

COMMUNICATION ON PROGRESS 2019



Our mission reflects our ambition to contribute to producing enough nutritious and high quality food for a growing world population in a sustainable way.

Our mission

*feeding
the future*

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.

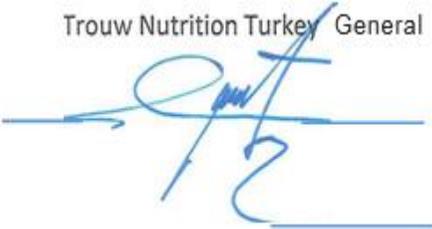
In this annual Communication On Progress; we illustrated our sustainable future vision creating our company dynamics and our achievements under the 4 main titles in the scope of United Nations Global Compact.

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

Yours Sincerely,

Öğüt Köse

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. Our advanced nutritional solutions are at the origin of food for millions of consumers worldwide.

Quality, innovation and sustainability are guiding principles, embedded in the Nutreco culture from research and raw material procurement to products and services for livestock farming and aquaculture. Experience across 100 years brings Nutreco a rich heritage of knowledge and expertise for building its future.

Nutreco employs over 12,000 people in 37 countries with net sales of € 6.4 billion in 2018. Its two global company brands Skretting (aquafeed) and Trouw Nutrition (animal nutrition) have sales in over 90 countries.

Nutreco is a wholly owned subsidiary of SHV Holdings N.V., a family-owned multinational with net sales of € 20.1 billion in 2018.

Our Vision

Our vision is that 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-to food 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 Micro Balance technology is enabling the aquaculture industry to grow without putting additional pressure on wild fisheries. Micro Balance 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.

EDIE AWARDS



The Edie Awards are organised by specialist sustainability publishing house Faversham House and began in 2007. The awards are open to businesses and organisations of all sizes across the public and private sectors.

We are pleased to share that Nutreco won the Sustainable Product Innovation Award at the Edie Awards 2019. In addition, Nutreco was also a finalist in two other categories in 2019, Sustainability Leader of the Year (Jose Villalon) and Sustainability Reporting and Communications.



HUMAN RIGHTS



Code of Conduct

Nutreco is a company that is driven by our values. We strive to always treat others with care, integrity and openness. The Code of Conduct reflects our values and helps employees decide between right and wrong when facing dilemmas in their daily work. It provides guidance on doing business with integrity and according to our company's policies.

This year, we conducted awareness raising activities through e-learning and banners. Banner example to increase employee awareness;

Code of Conduct

We want to provide a safe, collaborative and diverse workplace environment where employees and business partners feel respected and appreciated.

We are inclusive and diverse

- We respect each other's talents, abilities and experiences.
- We value each other's input.
- We do not discriminate on gender, race, religion, age, disability, sexual orientation, nationality, political opinion and social or ethnic origin.

We are respectful to each other

- We do not tolerate harassment such as:
 - bully language or jokes
 - intimidating or threatening behaviour
 - Degrading comments
 - Hostile towards others because of individual characteristics
 - Unwelcome sexual advances or remarks
- Always treat others the way you would like to be treated

We will not use child or compulsory labour

- The minimum age for employment or working is not less than the age for completion of compulsory schooling as provided by your national law and, in any case, not be under 15 years old
- We comply with the International Labour Standards

We recognize minimum wage

You are entitled to the legal minimum wage, as published by the government in your country.

We respect trade unions

- You are free to join a trade union.
- We recognize your right to engage in collective bargaining.

We are strict on alcohol, drugs, weapons and tobacco

- We do not tolerate working under the influence of drugs or alcohol.
- You are expected to perform your job free from any substance that could impair your job performance.
- We do not permit firearms or any other weapons on our locations.
- Smoking is prohibited in all our working areas, offices and plants.

Know and apply our 8 Life-saving rules

- Take a minute to assess risks.
- Complete Lock, Tag out, Try out procedure for machines, situations and confined spaces.
- Work with the appropriate work permit when required.
- Use required Personal Protective Equipment properly.
- Obey all traffic and transportation rules, both at our properties and on public roads.
- When working at heights above 1.8 metres and/or in case of fall hazards, use fixed or mobile platforms. If not available use appropriate fall protection.
- Know the evacuation routes and emergency response procedures.
- Report all injuries and significant incidents.
- Familiarize yourself with the travel security instructions.

Speak Up

Raise your concern and Speak Up!

