

COMMUNICATION ON PROGRESS 2019

December 2018 – December 2019



1. STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER

14th December 2019

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 published it on our website in Q1 2019. (https://www.wessanen.com/wp-content/uploads/2019/04/Suppliers-Code-of-Conduct_2019.pdf)

We are engaging our third-party suppliers in SEDEX. End of October 49% of our Finished goods (3rd party) suppliers (%PTO) are engaged in SEDEX and have given us access to their information. 80% of these suppliers have a completed SAQ.

The Supplier Ethical Data Exchange (SEDEX) is a nonprofit membership organisation for businesses committed to the continuous improvement of ethical performance within their supply chains.

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 have published it in Q3-2019, page 15 of the last version of our Supplier Quality Booklet, available online: <https://www.wessanen.com/wp-content/uploads/2019/10/WSN-EU-Product-Quality-Booklet-ex-Supplier-Quality-Booklet-ISSUE-NR-4-SEPT2019.pdf>

LABOUR

Great Place To Work survey conducted across the company

After our first campaign of employee survey in 2018 with the tool Great Place To Work, we have run the following initiatives:

- Launch of a Learning Management System (cf. § on e-learning platform)
- Leadership training/ mentoring for some managers
- Improving the scores has been incorporated in the bonus related goals

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A new survey was made in November 2019 to which 86% of employees participated. We will analyse the results and take actions in 2020.

E-learning platform: Learning comes naturally

In March 2019, we have launched our new centralised learning platform, providing a broad range of online courses for personal & skills development. The trainings come in different formats such as e-learning, videos or even little quizzes. All employees have access to the platform and can follow courses they are interested in. There are also function specific trainings unique to Wessanen. On top, managers or HR can build a personalised “Learning path” tailored to required skills and development needs of employees.

We believe that this tool is a great enabler of personal & skills development to build our future.

French office certified WELL

End of 2018, the team of Bjorg Bonnetterre and Compagnie (21% of Wessanen workforce) has moved into a new office called La Ruche (Beehive).

This building has been built considering the health and well-being of people who would work there. It has been certified WELL in 2019, which is the highest standard for human health and well-being.

It is worth mentioning that La Ruche is the first building in France to obtain the certification in the category new and existing buildings.

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.



Renewable energy

We purchase almost all our electricity from renewable source with Guarantees of Origin. Apart from Bretigny and Biogran electricity, all the purchased electricity is renewable. In addition, 50% of gas purchased by our coffee factory in Bordeaux is biogas.

Approximately 95% of purchased electricity is from renewable source, and in total it is 30% of our purchase energy which is from renewable source.

Growth of % organic

Organic food is at the heart of our strategy, representing 78% of our sales in 2018. 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.

Sustainable sourcing: Bonneterre oat drink with biodiversity practices

Oat drinks are on the rise so our factory of Abafoods is using more and more oat. In 2019, we have compared different farmers practices on oat and selected a supplier with agricultural practices enhancing biodiversity, beyond the organic requirements: farm 100% organic, long rotation (8 years) including legumes, biodiversity areas next to the fields (hedges, ponds...).

We plan to extend these practices to our whole oat production for Dairy alternatives.



Sustainable packaging: Clipper teas to continue the journey to plastic free

After moving to the world's first plastic-free, unbleached and non-GM tea bag paper in 2018, Clipper has continued its journey towards plastic free by switching to plastic free paper for envelopes and the tea bags with strings and tags. The acrylic coating of tea bags has been replaced by a bio binder certified compostable. The tea envelopes previously coated by PE are now plastic free and fully recyclable.



Climate change: Science Based Targets

After improving our carbon emissions measurement in 2018, we have investigated how to set science-based targets (SBT), we have run several workshops and defined a roadmap to reduce our emissions across the whole chain. We will submit our SBT in Q1-2020. This is part of our strategy to be a carbon neutral company by 2025.

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.

In 2018, Wessanen has been ranked 2nd place overall (28 points total) with + 7 points versus the previous year.

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. Our Suppliers Code of Conduct has been communicated to all 3rd party suppliers in Q4-19. Any refusal to comply is managed with central sourcing.

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3. MEASUREMENT OF OUTCOMES

Labour

- 36% of women in leadership positions 31st October 2019 (34% in 2017)

Environment

- 78% organic in 2018
- 71% waste diverted from landfill and incineration in 2018 (target 100% by 2025)
- 0,89% of physical waste (% of purchased volumes)
- 95% Renewable electricity sourced in 2018

Anti-Corruption

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

Wessanen is on its journey to become a fully certified B Corp. All subsidiaries have completed the assessment end of 2019.

B Corp is a rigorous standard, in line with the SGDs of the United Nation, of social and environmental performance, transparency and accountability and is certified by the third-party non-profit B Lab. 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. With all our stakeholders we want to be the part of this movement to use business as a force for good and create a shared value chain.