



THE ALPRO SUSTAINABLE DEVELOPMENT REPORT

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ABOUT THE REPORT



This is Alpro's first sustainable development report. Since the birth of Alpro 30 years ago, the company has been rooted in sustainable development, long before the terms "CSR" (Corporate Social Responsibility) or the "3 Ps" (People-Planet-Profit) were invented. Over recent years, we have intensified our efforts, in the spirit of our roots.

Despite our strong intrinsic vision and achievements in the field of sustainable development, it was noticed – and regretted – that we communicated very little about our activities with the outside world. This report aims to complement our actions with greater communication to our stakeholders.

“Indeed, we have preferred action over words, concrete impact over intentions.”

This report will highlight our key achievements over the recent years and the challenges ahead. We have decided not to use a specific reporting benchmark as we hope this report will be an authentic narrative rather than a formal report. In line with this, we have also decided not to have this report audited externally. Despite this, we have done our utmost to make the information as objective and factual as possible in the four areas that characterise our sustainable development strategy: food, people, planet and communities.

As a medium-sized company with no formal CSR department and a preference for action over words, we have opted to produce such a report every two years. In this way, we hope the report becomes a positive tool to share information rather than a formal annual process. In the meantime, we will evaluate alternative tools to convey our messages. We already suggest that you have a look at our SD video, which complements this SD report.

We hope you enjoy reading this report and we welcome your comments and suggestions.



LETTER FROM THE CEO



CSR at Alpro goes back to the origins of the company. When Philippe Vandemoortele created the company in 1980, his ideal was to fight famine in Africa by providing technology for the local production of plant-based proteins. Sustainable development “avant la lettre ...”

“We will make it happen!”

While our company turned out over time to become a consumer goods firm, its initial philosophy is still deeply embedded in our day-to-day business. Each soya product we sell is not only helping in realising our financial objectives, but is also bringing health benefits to our consumers while respecting the world’s natural resources and the environment. Plant-based foods are healthy and good for the environment. They can be produced in sustainable, resource-efficient ways that respect precious land and water resources, and have a minimal carbon footprint.

We also try to make sure our business practices are as good as our products. As an example, we have been able to reduce the energy-related CO₂ emissions from our factories by 67% in 2009 compared to our baseline year of 2006. While focusing our efforts on further reducing CO₂ emissions and water usage over the coming years, we will continue to make sure that Alpro is a company where people are happy and proud to work.

We realise we are on a journey, and that more can and should be done to become an even better company in the future. While we are proud of our achievements, we are as eager and dedicated to further progress. We will achieve this by working as one team, through continued effort and dedication, and also by sharing experiences and best practices with stakeholders, who will challenge us.

Bernard Deryckere
CEO Alpro



COMPANY PROFILE



Alpro is the European market leader in soya-based products. Incorporated in 1980 with the aim of alleviating famine and malnutrition in Africa through innovative soya technology, it has developed in the last decade to become a focused FMCG (Fast Moving Consumer Goods) company.

BROAD ALPRO PRODUCT RANGE UNDER TWO BRANDS

Alpro is present across the EU-27, as well as in some selected export markets outside Europe, with our two strong brands: Alpro soya® and Provamel. Alpro soya® has six soya-based product categories: drinks, yofu (yoghurt alternatives), desserts, creams, margarines and meat replacements.

The Alpro soya® brand is sold in the mass retail channel and also in selected out-of-home channels, while the Provamel brand is exclusive to the specialist health food retailers.



Alpro has been part of Dean Foods since summer 2009. The US leader in dairy and soya-based products, Dean Foods is made up of two segments: Fresh Dairy Direct (FDD) Morningstar; and WhiteWave Alpro. While FDD – Morningstar competes in the mature milk market, WhiteWave – Alpro drives branded growth in emerging categories. Alpro's leadership in Europe has allowed Dean Foods to become the global leader in soya. For more information on Dean Foods and its CSR approach please see [Dean Foods' CSR report](#).



A EUROPEAN COMPANY

European headquarters	Ghent – Belgium	70 employees
Factories and commercial operations	Wevelgem – Belgium	391 employees
	Kettering – UK	122 employees
	Issenheim – France	81 employees
	Landgraaf – Netherlands	62 employees
	Düsseldorf – Germany	22 employees
	Breda – Netherlands	12 employees
TOTAL EMPLOYEES in December 2009		760 employees



Respective share in turnover/volume	86%	14%
Total volume	246 500 tons	
Total turnover	EUR 256.3 million	



ALPRO'S MISSION AND BUSINESS STRATEGY

Alpro has a clear mission, grounded in the 3 P's: "People" – "Planet" – "Profit": "Alpro creates delicious, naturally-healthy plant-based foods for the maximum wellbeing of everyone and with the utmost respect for our planet.

This vision reflects Alpro's clear engagement with all its stakeholders:

- **People:** Offering high-quality naturally-healthy products to consumers leveraging an engaged employee base, with clear values of ambition, leadership, professionalism, respect and ownership;
- **Planet:** Taking responsibility towards the community at large by commercialising products with minimum impact on the environment;
- **Profit:** Value creation for our shareholders.

Our values are embedded in everything we do and every decision we take.

- **Ambition:** Show entrepreneurship in what you do, go for growth, be daring, have fun.
- **Leadership:** Create the market and drive the market in a consistent way. Give people clear leadership in what they do. Leadership is for everyone in all positions.
- **Professionalism:** Do the right things and do these things right, in a pragmatic way. Inspire people, develop and coach others.
- **Respect:** Have respect for our people, our consumers, our customers, our suppliers, our partners and the environment.
- **Ownership:** Have passion for initiative, the drive for creative solutions, accountability, identification with the Alpro business.

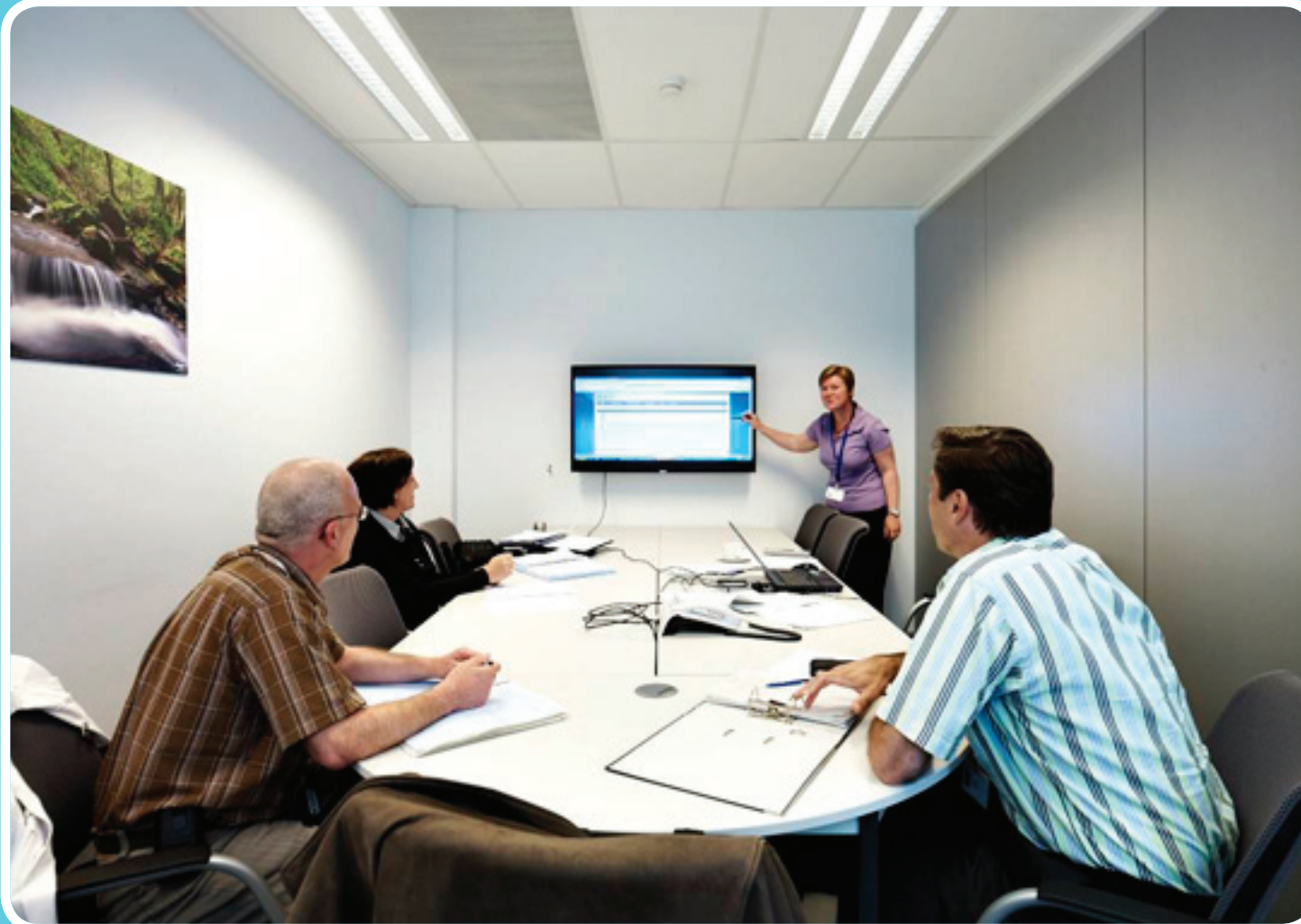
Alpro's business strategy is geared towards profitable growth by building a leading, branded and long-term sustainable position in the market. It is a focused strategy in terms of ingredients, product categories and geography.

