

## COMMUNICATION ON PROGRESS 2018



A young girl with dark hair is holding a white egg-shaped object that has been painted to look like a globe. The globe shows continents in light brown and oceans in light blue. She is holding it up with her right hand, and her face is partially visible in the lower-left corner, looking up at the egg with a smile. The background is a lush green field of grass, slightly out of focus.

## Our Mission

Feeding the future is the essence of Nutreco: expressing the challenge to double food production while halving the footprint. Our ambition is to contribute to meeting the rising food needs of a growing world population in a sustainable manner.

## **LETTER FROM TROUW NUTRITION TURKEY GENERAL MANAGER**

We are pleased to announce our support for the United Nations Global Compact and accepted Ten Principles of the United Nations Global Compact on Human Rights, Labour, Environment and Anti-Corruption.

In this our first annual Communication On Progress; we illustrated our sustainable future vision creating our company dynamics and our achievements under the 4 main titles in the scope of United Nations Global Compact.

We will continue to support United Nations Global Compact coming year and we will continue to publish Communication On Progress.

Yours Sincerely,

Metin Akman

Trouw Nutrition Turkey General Manager

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## **ABOUT US**

### **Our Mission**

Trouw Nutrition is part of Nutreco, a global leader in animal nutrition and fish feed. Quality, innovation and sustainability are guiding principles, embedded in the Nutreco culture from research and raw material procurement to products and services for agriculture and aquaculture. Experience across 100 years brings Nutreco a rich heritage of knowledge and experience for building its future. Nutreco employs approximately 10,000 people in 30 countries, with sales in 80 countries. Nutreco is listed on the NYSE Euronext stock exchange in Amsterdam and reported annual revenue of € 5.2 billion in 2012.

### **Our Vision**

In a world with limited natural resources and a growing population, there is a rising demand for high quality meat, fish and shrimp. We will be the global leader in providing innovative and sustainable nutritional solutions that best support the performance of animals, fish and shrimp.

## Challenges

- **Feeding 9 billion people in 2050**

The growing world population, urbanisation, a growing middle class and changing diets will lead to a surge in demand for fish and meat, especially in emerging markets. Of course, this brings opportunities for the feed industry to grow its business. However, there are sustainability issues. They include scarcity of resources, food safety, animal welfare, antibiotic resistance, pollution, climate change and loss of biodiversity. In addition, we must cope with volatile commodity prices, as supply and demand fluctuate, and with unbalanced cost/price distributions in the value chain

- **Halving the pressure on the planet**

We only have one planet. We are currently living at about 1.3 planets. Our global footprint exceeds the world's capacity to regenerate by about 30%. If we continue like today, we'll need the equivalent of two planet earths by the mid 2030's. Agriculture and Aquaculture are partly responsible. Both industries recognize their responsibility and are innovating at high speed to deliver more from less. Efficiency is key, but efficiency without sustainability is not an option. Economic growth must be decoupled from environmental impact.

- **Sustainability**

By 2050 it is estimated that our planet will have nine billion people. The world will need to increase its food production by 70% in order to meet future demand while simultaneously reducing the environmental impacts by half.

What can Nutreco do to help? Nutreco created its **Sustainability Vision 2020**, to guide our sustainability initiatives in the next decade.

The elements of the Sustainability Vision 2020 reflect our ability to influence the value chain in three principle areas. Ingredients that form the base of our products; Production of products in our own factories; and our Nutritional Solutions that we sell to our customers. We keep the wheel of sustainability turning by our continued Commitment to Feeding the Future.

## SUSTAINABILITY VISION 2020



### **Sustainability assessment of feed ingredients and suppliers**

Nutreco has a long history of doing food safety risk assessments of suppliers and ingredients. We are now in the process of expanding such a risk assessment to also include the issues linked to sustainability. From a sustainability perspective we need to do a risk assessment of both the feed ingredient and the supplier. Sustainability assessments of feed ingredients and suppliers are a relatively new area for Nutreco but we see this as a necessary step to ensure our suppliers are aligned with their signed commitment to the criteria layed-out in our Supplier Code of Conduct. We are now in the process of building up a credible and efficient evaluation system.

A risk assessment of a feed ingredient like soy will reveal that in some areas there will be a high risk that the soy originates from rainforest cleared in recent time. Clearing of the rainforest can result in negative effects related to loss of biodiversity and climate change.

We also need to do an assessment related to the supplier which normally is a producer or processor of a feed ingredient. The risk assessment is primarily based on the geographical origin of the supplier and the estimated risk to damage the environment, violate human rights or labour rights. If we for example buy a feed ingredient from India, as based on general statistical information a rather high risk that the supplier could use child labour. One then would have to evaluate based on information available if the risk is evaluated so high that one would need to take additional actions (further information or conduct an onsite audit).



