

*Chillfis*<sup>®</sup>

**Struik**<sup>®</sup>

STRUIK FOODS EUROPE

Struik Foods Belgium and Chillfis

# Sustainability report 2012





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**Together** building  
a sustainable  
future





# Foreword by the Directorate

By way of this first sustainability report Struik Foods Belgium VOF and Chillfis Bvba in Schoten, both part of Struik Foods Europe, will collectively present their developments in terms of sustainability and corporate social responsibility. This report will describe the status of these matters throughout 2012.

Having sustainability embedded in our organizations is critical when it comes to fulfilling our objectives. Struik Foods already commenced implementation of sustainability within its organization many years ago. Nonetheless, we do perceive that sustainability is a continuous process which calls for an even more active sustainability policy that will safeguard sustainable production in the long run too. Long-term thinking dovetails with the philosophy and activities of our family business; at Struik Foods we are working today on the wishes of tomorrow. We aspire to provide the consumer with responsible products and guarantee continuity of food supply, both now and in the future. Our sustainability objectives are intertwined with our other important goals to ensure our growth in terms of both top brands and private label.

Despite the fact that the path to sustainable growth is not free of obstacles, we make our end users our top priority. We do so by deploying our financial resources to ensure sustainable production. We assess and safeguard our most demonstrable environmental pillars: energy, water and (packaging) waste. At present we are already managing to obtain 97% of our electricity from renewable energy sources and are working with our own central organic water purification station. We are continuously striving towards zero waste in our consumption processes.

We have made great strides in terms of the products themselves as well. Thus our products are made using a minimum quantity of raw materials (including the 'Clean Label' policy) and a number of our products have been developed using ingredients produced in an animal-friendly manner. This pertains to such products as those with the 'Beter Leven' ('Better Life') hallmark. Other products have been developed to encourage the consumer to make a healthier choice. In the Netherlands, for example, these can be identified by means of the 'Bewuste Keuze' ('Informed Choice') logo.

We continue to seek partnerships with parties capable of helping us keep working towards a sustainable future. Our greatest challenge for the near future will be continuing to increase awareness. The need for sustainability in the food industry, and the method of embedding sustainability therein, will have to be communicated even better. Crucial in this regard are solid partnerships throughout the chain. We will continue to convince ourselves, our customers and our suppliers of the need to invest in renewable (re)sources in the form of a cradle-to-cradle policy and to choose safe, responsible end products. Growing awareness combined with the benefits of an active sustainability policy, including cost-efficiency, will help propel us along this path.

A look at the future reveals that the planet will not be providing us with infinite raw materials. In 2050 the world will be home to 9 billion inhabitants with a radical increase in the size of the middle class. Our end users are in this class bracket. The question that holds for the entire industry – and for us as well therefore – is: 'How can we continue to feed the human race high-quality food safely?' Our opinion is that we need to start by treating our own surroundings consciously, now and in the years to come. We recognize our responsibility at both local and European level and are striving towards a common future.

**Bert Bonnema,**  
Business Manager  
Struik Foods Belgium VOF

**Erika Wouters,**  
Business Manager  
Chillfis Bvba

If you have any questions or comments in relation to this sustainability report, please send these to [info@struik.nl](mailto:info@struik.nl)

# An initial step towards sustainable growth



# About this sustainability report

This is our first sustainability report. The scope of this report is limited to the Belgian production sites of Struik Foods Europe: Struik Foods Belgium VOF and Chillfis BVBA, hereinafter referred to in this report as SFB and CF, or SFB/CF collectively. Originally Dutch, public limited company Struik Foods Europe has two production sites in Belgium (in Schoten) with a total of 185 employees. The financial details of both sites are discussed separately for reasons of consolidation.

## Global Reporting Initiative (GRI)

Internationally, the GRI (Global Reporting Initiative) sustainability framework is the standard that enjoys most widespread acceptance and recognition in terms of sustainability reporting. The sustainability report has been drawn up in accordance with the GRI G3.1. level C guidelines, entailing the reporting of 10 indicators as a minimum. The sustainability indicators that are relevant to SFB/CF pertain to the food industry and are derived from the GRI sector supplement 'food processing'. They primarily relate to product quality and product safety. The indicators determine the quantitative core of the report and enable an organization to assess itself and adjust its own course. SFB/CF reports to all stakeholders on the basis of the GRI indicators in a transparent manner.

## Materiality and stakeholder involvement

This sustainability report concerns the period 2010 to 2012 inclusive. The core topics and material topics have been drawn up on the basis of an internal workshop involving employees from different departments as well as an analysis of the 2011 sustainability report from Fevia (Federatie Voedingsindustrie). These core topics correspond to those encompassed by our policy. When extending our sustainability policy, we similarly took into consideration the interested parties from SFB/CF. The most important of these were ascertained internally, and comprise our family shareholders, customers (supermarket chains), staff and their representatives, suppliers and specific interested parties, such as our sector federation Fevia, Flanders' Food, the Food Valley Society, partners in employment such as VDAB and RESOC and research institutes and universities we are teamed up with.

The verbal and written communication with our key stakeholders is interactive and open. No specific stakeholder dialogue has been established with our (key) stakeholders on core topics; we invite our stakeholders to respond to points important to them once they have perused this report.

## A look to the future

*The chapters in this sustainability report are structurally concluded with a clearly recognizable 'look to the future', followed by sustainability objectives that we have established for the next year, vis-à-vis that specific topic. SFB/CF will report on fulfilment of these objectives in the biennial sustainability reports.*

## Struik Foods Belgium and Chillfis

Struik Foods Europe has two production sites in Belgium (in Schoten), each of which has its own specialization. The activities of SFB are particularly focused on the production of non-perishables.

Those of CF are geared towards the production of chilled meals that are fresh each day. In this regard, Struik Foods concentrates on the provision of high-quality, tasty and accessible products for a large number of consumers.



# About Struik Foods

SFB and CF are part of Struik Foods Europe, a public limited company which has concentrating primarily on the production of tasty soups, sauces and meals since 1950.

## Our company

At Struik Foods we do like to think of ourselves as 'Europe's biggest kitchen' when it comes to the scale of our production. In conjunction with a large number of top chefs, we use the latest technology to prepare our soups, sauces, hot dogs and meals in a variety of categories: chilled, instant, deep-frozen and long-life.

Struik Foods Europe is a family company operating at international level. The production of our foods is done at sites in Belgium, the Netherlands and Germany. Furthermore, we have sales and marketing departments established in Scandinavia, France, Russia and the UK. From our parent company in Voorthuizen (NL), central services - including sales and marketing activities - are managed. The sales outlets for our products are chiefly large supermarket chains established throughout Europe.

## Key dates in our history

- 1950** Struik soup factory is set up by Bernardus Struik in the Dutch town of Voorthuizen.
- 2000** Struik Foods Europe enters Belgium with the takeover of the Zwan snack and soup factory of Unilever in Schoten.
- 2004** The Belgian expansion continues with the takeover of the chilled meals factory Freshcom in Turnhout.
- 2009** Struik Foods opens Chillfis, a new, ultramodern factory for the production of fresh and chilled meals in Schoten.

## Our company structure

The activities of Struik Foods Europe NV have been allocated to a variety of countries, within several separate operating companies. The head office is established in Voorthuizen (NL).

## Sites and role

Struik Foods BV in Voorthuizen has the largest production site and is the site that takes care of central services, such as Sales, Marketing, Supply Chain, R&D, QA, Purchasing, HRM and ICT. Struik Foods Belgium VOF and Chillfis Bvba form part of the overall Struik Group and are both established in

Schoten (BE). Struik Foods Berlin GmbH also forms part of the overall Struik Group and is established in Beelitz (DE). Struik Foods Europe's sales offices are established in various European countries.

## Directorate

The directorate comprises six people and is responsible for the policy of Struik Foods Europe.

The group is headed up by the President-Director and sole shareholder: Mr J. Struik.

## Supervisory Board

The Supervisory Board oversees the policy of the directorate and general course of events at Struik Foods Europe. The Supervisory Board has an advisory role.

## The Works Councils

The Works Councils represent the staff of Struik Foods Europe. The Works Council's right to exist is enshrined in legislation.