In order to do so, Alpro invests in 6 complementary fields:

- Authentic brands inspiring vitality
- Our customers, our raison d'être
- Consumer-relevant innovation
- Core technology and assets for high quality products
- Our partner network to leverage our market position
- Our employees, who make it all happen



CSR STRATEGY AND GOVERNANCE



Sustainable development has been part of Alpro's DNA since the inception of the company. In recent years, we have intensified our efforts by reinforcing existing structures and decision-making processes to better reflect this. From an initial project-based approach, we moved to a more integrated process involving all staff members and stakeholders in 2006.

This approach is based on Alpro's guiding principles.

GUIDING PRINCIPLES:

1. Foster an enjoyable, entrepreneurial and fulfilling working environment in which everyone is encouraged to lead an active and healthy lifestyle.
2. Offer a world-leading range of innovative, superior tasting non-GM products.
3. Minimise the ecological footprint of all our activities.
4. Play a positive and proactive role towards the communities we work in and are in contact with.
5. Develop and nurture partnerships with suppliers which share our principles of sustainable development.
6. Bring greater value to the categories in which we operate and develop mutually rewarding partnerships with our customers.
7. Deliver sustainable and profitable growth.

The focus areas where we concentrate our SD efforts originate from these guiding principles. Our focus areas are:

1. **Food:** Provide tasty, naturally-healthy, plant-based foods.
2. **People:** Offer a stimulating working environment to our staff members and healthy foods to our consumers.
3. **Planet :** Achieve carbon neutrality of our production facilities and improve land and water usage.
4. **Communities:** Maintain and reinforce positive relationships with our suppliers, partners and the communities we are in contact with.

Stakeholders are crucial in helping us define an SD strategy that meets

a high level of expectations while being in line with our values. Because we value their input and appreciate being challenged, we have developed close partnerships with NGOs including the World Wildlife Fund, Fairfood International and the main European vegetarian associations. Business networks such as CSR Europe, Business&Society Belgium and Kauri offer us the opportunity to share best practices and to identify areas where improvement is possible. Finally, we are engaged with the public and government sectors in particular through ENSA, the European Natural Soyfoods Manufacturers' Association. This allows us to understand their expectations but also to express our vision and views on relevant policy topics.

The Alpro sustainability strategy is embedded in its Management Team, which has set the company's mission, defined the strategy and is following up its implementation.



One member of the Alpro Management Team, the Strategy and Business Development Director, has overall responsibility for sustainability strategy. He is assisted by an SD coordinator, who is steering and following up SD actions within Alpro day-to-day. It is important to mention that neither of these two functions is a full-time job, but rather a complement to another main job, exemplifying the fully integrated SD approach in day-to-day business. They have coordination meetings every two weeks.

The SD core team represents the main operational functions within the company: Sales, Marketing, Operations, HR and Communication.



Carl De Clercq (HR), Bruno Vanwelsenaers (Marketing), Nathalie Isebaert (Communications), Koen Bouckaert (Strategy and Business Development) Frank Meire (Operations), Basiel de Bruyne (SD coordinator), Gerd Gossye (Sales) (missing from the picture)

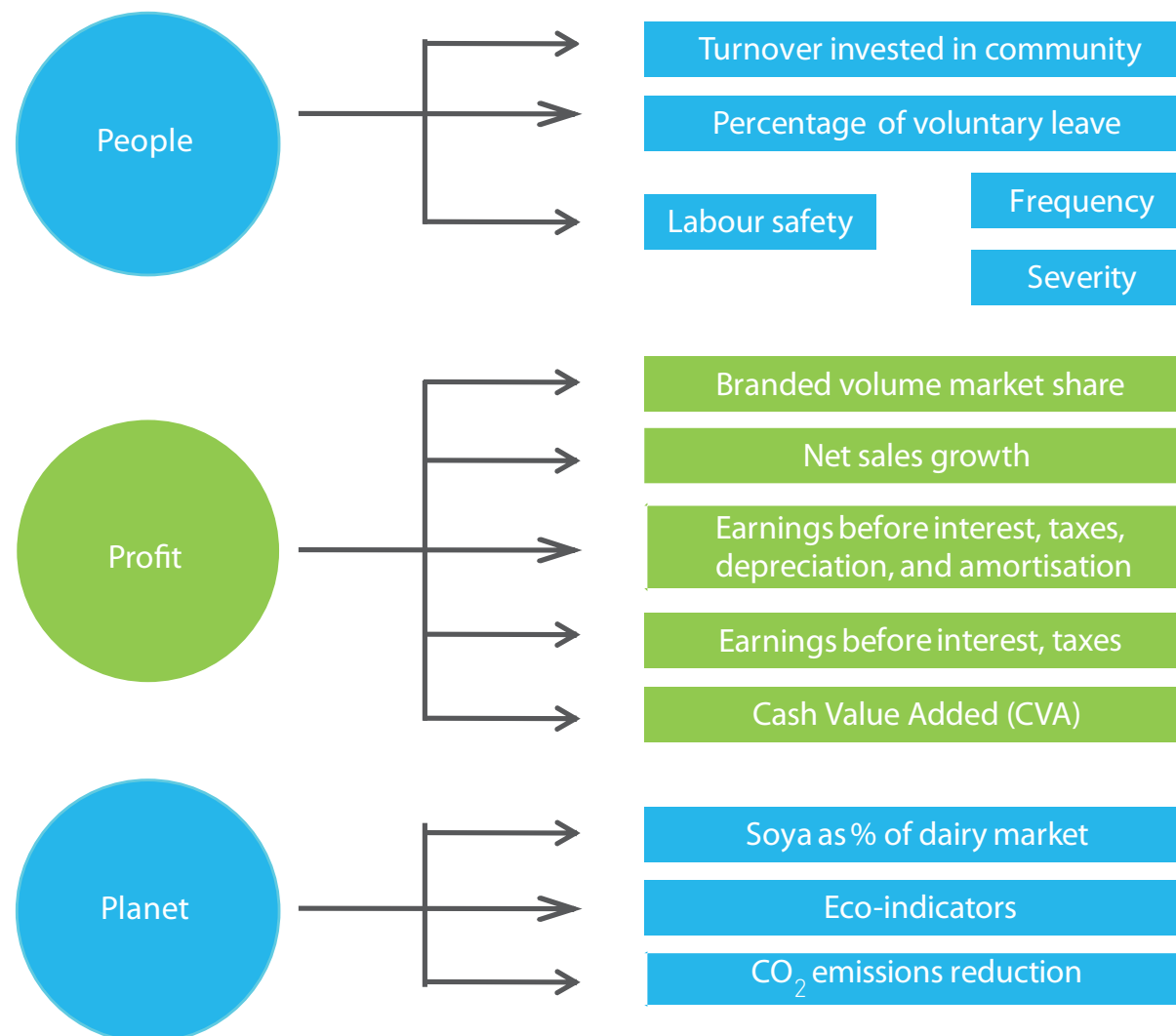


They take the lead in cascading the SD strategy within their specific departments. The core team gathers every two months.

Objectives for People, Profit and Planet are defined at company level, both annually and quarterly, and are then cascaded down to departments, teams and individual employees, thus aiding the translation from strategy to action. When appropriate, projects are submitted for approval via 'project charters'. These include a section to evaluate the sustainable character of the project.

Most employees have specific SD objectives, some of them reflected in bonus targets. The implementation of the objectives is followed up by a Balanced Score Card (BSC) review, which is carried out monthly. All 3 P's of People, Profit and Planet are appropriately reflected in this BSC, thus highlighting where corrective action may be needed. We also measure achievements through Objectives, Goals, Strategies and Measurement parameters and Key Performance Indicators, as illustrated here:

Alpro Objectives, Goals, Strategies and Measurements



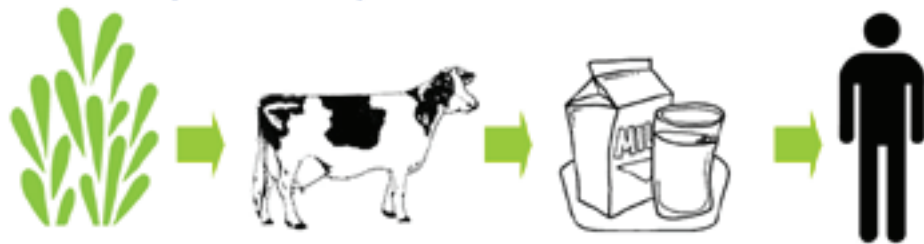


From farm to fork, we pay the utmost attention to the quality and the safety of our soya products. It starts with sourcing soya beans that meet our high nutritional and environmental standards. It continues with developing nutritious and tasty products for our consumers. It also means informing the public about the nutritional and environmental benefits of soya foods and addressing consumers' concerns about their diet and lifestyle.

