

# CSR at Rynkeby Foods

ANNUAL REPORT 2011







#### **RYNKEBY FOODS A/S**

Rynkeby Foods A/S is owned by Arla Foods

*Management*  
CEO - Jørgen Dirksen

*Supply Chain*  
Lars Petersen

*Sales*  
Mark Hemmingsen

*Marketing*  
Thomas Silbersky

*Finances*  
Poul Erik Nielsen

*Procurement*  
Carsten Pedersen

#### **Board**

*Board members selected by the shareholders:*  
Povl Krogsgaard, Arla Foods Vice CEO.  
Peter Giørtz-Carlsen, Arla Foods, Vice President.  
Kent Skovsager, Arla Foods, Senior Vice President.  
Christer Åberg, Arla Foods, VD.

*Board members elected by the staff:*  
Leslie Lundehøj Jørgensen, Product Developer.  
Johan Høst-Madsen, Production Assistant.

**Responsible for this report:**  
Carina Jensen,  
Nordic Quality Manager

**Preparation:**  
Agerholm PR &  
Kommunikation



#### **THEME: PROFIT**

Rynkeby Foods very much wants to focus on viable manufacturing and contribute to the continued existence of the growers, thus enabling them to deliver healthy raw materials, produced according to the principles in the Code of Conduct/Global Compact.

**Pages 6-8**



#### **THEME: PEOPLE**

Rynkeby Foods has happy and motivated employees who, in our latest employee satisfaction survey, score 4.2 points out of 5.0 possible. For the first time we obtain such a splendid result, and we are very proud of it.

**Pages 9-10**



#### **THEME: HEALTH**

In 2010 Rynkeby Foods asked the question: »Can Rynkeby make Denmark healthier?« We believed so, and we still do. Among other things we inform the consumers that juice is 100 % fruit – with no sugar added.

**Pages 11-16**



#### **THEME: PLANET**

In 2011 Rynkeby Foods reduced energy consumption, emission of waste water, packaging waste and waste of raw materials additionally. Thus we harvested the fruits of a number of investments made in the factory the year before.

**Pages 17-18**

# CSR is important to profit

Last year Rynkeby Foods produced the first report on CSR, Corporate Social Responsibility. The report resulted in our many CSR activities being collected and systematized – from quality control of our many raw material suppliers in The Third World over the seriousness in our way to inform about our products to our many different health offers to our employees, including a well equipped fitness centre. We have chosen to have plain targets for our CSR activities in order to secure transparency of our results and our efforts.

I can establish as a fact that also in this CSR report 2011 we have obtained improvements benefitting both the environment and the society. I am proud when I see the results of 2011 – the year when Team Rynkeby was cycling to Paris for the tenth time and together with hundreds of volunteers collected 9.77 mio. DKK to children with cancer in Denmark and in Sweden.

Our massive focus on health has improved the »body age« of the employees by 1.5 years on average and changed the lifestyle of some employees forever. This strengthens my belief in the fact that health is and will continue to be an important element of a viable Rynkeby. We have created a culture in which

it feels natural to work with viability, whether it is about environmental, supplier or human matters and I experience that being part of a company working with social responsibility is creating a certain pride amongst the employees.

For one year Rynkeby has been attending the UN Global Compact and of course we will continue developing our business according to the principles of this UN initiative. We must achieve much more and in the nearest future focus will among other things be on improvement of the processes for evaluation and follow-up on suppliers in The Third World and on further development of our environmental/climate targets in order to involve bigger parts of the value chain.

In this report and on our website you can read about our initiatives towards an even more viable company.

March 2012  
*Jørgen Dirksen*  
CEO





# Ambition: Nordic Market Leader

Rynkeby Foods is well under way with activities aiming to secure the future position of our company as the strongest nordic juice player with a very central location In Northern Europe. The expansion must be made with a focus on the Rynkeby brand and on the brands we have under the Rynkeby umbrella, but also by focusing even more on health and charity – CSR values which are already playing a major role in our company today.

As a big Nordic player with growth ambition Rynkeby finds it essential to take the lead as the one protecting and running the juice segment so that the consumers will drink more juice and have confidence in the product category as well.

As part of this strategy some of the parameters in the CSR report will be central and form the natural basis of many of the new products and activities we plan to launch.

**OUR VISION: Rynkeby shall make everybody healthier with a glass of fruit every day**

## Rynkeby Foods' financial development

| mill. DKK                            | 2011         | 2010         | 2009         | 2008         | 2007         |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|
| <b>Net turnover</b>                  | <b>935.1</b> | <b>833.9</b> | <b>928.8</b> | <b>982.2</b> | <b>681.7</b> |
| Production costs                     | -646.2       | -540.4       | -631.2       | -732.5       | -466.6       |
| <b>Gross profit</b>                  | <b>288.9</b> | <b>293.5</b> | <b>297.6</b> | <b>249.7</b> | <b>215.1</b> |
| Sales, distribution and admin. costs | -228.1       | -216.0       | -215.0       | -223.9       | -178.8       |
| <b>EBIT</b>                          | <b>60.8</b>  | <b>77.5</b>  | <b>82.6</b>  | <b>25.8</b>  | <b>36.3</b>  |
| Financial items                      | -1.9         | -2.2         | -4.6         | -5.8         | -3.2         |
| <b>Net result before tax</b>         | <b>58.9</b>  | <b>75.3</b>  | <b>78.0</b>  | <b>19.9</b>  | <b>33.1</b>  |
| Tax                                  | -15.2        | -19.5        | -18.6        | -5.9         | -9.9         |
| <b>Net result</b>                    | <b>43.7</b>  | <b>55.8</b>  | <b>59.4</b>  | <b>14.0</b>  | <b>23.2</b>  |
| Number of employees                  | 234          | 243          | 256          | 245          | 205          |

In 2008 Rynkeby Foods took over production of a number of products for the Swedish market, including a large contract manufacturing agreement. The decline in turnover in 2009 and 2010 is due to the phasing out of this Swedish contract manufacturing agreement.

# Our values

To Rynkeby Foods it was not just a question of choosing and writing down some values when we put the topic on the agenda in 2005. It was also – and not the least – a question of securing that our values were relevant and could be firmly anchored among our employees.

Therefore we decided to initiate the value discussion from the bottom of our organization. Thus we took a day off and gathered all employees for a value discussion, resulting in five values. It is gratifying that since then our values have become a natural part of our working day and essential carriers of Rynkeby's company culture.

## It started in 2005

Our value kick-off day was on 28 October 2005 and was followed up on 17 November 2010 when all of our employees got together again, with a focus on our values. Besides, part of this event was funded by the award as the healthiest place to work in Funen, a competition which Rynkeby had won among 20 nominated companies.