This body enables employees to exert an influence on developments within the organization.

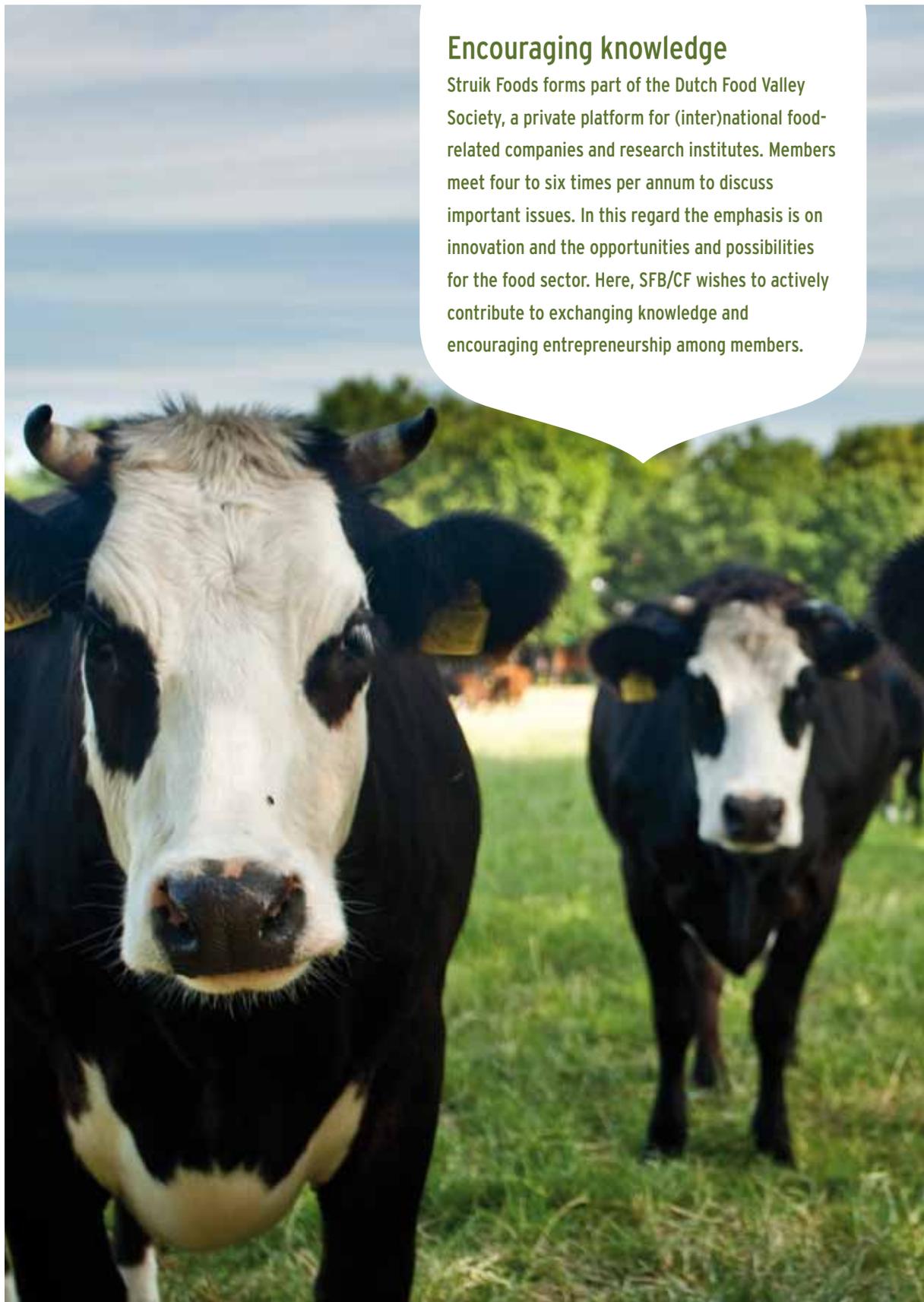
## A look to the future

*Ensuring the business continues to grow without losing its cherished family business feel is something that is in keeping with the ambitions of Struik Foods. For that reason we are working hard on the international expansion of our robust top brands and private label products which we produce for Europe's leading retailers. In the meantime we are continuing to enhance our expertise, our image and the satisfaction of customers. This will enable us to be an innovative partner in the future as well.*

Each challenge contains an opportunity

## Encouraging knowledge

Struik Foods forms part of the Dutch Food Valley Society, a private platform for (inter)national food-related companies and research institutes. Members meet four to six times per annum to discuss important issues. In this regard the emphasis is on innovation and the opportunities and possibilities for the food sector. Here, SFB/CF wishes to actively contribute to exchanging knowledge and encouraging entrepreneurship among members.



# Sustainability at Struik Foods

At Struik Foods sustainability is intricately intertwined with the operations and activities of the business. As a food producer, we believe that we have a responsibility with regard to making food more sustainable. The market is in perpetual flux and we aspire to keep supplying our customers with honest, high-quality products. Furthermore, the consumer deems sustainability to be a trait in keeping with the character of our family business.

## Vision in terms of sustainability

At SFB/CF we cook for our customers without neglecting to consider the world in which we live. As well as safeguarding our financial health, this means we pay particular attention to:

- the quality and safety of our products.
- the safety and diversity of our staff.
- sorting and processing waste.
- being as energy-efficient and economical with water as possible.

## Research and innovation

In order to be able to home in on changing dietary habits and new trends, innovation is vital. Our efforts in terms of garnering product knowledge and scientific research enable us to constantly bring new products to market. Products that have been made on the basis of high-tech methods. SFB/CF has a well-equipped chemical, microbiological laboratory and its own Research & Development department.

## Partnership with Flanders'food

We work with the umbrella organization Flanders'food on projects in collaboration with universities and research institutes in Belgium. In the Netherlands we signed a contract with Wageningen University in 2006, a contracted primarily geared towards innovation in the chilled category. A new partnership agreement was recently signed with the university. The aim of all these partnerships is to share knowledge and boost and support development of healthy, sustainable products and processes. Amongst other activities, we have implemented research projects in the field of energy and product quality and safety.

## Sustainability context

Our sector, which is highly competitive, is currently subject to rising prices for raw materials and food regulations that are constantly being tightened. Moreover, the consumer is increasingly interested in food that has been produced in a healthy and sustainable manner. We strive to use our financial resources in a sustainable way, at the same time taking into consideration the consumer and restrictive market conditions. In this regard we keep a close eye on the customer's needs and the market situation.

## Challenge: green production

The sharp price rises for meat and the limited growth in consumption are currently the most significant challenges that SFB/CF and the food industry in general are facing. This is partly due to growing awareness on the part of society and a predilection for a healthier and 'greener' lifestyle, with which reduced consumption of meat is often associated. SFB/CF has already instigated a variety of steps to satisfy the demand for healthier products, including increasing the percentage of vegetables in our products and lowering the proportion of additives, colourings and flavourings (see chapter 6).



# Economic impact

The worldwide food price index from the Food and Agriculture Organization (FAO) of the United Nations makes evident the fact that raw materials prices have shown an upward trend in recent years as well as considerable fluctuations. It goes without saying that this has an impact on our figures.

## Financial overview

### Price development raw materials

It is impossible to pass on the price rises, which are running to 15% per annum, to our major customers. We are endeavouring to resolve these financial challenges by making savings and by penetrating new markets. A striking example in this regard is the production of meat blocks and semi-finished products. (See diagram A, page 13 for meat price developments.)

### Explanatory notes financial data SFB/CF

The financial results of CF reflect the company's tender stage of life, given that it has only been active since 2009. Furthermore, extra time will have to be invested in acquiring and training staff, and there is a need to develop new means of communication. In 2010 approval was obtained for strategic training support from the Flemish authorities for both companies. The financial results of SFB in 2012 testify to the price developments in the raw materials market.

SFB is engaged in continuous improvement of efficiency by investing in people and machinery in order to withstand the price developments in terms of raw materials. (See table B, page 13.)

### Financial control

The financial figures are communicated to the Plant Manager, the Business Manager and the members of the Directorate. The figures are presented to the Works Council on a quarterly basis. The yearly presentation of the annual report provides an occasion for discussion and questions.