FOOD SECURITY, A GLOBAL CONCERN

With a world population of 6.8 billion people today and estimates by the United Nations that it will grow to 9.0 billion in 2050, we should be asking each other: how will we feed another 2.2 billion people and how will we feed the populations of developing countries demanding more sophisticated and protein-rich diets?

Cow milk production process



Soya drinks production process... bypassing the cow



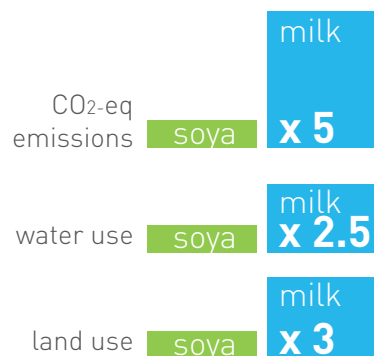
At Alpro, we have been asking ourselves that question, and we believe that part of the solution will be more reliance on nutritious and delicious plant-based foods, like our soya products. While 80-90% of global soya production is used to feed animals, Alpro processes soya directly into food for human consumption. Soya foods are a healthy, eco-friendly alternative to animal-based products. If a consumer wants to begin leaving a smaller environmental footprint in terms of carbon emissions, water and land usage, soya is a good place to start. It is in this sense we refer throughout the report to products being “sustainable” and eco-friendly as they are efficient in using natural resources such as energy, land and water.

In 2009, an Ecofys Life Cycle Assessment of Alpro’s products highlighted the sustainability of the company’s activities.

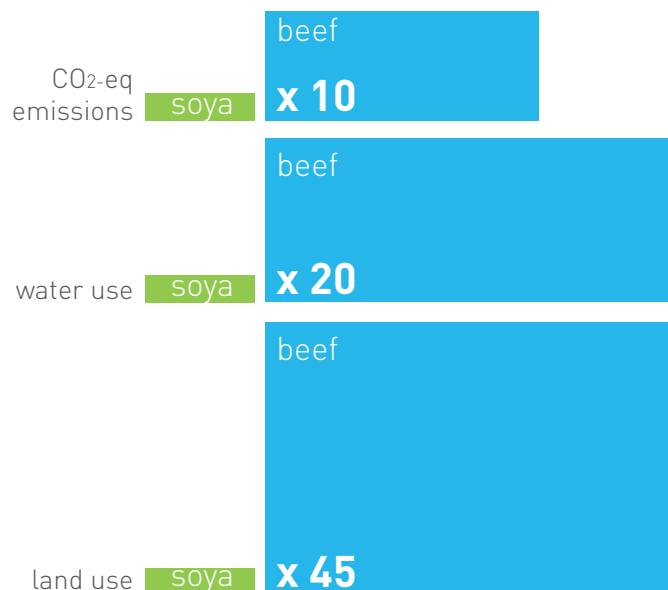
Producing a litre of soya drink emits 5 times less CO₂ than a litre of cow’s milk. This ratio is up to 10 for soya burgers compared to beef.

Soya drinks vs cow milk use 2.5 times less water and 3 times less land. Compared to beef, soya burgers use 20 times less water and over 45 times less land.

Comparison of CO₂-equivalent emissions,
land and water use between soya drink
and cow's milk



Comparison of CO₂-equivalent emissions,
land and water use between
soya meat replacements and beef



Sources: CO₂ footprint study - Ecofys - July 2009
Land usage study - Ecofys - April 2010
Water usage study - University of Twente - March 2010



*Dr Rajendra
Pachauri*

Alpro actively supports and runs communication campaigns to raise the awareness of European citizens that what they eat matters as much as the car they drive in terms of sustainable development. During the European Week of Soya 2009, Dr Rajendra Pachauri, chairman of the Intergovernmental Panel on Climate Change (IPCC) and co-recipient of the Nobel Peace Prize in 2007, actively supported the promotion of plant-based alternatives as part of the solution to climate change. Together with Sir Paul McCartney, he called on the European Parliament to promote the reduction of meat consumption as a means of significantly reducing CO₂ emissions from food production and consumption. Alpro supports initiatives for meat-free days that are taking shape in various cities in Europe. In support of this, Alpro launched an internet campaign "[Join the movement now.](#)"



*Sir Paul
McCartney*

JOIN THE  MOVEMENT NOW

HIGH QUALITY INGREDIENTS FOR HIGH QUALITY PRODUCTS

Sourcing soya beans which meet our standards is an ongoing challenge. As a result, when we find the right soya beans, we want to make sure that we engage in long-term relationships with the farmers who produce them. We source our soya beans from a limited number of countries (Canada and France for non organic soya beans; mainly China and Brazil for organic) and **we only work with a limited number of organisations, cooperatives and soya bean farmers, whom we have known for many years.** While we diversify locations to reduce the risks linked to loss of harvest, we are also looking for opportunities to source more locally, but face difficulty in finding sufficient quantities of soya beans that meet our stringent criteria.



"My father and uncle were growing soya 20 years ago. Unfortunately for them, the market gradually died. When Alpro proposed contracts in 2009 as I was just beginning as a farmer, it was an opportunity that couldn't be missed. Growing soya is a straight-forward process with little need for fertiliser. It requires little phytosanitary treatment; it leaves the ground in excellent condition and is an ideal rotating crop. To put it simply, producing soya for Alpro has many advantages: I diversify my crops, I use less fertilizer, the soya is processed a few miles from the farm, and I get the satisfaction of providing a high quality product for consumers!"

Benjamin Lammert, farmer, Colmar France

"I have been part of the Huaen Dashan Organic Farm cooperative for many years. The main products we are planting are organic soya beans and maize. I am pleased to provide organic soya beans to European clients such as Alpro. It is a challenge for us because of the high requirements for the quality of organic products. However, organic planting is good for protecting the environment and developing ecological agriculture and I will keep on planting organic products."

Chi Linghai, responsible for field 22, Huaen Organic Farm, Dashan, China

Sourcing non-GM soya beans is increasingly challenging on the world markets, but we make it a point of honour to respect our consumers' will to have non-GM food (in both our organic and non organic ranges). For that reason, we have **a full traceability and segregation system** in place. It starts with the seed but also incorporates the field, the farm, the transport and the silos. During the whole process we have a stringent analysis plan to check the loading, trans-shipment, intermediate handling, long and short term storage and uploading, which is controlled using the PCR (Polymerase Chain Reaction) method, performed in accredited laboratories. We also pay the utmost attention to additional ingredients to certify the absence of GMOs. This is implemented through test campaigns based on a risk assessment

system. Throughout the production process, samples are analysed to guarantee that no contamination has occurred. Every lot leaving the factory has its own identification number which allows for traceability right to the very end of the distribution chain. Our whole traceability system is certified by Cert ID and additionally by IBD & Certisys for our organic products.



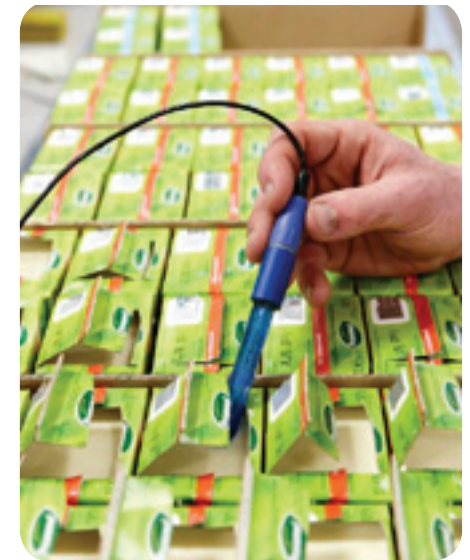
CERTISYS BE-BIO-01
EU/non-EU Agriculture



Besides being non-GM, the soya beans we source have to be sustainable in every aspect. We do not buy soya beans which have been grown on ancient rainforest land. The farmers we work with have to comply with the Basel Criteria for Responsible Soy production. This provision is included in all our soya bean contracts and has been checked by CertID (ProTerra standard¹). The organic soya beans we source from China and Brazil are EcoSocial² certified, and so is Alpro as a company.

In the same way that we require our partners to guarantee the quality of their products, so we have set ourselves very high standards for the production of soya products in our facilities. Our four factories are ISO22000 (food safety) and ISO9001 (quality) certified. 35 full-time employees work in our quality department. In each department and in each production site, ISO ambassadors have been appointed to make sure that the food safety and quality requirements are met on the ground. These ambassadors are coached by the divisional quality department.