In the following we state our descriptions of the individual values in 2005 (see the icons in the right column).

## WE PROTECT QUALITY

Rynkeby is a trustworthy and professional company with ambitious quality norms in all parts and functions.

## WE RESPECT EACH OTHER

Rynkeby is an attractive and inviting company, where personal and professional differences are respected and appreciated and where all employees are equally valued. In our company common goals and decisions are respected and obeyed in all parts.

## WE INVOLVE OURSELVES

Rynkeby has an open company culture providing an incentive to seek and take responsibility, to share knowledge, and to co-operate.

## WE DEVELOP

Rynkeby attracts, maintains and develops qualified employees. Our company is ready for change and innovative in its production and product development and currently chases improvement opportunities.

## WE ARE WINNERS

Rynkeby is a competitive market leader with products worth paying extra for. Our company has ambitious and realistic targets and has competent employees taking a common responsibility for the targets.



We protect quality



We respect each other



We involve ourselves



We develop



Se are winners



The Rynkeby values have become firmly anchored. This »poster« daily reminds the employees of the values on their way between the administration building and the factory.



# Topic: Profit

The demand on fresh fruit and juice drinks is increasing globally because of the increase in population and the increased standard of living throughout the world, not the least in China, India and Russia, which to an increasing degree is a threat to the supplying guarantee of raw materials. In short, we become more people to share the raw materials. Furthermore, already now we are experiencing that the varying prices and illness of crops make the growers change production into alternative crops with better profits and less risk.

## FOCUS AREAS: VIABILITY

Fruit is the main ingredient in our products, and most products consist of 100 % fruit. At Rynkeby we are very keen on focusing on viable manufacturing and to us this is more than just ecology. We think it is possible to have viable thoughts within traditional farming and we want to participate in securing that the growers continue to exist so that also in the future we can offer products to the consumers which are made of good, healthy raw materials, manufactured according to the principles in the Code of conduct/Global Compact.

The challenge to Rynkeby is that we are often the smallest player in the global market meaning that we cannot influence the development of viability within the fruit trade considerably - but nevertheless we can make a difference. One of the ways is strategic partnerships and in 2011 the focus was on our biggest raw material, oranges. Thus Rynkeby is focusing on the long-term supplier cooperation, being about finding strategic cooperation partners to improve security of



supply. Among the demands are that the partners must match Rynkeby's »Code of Conduct/Ethic Codex« and support our focus on health, quality and growth.

In the future, strategic partnerships may also include cooperation with business/consumer organizations (NGO's) or the like.

## CODE OF CONDUCT

Rynkeby continues having big focus on securing that our suppliers are observing the human rights, employee rights and anti-corruption. We continue securing that our suppliers comply with our demand for their SGF/IRMA-membership (Sure Good Fair) and we demand the signing of our Code of Conduct.

In cooperation with Arla Foods we have initiated a process concerning responsible supplier control, in which we risk evaluate countries as to environment, human rights etc. and make particular demands on the high-risk-countries.

In 2011 we visited four orange suppliers in Brazil, being a so-called »high-risk-country«. Our experience is that our suppliers launch many initiatives in order to secure that the Global Compact principles and violations are not associated with the orange orchards. Among other things we could establish that the orange pickers are wearing protective clothing like of headgear, glasses, gloves and safety boots in order to avoid insects. Likewise, it makes a deep impression to see the suppliers take initiatives to support the young people in the areas round the orchards and the factories. For instance, in 2001 our biggest supplier of oranges started a project called: »Bom de Bola, Bom na Escola«. The purpose of the project is schools and sports for young people at the age of 7 to 15 years in order to secure education and to keep the children off the streets.



| TARGETS AND RESULTS                           | Target  |         |         |
|---|---------|---------|---------|
|   | 2010    | 2011    | 2014    |
| SGF supplier of fruit, berries and vegetables | 80.5 %  | 83.8 %  | 90.0 %  |
| Suppliers supporting Code of Conduct          | 100.0 % | 100.0 % | 100.0 % |

# Topic: Profit

## FOCUS AREAS:

### FAIR SPEAK

At Rynkeby we believe in responsible marketing, colloquially called »fair speak«. In spite of our many efforts we regrettably cannot always avoid cases in which a consumer or an organization feels offended at our marketing. Among other things this is due to the legislation being very complex but also open in its interpretation of what e.g. misleading is - and misleading in Denmark is not necessarily misleading in other countries and vice versa. It is important to us that our products are presented nicely and are saleable but the messages must always be true and not misleading to the consumers.

In 2011 we received a note from the food authorities - because some of our mixed sweet fruit juices did not have the designations »Sweet/sweetened« and »from concentrate«. This is

against the regulations for fruit juices and of course it was immediately corrected. For many years our products have been sold under the designation »Mixed fruit juice« and we have never had any complaints from consumers who felt misled.

A journalist from the newspaper »24 timer« has also found a similar error on a ready to drink blackcurrant/apple juice, and of course we have also changed the product name of this product to be in accordance with the regulations.

We are sorry for the two errors which evidently were on our packagings. Therefore we carried out a quality check of all our packagings. We have not found more errors but we will maintain big focus that we incorporate the responsible line of marketing and observe the fundamental rule of presenting the fruits in the proportions to be found in the product.

## An example of good and responsible marketing

**As a positive aspect in 2011 our 0% blackcurrant/apple juice was selected by »Ekstrabladet« as a good example of good and responsible marketing.**

»You are misled into buying goods advertising for less fat and sugar« it says in one of the critical consumer articles by »Ekstrabladet«, focusing on »the generous use of health superlatives by food companies in their packaging communication«.

However, the journalist is pointing out one single product in his article as guiding rather than misleading – and that is Rynkeby's mixed juice with apple and blackcurrant with »0 percent sugar added«. »Instead you can read on the front what the

juice contains. It namely contains a natural content of sugar from the fruit«, »Ekstrabladet« states.

We still maintain our open contact with the consumers through the social networks and present both positive and negative comments/questions from the public.

Rynkeby is still embraced by the Children's Code for Advertising Food – a voluntary initiative aiming at reducing the use of advertising for foodstuffs with a considerable content of sugar, fat and salt in media approaching children. Rynkeby does not promote products which are not nutritious for children, i.e. products with a content of carbohydrate/sugar over 12 g/100 ml.

### CSR Policies

One of the goals for 2010 was that all employees should acquire an awareness of Rynkeby's CSR work, targets and politics. The degree of awareness should among other things be measured by means of the employee satisfaction survey. All employees received a copy of Rynkeby's CSR report 2010 (see picture below) and all new employees get a copy as well. In 2011 we did not measure the awareness degree but we expect to do so in 2012.