**Efficient Energy Use** : A significant part of our energy comes from non-renewable sources. This means that energy saving can also reduce our use of fossil fuels and as such our impact on climate change. If we make smarter decisions about using newer, more energy efficient equipment and processes in our factories we also reduce our manufacturing costs.

**Reducing CO2 emissions from our operations** : CO2 emissions directly contribute to climate change, causing temperatures and sea levels to rise. This in turn has an impact on the availability and cost of raw materials and other resources. We believe it is our responsibility to play an active role in taking responsibility for reducing CO2 emissions from our own operations. As such Nutreco is continuously investigating options to change our energy sources (fuel, coal) to other more sustainable options (LPG, LNG, others)

**Reducing waste from our operations** : As a manufacturing business, we have an obligation to conserve natural resources and reduce the amount of waste we dispose. Our goal is to recycle and reuse as many products as we can, and to reduce the amount of products we purchase which cannot be reused or recycled.

**Reducing water use in our operations:** Optimisation of water use by industries is important because it can lower water withdrawals from local water sources and in doing so increase water availability. This in turn helps to improve community relations, increase productivity per water input, lower wastewater discharges and their pollutant load, reduce thermal energy consumption and, potentially, processing cost.



**Stakeholder Engagement** Nutreco hosts two major biennial conferences, AgriVision and AquaVision, which provide platforms for current and future concerns in the protein food chains. They bring together key stakeholders in the international feed-tofood chain for strategic debate on global feed, food and business topics, to develop new ideas and inspire innovative future approaches.





### **Feeding animals more efficiently**

It's all about achieving more with fewer resources. Feed costs account for as much as 70% in livestock production. With raw material prices and quality being both changeable and unpredictable, every feed-related decision can have a significant impact on animal performance as well as profitability.

Our modular precision-feeding systems offer the latest nutritional science data and technology. With these models our customers can fine-tune their feeding strategies according to accurate nutritional data and current market prices. Precision feeding also helps to produce more edible protein with fewer resources by reducing the amount of waste.

In addition, we offer a broad range of science-based tools and services, such as near-infrared (NIR) spectrometry of animal feed ingredients. This technology gives results within minutes, compared to traditional analyses that can take several days. This enables timely decisions to be made resulting in optimal feed efficiency.

Commonly used as ingredients in aquaculture feeds, marine raw materials like fishmeal and fish oil are finite in supply. Skretting's ground-breaking MicroBalance technology is enabling the aquaculture industry to grow without putting additional pressure on wild fisheries.

MicroBalance has helped Skretting to significantly reduce the minimum fishmeal levels in our diets. Today, for example, we are able to make salmon diets completely independent of fishmeal. We are also exploring ways in which this innovative nutritional technology can be used to find alternatives to fish oil in our diets.

## HUMAN RIGHTS



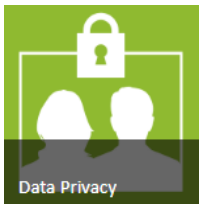
### **Code of Ethics**

Nutreco is a transparent company. We expect openness and integrity in everyone that works for the company and require them to conduct their business activities in compliance with the Nutreco Code of Ethics, both in the letter and in the spirit of the Code. It is accompanied by a set of Directives on Business Integrity, which gives further explanation and specific examples.



### **Speak Up Line**

Nutreco aims to create an open and safe workspace. It is a system designed to help workers communicate and about things which 'doesn't seem right'. Speak up line consciousness is aimed to be increased next year.



### **Keep it safe, Keep it private**

Nutreco, has two key messages about working with personal data: Personal data needs to be well protected. Keep it safe. Personal data can only be shared on a need-to-know basis. Keep it private.

# LABOUR

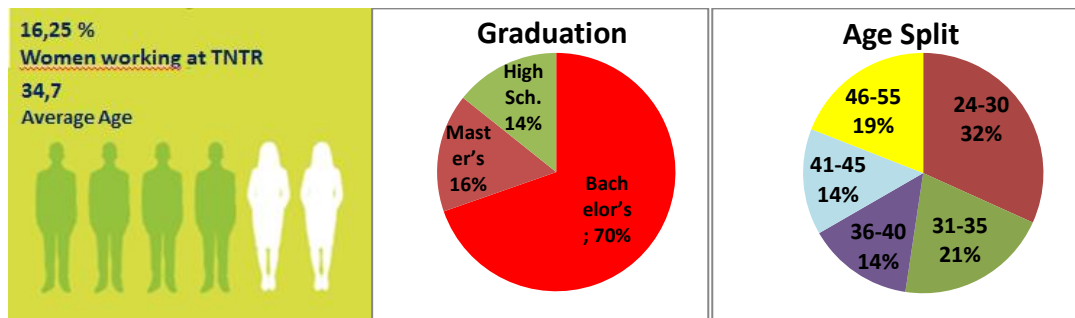
**Child, Bonded and Forced Labour:** We will not use child labour or any other form of forced or compulsory labour. The minimum age for admission to employment or work shall not be less than the age of completion of compulsory schooling as set by national law and, in any case, shall not be less than 18 years.