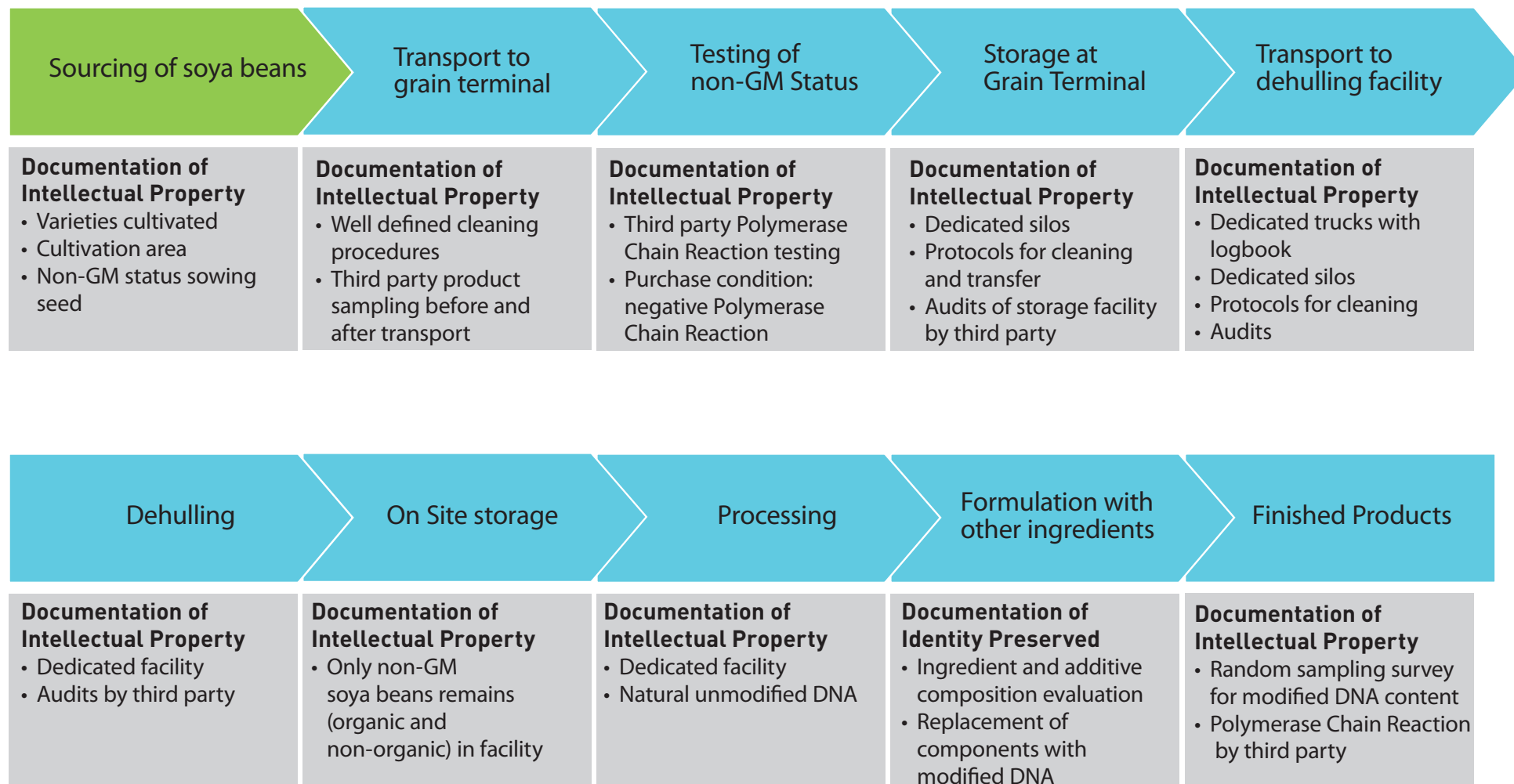
Alpro also adheres to the 10 principles of the United Nations Global Compact Initiative, of which Alpro is a signatory. In order to contribute to spreading these principles, we have included them in our ethical charter. It is now a requirement for all new suppliers to sign the ethical charter. To date, 78% of our suppliers in the food chain have signed the charter and it is our goal to obtain 100% by the end of 2010.



¹ ProTerra Certification Standard for Social Responsibility and Environmental Sustainability, Version 2 - 2008

² EcoSocial Certification Program 8th Edition – 2009: Program for fair relationships in trading socially and environmentally certified products (IBD Certifications)

Product Chain Traceability



NUTRITIOUS AND HEALTHY PRODUCTS

Thanks to their nutritional profile, soya foods fit into a healthy diet and balanced lifestyle. By offering a large range of soya products Alpro aims to make them as accessible to consumers as possible.

Soya products are a source of high quality protein, while being naturally low in saturated fats and lactose-free. The cholesterol lowering effect of soya protein has been established in numerous studies and further research is still going on to demonstrate other possible health benefits. In order to meet our consumers' dietary needs, our non-dairy range is also enriched with vitamins and minerals, such as calcium and vitamin B2. **We also continuously work towards improving the nutritional profile of our products by reducing the sugar and salt content.** Doing this, we want to make sure that our products remain attractive and tasty for consumers. For instance, we have lowered the sugar content in drinks and yofu in the course of 2009, without fundamentally changing the taste profile.

Nutrition	
Typical values	per 100 ml
Energy kJ/kcal	158/38
Protein	3.0 g
Carbohydrates	2.3 g
of which	
• Sugars	2.3 g
of which	
• Lactose	nil
Fat	1.8 g
of which	
• Saturates	0.3 g
• Cholesterol	nil
Fibre	0.5 g
Sodium	0.04 g
(Equivalent as salt)	0.11 g
Calcium	120 mg*
Vitamins:	
• Riboflavin	0.21 mg*
• B12	0.38 µg*
• D2	0.75 µg*
* = 15% of the recommended daily allowance This pack contains 5 servings. These values are approximate due to the variations which occur in natural ingredients.	
♦ Guideline Daily Amounts	
Typical values	Adults
Energy (kcal)	2000
Total sugars	90g
Fat	70g
of which saturates	20g
Sodium	2.4g
Salt	6g

This self-imposed standard has helped us to achieve Superior Taste Awards in 2009 for several Alpro products in different categories.

A team of 10 nutritional scientists in Alpro's science and nutrition department aims to raise awareness of the benefits of soya in a balanced diet, towards health care professionals, the media and consumers. While they disseminate nutritional information and scientific knowledge relating to soya, their role is also to address any concerns raised about soya products and their suitability as part of a healthy diet.

They organise scientific conferences and lectures to improve knowledge about plant-based nutrition. This is, in particular, the goal of the Alpro Foundation which supports scientific research in the field of plant-based nutrition and health, by research grants and the organisation of awards for masters students.

ALPRO FOUNDATION



TAKING GOOD CARE OF OUR CONSUMERS

Despite strong growth in recent years, soya foods are still a niche market compared to animal-based products. Depending on the country, the market share of dairy-like soya products is typically 1-2% of the total dairy market. Soya foods benefit from a strong specific usage profile. Part of our consumer base is driven by lactose-intolerance or a milk protein allergy or their concerns about cholesterol (typically consumers over 50). Increasingly, a new user group of health seekers is emerging (typically young

parents with children), looking for the nutritional and environmental benefits of soya. **Over recent years, soya foods have become more mainstream.** The bigger we grow, the easier it will be to realise economies of scale and therefore to offer soya products at the best price.

Positioning our products as healthy, we want to make sure that our consumers receive the right information about the products they use and how they fit into a balanced diet and healthy lifestyle. It starts with providing them with [easy to read, understandable nutritional information on packaging to help them make well-informed food choices](#). We also provide nutritional information in the form of percentage GDAs (Guideline Daily Amounts) on the front of packs for the calorie content and on the back of packs for the other main nutrients. We believe this voluntary scheme helps consumers calculate their actual dietary intake and therefore control their daily diet. In accordance with all applicable rules, relevant information for people with specific dietary needs (allergies, intolerances, children, vegetarianism) is listed next to the ingredients. [Labels indicating how packaging can be recycled and generic information about the carbon footprint of products are also included on the packs to help consumers play their role protecting the environment.](#)

Next to our high standards for food safety and quality throughout the production process, we have a policy of full transparency for our consumers and are keen to address their concerns in the most suitable way. Consumers can

contact us via different channels (website, facebook page, hotlines, via retailers, via ENSA, etc.). Whatever way they reach us, we have fully fledged procedures in place to handle all consumer enquiries.