## Translation of the policy

We also involve our staff in matters of policy, by way of consultation bodies such as the Works Council, the CPBW and the trade union consultation.

### A look to the future

SFB will continue to expand production of semi-finished products in 2013 for its affiliated companies, ensuring a considerable improvement is effected in terms of the permanent coverage of costs.

A



B

<b>Struik Foods Belgium</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Total revenue	€ 35,605,844	€ 38,292,331	€ 42,818,671
Staff costs	€ 6,281,730	€ 6,904,163	€ 6,592,299
Payments to financiers	€ 805,840	€ 807,265	€ 694,392
Other costs	€ 28,702,827	€ 30,432,437	€ 36,502,999
<b>Profit</b>	<b>- € 184,553</b>	<b>€ 148,466</b>	<b>- € 971,019</b>

<b>Chillfis</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Total revenue	€ 20,828,586	€ 13,476,492	€ 14,370,212
Staff costs	€ 3,075,002	€ 2,660,256	€ 2,774,109
Payments to financiers	€ 96,066	€ 135,124	€ 332,333
Other costs	€ 18,099,526	€ 11,726,682	€ 12,317,464
<b>Profit</b>	<b>- € 442,008</b>	<b>- € 1,045,570</b>	<b>- € 1,053,694</b>

## Savings on paper

In the past year the Finance department has consulted with suppliers and service providers in order to provide invoices as swiftly as possible via the electronic path. This allows us to ensure we are working on maximizing the efficiency with which invoices are processed, but at the same time it means we are doing our bit towards a greener society by saving on paper consumption.

# Caring for the environment

At SFB/CF, we are engaged in continuous improvement of our environmental performance, harmonizing our efforts to this end with applicable legislation and regulations. The environmental targets we are currently achieving were set up within the framework of ISO 14001 certification. Both SFB and CF anticipate attaining this certificate for environmental care in 2013.

## Environmental objectives

Our first environmental objective for 2013 is a training process for our staff, one that entails them learning about the influence they have when it comes to the company's environmental impact. In addition to this, we will look step-by-step at what are the best technologies available for our processes and incorporate these into our business. The basis for this will be the working methods shown by sector research carried out by the Flemish authorities to be the best in terms of environmental impact. Finally we will reduce our impact on the environment in 2013. We will do so by effecting a 5% reduction in our energy and water consumption as well as our waste per ton. Ensuring a better environment is a task that entails considerable challenges for companies engaged in food processing. The specific production processes call for a great deal of energy and water and generate a considerable flow of waste. Based on our sustainability objectives for these three pillars – energy, water and waste – we will reduce our impact. This chapter sets out the objectives for each pillar. At the same time, ensuring growth in employees' awareness is vital. The effect of human actions on energy and water consumption is considerable. And so we are endeavouring to emphatically point out to our staff that they need to be economical in their use of energy and water and sort waste correctly, and we are looking at potential technical solutions.

## Energy

SFB/CF has already achieved a great deal when it comes to more efficient use of energy. At present 97% of our electricity supply is already coming from renewable sources. Two years ago this figure was still at 75% (see diagram C on page 16).  
Measures implemented by SFB/CF in 2011/2012

which were good for saving electricity expressed in GJ/annum:

- Installation of a frequency-guided air compressor. (576)
- Light-saving measures (inc. motion-sensitive lights and dimmer switches). (270)
- Measures in terms of heat recovery from process water.

## Energy recovery

One action for the future is energy recovery from hot process air. This and other potential actions have been derived from energy studies we carried out in 2010-2011. These studies were geared towards potential options to reduce energy consumption, including CO2 emissions.

## Transition to cooked meat

Shortly after setting up CF the company switched to purchasing cooked meat instead of raw meat. This resulted in the following energy savings: no extra cold storage, less ventilation, lighter filters in processing space and no extra hygiene measures for clothing and rooms. This also resulted indirectly in reduced consumption of water. Furthermore, owing to the fact that no additional cookers are required, there is also a material benefit. The economized energy impact is borne by our supplier, who is using more efficient cooling mechanisms. SFB's products require less cold storage than those of CF. Nevertheless, here too cooked meat is selected wherever possible.

## Thinner packaging

Following a series of experiments, CF completely switched to using (anti-fog) foil that is 13% thinner. This has ensured a decrease in price as well as in use of raw materials and energy consumption. The

packaging is easier to open and because of its anti-fog properties the meal remains visible.

In 2013 CF will be replacing all its synthetic packaging material with varieties of packaging that are 30% thinner. SFB partially switched to thinner tins for canned foods in 2012. At present, a project is under way at corporate level to continue making use of the options with respect to making materials thinner.

#### Statement regarding increased energy consumption

In 2012 the overall energy consumption of SFB/CF rose (see diagram D on page 16). There are various demonstrable reasons for this, including the rising demand for products with an energy-intensive production process. Thus demand for Hot Dog products rose considerably in 2012. In view of the fact that production of this product is associated with high energy consumption, the average energy requirement per ton of finished product rose. The trend towards increasingly short production runs for the benefit of better stock management is also leading to less efficient production. We perceive a shift from several runs of the same product consecutively (without having to set up equipment again or clean it) to shorter runs of the same product. This is usually coupled with extra cleaning of the production lines and accompanying set-up work. In this regard, we are constantly looking at more efficient and cleaner ways of cleaning.

Packaging of food is becoming increasingly diversified. This calls for modified transport trailers and a wide array of labels. Over the next few years the aforementioned topics will be given much more attention in meetings with colleagues in our sector. Thus we are joining forces to deal with energy and packing more proactively and more sustainably in the future.

Finally, the energy consumption of SFB/CF rose in 2011 due to an extension of the fleet. 2012 saw the start of a decrease, a trend we will endeavour to continue.

We are (for example) encouraging alternative means of transport among our staff by paying them a daily cycling premium according to the distance travelled between home and work.

#### Fuel consumption lease car fleet (GJ)

2010	2011	2012
592	690	627

#### A look to the future

*A clear action plan based on regular assessments means we are striving towards continuous improvement of our environmental performance. We are doing so in accordance with the international ISO 14001 standard, a recognized environmental care system.*

*We expect to receive ISO 14001 certification for both SFB and CF in 2013.*

#### Water

Dealing with water responsibly is essential within our production processes; SFB/CF has a considerable impact on its immediate surroundings. As such, we largely obtain our water by pumping groundwater ourselves (see diagram E on page 17).

#### Increasing awareness and technical modifications

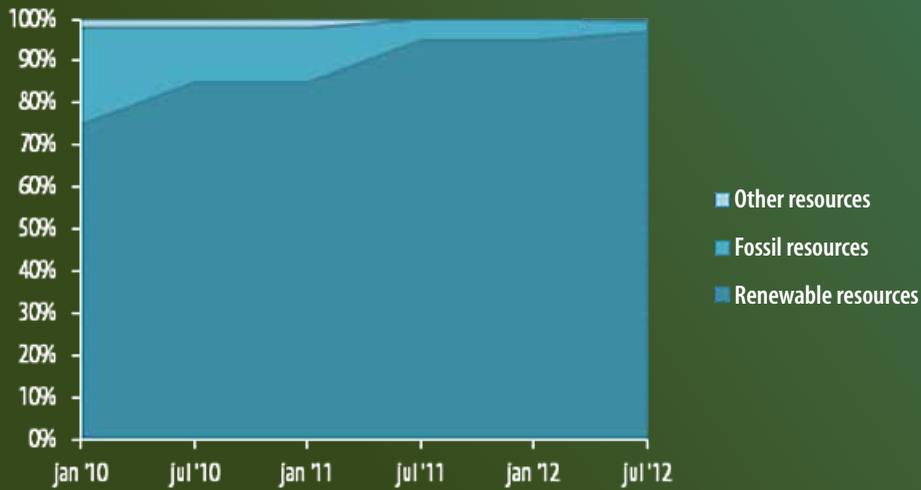
Our staff are encouraged to be economical with water, and we hope that this encouragement will engender greater awareness. We are doing this by providing explanations on signs and by way of original actions. Whenever excessive water consumption is observed, we address our staff on this. These actions of sensitization are combined with several technical modifications. Thus the open cooling circuit in the deep-freeze compressor was replaced by a closed circuit in November 2010. This investment provided an estimated saving of 19,700 m<sup>3</sup> water/annum.