- If you see or suspect something that is wrong, raise your voice:
 - talk to your manager or a higher manager
 - talk to HR
 - talk to SAC or legal
 - send a message to compliance@nutreco.com
- Send a report with Speak Up
- We will respect your privacy to the fullest extent possible.
- We will not tolerate retaliation against reporters.

SAFETY FIRST

nutreco

A copy of the full Code of Conduct in your language is available at your HR department.



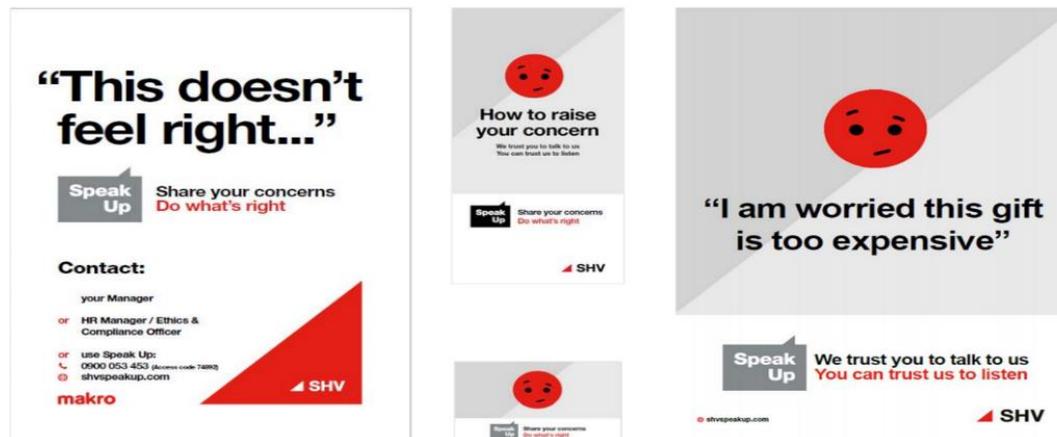
Nutreco aims to create an open and safe workspace. It is a system designed to help workers communicate and about things which ‘doesn’t seems right’.

To provide reporters with comfort and protection when they raise a concern, we adhere to the following key principles:

Confidentiality: All reports will be handled confidentially to the maximum extent possible. When the reporting employee has given his or her name, their name will only be shared on a need-to-know basis with specific investigation team members.

Anonymity: When our employees use Speak Up, they do not need to give their identity, although we do ask them to consider it.

Non-retaliation: SHV has a strict policy of non-retaliation against reporting employees. Anyone raising a concern must be treated as if no report was filed. We will take no disciplinary measures or other steps against an employee raising a genuine concern, even if this concern later turns out to be unfounded, mistaken or misguided. We will not tolerate any violation of this principle and if this occurs, will treat this as a separate incident. Some banner examples we prepared for employee information;





Personal Data

We respect the privacy of our employees, customers, suppliers and business partners. We only collect and use personal data that we need for our business. We treat personal data with care and process it safely.

Processing of personal data in accordance with the GDPR and our Privacy Codes can be summarized by the following five privacy principles.

The 5 Privacy Principles

- 1 Limit collection and use**

Before you collect personal data, you must determine the reasons why you need that personal data. You should limit the collection and use of personal data to only what is needed for that specific reason. You must not collect more data than you really need.
- 2 Restrict access to 'need-to-know'**

Provide access to personal data only to those who need to know that specific data to do their job.
- 3 Keep data accurate & correct, remove data after use**

Personal data must always be kept up to date and must be accurate and correct at all times. In addition, personal data must not be retained just because it may be useful in the future. Ensure personal data is removed after it has served its purpose.
- 4 Inform individuals properly and provide a right to access**

You should inform the persons from whom you keep personal data about what types of data you keep, what you use the data for and if access to the data is granted to third parties.
- 5 Take security measures**

Ensure you have the appropriate security measures in place to protect data from unpermitted disclosure or access from the moment you collect the data until you delete it.

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. In this respect, we would like to inform you that we have applied private health insurance to all our employees this year.

This year, with 5S, we have increased our safe environment criteria by one more step. 5S is a five-step technique to create and maintain an optimized workplace. The following is one of the before-after photo we made on this purpose.