Each 200ml serving contains:

kcal	Sugars	Fat	Saturates	Salt
75	4.5g	3.5g	0.6g	0.2g
4%	5%	5%	3%	4%

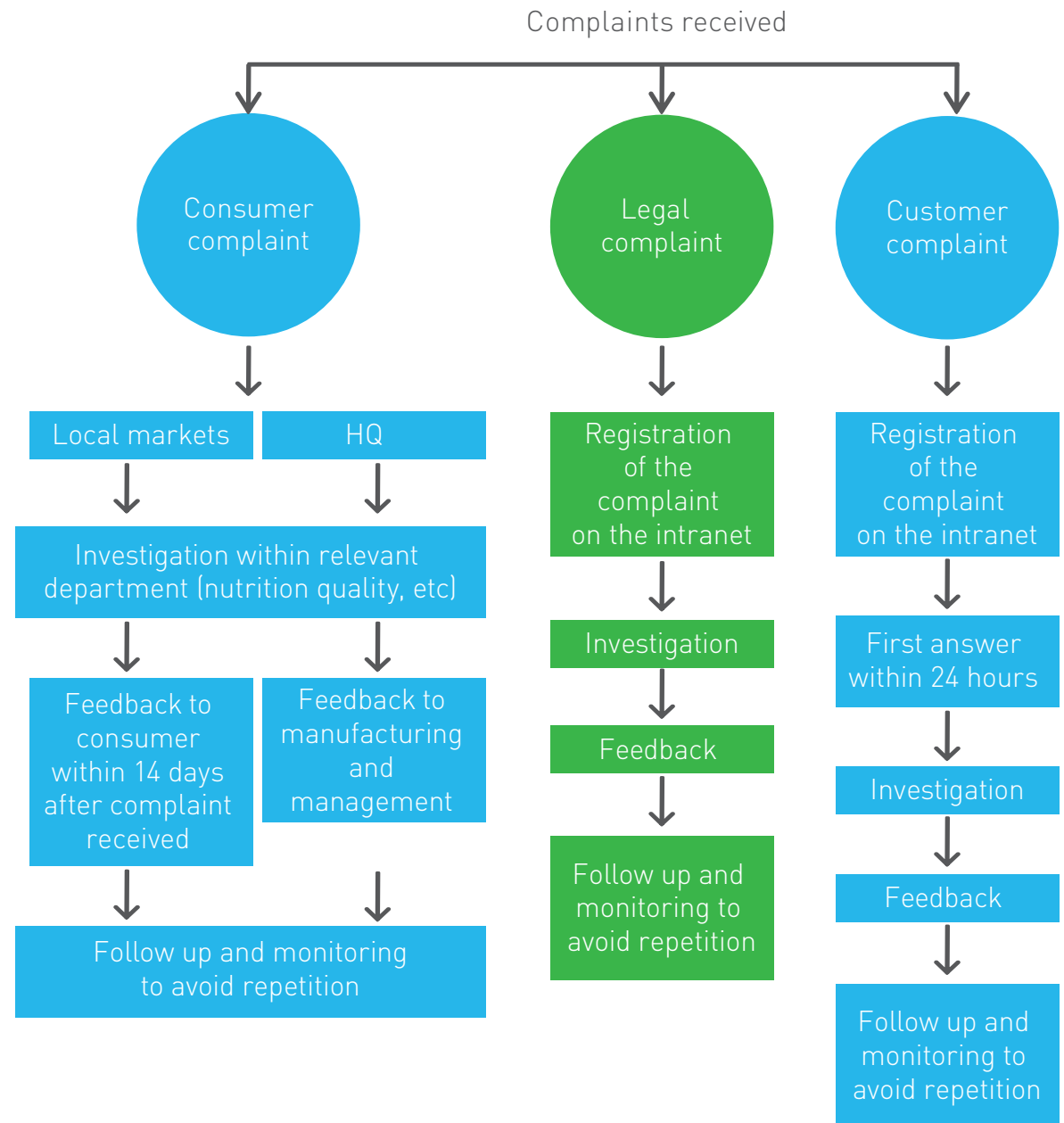
of an adult's guideline daily amount



Alpro management of consumer complaints



Consumers can contact us through various channels including social media



CHALLENGES:

1. Raise awareness with the consumer.

Our aim is to become an accepted and used mainstream category and brand. A lot of Europeans still don't know about our brands or the health and ecological benefits of our products. In addition, soya foods have faced some negative publicity with consumers, as soya is often linked to GMO, deforestation and large scale farming. Although we have clear policies against GMO's and sourcing from deforested land, we still need to communicate more to our consumers to overcome negative perceptions.

2. Obtain milk denomination.

Even though our products have a comparable nutritional profile as standard cow's milk, yogurt or cream, and even though our consumers perceive and use our drinks, yofus and cream alternatives in the same way as animal-based products, we are not allowed to call our products 'milk', 'yogurt' or 'cream', according to EU regulation. This is despite the fact consumers use the terms soy milk, yogurt and cream in everyday language. Through our trade association ENSA, we are trying to change this over time.

3. Further improve the balance between nutrition and taste.

Further optimising the balance between health and taste is a constant challenge for companies. While improving the nutritional profile of our products, we want to make sure that they remain attractive and tasty for consumers.





Our employees are committed to developing, manufacturing and marketing Alpro soya foods. They make Alpro what it is and enjoy the full support of the management, regardless of their origin, gender, age or education. Our human resources (HR) policy focuses on providing them with a stimulating working environment while also paying attention to their personal development. For these reasons, Alpro was ranked as the most socially engaged company by the Vlerick International management school in 2007.

HR AT THE HEART OF ALPRO'S BUSINESS STRATEGY

Total number of employees	760
Of which	50.8% blue collar
	25.5% white collar
	23.7% staff members
Growth between 2006 and 2009	+ 28%
Average proportion of women among employees	32.2%
Average share of employees from ethnic minorities	From 2% in 2002 to 8% in 2009 in Belgium
Average age of employees	39
Average service	7.3 years

At Alpro we do not consider human resources as a supporting department but as a core component of our business strategy. Our HR policy is carefully scrutinised by the management team through a monthly Balanced Score card which takes stock of the relevant KPIs at divisional and country levels. **Despite the economic crisis and despite the sale process Alpro went through in 2009, all indicators remained positive.**

Alpro's values are embedded in our HR policy and we expect our employees to embrace them too. They are included in all employees' handbooks and the adherence to these guiding principles is formalized with the signature of our code of conduct by all employees.



Our relatively small size allows for a direct and tailored approach which takes into account the individuality of our diversified staff. We are proud to have a constructive partnership with our employees' delegates and works councils and we encourage workers' representation. In the UK, we have put in place a works council on a voluntary basis. We believe this represents an important platform for communication between employees and management.

In our recruitment procedures, we look at three different aspects:

- Does the person have the skills for the job?
- Is the person motivated by the job?
- Does the person share Alpro's values?

We have a good diversity record : the proportion of employees of different nationality than the country where we operate is similar to the non-native population of that country. In Belgium, we also are a partner in an initiative with the local Flemish government to promote the employment of minorities.



CREATING A STIMULATING ENVIRONMENT FOR OUR EMPLOYEES

We have a **formal operating framework** which describes how we want to work together, how we will make decisions and how we will lead our people. Together with clear objective setting – at company, team and individual level - and strong performance management, it helps our employees to work in a performance-oriented way and meet well-defined expectations. In 2004, Alpro was a front-runner in giving up age-linked pay systems and in implementing result and performance-linked pay progression. Our pay and reward policy is now based on this principle and on collective and individual measurement tools such as company and team Balanced Score Cards. We also run an annual performance management programme. As we want to be fair in how we treat people, all critical decisions are discussed and cross-validated by the management team in order to guarantee objectivity and consistency in implementation.

We strongly believe that communication is essential to maintain a trusting relationship with our employees. We run classic initiatives such as management announcements and an employee magazine published three times a year, but we also value less common communication tools such as running screens in employees' restaurants to reach all factory staff at any time of the five shifts.

This approach has proved to be the right one, in particular in the context of the sale process we went through in 2009. Direct and targeted communication with our employees was key in

maintaining their motivation to work for Alpro despite the uncertainty linked to the sale. As communication is two-way, we are keen on receiving our employees' feedback. Thanks to our relatively small size, this works very well in an informal way through direct conversations between the employees and the staff. We also conduct formal 360° evaluations when we feel the need for it, for instance when the informal feedback system starts giving negative signals.

Offering our employees a stimulating environment also means helping them develop their skills and competencies. In this respect, we welcome a limited number of trainees, who are a full part of the team for a one-year period and who are paid like other employees. As well as this, we also welcome students as trainees on a part-time basis, who receive a payment for their work. As we deeply believe in



lifelong learning, we invest 1.5–2% of our total salary costs in training our employees. Department development plans allow us to identify and consolidate the need for training among our employees. Our large-scale training programme, 'Growing People', ensures that our people are up-to-date in their field of expertise but also develop new competencies as they progress in their career.

This policy has allowed us to attract new people to our team and to maintain a low turnover in recent years. Our total turnover is now 7%. Most importantly, the percentage of free leaves is very low – less than 4%.

"Since the autumn of 2008, we have participated in the consortium programme run by Vlerick International with the objective of explaining management terminology in all its aspects to middle management staff at Alpro. A course such as this makes it possible for people to consider matters that are outside their own domain. They can have a look over the wall in other disciplines and understand the reason for certain decisions and strategies. This course is a wonderful opportunity for our employees to boost their personal development as well as their professional performance."