**Equal and Fair Treatment:** Within Nutreco, every employee has an equal opportunity for personal recognition and career development, regardless of personal background, race, gender, nationality, age, sexual preference or belief. The same applies to the recruitment of employees. No form of harassment or discrimination will be tolerated.

**Health and Safety:** We are committed to creating a safe working environment containing mutual respect and trust, and will do all that is reasonable and practicable to protect the health and safety of our employees.

**Safety Champion Program:** This year we started **safety champion program**. We are targeting to improve our safety culture. With this program one of our colleague is educated on safety and decrease risk environment and create awareness. Safety champion will change every year.

Our employee statistics are shortly:

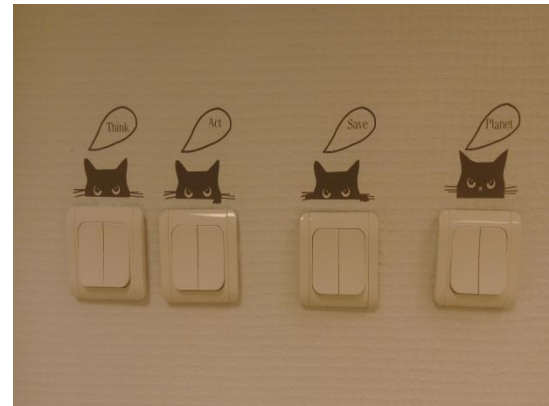


## ENVIRONMENT

Trouw Turkey measures carbon emissions, electricity use, water use and waste at the end of each year. Our goal is to reduce these values to be the least harmful to the environment. 2017 usage can be found in the table below.

<b>Primary energy Purchased (EN03) -Non renewable</b>	<b>KWH</b>
Diesel	10.420
<b>Indirect Energy Purchased (EN03)</b>	<b>KWH</b>
Electricity (green)	83.800
<b>Water withdrawal (EN08)</b>	<b>M3</b>
Municipal water supplies or utilities	1.670
<b>Non Hazardous Waste type and disposal method (EN23)</b>	<b>KG</b>
Recycled non-hazardous waste	55.000
<b>Saleable Produced tonnes (Total tons produced minus rework)</b>	<b>8.056</b>

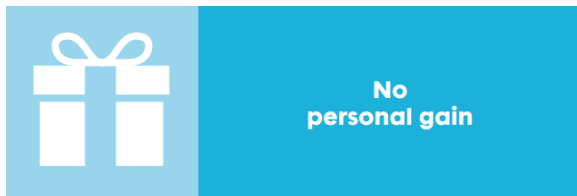
In addition, efforts are being made to improve employee environmental awareness. Our goal is to transform our environmental awareness with our employees into a high-level company. The following are some of the initiatives we made on this purpose.



## ANTI-CORRUPTION



Nutreco wishes to be a responsible partner in society, acting with integrity and honesty toward our customers, employees, suppliers and business partners, competitors, shareholders and others who are affected by our activities. In conducting our business, we will comply with applicable statutory regulations of the countries in which we operate. We endeavour to adjust ourselves to local situations within the bounds of applicable law and ethical, responsible business conduct. Laws and regulations that apply may be local and at the same time international laws may prevail



Gifts, favours and hospitality (incl. entertainment), in whatever form, should never be given or received where the gift is intended or would appear to obligate the recipient towards the provider. Cash or cash equivalents, such as securities, may never be offered or accepted.



Third-party payments (including facilitation payments) in the form of remuneration or otherwise to agents, consultants, commissioners, distributors, freight forwarders, dealers, government officials and other similar third parties, need to be (1) in compliance with applicable law and regulations, (2) appropriate in relation to the services performed, (3) for legitimate services only and (4) need to be recorded in accordance with our accounting principles.

## EVALUATION

**Human Rights :** This year we focused on 3 main topics; code of ethics, speak up line, keep it safe & keep it private. Introduced and taught to company employees is completed. We plan to go active next year.

**Labour :** As Trouw Nutrition we care about the place of woman in business life. We had 16% of our female employees, which was 11% last year.

With Safety Champion Program ; Conditions that could create a risk factor were identified and employee awareness was increased with warning signs. No injury was reported in this year. Our target is, keep up this safe environment.

**Environment :** Our goal is to reduce these values to be the least harmful to the environment. We have increased our employee awareness this year with our practices. We plan to reduce electricity, water usage by 5% at the end of the year.

**Anti-Corruption :** Trouw Nutrition has not been involved in any legal cases, rulings or other events related to corruption and bribery.

Encourages its employees against corruption. No corruption was reported this year. Our target is, keep up this environment.