#### Own organic water purification station

We have been collecting the wastewater (process water) for the factories of SFB/CF centrally since 2009 and pumping it from there to our own water purification station. The wastewater is purified in our organic water purification station, after which the purified water can be pumped into the Schoten Dessel canal. This means we are fully compliant with the applicable standards. There are environmental and financial benefits of pumping and organically purifying water ourselves.

C

Composition of energy sources for electricity



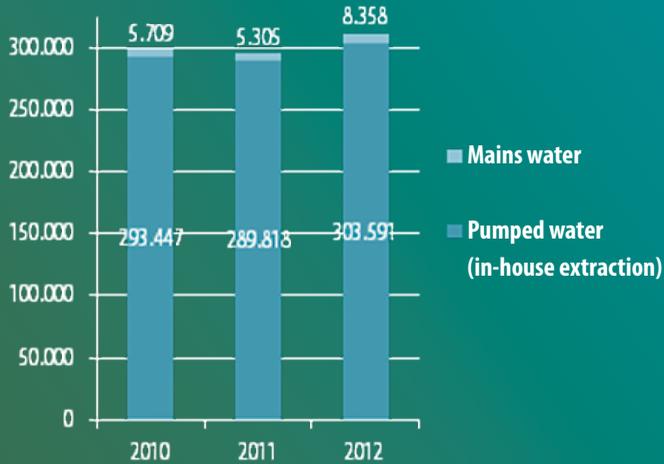
D

Electricity consumption & gas consumption (GJprim)



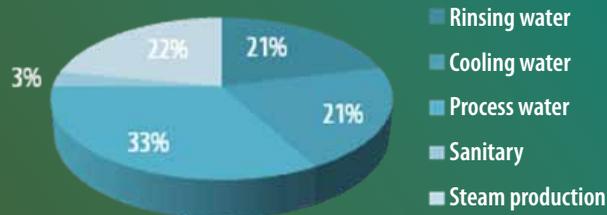
**E**

Water composition (m<sup>3</sup>)

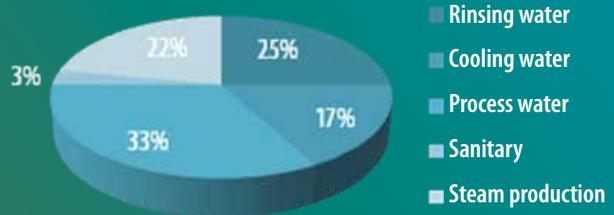


**F**

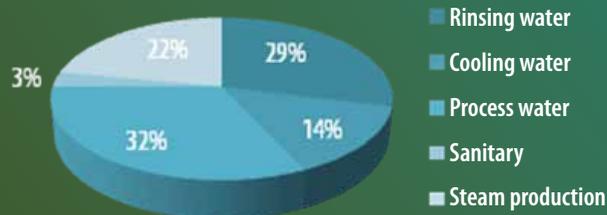
Uses of groundwater 2010 (%)



Uses of groundwater 2011 (%)



Uses of groundwater 2012 (%)





Our closed cooling circuit is saving 19,700 m<sup>3</sup> of water/annum

#### Statement regarding increased water consumption

The increase in 2012 is largely down to the current trend towards increasingly short production runs. This is forcing the machines to be restarted and cleaned more often, which is resulting in increased water consumption. The diagrams (*F on page 17*) show this development clearly. In 2012 a number of new products were launched which have had an effect on water consumption on the one hand and energy consumption on the other. Naturally within this production process we are also looking at more efficient ways of consuming water during cleaning.

#### Waste

One of the spearheads within our waste processing policy is efficient sorting and reduction of waste.

In 2012 we switched to a new waste collection firm and set up a Waste working group. In addition, our purchasing department answers customer queries on cost-efficiency and environmentally friendly alternatives.

#### New waste collection firm

In 2012 we entered into a partnership with a single waste collection firm for both SFB and CF. Besides the financial and organizational benefits, this transition also signifies more efficient waste management. New opportunities and benefits include:

- Increased sorting options, such as bio-boxes and separate collection of hygienic foil.
- Extra recycling options due to more specific sorting.
- Reduction in waste volume due to replacing normal containers with compression containers for various waste flows.
- Improved monitoring and management due to insight into data with regard to all waste flows via the new waste collection firm's website.
- Sorting according to quality due to more stringent sorting requirements and a better finishing process.

Priority is being given to SFB/CF maintaining an interactive improvement policy when it comes to waste processing.

#### Waste working group

In 2012 a Waste working group was set up, comprising various members of staff and departmental responsibilities. The working group regularly meets to discuss waste-related issues and develop actions to reduce waste. We are supported in this regard by our new waste collection firm.

#### A look to the future

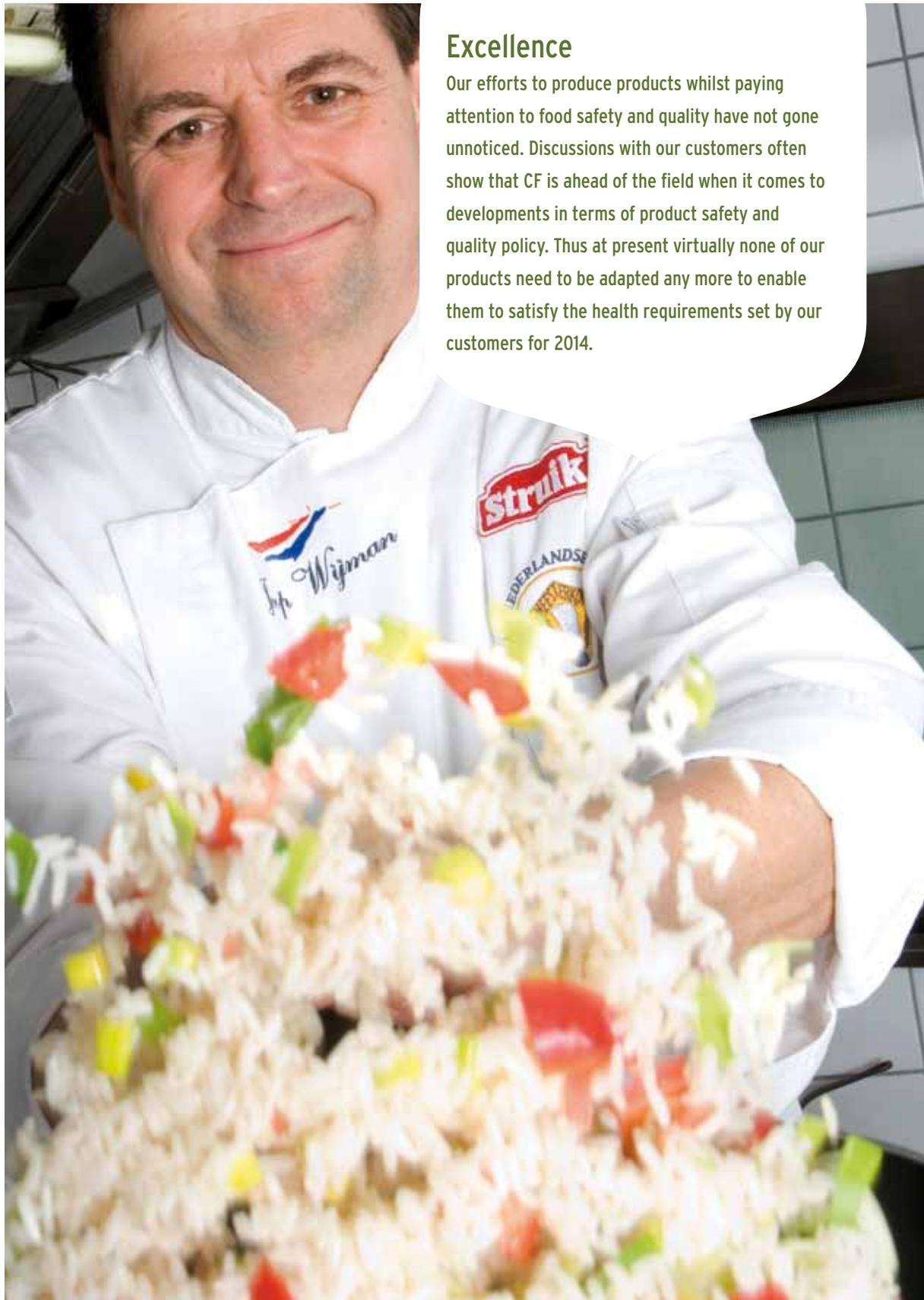
*We have established the following action points for 2013 in order to reduce our water consumption:*