KRIS LAMBRECHT, HR Manager, Alpro Belgium

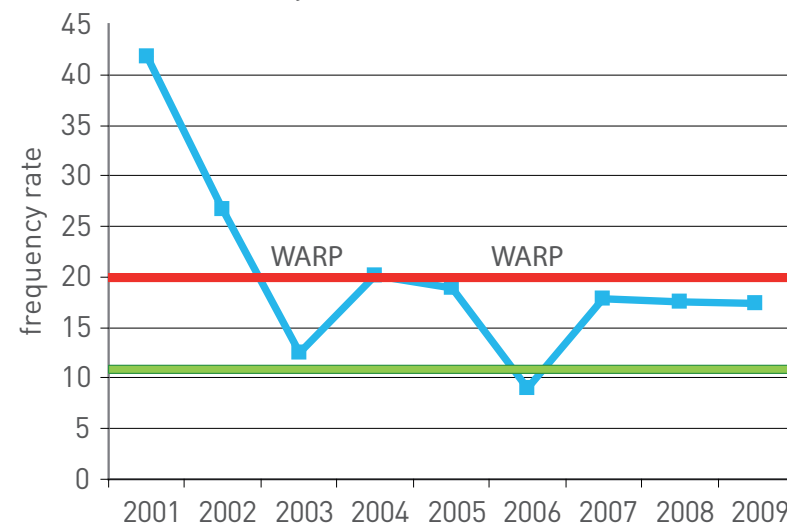


EMPLOYEES' SAFETY, HEALTH AND WELLBEING

We pay the utmost attention to the safety of our employees in our factories. Among other prevention training, our WARP programme (Work Accident Reduction Programme) is implemented throughout the organisation on a regular basis and is aimed at raising the awareness and commitment to an accident-free workplace. The frequency of accidents in our factories is continuously decreasing and we see the WARP programme as an efficient way of boosting safety in the workplace.

Frequency Rate Lost Day Accidents (Alpro)

number of lost day accidents X 1000 000 / number of hours worked



We consider our responsibility for the health of our employees to go beyond the injuries they can face at their workplace. The very nature of the products we manufacture means our employees are well aware of the impact of nutrition on health and are encouraged to adopt a balanced diet and a healthy lifestyle. In that sense, we focus also on smoking, alcohol and drugs prevention in partnership with the unions. We have also provided an annual flu jab for our employees since 2000.

We strive to offer our employees not only a safe but also an inspiring work environment.

Work-life balance is essential to allow people to develop and grow.

The BBB project (Better Business, Better Balance, Better Life) was launched in 2009 with 70 measures proposed and discussed among employees and the management. In the end, eight measures have been implemented company-wide, which offer an innovative and pragmatic framework to better align Alpro's business needs and our employees' needs. For instance, employees can now take holidays per hour instead of having to take half-a-day off (e.g. to pick up a delivery at the post office or be home on time for the start of a child's football game). One year after implementation, this new system is functioning well in terms of maintaining a high-level of operations while offering flexibility to our employees.

"If you are unable to take leave because the number of production lines has to continue operating, then you can change with someone from another shift (from day to night shift or vice-versa). This way, the number of people per shift stays the same, production can

operate according to plan and you can still make your appointment. Furthermore, there is an additional advantage. The other shift sometimes has a different approach to work and you can learn something from them"

Tine Breyne, Operator SMA Bricks, Alpro Wevelgem, Belgium

Thanks to this policy, the absenteeism rate within the company is below 2.5% on average and has been stable over the recent years.

CHALLENGES:

1. Safeguard authenticity while growing

As we grow bigger, we will have to better structure and formalise some of our HR activities (welcoming trainees, employee feedback, etc.) without losing the authenticity and simplicity which currently characterise our HR policy.

2. Keep working towards zero accidents

Our ultimate objective remains zero accidents at our production sites. Focusing on safety and prevention should allow us to get closer to this target in the coming years.

3. Deepen SD awareness of employees

We aim to further deepen the SD-awareness of all our employees, so that they can become even better ambassadors of our products and company.



Soya foods are sustainable and eco-friendly options for consumers as the production is efficient in using natural resources such as energy, land and water. But it is not in Alpro's nature to rest on its laurels and we have undertaken a number of actions to reduce on-site CO₂ emissions, water use, and waste. A strong focus has been put on reducing energy related emissions from production sites, as research has shown that this area is the biggest contributor to the total CO₂ footprint of soya foods, ahead of transport and packaging.

OBJECTIVE 2020: CARBON NEUTRALITY FOR ALL ALPRO FACTORIES

The European Union is committed to reducing its greenhouse gas emissions by 20% by 2020³.

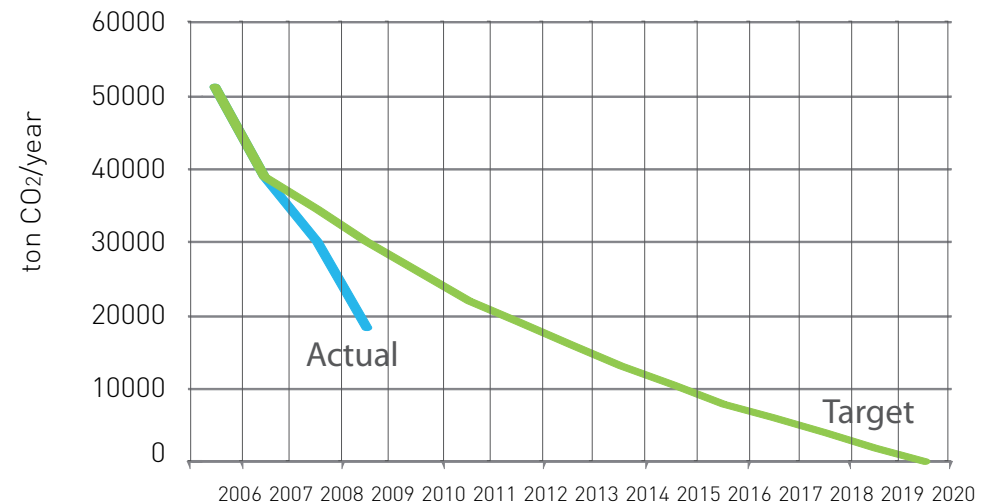
We committed in 2007 to go beyond this target by making our factories carbon-neutral by 2020 and we were among the first industrial companies to do so.

Now, three years later we are happy to report that our energy-related CO₂ emissions are 60% lower than in 2006, while our production levels have grown.

Three of our production sites are already ISO 14000 certified and we aim to include our Landgraaf site by 2015. Formalising the environmental management system helps our teams engage more systematically in continuous improvement of their environmental records. To measure this, we have in place a series of six eco-indicators including waste water, waste water organic pollution before treatment, incoming water, sludge, energy use and non sorted waste. While results are not always straightforward to interpret and vary from one factory to another, we have seen significant improvements for each of these indicators in all factories since we began measuring them in 2006.

³ Compared to 1990 levels. It also committed to a further 10% reduction if a satisfactory agreement is reached at global level.

Fossil CO₂ emissions Alpro plants



ECO INDICATORS : Reduction 2009 versus base year 2006	Wevelgem	Issenheim	Kettering
Eco 1 = wastewater/production	- 5%	- 4%	- 29%
Eco 2 = energy/production	- 14%	- 8%	- 34%
Eco 3 = general waste/production	-74%	- 92%	- 4%
Eco 4 = degree of contamination of waste water	- 53%	- 43%	- 52%
Eco 5 = incoming water/production	- 8%	- 14%	- 27%
Eco 6 = sludge/production	- 13%	/	- 74%
Since our Landgraaf plant was only acquired mid 2006 it is not yet fully integrated in this follow-up.			

Alpro's partnership with WWF in Belgium demonstrates its commitment to sustainability. Alpro and WWF have launched joint activity in shops to promote soya products as a sustainable alternative to dairy and meat products. This initiative entitled 'naturally, we love nature' is targeted at consumers. WWF will continue to work with Alpro as an environmental adviser in order to help the company enhance its record of sustainability.



"WWF appreciates Alpro's efforts to reduce its impact on the environment and to play a leading role in terms of CSR management in Belgium. Last year, WWF worked with Alpro to calculate the carbon and water footprint of its products, in an effort to understand the impact level of their products, compared to animal alternatives. Now we would like to challenge Alpro to use these results as a risk management tool: how can Alpro further reduce the environmental impact of its products throughout the whole value chain, from the main ingredients up to the final consumer. WWF encourages Alpro to leverage its commitments and calls upon the whole sector to do the same."



Philippe Weiler, WWF Belgium

ENHANCED ENERGY EFFICIENCY

In terms of carbon reduction, our three main tactics are: saving energy, producing renewable energy and offsetting the remaining carbon emissions. Following the principle that the greenest energy is the energy we do not consume, we have launched several initiatives to reduce the energy use in our plants. For example, we have combined two existing power sources to create iced water which cools soya base during production.