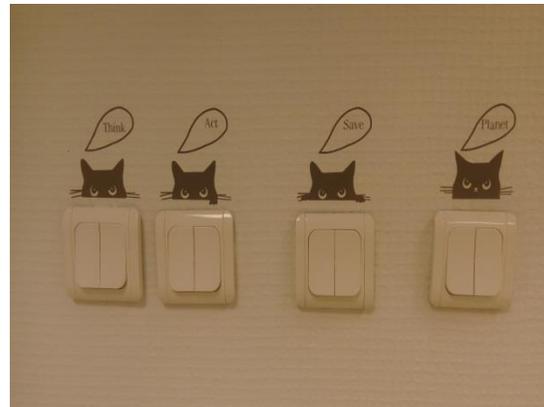


ENVIRONMENT

Trouw Nutrition 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. 2018 usage can be found in the table below.

Primary energy Purchased (EN03) -Non renewable	KWH
Diesel	12.212
Indirect Energy Purchased (EN03)	KWH
Electricity (green)	89.212
Water withdrawal (EN08)	M3
Municipal water supplies or utilities	2.718
Non Hazardous Waste type and disposal method (EN23)	KG
Recycled non-hazardous waste	41.600
Saleable Produced tonnes (Total tons produced minus rework)	8.350

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

It isn't always easy to recognise bribery and corruption in everyday life. We are identifying and dealing with the following risks:

Gifts and Hospitality: Trouw Nutrition employees and business partners can give and receive gifts or hospitality, but these must:

- support a clear business objective
- be openly disclosed
- be of reasonable and proportionate value
- be appropriate to the nature of the business relationship
- be given at an appropriate time
- never oblige the recipient to the giver

In general, we consider gifts worth 100 € or less (or the equivalent in local currency) to be of reasonable and proportionate value. These might include a book, or concert tickets.

We refrain from offering gifts or hospitality if it might influence the recipient's decisions, or give that impression.

Conflicts of Interest: A conflict of interest is where someone's own self-interest might influence their decisions inappropriately. It isn't inherently wrong to have a conflict, but we manage them appropriately and act with integrity.

If we feel you have a conflict of interest, we ask Legal Counsel or Ethics & Compliance Officer for guidance.

Political Support, Lobbying, Sponsorships and Charitable Donations: Political support is contributing anything of value to support a political goal. Examples include:

- local, regional or national political fund-raising events
- providing goods or services to political parties
- paying employees during working hours to work at a political function

It's Trouw Nutrition's policy that we don't provide any form of political support.

Lobbying means directly or indirectly communicating with public officials, including politicians. It can play an important role in influencing public decision-making. Trouw Nutrition's policy is that lobbying should:

- Never involve gifts, entertainment, donations or payments to influence policy makers
- be done in an open and truthful way
- Ideally be a joint effort with other stakeholders with similar interests or points of view

Sponsorship is where our company sponsors organisations or events to promote the company brand. Trouw Nutrition's policy is that sponsorships must be consistent with our business strategy, Trouw Nutrition's Shared Values and be approved by higher management.

A charitable donation is where we donate to a non-profit organisation with no expectation of direct corporate gain. Such contributions are often related to disaster relief or humanitarian aid, and may take the form of:

- financial donations
- in-kind donations including products, volunteer work done by Trouw Nutrition employees, and the free use of corporate facilities, property or services

Facilitation Payments: Facilitation payments are unofficial payments or gifts given to secure or expedite routine or necessary actions.

The payer is usually legally entitled to the relevant action.

These might include:

- Issuing permits and licences more quickly
- Processing essential paperwork
- Agreeing passage for goods through customs

No matter how small or insignificant the amount, Trouw Nutrition has a zero tolerance policy to facilitation payments. The only exception to this rule is when ours or others' life and safety are in danger.

Commissions: Commissions are payments or other advantages (discounts, for example) to a third party for help in closing a deal. Paying commissions to third parties, such as agents and advisors, is common practice in the commercial world. There are some circumstances where commissions are used to disguise bribes. We have zero tolerance towards corrupt behaviour. Therefore, we carefully select and manage any third parties we pay commission to.

In addition, we would like to share that our employees were given e-training and certificates about anti-corruption this year.

EVALUATION

Human Rights: This year we focused on 3 main topics; code of conduct, speak up line and personal data. Introduced and taught to company employees is completed. We will continue to improve our human rights activities every year.

Labour: As Trouw Nutrition we will continue our strict attitude on child labour.

With 5S Program ; Conditions that could create a risk factor were identified, created an orderly, safe and workable environment and employee awareness was increased. 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 are planning to increase our employee awareness next 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.