

COMMUNICATION ON PROGRESS 2018

December 2017 – December 2018



1. STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER (OWNER OR PRESIDENT IN THE CASE OF SMALL BUSINESSES)

14th December 2018

To our stakeholders:

I am pleased to confirm that Wessanen reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Christophe Barnouin
(CEO WESSANEN)

2. DESCRIPTION OF ACTIONS

HUMAN RIGHTS

Revised Supplier Code of Conduct

We observe best business practices, labour, health, safety and environmental standards in all countries in which we operate, which forms the basis of our Supplier Code of Conduct. In 2018 we have revised our Suppliers Code of Conduct to meet best practice in ethical trade, including clearer provisions on forced labour and human trafficking. We plan on publishing it in Q1 2019.

Revised Supplier Ethical Operating Policy

In 2018 we have revised our Supplier Ethical Operating Policy, to mirror our Internal Ethical Operating Policy in line with international best practice. Our Supplier Ethical Operating Policy outlines our approach to ethical trade, including our requirements from suppliers on modern slavery. We plan on publishing it in Q1 2019.

LABOUR

Great Place to Work survey conducted across the company

We run employee surveys to gauge the level of engagement and commitment of our employees and the underlying factors. It allows us to identify opportunities for improving our organisation, culture and people management. As responsible employer, we are constantly striving to ensure that all our workplaces are safe, healthy and pleasant environments.

With an awareness campaign across all Wessanen entities we have significantly increased the participation rate and defined clear roadmap to follow up on the results.

Inauguration of French head office "La Ruche"

In 2018 the construction of the new French head office "La Ruche" (Beehive) has been completed. End of the year 272 colleagues, which is about 21% of total number of Wessanen employees, have moved to the new building in Lyon.

The new office takes the certification "WELL" standard into account, which is a high standard exploring how design, operations and behaviours within a place where people work, live and learn can be optimised to advance human health and well-being.

Diversity Charter

We are committed to promoting equality and diversity and promoting a culture that actively values difference and recognises that people from different backgrounds and experiences can bring valuable insights to the workplace and enhance the way we work. Wessanen aims to be an inclusive organisation, where diversity is valued, respected and built upon, with ability to recruit and retain a diverse workforce that reflects the communities it serves.

ENVIRONMENT

Sustainability commitments – Connecting to nature

Our Purpose is to connect people to nature and by doing so help them make better food choices for their own health and the health of our planet. In order to do this we will create a new kind of food company. A company that is inspired by nature in everything we do.

That is why we have taken clear sustainability commitments and defined KPI's to for example reduce and neutralise emissions and reduce waste.



Increased sourced renewable electricity

In 2017, 90% of our electricity consumption was from renewable sources. Since this year our French and Spanish entities, Destination and Biogran, also started to purchase renewable electricity.

Growth of % organic

Organic food is at the heart of our strategy, representing 78% of our sales. We aim at reaching 90% of organic sales by 2025.

We believe that organic food is the ultimate form of natural food, as it does not involve the use of synthetic pesticides and fertilisers during agricultural production and only a few additives of natural origin during transformation.

Bio-based plastic caps for dairy alternative drinks packaging

Our factory at Abafoods manufactures millions of packs of dairy alternatives every year. This naturally means that they also make use of a lot of packaging material, in this case, drink cartons from Tetrapak. The plastic content of Tetrapack is usually made from oil.

In 2017 we initiated the project to move to bio-based plastic caps. After assuring user convenience and recyclability, Abafoods started using the bio-based caps as of February 1st. Initially only for our large formats, but the small cap is planned to follow soon.



Clipper teas to introduce plastic-free, non-GM, unbleached tea bag

Clipper has moved all its production to the world's first plastic-free, unbleached and non-GM tea bag paper. The new tea bag paper is made from natural plant based materials – a blend of abaca (a species of banana), plant cellulose fibres and PLA – a bio-polymer derived from non-GM plant material that helps hold the paper together – it does not contain any synthetic polypropylene material.



Improved robustness of measuring emissions (transport and packaging)

As for any consumer goods company, scope 3 is the most important source of emissions but also the most complex one to measure. The main contributors are raw materials, energy consumption at 3rd parties, transportation and packaging.

In 2018, we developed a method to measure the emissions related to transport (upstream and downstream) and to packaging (from production to elimination).

ANTI-CORRUPTION

High score in the tax transparency benchmark of VBDO

The Tax Transparency Benchmark ranks Dutch multinational companies on the transparency which they provide regarding their tax strategy and its implementation. The aim of the benchmark is to enhance the existing understanding of corporate tax responsibility, and inspire on how to communicate comprehensively on tax issues in publicly available documentation.

At Wessanen we have reached top scores in the areas of “define and communicate clear strategy”, “Respect the spirit of the law. Tax compliant behaviour is the norm” and “Provide tax assurance”.

Code of Conduct and Whistleblower Policy communicated to all new hires and available on intranet and website

The Wessanen Code of Conduct and Whistleblower Policy have been designed to provide all of Wessanen’s employees with a clear set of guiding principles on integrity and ethics in business conduct, as well as to ensure that all employees follow applicable laws and regulations including our own policies and guidelines. With the policies we aim to support compliance with applicable laws, integrity in financial management, a healthier and safer work environment and effective corporate governance.

Suppliers Code of Conduct revised and encompassing bribery and corruption

Bribes in any form are unacceptable to Wessanen. Any personal payments or bribes to individuals employed by Wessanen’s suppliers, to government or regulatory officials or receipts of bribes or personal payments by Wessanen employees are strictly prohibited. Wessanen expects its suppliers to strive for compliance with the highest levels of transparency and accountability throughout its company.

3. MEASUREMENT OF OUTCOMES

Labour

- 34% of women in leadership positions 31st October (30% in 2017)

Environment

- 78% organic (2017)
- 80% waste diverted from landfill and incineration (January - November 2018; excluding Italy) (target 100% by 2025)
- 95,8% Renewable electricity sourced in H1 2018

Anti-Corruption

- Code of conduct and whistleblower policy are communicated to 100% of employees during the onboarding process.
- No incidents have been reported.

Three Wessanen companies are B-Corp certified (Bjorg Bonneterre et Compagnie, Abafoods, Allos). We aim at reaching a group certification by 2020.

B-Corp is a demanding standard on social and environmental impact. Certified B Corporations are a new kind of business that balances purpose and profit. They are legally required to consider the impact of their decisions on their workers, customers, suppliers, community, and the environment. This is a community of leaders, driving a global movement of people using business as a force for good.

Our Integrated Annual Report 2018, outlining our strategy, projects and detailed reporting, will be published in February 2019.