This optimisation results in a 10% reduction in energy consumption.

In 2009, we succeeded in reducing our overall energy consumption by 15% compared to 2008, which is enough to power 1300 homes for a year. Our objective is to achieve a 35% reduction by 2020 compared to 2006 levels.

We also invest in renewable energy both by purchasing green energy from the market and by producing it ourselves. In Wevelgem, we produce green energy based on biogas from our waste water treatment plant and we plan to have a similar installation in Kettering in the medium term.

As result, the share of renewable energy in our energy mix is today up to 65%.

As green energy is not always available, we have a policy of offsetting the savings which we cannot achieve on site. By 2020, 50-75% of our energy supply will be green, with the remaining 25-50% offset by compensatory activity.

As a forerunner, the production of our Provamel brand will be CO₂-neutral in terms of production energy-related CO₂ emissions as of 2010, by offsetting the remaining CO₂-emissions. We will do so by supporting a wind-farm development by Pure (UK) in China.

LESS WATER IN, LESS WATER OUT

Like most food manufacturers, Alpro utilises a considerable amount of water as an ingredient in its products and also in processing and cleaning. Although our production output has increased, the water consumption at our sites has declined by 15% in 2009 compared to 2006.

This reduction in water consumption was achieved by closely analysing where water was consumed and installing a monitoring and measuring system.

Furthermore, we identified the following target areas for potential savings: reuse of seal water and water from vacuum pumps, optimizing CIP (Cleaning In Place), reducing the blow down of cooling towers and reuse of effluent water for cooling towers.

By reducing water consumption, we have also reduced our water output. The combination of water savings and water recycling has allowed us to reduce waste water by 12% in 2009 compared to 2006.

We also place great emphasis on the quality of water released. For example, at our site in Kettering we have recently upgraded our waste water treatment plant, treating the water to surface water quality.

To go even further in improving water management in 2010, we started a detailed mapping of the water network at the Wevelgem and Kettering plants as part of the EU-funded project Aquafit4use. Alpro is one of 32 industry partners contributing to this research project which aims develop and implement new technologies, tools and processes for a more sustainable use of water in industry. See www.aquafit4use.eu



MAKING WASTE WORK

Our waste reduction effort begins during the production process. The two main outputs of soya food production are water and soya paste. Soya paste is the residue of the soya bean after we have extracted as much goodness as we can. Today most of our soya paste is used for animal feed, but we are currently looking for opportunities in food applications.

The anaerobic waste water treatment in Wevelgem allows us to generate power from waste water too.

This is achieved in two steps:

Firstly, water pollution is eaten up by bacteria that turn it into methane.

Secondly, the biogas drives an engine, which transforms it into electricity. This process allows us to produce enough electricity to power 150 to 180 households on a daily basis.

5 to 10% of the energy used in the factory is produced in this way.

By adding part of the soya paste residue from production in the anaerobic reactor, together with water, the production of electricity can be further increased.

On top of this, the water used in this process is of the same quality as surface water. Currently, we are researching ways in which we can reuse this water for cooling tower applications.



SMARTER PACKAGING

Our efforts to reduce waste are also considered in our packaging processes. Acting in this area is somewhat challenging as we do not have full-control over it and have to rely on our suppliers. In addition, food products need to be sufficiently protected to guarantee high quality.



To respond to these challenges, we have introduced a cardboard sleeve on our dessert packaging. Although this seems like an increase in the total amount of packaging used on the product, the sleeve is made from 100% recycled products and is therefore 100% recyclable. This results in a thinner aluminium foil lid, which is therefore less environmentally damaging overall.

For our drinks, we primarily use Tetra Pak cartons, which are made of 70 to 90%* paperboard and are extensively recycled. Tetra Pak already has a sustainable sourcing strategy (e.g. FSC, PEFC) and makes continuous efforts to further evolve in this direction. Overall, 85% of packaging used for our products is 100% recyclable, while the remaining 15% is only partially recyclable. The challenge is now to encourage consumers to play their part in waste management and recycle more, through adequate labelling, among other means.

TOWARDS SUSTAINABLE TRANSPORT

At Alpro, we believe that it is important to reduce the distance travelled by our products as much as possible. For example, we were the driving force behind the reintroduction of soya farming in Alsace

**EU figures*

(France). This has subsequently allowed us to source 50% of the soya beans that are processed in our plant in Issenheim from local farms.

Nevertheless, some of our soya beans are sourced overseas, which makes it essential to use waterways and rail much as possible.

Going a step further at local level, we have made a significant investment in building a de-hulling unit next to the river Leie in Belgium, adjacent to the Wevelgem production site. As a result, by the end of 2010 soya beans will be shipped by barge, saving 1500 lorry journeys a year.



Wevelgem de-hulling unit by the river Leie

We are also actively working with our logistics partners to reduce our road mileage. Assuming that whenever a vehicle goes out it must return, we also work with our suppliers to optimise the “empty miles” on the road.

CHALLENGES:

1. Go beyond the targets at an acceptable cost

Although we have made significant progress over recent years to reduce energy consumption and related CO₂ emissions, water use and waste, we should go even further at an acceptable cost. This can be achieved through the exchange of health, safety and environment best practices between production sites and by making systematic use of environmental management on sites.

2. Obtain ISO 14000 Certification for all sites

While three out of our four production sites are already ISO 14000 certified, we aim to achieve this certification for Landgraaf by 2015.

3. Strengthen local HSE management

In order to further improve the implementation of Alpro's SD strategy on the ground, a Health, Safety and Environment (HSE) coordinator should be present on all production sites. Our objective is to appoint one for each of our factories in the coming months.



By communities we mean all the people who are in contact with Alpro throughout the soya food production process, from our suppliers to our employees and their families. We focus our efforts first on maintaining a trusting relationship with the people who grow our soya beans across the world. We support projects at international level which we believe are in line with the core values of the company. At local level, we are engaged with our employees and the communities near Alpro's factories and offices.

RELATIONSHIP WITH OUR SUPPLIERS

Because we want to offer our consumers the highest quality soya products, we put a strong focus on maintaining good relationships with our soya bean suppliers. This is particularly important when we source our soya beans in developing countries outside Europe, such as Brazil or China.

To ensure a longterm relationship with our farmers, we have made it a principle not to buy commodity soya beans.

It means we are assured our beans are being grown in accordance with Alpro's ethical standards and in particular not on deforested land.

This relationship means we are in direct contact with our farmers, thanks to among other initiatives our annual '**Farmers' days**'. On this occasion, Alpro employees visit the cooperatives from which they buy soya beans, and present Alpro products and strategy to the farmers working in these cooperatives. It is an opportunity for Alpro to explain why we need high quality products and for farmers to address any questions they may have.

Having a good relationship with suppliers also means that we apply a transparent system of open price calculation. Alpro pays the producers a non-GM premium and we support farmers as much as possible in case of a loss of harvest. We also support projects such as the Edhucca education and training programme in Brazil, aimed at providing local populations with opportunities to improve their chances in life.



LONG TERM ENGAGEMENT AT GLOBAL LEVEL

Alpro's commitment to people is not limited to our bean suppliers but also extends to a limited number of large-scale projects which are close to our core business and in line with our values.

Alpro was created as a project aiming to eradicate famine in Africa through plant-based nutrition. While we have become a commercial soya food company, we do not forget the dream of Alpro's founder. As a result, Alpro became the only corporate sponsor of the Canadian NGO Malnutrition Matters.

Among other activities, Malnutrition Matters runs the innovative Vitagoat programme in Africa, the Americas and East Asia. The programme has as its main purpose the provision of a sustainable, locally processed source of proteins. The Vitagoat is a modest production unit that is powered by bicycle pedals. This clever and inexpensive system works without electricity and is used to steam or grind cereals and vegetables, including soya.

Thanks to Alpro's continuous support, 142 Vitagoat installations are operating around the world benefiting some 120,000 people, with an extra 40 vitagoats to be set up in 2010. Alpro's sponsorship amounts to 65,000 EUR per year.

"For more than five years now, we have been benefiting from the friendly and generous support of Alpro, but in fact we have shared a vision with the Alpro team for over 15 years. The great inspiration for us was the shared understanding of the synergy, because Alpro are world-class leaders in soya drinks and related products for "Western" consumers, while we are implementing much more simple equipment and projects for soya drinks production with the poorest, 'bottom of the pyramid' consumers."

*Frank Daller, Malnutrition Matters,
Canada*



**Malnutrition
Matters**
FOOD TECHNOLOGY SOLUTIONS



Princess Elisabeth Polar Station

Reflecting Alpro's commitment to the environment, our partnership with the International Polar Foundation (IPF) began in 2006. The IPF, together with the Belgian Federal Department of the Environment and in line with Belgium's Federal Science Policy, has collaborated to develop the Princess Elisabeth Station, the first carbon-neutral Antarctic research station. It is Alpro's strong belief that we need to invest in research such as that carried out in the Princess Elisabeth station. The station became fully operational in February 2009 and symbolises our commitment to the protection of the planet.