### CSR POLICIES

#### Corporate Social Responsibility

Rynkeby Foods' employees should know and observe our CSR policies.

#### Result 2011:

Awareness degree will not be measured until 2012.

Target in 2012: All employees acquire awareness of Rynkeby's CSR work, targets and policies.

The CSR report has been sent to the homes of all employees and forms part of the informative material for all new employees.

# Topic: Profit

## FOCUS AREA:

### LEADERSHIP



#### ACTIONS IN 2011

In 2011 all Rynkeby employees with a leading responsibility attended the Lean Leadership with three joint meetings and six best practice team meetings.

The topics were oriented towards HR (employee development dialogues, employee satisfaction survey etc.).

Also in 2011 the big focus on leadership had an effect on the employee satisfaction survey, as in 2011 we kept the outstanding score in leadership questions from 2010 of 4.2 on a scale of 5.

#### 2014 TARGET

The leadership focus for 2012 will be the introduction of leadership based on performance, based on the Good to Great idea.



Visitors and employees at Rynkeby are welcomed by an entrance decorated with photos of fresh fruit. The buildings of the factory are also decorated with fruit motives like the above on the outer wall.

## CERTIFICATIONS AND FOODSTUFF SECURITY

Foodstuff security continues to have a big priority at Rynkeby. As one of the first companies in the world we were certified according to the ISO22000 standard and we are very pleased to work according to these. The regular verifications by the Lloyds Register always result in improvements and of course we do not want serious deviation in our Food safety system.

In 2011 Rynkeby was re-certified and all procedures were checked. No serious deviations were found in our Food safety system.

Also in 2011 Rynkeby started a new ad-hoc work group within the European juice association (AIJN). Its purpose is to gather good experience and risk assessments from the industrial companies into a joint juice guide which may be useful to the rest of the trade and thereby to a bigger extent secure food safety in relation to the consumers.

The juice guide is expected to be completed in 2012.

## VALUES

Our employees are observing the five Rynkeby values. In our employee satisfaction survey the statement »You and your colleagues are observing our values in your working life?« has a score of 4.2 on the scale of 1 to 5.

#### 2014 TARGET

Everybody at Rynkeby Foods should know and observe our five values.

## Lloyds audit ISO 22000

### RESULTS

2010: No severe deviations  
2011: No severe deviations

### TARGET IN 2014

No severe deviations





# Topic: People

Rynkeby's Employee Satisfaction Survey shows that the employees are very content with working at the company. We have happy and motivated employees who on average score 4.2 points out of 5.0 points possible. This is the first time we have had such a splendid result and of course we are very proud!

## FOCUS AREA: EMPLOYEES

### Diversity

We want diversity so that our organization reflects our surrounding society as to age, race, sex, religion and nationality. We also want to make room for people who, despite their injuries, attrition or handicaps, are still able to make an effort for Rynkeby. Therefore we engage employees in light jobs or with flexible contracts if we can offer adequate tasks.

We do not want exact targets for how many employees with special contracts we want to employ – we want to reflect society and in general to have employment agreements advantageous to both parties.

### Senior Policy

Rynkeby also has a senior policy.

Today employees attaining the age of 55 are offered a »senior dialogue« with a view to matching expectations concerning working hours, retirement etc. and to planning and – if possible – meeting the wishes.

### Development Dialogues

To make sure that our employees continue to do fine, develop and remain competent, they are invited to a development dialogue at least once a year, focusing on job satisfaction, education and development. Action plans are elaborated and currently followed up upon.

### Social events

Rynkeby also supports social events and clubs run by our employees.

Thus, our employee club, art club and fitness club are financially supported by Rynkeby.

### No mobbing

Rynkeby wants to be a non-mobbing workplace. We have had big focus on mobbing amongst our employees and in our Employee Satisfaction Survey we asked them, whether they »often« or »sometimes« feel mobbed. The total result is recorded and forms the basis of our future efforts.

In our Employee Satisfaction Survey of 2011 we had a good development to »often mobbed« (1 employee against 2 in 2010) but unfortunately we had a negative development to the question »sometimes mobbed«. Thus 14 employees in our factory and warehouse departments answered that they felt they were sometimes being mobbed. That is why we want to focus on a »non-mobbing« workplace once more.

## FOCUS AREA: SURROUNDINGS

### The consumers

Rynkeby feels a big responsibility towards the consumers of our products. Therefore we are extremely thorough when controlling the quality before sending the products to the stores. On the other hand we are fully aware that we cannot produce 200 mio. litres of juice without making a single mistake.

Typically our products are pure nature without any kind of additives and they are therefore extra vulnerable if a hole turns up in the packaging. This will of course bother the consumer and therefore quick action and remedy is important if a defect turns up. Trends in consumer complaints are followed very closely in order to be able to constantly correct and prevent.

| TARGETS AND RESULTS   | TARGET |      |      |      |
|---|--------|------|------|------|
|   | 2009   | 2010 | 2011 | 2014 |
| Employee turnover rate  | 13 %   | 17 % | 10 % | 12 % |
| Employee satisfaction (total score)                                   | 4.0    | 4.1  | 4.2  | 4.0  |
| "There is a good balance between your worklife and your private life" | 3.9    | 4.1  | 4.2  | 4.0  |
| Mental health/mobbing (number of employees)                           | 8 %    | 4 %  | 6 %  | 0,0  |
| Feel generally happy and motivated                                    | 4.3    | 4.5  | 4.5  | 4.5  |
| Number of education days per year (Factory/ Warehouse)                |        |      |      |      |
| 2010: 1 week per employee/3 weeks per co-ordinator.                   |        |      |      |      |
| 2011: 2 weeks   |        |      |      |      |
| Target 2014: 1 week per employee/3 weeks per co-ordinator             |        |      |      |      |

Since 2006 Rynkeby has reduced the number of employees being mobbed from 16 to 6 % today. The reduction is due to a continued focus on the problem.

# Topic: People

## Local community

Rynkeby is located in the middle of a residential area in Ringe on Funen. Therefore we have to be very careful to avoid nuisances such as noise and smell.

Of course we strive to avoid both smell and noise. Nevertheless we regret having been approached concerning a too high noise level by a resident in the neighbourhood. During a visit to the resident we could establish that something definitely needed improvement! Now we are working on reducing the noise from tankers unloading raw materials in order to make the citizen content again. Rynkeby takes up a lot of space in

the local community and contributes with many workplaces to the town. Furthermore we support sports events for children and young people in the local community by sponsorships. In 2011 we handed out sponsorships amounting to approx. 200,000 DKK for various sports events and/or events for children.

## Work presence

Also in 2011 Rynkeby had a good development in the work presence rate which was 96.8 % against 96.0 % the year before.