- *Launching the working group 'How to clean more efficiently and be more economical with water'.*
- *The acquisition of a joint container washing machine for SFB/CF.*
- *Recovering warm water from the sterilization process at CF to supply the new container washing machine.*
- *Continuing to increase awareness among staff.*

#### A look to the future

*As of 2013 we will meet on an annual basis with our waste collection firm, setting three targets each time. Subjects to be discussed will include driving down residual waste and optimizing frequency of collection. We will pool our ideas with the waste collection firm on possible improvements.*

Consumers want to know what it is they are eating



## Excellence

Our efforts to produce products whilst paying attention to food safety and quality have not gone unnoticed. Discussions with our customers often show that CF is ahead of the field when it comes to developments in terms of product safety and quality policy. Thus at present virtually none of our products need to be adapted any more to enable them to satisfy the health requirements set by our customers for 2014.



# Healthy and safe food production

“Food safety and quality are as self-evident for us as the taste of our products.

As a food producer we aspire to fulfil our responsibility by ascertaining the provenance of our products and selecting healthy alternatives as far as possible.” – Jos Krux, Corporate Manager QA

## Certification

At Struik Foods a dedicated team of developers and experts from a variety of disciplines is engaged in innovation in terms of recipes and processes. We are doing so in collaboration with various research institutes and universities, including Wageningen University & Research Centre (WUR) in the Netherlands. It goes without saying that we are hot on the heels of trends and new developments, as a result of which our products satisfy the highest possible standards of quality and necessary nutritional values.

## Product composition

In recent years SFB/CF has made a variety of alterations in terms of product composition. We have removed MSG (monosodium glutamate) from all CF products and 77% of SFB products. In 90% of the products we make at CF we have reduced salt levels by 10%. An earlier effort towards improving our products was the transition to using free-range eggs for our products, even before this become mandatory in 2012. Furthermore, all our products are free of GMOs (Genetically Modified Organisms). Ethical and health aspects are important considerations in the purchasing process for our purchasing department.

A number of our customers even perform risk assessments on raw materials and share this knowledge with us. Albert Heijn is a good example in this regard. The recent recommendations from this retailer prompted us to (for example) import as few ingredients as possible from China, due to less stringent local by-laws and social and environmental legislation.

## Certificates

All our products are produced under BRC and IFS certification, which guarantees international food safety. These two certificates are arranged by our customer, the retailer, and represent strict product quality and food safety requirements which are regularly honed.

In Struik Food Europe's Food Safety Centre, we monitor our products' high standard of food safety night and day. Thus in 2011 and 2012 we once again attained the certificate for the BRC standard at the highest level (A Grade) and the certificate for the IFS standard, also at the highest level (Higher Level). We ourselves also regularly hold audits at our suppliers' companies. We maintain strong relationships with our biggest suppliers and plan annual inspection visits.

Finally all our products bear the ACS label, which stands for working in a manner that is hygienic and assures food safety. We embarked upon this certification process on an entirely voluntary basis. This label is issued by the Federal Agency for the Safety of the Food Chain (FAVV). By means of the ACS label - which looks like a green smiley - we are setting our own quality management system alongside a standard. The certificate proves that what we are doing fits within a consistent narrative.





## Response to media furore surrounding horse meat

Struik Foods Europe was shocked when it emerged that products were being sold on the European market that illegally contained horse meat. We take this matter extremely seriously. All our meat suppliers have confirmed that they exclusively supply raw materials in accordance with the applicable European legislation and that the meat they provide to Struik Foods does not contain any horse meat, unless otherwise stated. As an extra control measure, Struik Foods has performed DNA analyses. Up till now no irregularities have been discovered. We are continuing to do our utmost in terms of quality control.



### Clean Label

At present the food industry has its sights set on food production in accordance with the 'Clean Label' policy. This is a trend being propelled by consumers who are purging their dietary habits of artificial and 'overprocessed' foods. Clean Label refers to reducing composite or artificial ingredients – such as flavourings, artificial odours and colourings – which attest to extra processing of the products. In addition, the ingredients list on the label is straightforward and transparent. SFB/CF is following this consumer-led evolution. In 2012 we primarily focused on reducing artificial additives. For one of our customers we ensured higher percentages of vegetables and more variety in terms of our vegetables.

### Customer and consumer satisfaction

Both SFB and CF are dependent on several major supermarket chains with whom extremely close contact is maintained. It is partly due to their encouragement that we decided to produce this sustainability report. In order to obtain even more insight into our customers' wishes, we send out a satisfaction survey each year. In 2013 we will be updating the customer satisfaction test, and this is to be held during annual sales meetings. By means of this personal approach we are anticipating that the response ratio will increase dramatically. Large-scale consumer research provided CF with insight into how consumers heat up their meal (time taken, type of microwave oven, wattage). The instructions for use on the sleeves and stickers of our product packaging was adapted in a phased approach in 2013, resulting in preparation information tying in better with the day-to-day habits of the consumer.

### Electronic quality handbook

At the close of 2012 we completely switched to an electronic quality handbook. This enables us to prevent document folders having to be continuously updated manually for each department. Departmental responsibilities are given an online home page which is always up to date. The electronic quality handbook is resulting in reduced paper consumption and introduces more structure within the various departments.

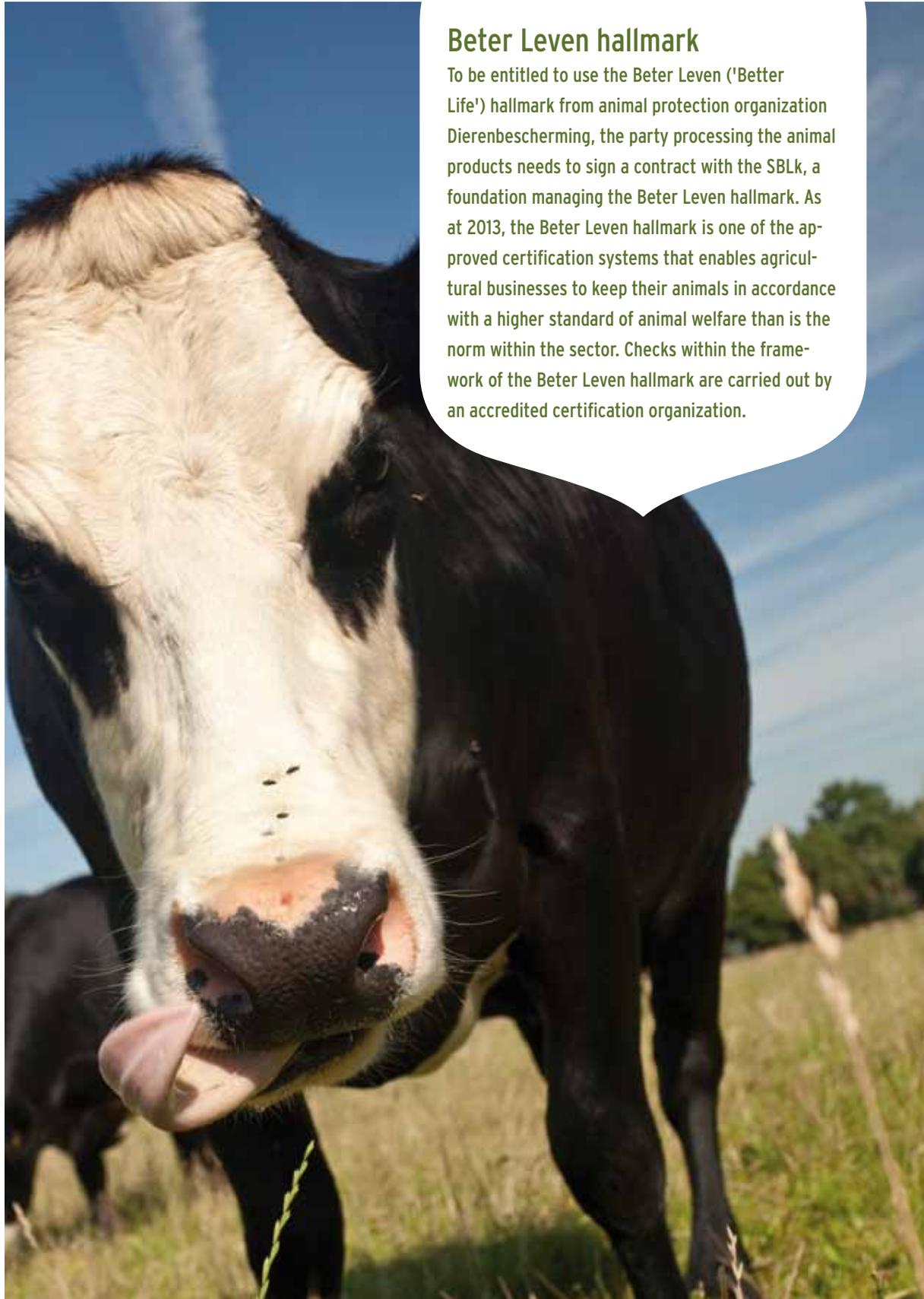


#### **A look to the future**

*SFB/CF is striving towards further expansion of the Clean Label policy. The following initiatives are already being launched in 2013:*

- *Introducing less processed alternatives to Indonesian soy sauce ('ketjap').*
- *Charting reduction in sugar levels for a selection of ready meals.*
- *Carrying out research into potential reductions in additives.*
- *100% Clean Label-produced own brand products for SFB. Ultimately we are aiming for a Clean Label for all our products.*

# A better life for the animals



## Beter Leven hallmark

To be entitled to use the Beter Leven ('Better Life') hallmark from animal protection organization Dierenbescherming, the party processing the animal products needs to sign a contract with the SBLk, a foundation managing the Beter Leven hallmark. As at 2013, the Beter Leven hallmark is one of the approved certification systems that enables agricultural businesses to keep their animals in accordance with a higher standard of animal welfare than is the norm within the sector. Checks within the framework of the Beter Leven hallmark are carried out by an accredited certification organization.



# Animal welfare

For many years now Struik Foods has been considering the role that animal welfare should have in the company's operations. Thus our sustainability strategy sees no place for battery farming, and we believe that the welfare of all animals should be guaranteed.

## Beter Leven hallmark

Since August 2012 SFB has been selling three products under the Dutch Beter Leven certificate from Dierenbescherming. This pertains to the Struik Ragouts (Chicken, Beef and Veal varieties), which can be identified on the supermarket shelves by their 1-star hallmark. SFB is proud of the fact that it is the first producer to have succeeded in making composite products under the Dutch Beter Leven certificate. Struik's ultimate aim is to satisfy the welfare guarantee of the Beter Leven foundation for all its Struik brand products, with the foundation's system entailing categories from one star to three stars. The motive for switching to products with a Beter Leven certificate was the decision made by Struik Foods in the Netherlands to cease using the so-called 'plofkip' (literally: exploding chicken), battery hens that are systematically fed to high on bursting point. The rapid growth of these chickens does mean there are considerable welfare problems, including joint pain when walking or the heart failing to keep up with the growth rate. We believe that this unethical treatment is out of touch with the values of our company. Furthermore, it is out of step with modern ethical principles. Incidentally, this also applies to free-range eggs; although their use did not become mandatory by law until 2012, we have been using free-range eggs instead of battery-farmed eggs as a basic ingredient for our products for a long time already.

## Preventing meat from being wasted

When developing our products, it goes without saying that customer demand always takes priority. Moreover, we look at all market developments. Meat is one of our most important ingredients, and in recent years we have witnessed an increasing desire from the market for a change in the use of meat. On the one hand this relates to meat substitute products and on the other hand it involves reducing overall consumption of meat per consumer. We regularly discuss this issue with suppliers and regard meat substitutes as a potential solution to reduce the use of meat.

Tasty, meat-free products (vegetarian products) enable us to offer the consumer a clear, additional option. Nonetheless, the taste criteria meat-free products have to satisfy in the eyes of the consumer are high. For that reason in 2013 we will be focusing on several new and tasty vegetarian products, including soup and ragout. The label clearly communicates the vegetarian nature of the products to allow consumers to navigate their way along the shelf with ease.



## A look to the future

SFB is aiming to eliminate meat derived from battery-farmed chickens from all SFB brand products in 2013. This is in line with the corporate objective of Struik Foods Europe to have 80% of Struik's products qualify for at least 1 star from Beter Leven by the end of 2013.

# Investing in a good basic set-up

## Project 'Cure' at CF

'Cure' is a unique project, launched by CF to make staff aware of important topics such as quality and hygiene. Staff are put into small groups to brainstorm the topics, after which they are asked to photograph good and bad practical examples in the factory. The photos are hung up in the building. Other employees are encouraged to state irregularities they have identified in these photos, and they can win a prize for doing so. The project, which was started in 2011/2012, generated a great many enthusiastic responses from staff in the 2011 satisfaction survey. SFB will be taking over this project in an altered format in 2013.

# Our staff

We would not be able to fulfil our objectives without the efforts and dedication of our talented staff, our 'flavour enhancers' at Struik Foods. It is only with well-trained and passionate staff that we will be able to realize our ambition. We want to achieve and maintain an above-average level of well-being for our permanent staff as well as work placement students. In addition to an improvement in general occupational health and safety, in the 2011-2015 period we will mainly be devoting our efforts to ergonomics, occupational hygiene, improving the workplaces and protecting against behaviour that crosses thresholds.

## Staffing and staff turnover

A total of 185 people are employed at SFB/CF: 123 at SFB and 62 at CF. SFB has a low staff turnover rate, as is evident in the table 'Relative staff turnover'. The higher staff turnover at CF is due to the fact that the company was founded fairly recently. The distance from home to work is extremely important for many employees in this production unit. This was the main reason for choosing a new job closer to home. (See diagram H and table I on page 30.)

The diagram (J on page 30) shows the staff composition according to type of contract at SFB/CF. In both companies the number of full-time employees is falling, owing to a move towards flexible working conditions. The number of indefinite employment contracts is rising gradually at SFB, but falling at CF. The latter trend is due to increased automation, resulting in a relative reduction in the number of workers.

The diagrams (K and L on page 31) show the staff composition according to percentage of female employees and employees with limited education at SFB/CF. Of the 58 employees at CF, 29.3% are women. SFB has seen an increase in the relative number of workers in the past few years, but the number of female employees has fallen from 38.8% to 35.2% in recent years. This fall is due to the automation of production lines. SFB/CF also offers work to low-skilled people.

Over half of the staff at CF are from immigrant backgrounds. The different cultures and levels of education/training present us with challenges, particularly in terms of

communication. Our diversity plans for incoming staff, which are explained in more detail in this chapter, set out how we deal with these challenges in a constructive way.

SFB and CF are both established in the Schoten area, where a small proportion of our staff live as well. 56.9% of the staff at SFB live within a 10-kilometre radius of the SFB site. 40.6% of them live outside the region and 2.5% of staff are from the Netherlands (Zeeland). In the case of CF 80.6% are from outside the region, with 19.4% living locally.

## Health and safety

Our prevention policy is structurally implemented on the basis of a five-year overall prevention plan which is converted into annual action plans. In 2012 the following actions were carried out:

- Replacing the rinsing fountains with more hygienic rinsing bottles.
- Internal distribution of the 'Safety Handbook - Working with contractors'.
- Developing a uniform internal emergency plan.
- Providing basic training on 'Small fire extinguishers' with internal instructions.
- Making customized earplugs available for free.

- Updating the risk assessment after reorganizing and updating the production line. (SFB)
- Implementing technical measures stemming from the risk file produced. (CF)
- Preparing safety instruction cards. (CF)

#### Planned actions include:

- Providing basic training on 'Sterilization, cherry pickers and safety'.
- Providing special gloves affording better protection from cuts.
- Limiting forklift usage in production rooms so as to improve safety and reduce material damage.
- Extending and updating the existing risk inventory, risk assessment, risk management and transforming this into a risk file for the entire company.
- Fleshing out work and safety instructions and training programmes to educate and sensitize staff.

#### Risk assessments

Furthermore, the organization and implementation of our prevention policy is tested in a system audit. Based on the SARIER method (Systematic Analytical Risk Inventory, Evaluation and Recording of Occupational Hazards), we draw up a systematic risk inventory and assessment. Safety on the factory floor is monitored in a variety of ways. Noise measurements are frequently carried out on the factory floor. Workplaces are visited by such people as the company medical officer, the prevention advisor, delegates from the PBW Committee (focused on prevention and protection in the workplace) and managers on a monthly basis.

All accidents and complaints are recorded and the accident figures are discussed in the safety committee each month. (See diagram M on page 31.)

The accident figure for SFB rose in 2012 as a result of converting and setting up machinery more often (see also chapter 5) as well as increased use of temporary agency staff for SFB. This meant that permanent staff had to divide their focus, indirectly leading to an increase in the pressure of work and exerting upward pressure on the accident figure. None of the accidents that occurred during the reporting period resulted in permanent incapacity for work. Over the next few years SFB will be focusing its efforts on better guidance for temporary workers. This will improve safety for all our staff.

#### Ergonomics

Optimum ergonomic conditions have been a high priority for SFB/CF for years now. The heaviest packing lines had already been automated, but in 2012 another twenty ergonomic chairs were delivered for use in the various production rooms. The stacking of trays on pallets was automated further. The effect of our ergonomic measures is being structurally measured; the company medical officer from the external service regularly visits us, paying attention to screen work and correct posture during work such as lifting and hoisting.

#### Absence

Fostering the experience of well-being at work is a crucial preventive measure within the absence policy of SFB/CF. The emphasis of the absence due to illness policy of SFB/CF is on reducing the percentage incidence of absence due to illness, preventing absenteeism and ensuring high-quality supervision and reintegration.

In order to prevent absenteeism, various resources are used for each objective:

- Demotivation can be prevented by means of proper staffing and job rotation.
- Well-being is fostered by means of such things as flexibility in contracts and adapted workload.
- Symptoms of illness can be detected on time by means of a yearly preventive medical examination for all staff performed by an external service provider.

Staff who nevertheless end up unexpectedly ill (possibly long-term) will be given suitable supervision and guidance. The increase in the percentage incidence of absence due to illness in 2012 is due to the fact that a number of employees who are on long-term sick leave are included in the figure. (See diagram N on page 31.)

## Extra stimulus

Since April 2010 SFB/CF has been combating absenteeism by way of a bonus scheme for employees who have not called in sick. For every three months worked without a single day of absence due to illness those employees will receive a bonus payment gross. The bonus serves as a stimulus to prevent absenteeism.

### Training and assessment

Due to recently setting up CF in 2009 and the requisite training for new employees, the training figures in 2010 were extremely high and then lower in the subsequent years once this training was complete. (See table O on page 31.)

Over the years at SFB/CF we have put more and more emphasis on knowledge transfer. Thus when putting new machinery into use or making minor changes to procedures we also provide on-the-job training. Furthermore, general refresher training sessions are provided to staff on their own line(s) and department. To this end we use our own internal knowledge, as well as drawing on knowledge externally. Thus external partners are enlisted to provide training on packing machines, hygiene, GMP-HACCP allergens, coaching, age-conscious staffing policy and ingredients in the meat industry.

### From assessment to performance

Until 2010, all our staff were being assessed on an annual basis. However, we were not satisfied with these assessments, which proved to be overly one-sided. As such, in 2011 we initiated performance reviews for SFB in which the emphasis was much more on interaction between employer and employee. The reviews involve open dialogue on what is going well and points where improvement could be made. Upon completion these reviews are discussed with

the heads of department, the plant manager and the HR officer. The action list that stems from the review is followed up on at regular intervals.

The performance reviews are held throughout the year, resulting in less stress for employees and enabling better follow-up.

In 2010 SFB assessed 106 of its employees, of which there were 121 at the time. Due to the transition from assessments to performance reviews, fewer assessments were held in 2011. Mid 2012 the revised policy came into effect and a performance review was held for 72 of the employees, of which there were 116 at the time. In 2013 we will also be bringing in performance reviews for CF.

A new introduction is the training matrix, which entails the employee being assessed on his/her competencies and skills. From 2013 SFB will also make a start on implementation of the training matrix. We will repeat this exercise on an annual basis.

### Supplementary training

In 2013 we will be continuing along the same path for our training policy. Reducing operational failure costs is something that starts with increased awareness among all staff, irrespective of their level. For example, everyone should be able to, and have the pluck to, shut down the line in the event of a problem, keeping blockages to a minimum. The QA department will be doing its bit mid 2013 by providing practical hygiene training to all staff, in addition to the annual hygiene training provided by external parties.

### A look to the future

In 2013 the job documentation will be adapted on the basis of feedback from employees and managers. In addition to this, SFB will launch a pilot involving personal development plans (PDPs) for eight members of staff.

**H**

**Number of employees\***



\*full-time equivalents

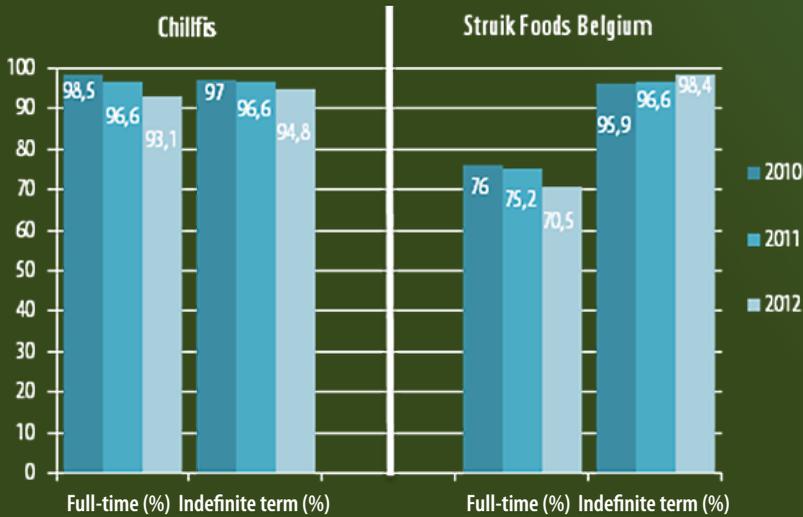
**I**

**Relative staff turnover: Incoming and Outgoing staff vs total staffing per annum**

	2010		2011		2012	
	% In	% Out	% In	% Out	% In	% Out
SFB	4.1	3.3	3.4	6.8	9	4.9
Chillfis	4.5	16.4	8.6	24.1	8.6	8.6

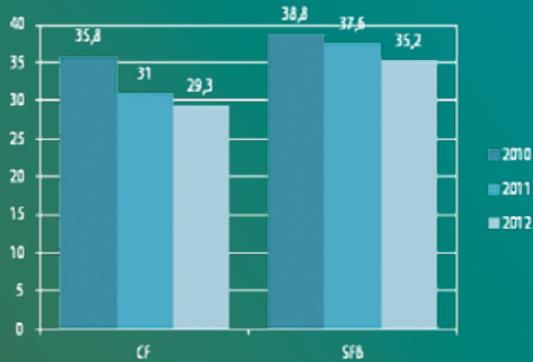
**J**

**Contract staff**



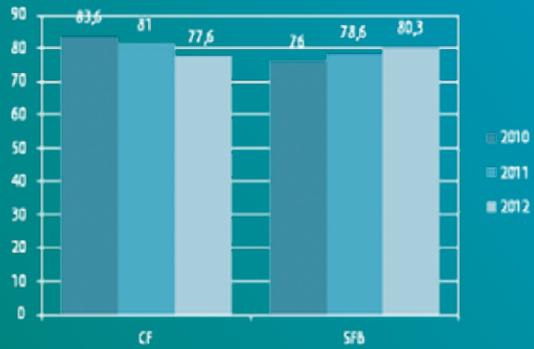
C

Proportion (%) of female employees



L

Proportion (%) of semi-skilled/unskilled employees



M

Number of occupational accidents



SFB has a **low** staff turnover

N

Percentage absence due to illness\*



\*Number of calendar days of absence in the period / (number of employees x number of calendar days in the period) x 100%

O

Average number of hours training

		2010	2011	2012
SFB	Men	134.5	156.3	179.3
	Women	157.2	82.14	43.3
CF	Men	576	280.5	120.7
	Women	415.1	305.3	172.4

A woman with blonde hair, wearing a white lab coat, is leaning over a table. She is holding a blue pen and writing on a document. On the table, there are several pieces of food, possibly bread or pastries, and a blue container. In the background, there is a sign with some text, including 'Gelieve afwezig te blijven' and 'Inkanten'.