LOCAL COMMUNITIES IN EUROPE

In line with our principles of leadership and ownership, we encourage staff members in our European operations to be involved in projects at local level.

In 2009, we supported 15 projects in four countries where we have operations (Belgium, the Netherlands, Germany and the UK) with a total budget of 80,000 EUR.

In line with our objective to promote healthy plant-based nutrition, we support research in this field through the Alpro Foundation Award for Bachelors and Masters. Each year, the Alpro Foundation awards a €2500 prize to a student for his/her Masters thesis in plant-based



Christine Schumann received the European Alpro Foundation Award 2010

nutrition in four countries (Belgium, the Netherlands, Germany and the UK). On the top of this, the best thesis of these four winners is granted an extra €2500 with the European Alpro Foundation Award. This initiative supports innovation and research and raises awareness of plant-based nutrition among future nutritionists and the scientific community.

In Belgium, in the city of Ghent where our headquarters are located, the Flemish Vegetarian Association (EVA) has been at the centre of a groundbreaking initiative to introduce a veggie-day in the schools and in the administration of Ghent. The 'Donderdag-Veggiedag' campaign is based on promoting sustainable vegetarian diets. By making a small change in our diets, even if it is only one day per week, we can make a significant contribution to the fight against climate change. Alpro fully supports this initiative through direct sponsorship of the EVA project but also at national and international level through the promotion of veggie-day initiatives.

"The Thursday Veggie Day campaign could not have been realized without Alpro's support to EVA. It allowed us to spend more resources on the campaign and to develop new campaign materials. Our partnership with Alpro is ideal, as the objectives of both enterprises are largely overlapping. I see it like this: we're good at providing people



with the reasons to eat more plant based products like Alpro's. But for this to work out, people need to find appropriate alternatives in shops and restaurants, and that's where Alpro does a great job. So we reinforce each other's bottom lines. It's the very definition of a good partnership."

Tobias Leenaert, Director EVA

CHALLENGES:

1. Find true win-win projects

Investment in communities should go hand-in-hand with our corporate objectives and values. Finding a true win-win is a continuous challenge.

2. Pick the right initiatives with limited resources

Given our sustainable profile, we are increasingly receiving requests to support inspiring initiatives. We can only support so many with the resources available.

3. Encourage own employees to walk the talk

We also need to maintain a continuous effort to encourage our own employees to live more sustainably and become Alpro ambassadors.

THE WAY FORWARD

Our products promote natural resources efficient diets, but at Alpro we want to go further. Sustainability can always be improved, through better management, more efficient processes, and sharing of best practices. We will continue to pursue opportunities to do better when they arise to achieve our objective of CO₂ neutral factories by 2020.

As described in the report, we still face many challenges in the areas of Food, People, Planet and Communities. Our aim is to address these challenges pro-actively over the coming years to make our products even more resource-efficient.

Our mission will also be to convey our sustainability message towards our consumers, our customers, our employees, our partners and the public authorities, in order to encourage them to also play their part in making our world more sustainable.

The role of the public authorities in this respect will be prominent, because there is still a legal discrimination against soya products. The term “milk” cannot be used for our products, despite the fact that they have a comparable nutritional profile and are consumed at the same consumption moments and our consumers call it soya milk! Dairy and meat products are shown in a favourable light in terms of health and nutrition claims compared to soya products and the Common Agricultural Policy extensively supports the production of dairy and meat products. This is not the case for soya products.



By removing these obstacles and actively promoting food consumption patterns which include healthy plant-based products, the public authorities could contribute to making our lifestyles more sustainable. We believe it to be Alpro's role to inform the relevant authorities in order for them to make the right decisions.

	KEY ACHIEVEMENTS	MAIN CHALLENGES
FOOD	<ul style="list-style-type: none"> • Footprints calculated and underpinned, proving the sustainable character of soy food • Non-GMO, traceability and segregation assured • Nutritious, healthy and tasty products for the mainstream consumer 	<ul style="list-style-type: none"> • Raise consumer awareness • Obtain milk denomination • Further improve balance between nutrition and taste
PEOPLE	<ul style="list-style-type: none"> • Ambitious and passionate employee base • Sound safety, health and well-being record • Stimulating and professional working environment 	<ul style="list-style-type: none"> • Safeguard authenticity while growing • Keep working to zero accidents • Deepen SD awareness among employees
PLANET	<ul style="list-style-type: none"> • 60% reduction of energy related CO₂ emissions between 2006 and 2009 • Three out of four factories ISO 14000 certified • Innovative solution to recycle waste into energy implemented 	<ul style="list-style-type: none"> • Go beyond targets at an acceptable cost (e.g. carbon neutrality of factories by 2020) • Obtain ISO 14000 certification for all sites • Strengthen local HSE management
COMMUNITIES	<ul style="list-style-type: none"> • Long term relationships with our bean suppliers • Sponsorship of Malnutrition Matters – back to the roots of our company – and the Princess Elisabeth Station • 15 local SD projects, in line with our values 	<ul style="list-style-type: none"> • Find true win-win projects • Pick the right initiatives with limited resources • Encourage own employees to walk the talk

GLOSSARY

3 P's: People – Planet – Profit

360° survey: An evaluation method that collects feedback from all around an employee

Aquafit4use: An EU – funded project that aims at a more sustainable use of water in the main water consuming industries

BBB project: Better Business, Better Balance, Better Life

BSC: Balanced Score Card

Business & Society Belgium: Belgian business network for corporate social responsibility

CEO: Chief Executive Officer

Cert ID: Global company active in providing accredited certification programmes to farmers, agricultural processors, ingredient producers, processors and retailers

CIP: Cleaning In Place

CO₂: Carbon dioxide

CSR: Corporate Social Responsibility

CSR Europe: Leading European business network for corporate social responsibility with around 75 multinational corporations and 27 national partner organisations as members

Certisys: Control and certification institute specialising in organic agriculture in Belgium.

Dean Foods: US leading food and Beverage company, producing a full range of dairy and soya products

Ecofys: Leading consultancy company in renewable energy, energy efficiency and climate change

EcoSocial: IBD certification for organic operators focused on Product Quality, Socio-environmental Management, Fair Trade

ENSA: European Natural Soyfoods Manufacturers Association

EU-27: European Union with its 27 member states

EVA: Flemish Vegetarian Association

Fairfood International: Non-profit campaigning and lobby organisation, which encourages the food and beverage industry to increase the level of sustainability of its products

FMCG: Fast Moving Consumer Goods

FDD: Fresh Dairy Direct

FSC: Forest Stewardship Council

GDA: Guideline Daily Amounts

GM/ GMO: Genetically Modified / Genetically Modified Organisms

HR: Human Resources

IBD: Institute offering certification to both organic and biodynamic labels throughout Latin America

ISO22000: Standard developed by the International Organisation for Standardisation to address food safety management

ISO9001: Standard developed by the International Organisation for Standardisation to address quality management

ISO14000: Standard developed by the International Organization for Standardization to address environmental management

IPCC: Intergovernmental Panel on Climate Change

KPI: Key Performance Indicator

Kauri: Belgian multi-partner learning network and knowledge centre on Corporate Responsibility and NGO accountability

Life Cycle Assessment: The investigation and evaluation of the total environmental impacts of a given product or service caused or necessitated by its existence

Malnutrition Matters: Non-profit food technology organization specializing in low-cost dairy substitutes such as soya milk, hemp milk, oat and rice milk

OGSM: Objectives, Goals, Strategies and Measures

NGO: Non-governmental organisation

PCR: Polymerase Chain Reaction

PEFC: Programme for the Endorsement of Forest Certification schemes

Pure: Identity of the Clean Planet Trust

SD: Sustainable Development

WARP: Work Accident Reduction Programme

WWF: World Wildlife Fund

CONTACT DETAILS



For more information on this report and on our SD policy, please do not hesitate to contact us:



Koen Bouckaert
Strategy & Business Development Director
Alpro Comm VA Headquarters,
Kortrijksesteenweg 1093C,
9051 Gent, Belgium
Office: +32 9 260 21 02
Fax: +32 9 260 21 05
Email: koen.bouckaert@alpro.be
www.alprosoya.com



Basiel De Bruyne
Sustainable Development Coordinator
Alpro Comm VA, Vlamingstraat 28
8650 Wevelgem, Belgium
Office: +32 56 43 74 40
Fax: +32 56 43 22 99
Email: basiel.debruyne@alpro.be
www.alprosoya.com



Nathalie Isebaert
Divisional Communication Officer
Alpro Comm VA Headquarters,
Kortrijksesteenweg 1093C,
9051 Gent, Belgium
Office: +32 9 260 21 01
Fax: +32 9 260 21 05
Email: nathalie.isebaert@alpro.be
www.alprosoya.com