In our factory and in warehouse we continued to focus on care and work presence conversations and started

a new activity: Clocking out with Smileyes. The employee signed with a happy, a neutral or a grumpy smiley – depending on how good or bad the day had been. In 2012 we will follow up on our efforts to increase the job satisfaction at Rynkeby.

## Work environment

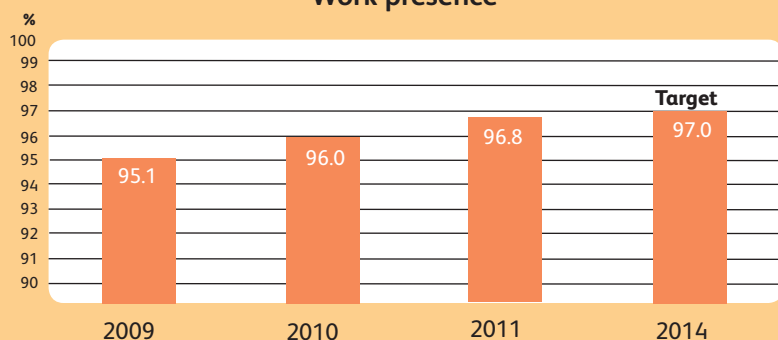
In 2011 Rynkeby experienced a reduction of working accidents – from six to five compared to the year before. A contemporary increase of »close to« situations, i.e. situations in which it could have gone wrong, attests to an alert and active security work. The target for 2012 is »No accidents« – among other things by means of a continued focus on »close to« situations.

## Customers

The retail customers of Rynkeby are the key to even being able to sell the products in the stores. Today the retail chains make big demands on their suppliers and we have a responsibility to live up to them all. Rynkeby wants to be different in a positive way and therefore we regularly measure the satisfaction of our retail customers. Earlier measurements show that our position is very fine. In 2011 we have therefore chosen to allocate our resources on other purposes.

We expect to measure the satisfaction of the retail customers again in 2012.

Work presence



Recorded accidents

| Year        | Close to | Minor accidents | Working accidents |
|-------------|----------|-----------------|-------------------|
| 2011        | 62       | 12              | 5                 |
| 2010        | 18       | 19              | 6                 |
| 2014 Target |          | 0               | 0                 |

Complaints per 100 mio. litres

|   | 2009  | 2010  | 2011                   | Target 2014 |
|---|-------|-------|------------------------|-------------|
| Consumer complaints (DK retail)         | 338   | 351   | 304                    | 300         |
| Consumer complaints (SE retail)         | 1939  | 2042  | 908                    | 700         |
| Consumer complaints (FI retail)         |       |       | 89                     | 0           |
| Approaches/complaints, local community  | 0     | 0     | 1                      | 0           |
| .....                                   |       |       |                        |             |
| Customer satisfaction analyses (Factum) |       |       |                        |             |
| Aseptic products                        | No. 4 | No. 4 | To be measured in 2012 | Top 3       |
| Chilled products                        | No. 1 | No. 1 | To be measured in 2012 | Top 3       |

## First aid

2011 was the year when Rynkeby acquired a heart starter and sent 12 employees on a heart starter course. Furthermore 15 have attended a first aid course for beginners (6 lessons) and 12 a course for skilled participants (3 lessons).

In 2012 we will offer first aid courses with heart starter for both skilled participants and beginners.



# Topic: Health

In 2010 we asked ourselves the question: »Can Rynkeby make Denmark healthier?« We believed that, and we still do. We have had the clear intention to inform the consumers that juice is 100% fruit with no sugar added. During the first half of 2011 we showed our Rynkeby advertising film on TV. The purpose of the film is among other things to inform the consumers that juice is 100% fruit – and that no sugar is added. Furthermore we use signs in the stores with the same message.

## FOCUS AREA:

### CONSUMERS

As appears from the below figures Rynkeby succeeded in increasing the knowledge of the Danes that juice is 100 % fruit. Because of the heavily increasing fruit prices we have not had the financial option of showing the Rynkeby advertising film during the second half of 2011, and unfortunately the knowledge by the Danes has dropped again.

We plan to show the film again at the beginning of 2012 and increase the knowledge of the Danes that juice is 100 % fruit and that no sugar is added.

### Prevention of teeth damages

As mentioned elsewhere in this report we have, in cooperation with the Danish dentist society and



*Dentist advises: Use a straw.*

others, presented good information of how to take care of your teeth when consuming sour drinks. In August 2011 the chief dentist Ulla Pallesen gave a number of good advice about dental care on our website. »It is not possible to avoid aciferous foodstuff and drinks. But you can avoid drinking

from a glass of juice or soda over a longer period of time, because the more often the acid gets in contact with the teeth the worse it is«, says Ulla Pallesen and adds the good piece of advice: »Besides, it is a very good idea to use a straw because it reduces the contact with the teeth«.

### Salt

We consume much too much salt in comparison with the recommendations and the food industry bears a big responsibility because 80 % of the salt we consume comes from manufactured food. Danish men consume approx. 10 g per day and women 7-8 g. But we should not consume more than max. 6 g.

Of course Rynkeby's vegetable juice is filled with vegetables, but, we are sorry to say, also with quite some salt. As the salt content in one glass was 1.9 g we decided to reduce the amount of salt added as much as possible.

The result was that in cooperation with a supplier we were able to reduce the salt content by 70 % ! Now the consumers can drink vegetable juice with an even better conscience and Rynkeby contributes to an annual reduction of the Danish salt consumption of approx. 2.1 tons. It is very difficult to change the contents in a juice as juice is regulated through legislation. But we keep continuously informed on health and new chances to improve the national health.

### 2010 FACTS

- 51 % of the consumers believe that sugar/additives are added to juice (consumer test)
- 12 % of the consumers believe that Rynkeby juice is 100 % fruit (consumer test)
- 21 % of the consumers believe that the Rynkeby 16 series is 100 % fruit (consumer test)
- 22 % of the consumers believe that the Rynkeby Økologisk Juice (eco juice) is 100 % fruit (consumer test)

### 2011 FACTS

- 2011: 29 % of all Danes know that no sugar is added to juice (consumer test)
- 2012: 33 % of all Danes know that juice is 100 % fruit (consumer test)

### FUTURE TARGETS

- 2014: 80 % of all Danes know that juice is 100 % fruit (consumer test)
- 2014: 80 % of all Danes know that no sugar is added to juice (consumer test)



*Salt now makes up a smaller part of Rynkeby vegetable juice. We now save the Danes for approx. 2 tons a year.*

# Topic: Health

In the strategy plan of Rynkeby Foods and in our CSR policy (social responsibility) our targets are very clearly to support and inspire the employees into a healthy lifestyle. We do that because we believe that the healthier we are, the more power we hold, and the bigger commitment we get in our everyday lives. Rynkeby will gain from this and the employee will have a better, healthier and longer life course. Therefore: A Younger Rynkeby.

## FOCUS AREA:

### A YOUNGER RYNKEBY

2011 was the year when the employees of Rynkeby were cycling, walking, swimming and exercising in every possible sport like never before. Health activities were high on the agenda and the target was clear: We should all have a healthy and younger body.

In February 2010 all employees were offered a health examination including a so-called BodyAge, a physical test telling you how »old« our body is compared to our actual age.

#### The point competition

We called our new health topic »A Younger Rynkeby« and made a voluntary team competition in which you could gather points each month by

exercising in different kinds of sports. Each month a winning team was elected and great enthusiasm and competition was found in the teams entered.

75 % - or 172 Rynkeby employees distributed on 16 teams - signed up for »A Younger Rynkeby«.

#### The BodyAge competition

Another part of »A Younger Rynkeby« was the BodyAge competition in which the signed-in teams were competing in the best improvement of his or her BodyAge in the course of 2011. At the BodyAge measurement in February 2011 the average age of the team competitors was 41.9 whereas their BodyAge was 43.7 years. This means that we were 1.8 years too »old«. At the BodyAge measurement in February 2012 our actual age was now 42.9 whereas the BodyAge was



*Søren Qvist, operator, lost over 20 kg and improved his body age by 17 years by means of attending the weight loss course and by exercising.*

43.0 years. That is a difference of 0.1 years and thus an improvement of 1.7 years. The two best teams had on an average improved by 3.7 and 3.4 years respectively.

Our intense focus on health through the point and BodyAge competitions has contributed to the fact that a lot of Rynkeby employees have started exercising and changing their food habits and thereby making their life style change in the right direction.

### Big weight losses and new life styles

A third initiative of »A Younger Rynkeby« was a weight loss course for the overweight employees. 41 employees signed in for the course. Not everyone completed the course but on a total basis the team lost no less than 358 kg!

The weight course resulted in many successful stories. As described in the next page of this report, one of our operators, 31-year-old Fadime lost 31 kg. At the other end of the age scale our 68-year-old Erik Rasmussen could enjoy a weight loss of 19 kg and after the course several other employees could display a weight loss of more than 20 kg.





# Topic: Health

Fadime and Betty have attended the weight loss course at Rynkeby and lost a lot of weight. Now they want to lose even more. They are joining in on the way towards:

## A (even more) younger Rynkeby

**Fadime Öztoprak, 31 years old and employed in the factory of Rynkeby, has lost a lot of weight over the last year or so. So much that people find it difficult to recognize her when meeting her in the street not having seen her for a while.**

### DOCUMENTARY

- Is it really you? They ask, says Fadime.

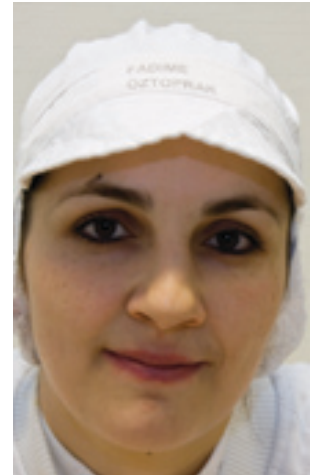
Fadime has lost 31 kg! It has happened since 31st March last year when she started on a new health activity together with colleagues. A weight loss course which forms part of the health programme »A Younger Rynkeby«.

The course ended in December last year. It was held by AG Sundhedsfremme (a health promoting company) and Birgit Kannegaard, clinical dietitian, who kept the participants »on a short leash« by making an appointment with everyone about meeting every third week to be weighed.

- I find it very good. No doubt it is easier to succeed when you have someone else to answer for – says another participant on the team, Betty Andersen, receptionist, 55 years old. She lost 22 kg.

#### Changed food habits

Primarily the course was based on weight loss through changed food habits in cooperation with the clinical dietitian who brought some good advice with her every time the participants gathered. For instance



*Betty (to the left) has, as it appears, a view to the Arch of Triumph in Paris – even if it is only as a big-sized photo. She herself can triumph with a minus of 22 kg. Fadime also feels much better with herself after her weight loss. »I'm much more comfortable with my body now. Very much so. I am also in a much better mood. The mere ability of fitting smaller clothes makes me happy«, she says.*

the advice could be to drink plenty of water or to eat fresh pineapple in order to stimulate combustion.

#### Smaller portions

Fadime explains her fabulous weight loss by having eaten smaller portions in general, by eating more vegetables and meat with a very low fat content and by refraining from white bread and instead eating rye bread with a high content of fibres.

Her weight loss is exclusively due to her new food habits. With three children at the ages of two, four and six years there has been no time or strength left for forcing the weight loss by exercising besides taking a walk with the children during the summer period, when working on day shifts.

On the whole Betty's weight loss was achieved in the same way as Fadime's: Something about focusing

on fat percentage and fibre content.

- I have been eating a lot of vegetables. So much that I have almost become dependent upon them. I like vegetables and expect to continue eating lots of them, she says.

However, Betty has also exercised a little on the side. »Well, I am no big exercising freak, but I have been visiting the fitness centre once in a while, and taken a walk or a bike ride whenever the weather allowed it«, she says.

Betty and Fadime both plan to continue their weight losses.

- When spring really gets going I will try to lose another five or six kilos, Betty says.

Fadime: - I would like to lose another 5 kilos and will join again if the company decides to continue offering weight loss courses.

# Topic: Health

## FOCUS AREA:

### A YOUNGER RYNKEBY



Annette Trampedach is the owner of AG Sundhedsfremme.

By Jens Agerholm, journalist

For inscrutable reasons the responsibility for HR and health among the employees is often placed with the CFO of the company. When this is the case »discipline«, as a principal rule, is often facing hard circumstances because economy gets a too high priority. This is not the case at Rynkeby. According to Annette Trampedach, owner of AG Sundhedsfremme,

the reason for this is, that the CFO, Poul Erik Nielsen, gives health an unusually high priority.

Annette is well-known and welcome among the employees at Rynkeby. Her company is leading and coordinating the external assistance to some of the various health projects at Rynkeby. This has been the case since spring in 2009 when she made the first health and hearing examinations among the employees.

Besides the big personal commitment by the financial manager, Annette also points out the general support to and involvement into the health activities of the company given by the management at Rynkeby.

It definitely makes a difference. A lot of companies may have many good intentions but in case the management says: »Just do it. You can spend a certain amount of money and no more« then things will die slowly. With the supply of health activities Rynkeby is even going a step further than presupposed in the legislation which »only« demands health examinations of employees working for more than 300 hours a year between 10 p.m. and 5 a.m. and hearing examinations of employees exposed to noise over 80 decibel, Annette Trampedach says.