## Intake process

In collaboration with the IPV (training fund for the food industry), VDAB (public employment service in Flanders) and two employment agencies, Struik Foods launched an intake project in 2012 to attract and train up 8 new operators. Following a training process, eight people started at SFB on an IBO (individual vocational training) contract, which was converted to an indefinite employment agreement after a 3-month trial period. For the purposes of the training courses 'attitude training' and 'cooperation on the factory floor' within this intake project, we enlisted the services of an external partner, who was involved in the training process from the outset. Due to the possibility of orientation, the training courses tied in even better with expectations. It also increased the trust element among the participants and created an open atmosphere.

## Human rights and diversity

CF was set up in 2010, partly motivated by the cultural diversity and differences in level of education/training within the organization, with a diversity plan for new employees. This plan serves as the basis for a future systematic diversity policy. The plan was drawn up in collaboration with the aforementioned VDAB and RESOC Antwerp and contains points for action to enhance the diversity and well-being of staff. The spearheads embedded in this plan are:

- Encouraging use of the Dutch language on the factory floor by providing 32 hours of Dutch lessons to staff whose language skills are not up to scratch.
- Holding a satisfaction study among staff.
- Evaluating and adjusting the welcome procedure.
- Providing a course on 'dealing with people who speak different languages', which was attended by nine members of staff.

Following the example of CF, SFB also drew up a diversity plan for new employees and subsequently a diversity plan. These plans contain such topics as the following:

- Encouraging use of the Dutch language on the factory floor by means of a course.
- Course on 'dealing with people who speak different languages' for managers.
- Following up on employee satisfaction based on surveys.
- Optimizing job reviews.

## Working group on diversity

For the purposes of following up on the diversity plan for new employees, SFB/CF set up working groups focused on diversity. In the case of CF, this gave rise to a growth diversity plan at the end of 2012. SFB also set up a working group on diversity in 2012, which meets regularly. The working group primarily looks for solutions to challenges, such as suboptimal internal communication or the anticipated high leaving rate of older employees. In 2013 a self-evaluation project will be set up for each topic which will encourage employees to work even more efficiently.

## Sedex: ethical audits

SFB/CF is a member of Sedex, a British standard, which fulfils the requirements of British retailers. Sedex offers companies straightforward, effective guidelines to ensure work throughout the supply chain is carried out ethically and responsibly.

Every two years SFB is subject to an ethical audit on the part of Sedex. Topics include: freedom of expression, safety and hygiene, pay and working conditions, working hours, discrimination, equality and workplace/surroundings. The most recent audit was held in December 2011. SFB passed with a good score, thereby earning itself Sedex certification.



## Language scan

In 2012 the Dutch Language House carried out a language scan at CF. This scan assesses all job profiles within the company and scrutinizes written communication. The language scan revealed that there needs to be more encouragement to ensure Dutch is the official medium of communication on the factory floor. The Dutch Language House ascertains what jobs require what standard of Dutch and training will be provided according to that standard. Furthermore, communication on the factory floor (such as safety rules) is to be simplified in order to increase comprehensibility. Both processes will be complete by the end of 2013.

## Employee satisfaction

In 2011, employees of SFB/CF participated in a satisfaction survey. They were asked to rate their sense of job security, of being appreciated, transparency and communication, cooperation with colleagues and openness with regard to diversity and age-conscious staffing policy.

Staff at CF turned out to have most to say about their colleagues and (direct) managers, the informal, pleasant atmosphere and career opportunities. Staff at SFB predominantly gave positive scores for variety of work, conditions of employment and colleagues. Communication and transparency are areas for attention within SFB/CF.

The results of the survey were discussed and interpreted in a variety of working groups. The solutions were implemented concrete in the aforementioned diversity plans of SFB/CF.



### **A look to the future**

*Supervision of employees will be modified in 2013. The forms for the performance reviews have been changed and a record will be made of training provided to our staff and their competencies. This will ensure that both managers and employees are given insight into the knowledge and skills within a department. Finally, a major coaching process will provide our managers with extra tools to bolster motivation and knowledge on the factory floor.*

*Continuous work is being done on a work opportunities plan for those aged 45+. The plan was written with attention being paid to working conditions, the transfer of knowledge and experience, and well-being at work.*

**Prevention**  
is better  
than cure



Think big, do small

**Struik's**

**HELDERE  
KIPPESOEPP**

*met kip en vermicelli*





# Local initiatives

Struik Foods is acutely aware of the impact that business processes have on people, the environment and society as a whole. Due to the family nature of our company, we are perhaps even more set on giving something back to the society in which we are operating.

## Uses for waste

Dealing with food in a responsible manner is one area for attention within our overall operations.

It goes without saying that we strive as far as possible to prevent there being any products that are no longer suitable for delivery via the regular channels. This is not always possible, however, and when it occurs we look at alternative uses. To this end we work with local non-profit organizations who have similar activities, such as (for example) the well-known Voedselbanken (food banks).

Examples include Arm Mobieltje ([www.armmobieltje.com](http://www.armmobieltje.com)), Al Ikram ([www.al-ikram.be](http://www.al-ikram.be)) and the food charity in Antwerp city centre. Products that do not satisfy the correct specifications and that are not destined for regular sale are also offered via alternative resellers. This ensures that reduction of our waste flows is in keeping with our social values.

## World Dance Festival in Schoten

We also demonstrate our social involvement by sponsoring local events. One initiative close to home is our sponsorship agreement with Hello!Schoten World Dance Festival. This is an annual festival that aims to promote folk arts by making them accessible to a wider audience. We consider it important to support this festival in our home town. And so SFB/CF provides free meals to participants in the cultural festival each year.

## Upgrading riverbank

For SFB/CF, the term 'society' also refers to the environment in which we are living and – in our case – doing business.

Our business operations always entail us showing due respect for humankind and animals.

For that reason we switched both factories over to non-toxic trapdoors in 2012. This measure goes hand in hand with a considerable ecological benefit; birds of prey do not become the unintended victims of poisoning.

### **A look to the future**

*In 2013 we would like to introduce sustainable pest control for our outdoor areas. Initial discussions have been held with Natuurpunt (Nature Point) and the Fonds voor Instandhouding van Roofvogels (Fund for the Preservation of Birds of Prey). In 2013 we will be engaging in dialogue with the VVM (Flemish Environment Agency) to collaborate on their riverbank upgrade project.*

This is the first time that Struik Foods Belgium VOF and Chillfis Bvba are issuing a sustainability report for all parties involved directly and indirectly, with the aim of effecting transparent and clear communication on sustainability. This 2012 sustainability report describes all processes and developments over the period running from 1 January 2010 to 31 December 2012. In future we will be announcing our efforts in terms of sustainability every second year in the form of a sustainability report.

Consequently our next sustainability report will be issued in 2015. In 2014 a corporate sustainability report will also be presented. The dates and details presented in this sustainability report pertain to Struik Foods Belgium and Chillfis (SFB/CF), both part of Struik Foods Europe. The report is based on the information on SFB/CF drawn up by Ernst & Young. In addition, we follow the guidelines of Global Reporting Initiative (GRI), the most accepted and recognized standard for reporting on sustainability. Our report has been drawn up in accordance with the GRI G3.1. level C guidelines, entailing the reporting of 10 indicators as a minimum.



**Struik Foods Belgium VOF/Chillfis Bvba**

Brechtsebaan 913 - 2900 Schoten, Belgium

info@struik.nl - [www.struik.com](http://www.struik.com)