

## Communication on Progress

### 1) In general UN Global Compact

#### Awareness and promotion of UN Global Compact and its 10 principles.

SFDS expresses their commitment to Global Compact and its 10 principles in the specific projects executed. We put effort in making the internal organization, our suppliers and customers aware of Global Compact.

### 2) The 10 principles

#### **Human rights** (Principles 1 - 2)

- 1) Businesses should support and respect the protection of internationally proclaimed human rights;
- 2) Make sure that they are not complicit in human rights abuses.

These principles are fully embedded in our business culture and laws we have to comply to. No specific needed projects or actions have been executed in this area of responsibility.

#### **Labour**

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

We are as a company in the Netherlands fully supportive of collective bargaining. We have an Employee Council and good relations with Unions representing the employees.

Principle 4: The elimination of all forms of forced and compulsory labour.

These principles are fully embedded in our business culture and laws we have to comply to. No specific needed projects or actions have been executed in this area of responsibility.

Principle 5: The effective abolition of child labour.

When sourcing products and services abroad, we are alert on the labour conditions of our suppliers. These principles are fully embedded in our business culture and laws we have to comply to. No specific needed projects or actions have been executed in this area of responsibility.

Principle 6: The elimination of discrimination in respect of employment and occupation.

In hiring new employees one of our principles is that our labour force always reflects the composition of the population, regardless religion, colour, nationality, political preference etc.

Our international website contains additional information to clearly express our principles.

#### **Environment**

Principle 7: Businesses should support a precautionary approach to environmental challenges.

In 2012 SFDS developed an Environmental Management System that has been ISO 14001 certified in July 2012. An internal audit program has been implemented since. In June 2013 the external audit by 'Bureau Veritas' was completed successfully.

Principle 8: Undertake initiatives to promote greater environmental responsibility.

- Two internal organisations (a Workgroup for Safety, Health, Wellness & Environment and a Company Emergency Group) have been formed with members of all ranks from the company, monitoring the processes, analysing the causes of (near)accidents and taking measures to reduce and prevent the number of (light) personal injuries. Neither severe injuries nor environmental incidents took place in 2013.
- Leaflets, brochures and an introduction scheme for new employees and visitors have been developed and are implemented since 2012 to inform them on the SFDS safety and environmental rules. Employees of suppliers and contractors, who carry out activities on behalf of SF&DS in our premises or at a customer site, are informed on our SH&E rules.



Food & Dairy Systems

- In 2013 we maintained our auditing and selection process of new suppliers. They are audited and selected based on their Environmental policy and performance. Existing suppliers are encouraged and requested to develop environmental plans in case they have none. SF&DS also incorporates the supply chain in its approach to sustainability and quality. We don't make any distinction between ourselves or our suppliers and contractors in our policy for quality and SH&E. (Potential) suppliers are invited to fill out a standard Request for Information on their certificates (ISO 9001, ISO 14001, OHSAS 18001, VCA etc), documented Quality and Environmental Management Systems, compliances with SH&E law & regulations etc. More information is gathered through audits carried out by our purchasers. Based on this information our preferred suppliers are selected through a standardized selection method. During cooperation the performance of each supplier is monitored by both Strategic and Operational Purchasing. The results are reviewed on a quarterly basis.
- We have made research on further investments in housing (o.a. light sensors, lights, isolation, ventilation etc) and put them on the agenda to discuss with our landlords.  
In 2013 sensor lights haven been installed, an electric loading station for electric cars has been installed and we invested in extra maintenance and replacement of energy consuming air-condition installations.
- We have replaced our copier/printer park which results in less energy consumption and double sided printing of documents will lead to less use of printing paper. We expect to reduce our paper usage with 25-30%, the actual data will be available during Q1 in 2014.
- In 2014 we will invest substantially to replace all lighting in our production department for low energy lighting including daylight-dependent control.
- In 2014 we will research investing in the replacement of our boiler system which will reduce the energy consumption substantially.

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

- We are constantly developing new products and production processes in cooperation with Universities, Schools of Polytechnics and food specialists that employ new technologies, processes and materials to reduce energy consumption and the use of possibly hazardous consumables. In 2012 we have started cooperation with the Innovation Lab of the Polytechnic of Amsterdam.
- Innovation resulted in 10 patents pending in Europe and the USA. These patent applications are all focused on less energy consumption, the use of harmless desinfecteria and a higher degree of sterilization / pasteurization for a longer shelf life through improved processes, heat transfer media and constructions.

#### **Anti-corruption**

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery. We emphasize on our rules of conduct in doing business with our suppliers as well as with our customers. For that reason we still avoid doing business in regions where currently bribery still is part of doing business. During every international Sales & Service meeting this item is on the agenda. Every sales manager has to comply with our rules of conduct.

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Mr. Wouter de Haan,  
CEO Stork Food & Dairy Systems

HP.