## FOCUS AREA:

### SMOKING

In 2011 a few employees have worked on quitting the cigarettes and received assistance from Rynkeby to

different kinds of aids. In 2012 we will work on getting even more employees to quit the cigarettes by offering smoking cessation courses at Rynkeby or helping them getting started with SMS and e-mail smoking cessation programmes.

|   | 2009 | 2010 | 2011                     | 2014 target |
|---|------|------|--------------------------|-------------|
| Number of smokers                       | 25 % | 23 % | Will be measured in 2013 | 15 %        |
| Average number of cigarettes/day (pcs.) | 15   | 11   | Will be measured in 2013 | 10          |

## FOCUS AREA:

### ERGONOMICS

»Good well-being results in more satisfied employees, a reasonable work presence and thereby a more stable production with a higher productivity« the production manager of Rynkeby, Javad Shirangi, said in an interview in Rynkeby's staff magazine in December 2011.

In the magazine we focused on an ergonomics project which forms an element of the health programme for the employees at Rynkeby.

The programme started with a pilot project in our warehouse in September 2010 and was followed in 2011 by a similar project in our new drawing plant. The project ended in February 2012 and will be followed by a similar one in Purepak, our mixing and technical departments ending in October. Then the turn will come to the office staff.

The project is focusing on the working situation of the individual employee and will be followed by instructions, guidance and training programmes.

The ergonomics projects will last for half a year.





# Topic: Health



*Karen Fejerskov introduces healthy food in our canteen.*

## FOCUS AREA: CANTEEN FOOD

After the kitchen staff of Rynkeby learnt about »Kantinetjek« (canteen check) in 2010 (a simple point system showing how healthy the canteen food really is) we have tried to launch a quite new initiative which makes it even more easy for the guests of the canteen to see how healthy the food

is. This is illustrated by three colours: Red, yellow and green. Then it is up to the employees themselves to decide, how healthy they want their meals to be.

Of course the healthiest food has the colour green and often consists

of fish, wholemeal pasta, wholemeal rice and all the coarse vegetables. Fine vegetables (e.g. corn, cucumber, iceberg lettuce etc.) we tag with the colour yellow. The somewhat less healthy/fat food is tagged with the colour red and is i.g. dressings and the slice of bread with liver paste, fried bacon and beetroot.

It demands a certain quantity of organization when preparing the meal scheme but the canteen staff has been pleased with the new challenge and looks forward to continuing their efforts for an even healthier canteen.

However, cake is still available on Thursdays and on all days there is always plenty of fruit and vegetables for sale at only 1 DKK a piece.

Number of employees eating fruit and vegetables every day (min. twice a day)

| 2009 | 2010 | 2011                                      | 2014 Target |
|------|------|---|-------------|
| 37 % | 46 % | Will be measured at the beginning of 2013 | 57 %        |

## FOCUS AREA: EXERCISE

As is a tradition 2011 also had a big attendance of employees to the two races, which Rynkeby attends, »Søsletteløbet« and »DHL-stafetten«. We have ambitious targets for the number of participants and we still have some way to go, but we believe we can reach the targets.

In 2011 we had another visit by Ole Stougaard from Multitesta, former triathlete on the national team, teaching us the »pose running« technique which is an particularly gentle running technique. The arrangement was free of charge and attracted 24 employees.

We also offer bike rides. During the summer period Karsten Hansen, IT administrator, and Arne Jørgensen,

project manager, have voluntarily been arranging bike rides for beginners and advanced bikers. The bike rides of 30-70 km have had the consequence that employees who had never before been bike exercising were encouraged to try it, and the employees who were going to attend the bike race to Paris with Team Rynkeby had a good guidance and training.

### Creating unity

You might rightly ask why we have a target for attendance at these races. The answer is quite simple: Meeting outside working hours creates a good unity among colleagues and at the same time we invite to even more exercise. We have chosen arrangements to which everybody can attend, irrespective of exercise level.

| PARTICIPANTS IN THE RELAY RACE »DHL-STAFETTEN«*  |      |   |             |
|--|------|---|-------------|
| 2009   | 2010 | 2011                                      | TARGET 2014 |
| 28 %   | 38 % | 42 %                                      | Min. 50 %** |
| PARTICIPANTS IN THE RACE »SØSLETTEØBET«**        |      |   |             |
| 2009   | 2010 | 2011                                      | TARGET 2014 |
| 20 %   | 42 % | 38 %                                      | 50 %        |
| EMPLOYEES EXERCISING AT LEAST 30 MINUTES PER DAY |      |   |             |
| 2009   | 2010 | 2011                                      | TARGET 2014 |
| 48 %   | 50 % | Will be measured at the beginning of 2013 | 60 %        |

\*includes employees only

\*\*includes employees and their families.

# Topic: Health



*The TV host Bubber receiving a check for 8.8 mio. DKK for Børnecancerfonden in Denmark in 2011. At the same time Barncancerfonden in Sweden received a check for 972,000 DKK from the two Swedish Team Rynkeby teams.*

## FOCUS AREA: TEAM RYNKEBY

For the 10th year in a row Team Rynkeby supports children with cancer and their families through the foundation Børnecancerfonden in Denmark with money collected from the bicycle race to Paris. As from 2011 also Barncancerfonden in Sweden is supported. Team Rynkeby has been biking to Paris every summer since the premiere in 2002 and every year the team has collected money for Børnecancerfonden.

Concurrently with the enlargement of Team Rynkeby the amount collected has also grown. When in 2011 Team Rynkeby included teams from Sweden as well, the bicycle team was also able to favour Barncancerfonden, the Swedish sister organization of Børnecancerfonden.

In 2011, 31 Rynkeby employees participated and on a total basis 584 racing cyclists and 139 service people, distributed on 11 Danish and two Swedish teams, collected approx. 8.8 mio. DKK to Børnecancerfonden and 1.1 mio. SEK to Barncancerfonden. Thus Team Rynkeby collected a total of 9.772 mio. DKK for the fight against cancer in children. In 2012

the collection will be divided so that the 13 Danish teams of Team Rynkeby will collect money for Børnecancerfonden in Denmark whereas the four Swedish teams will collect money for Barncancerfonden in Sweden. As a racing cyclist of Team Rynkeby you are not only obliged to train sufficiently and to take part in the social life connected with the team but also to make an effort to provide money for Børnecancerfonden and Barncancerfonden.

The money collected by Team Rynkeby and handed over to Børnecancerfonden and Barncancerfonden is spent very carefully on projects from which, in the opinion of the two organizations, children with cancer and their families will benefit the most. The focus areas comprise research, information and patient support.

The participants of Team Rynkeby are jogging cyclists of both sexes, of all ages and with totally different jobs, educations and backgrounds. The difference between the participants and their geographical distribution in both Denmark and Sweden makes it easier for Team Rynkeby to spread the word about the collection to the advantage for children with cancer and their families.



*Two Team Rynkeby cyclists taking a peeing break in the corn field.*

## FOCUS AREA: SCIENCE

Together with other companies and a number of research institutions Rynkeby attended the research project »Step by step changes of children's preferences towards healthier foods«.

The project is very extensive and primarily Rynkeby has cooperated with »Institut for Fødevarer« (Institute for Foodstuff) at the University of Aarhus on how optimizing of taste and the presentation of healthy food can influence children to eat healthier. One of the conclusions of the research project is that changes must be introduced gradually because too big changes at the same time will result in a loss of the children's preferences. Furthermore the results show that the more often children are presented to a new kind of food the more recognizable it will become and the more they will feel like eating it.

Rynkeby still attends the research project SENSWELL (Sensory food satisfaction in promoting healthy and sustainable eating behaviour) focusing on how sensory qualities in food and eating environment can be utilized to reduce the food consumption and at the same time give satiety and comfort, both during and after a meal. The project is expected to end in 2014.

In addition the product developers at Rynkeby take part in »Network for new sweeteners«. The overall idea of this network is to oblige the consumer wishes for healthy and natural products. This is why new natural energy neutral sweeteners are examined as a replacement to the added sugar and the artificially produced sweeteners traditionally added to our food. In 2011 the focus has been centered around the plant Stevia.



# Topic: Environment and climate

In 2011 Rynkeby Foods reduced electricity consumption, waste water emission and packaging and raw material loss even more. This partly because we could harvest the fruits of our investments in the factory the year before, partly because we succeeded in increasing the line efficiency – i.e. the time of the total operating time in which the machines are running – in close cooperation between the production management and the employees. The progress in exploiting the raw materials was so high that already last year we reached the 2014 target figure for loss of raw materials.

## FOCUS AREA:

### ELECTRICITY CONSUMPTION

There are several reasons why electricity consumption at Rynkeby declined in 2011. Among them are:

- We use less electricity for our production of air/steam for our manufacturing processes after investing in less energy demanding compressors in 2010.
- We have increased the line efficiency – i.e. less non-planned halts in which the pasteurizing plant and other equipment is stopped and uses electricity and steam in vain. The increase of efficiency is among other things due to the production having focused intensively on the possibilities of avoiding unintentional halts through LEAN processes with involvement by employees, including operator courses on machine comprehension and payment according to LEAN principles, and

- that the number of product changes has declined from 90 to 75-80 due to our simplification of the

product assortment and thus bigger series in the production. Rynkeby's target is to obtain a 10 % reduction of the electricity consumption before 2014. In their efforts to reach the goal our production management is implementing new energy measurements – a kind of thermographic measurements – in our production lines. The purpose of the measurements is to uncover the concrete location of consumption on the individual line and thus be able to define where to start digging deeper in the efforts for a further reduction of the electricity consumption.

Among other things estimates have been made on the possible use of diode bulbs, i.e. low energy bulbs, but for the time being this will have to wait until a thorough analysis of the total electricity consumption is available – and thus a basis for an assessment of where to spend the money best in the future in order to save on the electricity bill.

### THE WASTE WATER

Rynkeby's decreasing emission of waste water is primarily due to our

reduction of product assortment by approx. 25 %. The reduction means that the number of mixtures in the production has decreased from 90 to approx. 75 a week. Smaller number of mixtures means less processes with water, including rinsing and cleaning, and thus less emission of waste water to the water treatment plant.

### Changed behavior

The reduction of waste water is also due to a change of the behavior in which the factory otherwise uses water. Among other things the focus has been on where in the production juice is being spilt – for instance when changing products. In this connection it is important to collect the product remnants for reuse in order to avoid that they end up in and strains the water treatment plant of the factory. A small thing like using flushing points on the water hoses is also among the behavior-wise contributors to the reduction of waste water.

### Rinsing with water is enough

Forward-looking the production will contribute to an even cleaner environment by changing the routines when cleaning the mixing tanks. Till now the factory has been running a big cleaning process with cleaning detergent between each individual mixture. However, it has turned out that you can actually run an efficient rinsing with water and run the long cleaning process with longer intervals without getting a negative effect on the product quality. This initiative will, however, affect the water consumption to a minor degree, but to a higher degree it will affect the consumption of cleaning detergents and thus it will also be an environmental gain.

| ENVIRONMENTAL TARGETS                          | 2009 result          | 2010 result          | 2011 result          | 2014 target             |
|--|----------------------|----------------------|----------------------|-------------------------|
| Electricity consumption*                       | 59.96 Kwh            | 60.9 Kwh             | 57.11 Kwh            | 10 % per litre produced |
| Waste water*                                   | 0.941 m <sup>3</sup> | 0.983 m <sup>3</sup> | 0.937 m <sup>3</sup> | 10 % per litre produced |
| CO2 consumption*                               | 16.18 kg             | 17.46 kg             | 17.46 kg             | 14.56 Kg                |
| Raw material loss, of raw material consumption | 2.86 %               | 2.44 %               | 2.07 %               | 30 % per litre produced |
| Packaging waste, of packaging consumption      | 2.07 %               | 1.45 %               | 1.25 %               | 1.05 %                  |

\*per ton product

# Topic: Environment and climate

## PACKAGING WASTE

During 2011 Rynkeby has experienced a good development in the consumption of packaging – in the form of less waste.

This is also partly due to a smaller product assortment with less changes in the production but for instance also due to the fact, that a lot of focus has been on which production method is resulting in the smallest amount of waste. In principle, the production has two methods at its disposal. One is using the so-called roll feeds, which are made into cartons by the machine itself. The other one is using so-called blanks which are ready-carved and folded cartons and the machines are only folding the bottom and the top during filling. As it has turned out that

the roll feed method causes the biggest waste of packaging the factory is now to a higher extent producing on machines using blanks.

Furthermore the factory has been focusing a lot on the reasons for waste of packaging as a result of machine problems and on the possibilities of preventing them by means of a dialogue with the machine suppliers.

The focus on production methods, operating disturbances and – not the least – a big involvement from the employees, which is also encouraged by LEAN payment – are the most important reasons why, in fact, the factory already in 2011 reached the 2014 target figure for packaging waste.



*The factory collects and sells packaging for reuse, says production manager Magnus Stefansson (in picture).*

## RAW MATERIAL LOSS

With the rapidly increasing prices of raw materials in recent years there is – besides the overall environmental considerations – a special reason for Rynkeby to locate and close the causes for loss of raw materials in our production. To a big extent we succeeded in this in 2011 when the 2014 target figure was also achieved.

The smaller loss of raw materials is primary due to the production having invested in so-called pipe pigs, i.e. plastic plugs which are pushed through the pipe when the drawing from the water tank is over. This

solution has the effect that the production is sure to get most of the juice out – either during the drawing process or in some barrels in which the surplus juice is stored and used in new mixtures.

In a close cooperation between the laboratory and the production staff a new system has also been implemented which makes it possible to get the remnants of the barrels out without conflicting with quality or durability.

Forward-looking the plan is to minimize the loss of raw materials further by exploiting a new and more exact measuring equipment to ensure that

## CO<sub>2</sub>

After an increase from 2009 to 2010 Rynkeby succeeded in bringing down the CO<sub>2</sub> from 2010 to 2011. 2014 target is a reduction of CO<sub>2</sub> by 10% per litre produced. The amount of CO<sub>2</sub> comes especially from the natural gas consumption for producing steam for the pasteurizing plant. Forward-looking the reduction of CO<sub>2</sub> is to a high degree expected to be obtained by even more operating time on the existing production lines and by investment in machines with a higher speed and thus smaller consumption of steam per litre drawn.

Before taking a stand on further initiatives the production management is awaiting a more exact knowledge on where and how to reduce the gas consumption with the biggest effect in connection with the coming “thermographic measurements” of the individual production lines.

## DRIVING

Rynkeby is also focusing on driving and wants, among other things, to examine whether the choice of tyres for the cars might have an effect on the driving/fuel consumption and to discuss whether the selling staff should have environmentally-friendly company cars.

the production can save concentrate by getting closer to the balance between the water disappearing when the concentrate is steamed in and the water spent when adding water to the concentrate again in order to turn it into juice. It is a legal demand that the amount of water must be the same – therefore there has been a tendency to add a little more concentrate in order to be quite sure to observe the legislation.

Furthermore Rynkeby plans to rebuild some of the pots in the pasteurizing plant and to invest in more pipe pigs.

# Global Compact

In 2011, Rynkeby Foods has embraced the UN initiative Global Compact that lays down ten general principles within companies' work with CSR. These principles are a good basis for our work with CSR and sustainability. They are based on internationally recognized conventions in the areas of human rights, labour, environment and anti-corruption.

*6. the elimination of discrimination in respect of employment and occupation.*

Rynkeby supports and respects the UN principles on labour. We have shop stewards elected by the staff. These stewards conduct negotiations concerning working conditions, wages and other conditions related to the relationship between the employee and the company. Our employees are free to organize in trade unions or other organizations/associations.

Labour forms part of our Code of Conduct and therefore all our suppliers must guarantee that these conditions are under control.

## THE TEN PRINCIPLES

### HUMAN RIGHTS

*1. Businesses should support and respect the protection of internationally proclaimed human rights; and*

*2. ... make sure that they are not complicit in human rights abuses.*

Rynkeby supports and respects internationally proclaimed human rights - and strives to make sure that we are not complicit in human rights abuses. In practice this means that our company observes current rules and conventions on human rights. We make an effort to ensure that the products we procure have been produced in accordance with the UN conventions and international resolutions. All suppliers must sign the Rynkeby/Arla Code of Conduct being the first guarantee that the suppliers observe the regulations. Add to this the fact that we have risk assessed the map of the world and pointed out the high-risk countries, in which we make an extra effort to make sure that rules and regulations are observed. We act in good faith and

will anytime give notice to terminate our co-operation/contract in cases where human rights are abused or not observed.



### LABOUR

*3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;*

*4. the elimination of all forms of forced and compulsory labour;*

*5. the effective abolition of child labour; and*

### ENVIRONMENT

*7. Businesses should support a precautionary approach to environmental challenges;*

*8. undertake initiatives to promote greater environmental responsibility; and*

*9. encourage the development and diffusion of environmentally friendly technologies.*

Environment and climate are on the Rynkeby agenda in relation with development of new products and projects. We permanently strive to reduce energy resources and waste.

### ANTI-CORRUPTION

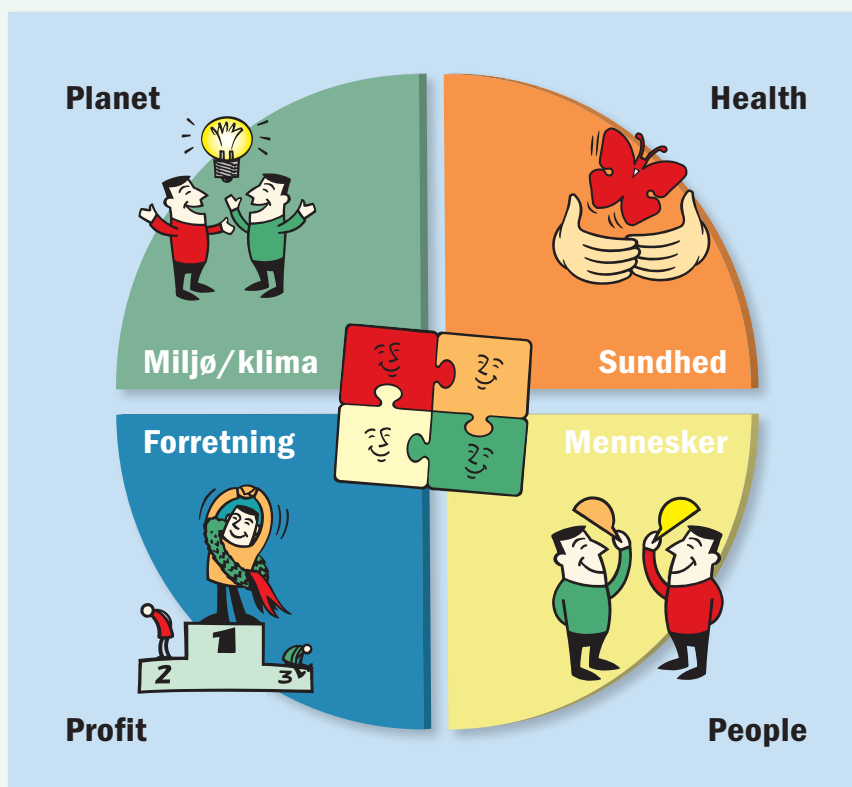
*10. Businesses should work against corruption in all its forms, including extortion and bribery.*

Usually, the juice business is not subject to corruption, blackmail and bribery. However, Rynkeby undertakes to observe current UN conventions on anti-corruption, human rights and labour and will counteract any offence at any time.





# CSR



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