularity of its operations and supply chain from farm to fork, by ensuring its residual flows and co-products are used in the highest value-added applications.

The State intends to engage with Cosun in further exploring such initiatives and determining how these projects may be appropriately supported with the tailor-made approach, whilst not losing sight of the fact that agricultural policy is the responsibility of the Ministry of Agriculture, Fishery, Food Security and Nature.

3. Initiatives for non-ETS scope 1 CO₂ emissions

Cosun intends to reduce its scope 1 CO₂ emissions also at its 2 major non-ETS locations, specifically through electrification projects. Relevant Governmental Parties intend to engage with Cosun in further exploring these potential initiatives as appropriate for non-ETS locations and determine how these projects may be facilitated through the tailor-made approach.

4. Time schedule

Parties share a joined sense of urgency. In order to stimulate timely decision making in order to be able to realize the projects timely by 2030, Parties will discuss an appropriate schedule for drawing up a JLoI.

5. Costs

Each Party bears its own costs associated with this EoP among which are costs made during the negotiation, preparation, execution and implementation of this EoP.

6. Interpretation of terms and substance of this document

- 1. The terms of this EoP are not legally binding nor legally enforceable upon either Party hereto.
- 2. The current EoP is only of an indicative, non-binding nature, which means inter alia that neither Party can be legally held to expressed intentions, statements, facts or numbers mentioned in this EoP, among other things because in this stage, such expressed intentions, statements, facts or numbers cannot and will not be fully verified by the Parties to this EoP and because neither Party wants to enter into legally binding commitments with this EoP; the EoP only serves the goal of affirming Parties' intention to engage in further discussions about the possibilities of additional CO₂ reduction.
- 3. Parties shall after signing this EoP begin discussions on a JLoI, which will more specifically describe the plans of the State and Cosun in this respect.

4. Parties confirm explicitly that (i) they shall have full discretion in agreeing on a JLoI or not, and in modifying, removing or completing any intentions, statements, facts or numbers mentioned in this EoP, and (ii) that at its sole discretion either Party may terminate discussions at any time for any reason, in which case the terminating Party is not liable for any damages or compensation of costs towards (any of) the other Parties.
5. The Provinces of Noord-Brabant, Overijssel and Gelderland are co-signing this EoP to express their support of the objectives and intentions of this EoP and to express their intention to participate in the upcoming discussions about the JLoI and possibly becoming a party to that JLoI.
6. To the extent this EoP creates any legal relationship between the Parties, that legal relationship shall be governed by and shall be construed in accordance with the laws of the Netherlands. Any dispute about the interpretation or implementation of this EoP will be resolved through consultations between the Parties.

7. Other

This EoP comes into effect on the date of the last signature.

[Remainder of the page intentionally left blank – signature page on the next page]

Signed in the Hague on 10th of October 2024 in six original copies, each in the English language.

The Minister of Climate Policy and Green Growth,
acting in her capacity as administrative body (bestuursorgaan) and as representative of the State of the Netherlands,

By: Mrs. S.T.M. Hermans

Representatives of the Coöperatie Koninklijke Cosun U.A.

By: Mr. J.A.M. Meeuwis

Acting in his capacity as:

.....

By: Mrs. M.H.A. Philipsen

Acting in her capacity as:

.....

And by the State Secretary of Public Transportation and Environment,
representing the Ministry of Infrastructure and Water Management
acting in his capacity as administrative body (bestuursorgaan) and as representative of the State of the Netherlands,

By: Mr. C.A. Jansen

Place:

Date:

Co-signed by the following Provincial Executives:

The Royal Commissioner of the Dutch Province of Noord-Brabant

Mrs. I.R. Adema

Place:

Date:

The Provincial Executive of the Dutch Province of Overijssel

Mr. E.N.W. Hoogland

Place:

Date:

The Provincial Executive of the Dutch Province of Gelderland

Ms. J.E.M. Mol

Place:

Date: