SUSTAINABILITY REPORT 2018

Shaping a tasty future responsibly
VANDEMOORTELE is a family company. We very much value our corporate culture, which is built on respect, ambition and cooperation. These values represent also what sustainability is about. It is about building a company that’s there for the long term. This is only possible when we integrate sustainability in the core of our operations and products. We see sustainability not as a risk or an obstruction, it is more a responsibility to take and an opportunity to stay ahead. Sustainability is perfectly combinable with taste. Building a tasty future is about shaping a tasty future, responsibly.

“As a family company, respect for society as a whole is at the core of our culture.”

Jean Vandemoortele – Chairman of the board
Food is a resource that requires critical attention as up to a third of all food is estimated to be wasted each year. Minimising food waste is our primary focus. If we cannot avoid it, we should try to re-use it. We also see a big opportunity in offering consumers better food choices without compromising on taste. We believe that the best way of doing this, is through collaboration. That’s why we have a research partnership with the KU Leuven (the university of Leuven). In this way we can further build up our knowledge about scientific topics that are relevant for our business, such as food waste and ingredient functionality.

“Care for our people is at the heart of what binds VANDEMOORTELE together.”

Jules Noten – CEO
The Food Experience Centre is a foretaste of the company of the future. It is not just about having a workplace, it is about inspiring all of us to develop new ideas. The VANDEMOORTELE family has endorsed the proposal of the project team to work with Thomas Rau for the design of the Food Experience Centre. The RAU architectural team designs buildings with a strong emphasis on sustainability. Their mission is to make a positive contribution to society and to planet earth. To them, architecture demonstrates how human activities influence the environment. A truly sustainable building is not just one that incorporates energy-efficient technology and fulfils standards of given sustainable certificates. They strive to achieve both physical and social wellbeing.

“It is not just about having a workplace, it is about inspiring all of us to develop new ideas.”

Marc Croonen - Chief Human Resources Officer

Just like a good recipe consists of a harmonious combination of ingredients, the new Food Experience Center consists of a stimulating combination of different materials and shapes. The general construction approach is defined by the goal to reach a ‘remountable’ building. Therefore all chosen material connections are realised as ‘dry’ connections, which allow easy disassembling of the different components.
Consequently the building can be seen as a ‘material deposit’ which consists of a documented composition of different materials. This creates a value for all materials used in the building and gives the opportunity to reuse these materials in the future. Moreover, a BREEAM certificate is being pursued with an ‘excellent’ score as ambition level.

Next to the passive energetic means which are implemented in the design, several active energy systems help to generate energy from renewable resources. The combination of power generating photovoltaic modules on the roof, earth probes in combination with a heat pump to support the cooling/heating system, climate ceilings and a rainwater reservoir, provide the building with sustainable energy.

We started defining our sustainability strategy in 2014. Of course, this does not mean that sustainability was absent before 2014 but since then, it has become a structured and strategic part of our future development. Part of the exercise was creating clarity about what our challenges are. This integrates the vision of our stakeholders who may well be customers or governments, even on a local scale such as the city of Ghent or NGO’s. Our strategy is based on four pillars: responsible sourcing, eco-efficient production, commitment to people and products you can trust.

Sustainability - like many other strategic directions - involves change. This change must be led by example. We have developed a sustainability scorecard to monitor our progress.

Trends like globalisation, changing technology, demographics and behaviours, combined with the war for talent, force us to shift from a fixed work environment to a more flexible one. Together, we will evolve step by step into a flexible way of working that will allow us to do our work in an effective, efficient and pleasant way. We want to create a workplace which gives fulfilment.

“Integrating sustainability not only creates societal value, it also motivates our associates, delivers value to our customers, and is inherently expected by our consumers.”

Aurélie Comhaire
Group Sustainability Manager

This scorecard facilitates discussion in EXCO and management teams. For each of the sustainability topics, there is a specific, cross-departmental working group from which we gather all the ambassadors twice a year. So, in terms of governance, many people are already involved, with many more to join in the coming years. It is clear to us that sustainability is part of our journey. Integrating sustainability not only creates societal value, it also motivates our associates, delivers value to our customers, and is inherently expected by our consumers. Although integrating sustainability may not always be easy, we are committed to it, and we welcome your ideas for future actions and cooperation.
We defined our sustainability strategy in 2014. Four key areas define our commitment for the future. Each of the key areas is composed of different sustainability platforms. Each platform has several projects in which the sustainability actions are developed and executed.
SUSTAINABILITY MANAGEMENT

To execute our sustainability strategy efficiently, we have established the following governance:

The Sustainability Management Team is made up of VANDEMOORTELE’s Executive Committee as well as the Group Sustainability Manager, the Project Leaders and the Project Sponsors. The management team meets once a year. Its role is to define and validate the sustainability objectives and targets, to monitor progress and to make decisions concerning investments and dilemmas.

SCOPE

This second sustainability report complements the annual report 2018 with non-financial information.
VANDEMOORTELE is a Belgian family business. We are passionate food people, and have been since 1899. VANDEMOORTELE has two business lines: one in bakery products and the other in margarines, culinary oils and fats. For over more than a century now, VANDEMOORTELE has grown to be a truly international food company. Today, we hold a leading position in Europe in our core categories, having grown steadily through organic growth and acquisitions.
OUR VISION

We are a leading food company in Europe, building our categories of Frozen Bakery Products and Margarines, Culinary Oils and Fats, offering the best in taste, quality and service.

We bring great taste into your kitchen, to your table and on the go.

OUR MISSION

We believe people’s everyday food should be an everyday enjoyment. From breakfast to dinner, from healthy lunches to indulgent moments.

We believe taste is key in food products. And quality is key to taste.

OUR VALUES

Everyone at VANDEMOORTELE lives by three corporate values: ambition, respect and cooperation. They are the core of our culture.

Our ambition is to deliver the VANDEMOORTELE promise: best taste, best quality, best service.

We take ownership of the company’s goals and we are committed to delivering outstanding performance.

We are passionate and energised.

Respect is the foundation of our actions and our external and internal relationships.

We act with integrity and respect for others and for our environment.

We work in a spirit of cooperation in our teams and with our partners.

We are open-minded and value each individual contribution. We share our experience and enjoy working together.

We are approachable and engaged.
The sustainability of our activities depends not only on what we do ourselves, but also on what others do for us. We are committed to promoting ethical behaviour in our supply chain to ensure both people and the environment are treated with respect.
PROTECTING NATURAL RESOURCES

Growing and harvesting a number of our core ingredients may raise issues of environmental protection as well as human and animal rights, and health and safety. We take steps to enhance the sustainability of these products, from farmer to consumer.

SUSTAINABLE PALM OIL: “WELL ON THE PATH”

Although palm oil can be grown on relatively little land, the large scale on which it has been produced in recent years has led to natural forests being cleared, threatening biodiversity and increasing the exploitation of the local population. We recognise the urgent need to steer the palm oil industry back in the right direction. In that context, we have developed long-term partnerships with various organisations committed to raising awareness of these issues in the industry. For the same reason, we continue to play an active role in initiatives promoting the use of sustainable palm oil around the world.

Since 2015 VANDEMOORTELE is committed to sourcing 100% certified sustainable palm oil for the branded consumer products. In 2018, we achieved 98.5% traceability back to mill for all the palm oil we buy. We continue to engage with our suppliers and Earthworm to work towards transformation in the supply chain.

PALM OIL PROGRESS REPORT 2017

PALM OIL SOURCING CHARTER

100% CERTIFIED SUSTAINABLE PALM OIL

98.5% TRACEABILITY TO THE MILL FOR PALM OIL
Since 2018, VANDEMOORTELE has been supporting a field programme in Indonesia run by the Earthworm local team: The Areas for Priority Transformation Programme (or Areal Prioritas Transformasi in the local language, Bahasa Indonesia). The project is currently operating in three landscapes where Indonesia’s precious tropical forests are threatened due to expanding agriculture, which in turn is critical for much-needed economic development.

APT is working towards achieving 5 key objectives:

1) Foster local government leadership in economic and spatial planning
2) Introduction of conditions that will stop deforestation inside oil palm concessions
3) Prevent deforestation outside concessions by forming community-based conservation plans and providing alternative livelihood options
4) Strengthen current practices of mills and plantations to implement or strengthen ‘No Deforestation, No Exploitation’ commitments
5) Find innovative ways to monitor and evaluate progress and impacts in real-time

“We want to design strategic interventions for community-based conservation using a participatory approach while also offering alternative livelihood options to smallholders.”

Yulia — Indonesia field team member, Earthworm
PROTECTING NATURAL RESOURCES

SOY WITH GOOD ROOTS
Due to strong growth in demand, soy production is on the increase. This often comes at the expense of biodiversity and the interests of local communities. This is why the Round Table on Responsible Soy (RTRS) is such a welcome initiative and why, since May 2011, VANDEMORTELE has occupied a seat at this table. RTRS helps to promote the responsible production of soy worldwide. Together with this organisation, we’re taking action to protect forests, promote the use of low-impact herbicides, and safeguard quality of life for growers and workers alike.

For our branded consumer products, we use 100%-certified sustainable soy. This applies both to the soy ingredients we use ourselves as well as the soy that ends up in our products indirectly via feed (e.g. in eggs, butter and other animal-derived products).

SOY SOURCING CHARTER

COCOA FROM HAPPY FARMERS
Almost everyone in Europe loves chocolate! And VANDEMORTELE loves to satisfy that desire — but not at the expense of the environment or the wellbeing of workers. For that reason, we joined UTZ back in 2013. This organisation helps farmers to improve their productivity, efficiency and quality without sacrificing the interests of local communities or the environment. Our customers have the option of choosing UTZ cocoa with Mass Balance Certification. Together with UTZ, we continue to work for a brighter future for our planet and the next generations to inhabit it.

UTZ Certified cocoa
At VANDEMOORTELE we care about animal welfare. We believe it is our responsibility to supply our customers with eggs that have no connection with negative animal welfare issues. That’s why we have committed to using cage-free eggs* only from 2019 onwards. For the eggs used in our sauces we even go further and use only free-range eggs and this already since 2016.

* Applies to all the eggs, egg powders, egg yolks, egg yolk powders, egg whites, egg white powders we purchase.

EGGS FROM A COSY NEST

We have to be sure that the timber from which the paper and cardboard have been produced, comes from responsibly managed forests. For our consumer brands, 93% of paper and cardboard packaging materials are recycled or certified sustainable.

PAPER AND CARDBOARD PACKAGING SOURCING CHARTER

93% OF PAPER AND CARDBOARD PACKAGING IS RECYCLED OR SUSTAINABLE

PROTECTING NATURAL RESOURCES

RESPONSIBLE SOURCING

EGG SOURCING CHARTER

93% OF PAPER AND CARDBOARD PACKAGING IS RECYCLED OR SUSTAINABLE

CAGE-FREE EGGS

ANIMAL WELFARE
Promoting integrity in behaviour & practices

SUPPLIER CODE OF CONDUCT
Promoting ethical behaviour along the entire supply chain is not an empty promise but a genuine commitment.

VANDEMOORTELE launched a contractually binding Supplier Code of Conduct in 2017. We invite our strategic suppliers and non-strategic high-risk suppliers to specifically sign and commit to this. In 2018, 41% of this group of suppliers signed this Supplier Code of Conduct.

SUPPLIER CODE OF CONDUCT

SUPPLIER CODE OF CONDUCT
IN ACCORDANCE WITH THE 10 PRINCIPLES OF THE UN’S GLOBAL COMPACT
In our production processes, we make use of energy, water, food ingredients and packaging. By increasing the efficient use of these resources, we strive to minimise waste and emissions, and hence the overall environmental impact of our operations.

ECO-EFFICIENT PRODUCTION

REDUCING WASTE

REDUCING EMISSIONS
REDUCING WASTE

Our aim is to minimise waste and food loss whilst maximising the efficient use of natural resources throughout our operations.

PACKAGING
Reduction of packaging waste starts by optimising the product packaging at the design phase. Our designers aim to minimise weight and wasted space without jeopardising the food safety of our products whilst also maintaining robustness throughout the supply chain.

As part of our waste reduction process, we work with our suppliers on ways of minimising the packaging of our ingredients. For example, we regularly review the feasibility of using bulk deliveries instead of ingredients being supplied in individual bags.

FOOD LOSS
In an ideal world, there is no waste. And if waste occurs, we simply use all residual material to create new products. One-third of food produced for human consumption is lost or wasted globally. Tackling food losses at the source is the main priority within VANDEMOORTELE. Thanks to our manufacturing execution system in our production sites, we can monitor and control production processes continuously. The main objective is to enable immediate access to relevant and reliable production performance information, such as losses to operators.

In the production process, quality defects cause a significant loss of products. By combining technology and science, in collaboration with the KU Leuven (the University of Leuven), we have improved our production processes and in doing so our product quality. This results in a significant reduction of food loss.

“Our aim is to produce tasty products with zero waste.”

Emilie Poncelet – Operational Excellence Leader Torcé

OPTIMISED PACKAGING
Being aware of our impact on the natural environment and the resources it provides, we strongly believe that sustainable business implies the prudent use of natural resources. Every production facility in our group measures its environmental performance using 5 eco-indicators.

These are the basics for continuous monitoring and improvement programmes to further reduce our impact on the environment.

EMISSIONS FROM PRODUCTION
One of the most notable side effects of human activity is the emission of greenhouse gases (GHG) causing global warming. Acknowledging the adverse effects of climate change on human and natural habitats, VANDEMOORTELE is committed to calculating and monitoring greenhouse gas emissions from its manufacturing processes. As energy consumption is a major source of GHG and essential for the production, storage and transport of our products, VANDEMOORTELE subscribes to the general ambitions of limiting these emissions through energy efficiency programmes. In 2018, 65% of our electricity consumption was delivered from certified renewable sources. VANDEMOORTELE managed to reduce its company carbon footprint by 29.5% compared to 2015.

Parallel to investing in renewable energy sources, our factories are studying and implementing a comprehensive set of energy efficiency measures, such as better insulation of buildings, best-in-class ammonia-cooling technology, as well as heat recovery on cooling and compressed air installations. Transitioning to LED lighting in our factories and warehouses is yet another example of how our factories are reducing their energy consumption.

After some years of increased energy intensity, due to a product shift in our Bakery Products from raw to pre-proofed and pre-baked products, the trend was reversed in 2018. With a 1.4% energy intensity reduction within Bakery Products compared to 2017, the resulting reduction for the VANDEMOORTELE group as a whole was 0.9%. This positive trend was achieved mainly by utilities and production line efficiency projects in our Bakery Products factories.
EMISSIONS FROM TRANSPORT
It is our aim to keep working on the continued reduction of CO₂ emitted by trucks during the transport and distribution of our goods.

We have invested in new fleet technologies in order to limit exhaust gases: these include the introduction of Euro 6 engine vehicles, automated gear-changing, Opti Cruises, automatic start-stop controls, cylinder deactivation, electronically powered cooling units, and homogeneous charge compression ignition.

Secondly, we have been working on improving our transportation KPIs: we have succeeded in reducing empty mileage, we have increased the load efficiency of our vehicles and we have introduced new route-planning and palletisation software in order to fully use capacities of vehicles, pallets and boxes.

Finally, we have also invested in driver conduct and organise eco-driving lessons for them each year.

“Eco-driving is about smart and fuel-efficient driving. It also represents a driving culture that makes best use of advanced vehicle technologies, while also improving road safety.”

Krist Vansteenkiste – Truck driver Metro
We are dedicated to ensuring a safe workplace for our associates. We appreciate the value of a diverse workforce and help our people to develop their talents. Beyond the confines of our group, we engage constructively and respectfully with our local community.
SAFETY IN OPERATIONS

SAFETY FIRST
Our primary concern is to make sure that our associates can work in a safe and healthy environment. This aspect is managed by systematic risk assessments of workplaces and tasks and the implementation of sound preventive and protective measures.

We integrate safety in our day-to-day work and as such make it an inseparable part of operational excellence and our company culture. To make it sustainable, we focus on safe behaviour, encourage all associates at all levels to think safety prior to acting. To support and empower our associates, we organise training sessions on specific safety topics and expected safe behaviour. A broad community of safety ambassadors has been trained extensively on coaching, communication and constructive feedback techniques.

In addition to visual means and other training media, the VANDEMOORTELE safety improvement programme “I CARe U2?” provides a series of operational safety tools.

These safety tools are managed and executed by the leading hands. Its progress is monitored via site KPI reporting. The key safety tools are;

- **Safety walks**: periodic cross-departmental safety observation rounds by a multidisciplinary site team
- **Safety toolboxes**: “on-the-job” safety training sessions focusing on task and workplace-related topics and given by leading hands
- **Root cause analysis**: involvement of leading hands in accident analysis, choice and implementation of corrective actions

“To make our operations sustainable, we focus on safe behaviour and encourage all associates at all levels to think safety prior to acting.”

Rudi Ronneau — Group HSE Manager
“We foster healthy ambition and equal opportunities.”

4211 PERMANENT ASSOCIATES

165 SENIOR STAFF

165

50

115

454 STAFF

454

182

272

1024 WHITE COLLAR

1024

532

492

2568 BLUE COLLAR

2568

704

1864

63 NATIONALITIES

WE THINK GROWTH AND DEVELOPMENT ARE VITAL

We foster healthy ambition and equal opportunities, and strongly believe that our group grows as our people grow. That’s why we proactively plan for career development. We encourage associates to continuously develop themselves and to maintain their employability.

DEVELOPMENT OF OUR PEOPLE
DEVELOPMENT OF OUR PEOPLE

PASSIONATE, ENERGISED AND ENGAGED PEOPLE
Work is a significant part of life. That’s why at VANDEMOORTELE we want to measure the level of engagement and happiness at the workplace of all our associates. A few months ago, we organised an associate engagement survey to monitor how associates at all levels and locations feel about working at VANDEMOORTELE and how we can improve their experience.

As an organisation, we have taken major steps forward since 2015 (when the previous survey was conducted) in terms of sustainability and long-term engagement. The survey also revealed a number of areas for improvement, which we will work on actively in the years ahead.

“I work on the corporate website project, a huge responsibility for a youngster. But when I face difficulties, I know I can always count on my colleagues. It’s satisfying to be part of a dynamic and caring team.”

Céline Coussee – Digital Marketeer

To support our performance culture (People for Growth), we stress the importance of deciding on development goals for each associate (Growth for People). Development goals focus on short-term capability-building to ensure we deliver on our targets and on the long-term development of capabilities that enable our associates to prosper and grow. To support our associates and leaders in designing development plans, we have a wide offering of development initiatives, focusing on formal training, social learning and learning on the workfloor. The ultimate goal is that our people can become strong, inspiring leaders equipped to guide the group through change and sustainable growth.
VANDEMOORTELE is committed to a range of voluntary external initiatives.

YouStart

YOUTHSTART

In Belgium, since 2006 we participate in Youthstart, a global organisation that runs training programmes in entrepreneurship for disadvantaged youngsters who have not completed traditional education.

HABBEKRATS

Since 2006 we support Habbekrats, a Belgian organisation that provides shelter for children from troubled backgrounds who don’t have safe homes to go to after school.

VANDEMOORTELE endorses commitments.

VANDEMOORTELE endorses the Belgian Pledge, a commitment by food companies relating to responsible advertising practices.

Fevia

FEVIA

Belgian Food Industry Federation

IMACE

The European Margarine Association

MVO

The Netherlands Oils and Fats Industry

THE SHIFT

The Belgian meeting point for sustainability

VANDEMOORTELE is a member of various industry associations.
As food producers, we have a special responsibility towards our customers and consumers. They trust us to provide them with food that is not only tasty and authentic but also demonstrably safe and of the highest quality.
TASTY & RELIABLE FOOD

INNOVATION FOR BETTER FOOD CHOICES
Since trust comes from knowledge, we want to be fully transparent about our products. We provide transparent, accurate nutrition labelling to help consumers make well-informed food choices that fit in with their diet. We also inform our customers about our position on key issues of concern in the food sector. Great taste is built on quality ingredients, processing expertise and true craftsmanship. We invest in research to develop innovations that satisfy evolving consumer needs in a world of ever-changing eating habits, trends, technologies and regulations.

At VANDEMOORTELE, we believe the best way to improve is through collaboration. That’s why, since 2012, we have set up the VANDEMOORTELE Centre for Lipid Science and Technology in a research partnership with Ghent University. In addition to that, we continue to build our know-how through specific research projects on relevant topics for both business lines.
OUR POSITION WITH REGARD TO KEY ISSUES OF CONCERN IN THE FOOD SECTOR

As a responsible player in the food market, we’re committed to delivering the best possible products that take into account consumers’ individual desires, needs and requirements, as well as the latest insights with regard to food, health and nutrition. As a consequence, some of our products have been reformulated to improve their nutritional profile (e.g. reduced sugar). In addition, new consumer tools such as Nutriscore have been integrated into our approach. We’ve created transparency in our position on key issues of concern in our sector through various position papers. On top of that, we use a VANDEMOORTELE Supplier Ingredient Guideline to ensure that new ingredients are in line with our long-term strategy and the strategy of our customers.

“Taste is key in all our products. Ensuring great taste while improving the nutritional characteristics of our products is a fantastic challenge that leads us to exciting new opportunities.”

Roel Van der Meulen – R&D Manager Bakery Products
FOOD SAFETY
Food safety is very important in today’s food industry. The supply chain is becoming globalised, eating habits are changing and mass catering establishments are becoming more popular. In the context of these societal changes, food safety and hygiene issues can easily arise. We therefore take food safety very seriously. Throughout the supply chain, our products are treated and monitored with the greatest care to ensure the safety of consumers. We have a 100-strong team across Europe making sure that, every day, we comply with all relevant legislation and meet all the leading food safety standards.

All VANDEMOORTELE sites are certified according to either the IFS International Food Standard or the BRC Global Standards. Furthermore, 67% of VANDEMOORTELE sites are certified according to either Unannounced IFS International Food Standard or Unannounced BRC Global Standards.

“It’s our key ambition to be a leader in product safety to build trust with our customers and consumers.”

Lien Meyseman – QA Officer Traded Goods

All VANDEMOORTELE sites are certified according to either the IFS International Food Standard or the BRC Global Standards. Furthermore, 67% of VANDEMOORTELE sites are certified according to either Unannounced IFS International Food Standard or Unannounced BRC Global Standards.
## OUR KPIs

<table>
<thead>
<tr>
<th>Platforms</th>
<th>KPI</th>
<th>Status 2017</th>
<th>Status 2018</th>
<th>Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Protecting Natural Resources</td>
<td>Certified sustainable palm</td>
<td>100%</td>
<td>100%</td>
<td>For our consumer brands we use 100%-certified sustainable palm oil.</td>
</tr>
<tr>
<td></td>
<td>Traceability to the mill for palm oil</td>
<td>98.5%</td>
<td>98.5%</td>
<td>98.5% of the palm oil we buy can be traced back to its source.</td>
</tr>
<tr>
<td></td>
<td>Certified sustainable soy</td>
<td>100%</td>
<td>100%</td>
<td>For our consumer brands we use 100%-certified sustainable soy. This applies both to the soy ingredients we use ourselves and the soy that ends up in our products indirectly via feed (e.g. in eggs, butter and other animal-derived products).</td>
</tr>
<tr>
<td></td>
<td>Recycled or certified sustainable paper &amp; cardboard packaging</td>
<td>91%</td>
<td>93%</td>
<td>91% of all paper and cardboard packaging materials for our consumer brands are recycled or certified sustainable.</td>
</tr>
<tr>
<td>Promoting Integrity in Behaviour and Practices</td>
<td>Strategic suppliers and non-strategic high risk suppliers signed the ‘Supplier Code of Conduct’</td>
<td>35%</td>
<td>41%</td>
<td>41% of our strategic suppliers and non-strategic high risk suppliers signed our ‘Supplier Code of Conduct’ in 2018.</td>
</tr>
<tr>
<td>Reducing Emissions</td>
<td>Electricity from renewable sources</td>
<td>50%</td>
<td>65%</td>
<td>Of the total electricity consumed, 65% was coming from renewable sources.</td>
</tr>
<tr>
<td></td>
<td>Reduction total energy intensity compared to 2015</td>
<td>+ 6.4%</td>
<td>+ 5.3%</td>
<td>Taking into account new higher energy intensive activities, the energy intensity rose by only 5.3% compared to 2015.</td>
</tr>
<tr>
<td></td>
<td>Reduction company carbon footprint compared to 2015</td>
<td>- 8%</td>
<td>- 29.5%</td>
<td>VANDEMOORTELE managed to reduce the company carbon footprint by 29.5% compared to 2015.</td>
</tr>
<tr>
<td>Safety in Operations</td>
<td>Severity rate (own staff)</td>
<td>0.93</td>
<td>1.35</td>
<td>The severity rate at VANDEMOORTELE in 2018 was 1.35.</td>
</tr>
<tr>
<td></td>
<td>LWC frequency rate (own staff)</td>
<td>27.8</td>
<td>31.5</td>
<td>A reduction of 0.6% on LWC (lost workday case) was realised, compared to 2015.</td>
</tr>
<tr>
<td>Development of Our People</td>
<td>Associate engagement survey - Response rate</td>
<td>80%</td>
<td>83%</td>
<td>The response rate rose with 3% compared to the associate engagement survey of 2015.</td>
</tr>
<tr>
<td></td>
<td>Associate engagement survey - Sustainable engagement</td>
<td>73%</td>
<td>76%</td>
<td>The level of engagement has significantly improved by 3% compared to 2015.</td>
</tr>
<tr>
<td></td>
<td>Associate engagement survey - Sustainability</td>
<td>66%</td>
<td>73%</td>
<td>Sustainability was the biggest improver (+7%) compared to 2015.</td>
</tr>
<tr>
<td></td>
<td>Distribution men / women</td>
<td>2808 / 1525</td>
<td>2743 / 1468</td>
<td>In 2018, the distribution between men and women was 2743 and 1468, respectively.</td>
</tr>
<tr>
<td>Food Care</td>
<td>GFSI certification for production sites</td>
<td>100%</td>
<td>100%</td>
<td>All VANDEMOORTELE sites are certified according to either IFS International Food Standard or BRC Global Standards.</td>
</tr>
<tr>
<td></td>
<td>Unannounced GFSI certification for production sites</td>
<td>63%</td>
<td>67%</td>
<td>67% of VANDEMOORTELE sites are certified according to either Unannounced IFS International Food Standard or Unannounced BRC Global Standards.</td>
</tr>
</tbody>
</table>
“Shaping a tasty future responsibly.”
Shaping a tasty future responsibly
INTRODUCTION

Vandemoortele is strongly committed to Sustainable Palm Oil. In 2014, we published our Palm Oil Sourcing Charter, with ambitious targets for zero deforestation and zero-exploitation palm oil sourcing. This report summarizes the progress we made in 2017 towards compliance with our Charter.

Our 2017 objectives and results

- RSPO CERTIFIED PALM OIL
  Maintain 100% sourcing of RSPO certified palm oil for our customer brands.

- IN 2017, WE USED 47,900 TONS OF PALM OIL in our consumer-branded products.

- PALM OIL TRACEABILITY
  Maintain 100% traceability up to the mill level* in our palm oil supply chain.

- IN 2017, WE ACHIEVED 98.5% TRACEABILITY BACK TO MILL for all the palm oil we buy.

*We consider mill traceability if we have the following information about the mill: mill parent company, mill name, mill coordinates and mill RSPO status.
Supplier engagement is the process we use to make sure our suppliers are operating in compliance with our Palm Oil Sourcing Charter.

We put focus on our strategic suppliers, closely following their progress against our commitment. We also continued to follow up on any sustainability issues our direct suppliers were involved in. Direct and regular dialogue is maintained to monitor how our suppliers are managing and closing these issues.

Almost 100% of our purchased palm oil volumes are covered by suppliers committed to a NDPE (no deforestation, no peat, no exploitation) policy, in line with our Palm Oil Sourcing Charter.

To help implement our commitment, Vandemoortele is working with The Forest Trust (TFT), who has extensive experience in helping companies manage and source raw materials responsibly.

In 2017 we continued to map the palm oil supply chain. Our supply base consists of 1684 mills, located in several countries. Together with our strategic suppliers we are identifying possible risk areas in this palm oil supply chain.

**SO, WE CAN ENGAGE IN TRANSFORMATION PROJECTS to strengthen our impact on the ground.**

![Map of palm oil supply chain](image)

Our supply base consists of 1684 mills, located in several countries. The map shows the distribution of mills across countries such as Indonesia, Malaysia, and others.
In 2009, we became a member of the Roundtable for Sustainable Palm Oil.

In 2014, we became a founding member of the European Alliance for Sustainable Palm Oil.

In 2012, we became a founding member of the Belgische Alliantie voor Duurzame Palmolie.

In 2017, we became a founding member of the Fundación Española del Aceite de Palma Sostenible.

As part of its commitment, Vandemoortele participates in several initiatives that contribute to the transformation of the European market towards sustainable palm oil.

In June 2017, Vandemoortele established the “Fundación Española del Aceite de Palma Sostenible” together with Unilever, Ferrero, Lipidos Santiga, Gracomsa and Natra.

The Spanish foundation was created to improve knowledge and raise awareness of the benefits and characteristics of the most used vegetable oil in the world.

The foundation will also play an active role in promoting transformation in the sustainable palm oil supply chain, with the aim of achieving the target of zero deforestation by 2020.

In 2013, we became a founding member of the Alliance Française pour une Huile de Palme Durable.

In 2014, we became a founding member of the European Palm Oil Alliance.

In 2012, we became a founding member of the Belgische Alliantie voor Duurzame Palmolie.

In 2017, we became a founding member of the Fundación Española del Aceite de Palma Sostenible.

Outlook 2018 and beyond

Our aim remains to achieve a deforestation free and exploitation-free palm oil supply chain by 2020.

We will maintain 100% sourcing of RSPO-certified palm oil for our consumer brands.

We will contribute to the transformation on the ground by co-financing local transformation projects in Indonesia or Malaysia.

By 2020

We will continue to work towards achieving 100% traceability back to mill.

We will continue to support and participate in initiatives that support the uptake of sustainable palm oil in Europe.
Our KPI’s

**KEY PERFORMANCE INDICATORS**

<table>
<thead>
<tr>
<th>KPI</th>
<th>TARGET</th>
<th>STATUS 2017</th>
<th>APPROACH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certified sustainable palm</td>
<td>100%</td>
<td>100%</td>
<td>For our consumer brands we use 100% certified sustainable palm oil.</td>
</tr>
<tr>
<td>Traceability to the mill for palm oil</td>
<td>100%</td>
<td>98.5%</td>
<td>98.5% of the palm oil we buy can be traced back to its source.</td>
</tr>
<tr>
<td>Suppliers commitment</td>
<td>100%</td>
<td>99.9%</td>
<td>Almost 100% of our volumes are covered by suppliers committed to a NDPE policy.</td>
</tr>
</tbody>
</table>

**READ MORE ABOUT VANDEMOORTELE’S SUSTAINABLE DEVELOPMENT**

**READ VANDEMOORTELE’S SUSTAINABILITY REPORT**

**VISIT VANDEMOORTELE’S PAGE ON TFT TRANSPARENCY HUB**
www.tft-transparency.org

**CHECK OUT VANDEMOORTELE’S RSPO CERTIFICATE AND ANNUAL COMMUNICATION ON PROGRESS**
www.rspo.org

**FIND MORE FACTS AND FIGURES ABOUT PALM OIL**
www.duurzamepalmolie.be

**Belgian Alliance for Sustainable Palm Oil**
www.huiledepalmedurable.org

**French Alliance for Sustainable Palm oil**
www.taskforceduurzamepalmolie.nl

**Dutch Alliance for Sustainable Palm Oil**
www.aceitedepalmasostenible.es

**Spanish Alliance for Sustainable Palm Oil**
www.raspalma.org
VANDEMOORTELE PALM OIL SOURCING CHARTER

CONTEXT
As one of Europe’s leading food manufacturers, our margarines and fats and frozen bakery products are consumed by millions of people. Palm oil is an ingredient in various of our products, so we are fully aware of the important role we have in the procurement of palm oil. Because of its very high land use efficiency, we believe palm oil is one of the most sustainable edible oils currently available.

However, the palm oil sector has been criticised because of unsustainable practices, such as deforestation and disrespectful treatment of the communities living and working in the palm oil producing countries. We believe it is our responsibility to supply our customers with palm oil that has no connection to deforestation or exploitation of the people living and working in the areas it is produced. Therefore, we recognise the urgent need to transform the palm oil sector by changing the way we source our palm oil.

OUR PALM OIL JOURNEY
Vandemoortele has been a member of the Roundtable for Sustainable Palm Oil (RSPO) since 2009. In 2011 Vandemoortele committed to source 100% certified sustainable palm oil by end 2015 for our consumer brands.

In 2013, recognizing the importance of traceability in helping to transform the palm oil industry, we became a founding member of the French Alliance for Sustainable Palm Oil. We are an active participant in many other initiatives to promote the uptake of sustainable palm oil.

In 2014 we became a member of TFT, a global non-profit organisation focused on the delivery of responsible products. We have pushed further in our journey and committed to only use traceable, deforestation-free and exploitation-free palm oil.

A STRONG COMMITMENT
We are committed to only sourcing palm oil from suppliers who guarantee to meet the following criteria:

- No development on High Carbon Stock (HCS) forests and High Conservation Value (HCV) areas.
- No development on peatlands, irrespective of depth.
- No burning to clear land.
• Fully respecting human rights, including the right to Free, Prior and Informed Consent (FPIC) of indigenous and local communities for plantation developments on land they own legally, communally or by custom

IMPLEMENTATION
In making sure these criteria are respected in our supply chain, we will work with TFT and our suppliers in two phases:

- A first phase of traceability: we will support the work of our suppliers toward building supply chains in which palm oil can be traced back to the mills.

- A second phase of transformation: work with suppliers to perform assessments, implement action plans, supporting them to make any improvements required to meet our criteria. This second phase will be introduced gradually as progress is made in the traceability phase.

In addition, as we realise that smallholder farmers are a critical part of the palm oil industry, we aim at contributing to building solutions for smallholders to ensure that also they can be involved in and benefit from sustainable palm oil production.

TIMEFRAME
By the end of 2015, in partnership with our suppliers, we aim to have 100% traceability at least up to the mill level. We will engage our suppliers to plan compliance with our criteria immediately.

After achieving a 100% traceable supply to the mill level by end of 2015, we will define a timeline to reach full compliance with our criteria. From today we expect our supply chain to identify the high priority growers and support them on the journey towards compliance.

Measure and report
We will continuously measure progress towards our traceability goals and compliance with our criteria. On an annual basis we will publicly report on progress in a transparent way, so that all our stakeholders can verify that we are fulfilling our commitments.

OUR SUPPLIERS’ ROLE
It is very important to have committed supply partners who share our values. We remain highly reliant on the progress made by our suppliers on the traceability and deforestation-free work. Therefore we ask our suppliers to regularly and transparently report to us.

We will actively support its suppliers in their work. If however we do not see adequate progress, we will direct our suppliers to find alternative sources that do meet our criteria and are qualified to supply our business.
ANNEX: DEFINITIONS

High conservation value (HCV) areas are areas that contain items of biological, social or cultural value that it is important to conserve, including rare, threatened and endangered species and their habitat. Please visit the HCV Network website for more information.

High carbon stock (HCS) forests include primary forests, high, medium and low-density forests and regenerating forests. Greenpeace, TFT and industry partners have developed and are trialing a HCS framework and identification tool. Please read The High Carbon Stock Forest Study Report for more information. Vandemoortele expects its suppliers to continue to adopt best practices for identifying HCS as they are developed for different contexts. Other definitions can be acceptable as long as they are scientifically sound and recognized by our stakeholders.

Peatlands are areas with soil that contains more than 65% organic matter.

Jules Noten* CEO

*On behalf of Jules Noten Comm. V
VANDEMOORTELE SOY SOURCING CHARTER

CONTEXT
Vandemoortele purchases soybean oil, mainly for use in margarines, and to a lesser extent other soy ingredients, such as soy flour, bran and flakes for use in bakery products. Soy is also embedded as animal feed in animal-derived products, such as dairy, eggs and meat. We use these in various of our products. Soy is grown in several parts of the world, including Brazil, Argentina and the USA. Most of the soy used in Europe is grown in South America. Unfortunately, an increasing amount of the soy produced in this region over the past two decades has resulted in a number of negative effects on the environment, as well as on local communities. A major issue relating to the environment is deforestation, together with its wider effects, such as loss of biodiversity and the emission of greenhouse gases. Another environmental problem is the use of unauthorised pesticides in growing soy. Social problems include the poor working conditions under which farm workers and others involved in the production of soy have to work. Land rights are also an issue when large-scale agriculture expands aggressively into new areas.

There is clearly an urgent need to transform the soy sector. As approximately 75% of soybean is used for animal feed, the feed sector has a significant role in leading this transformation. At the same time, food manufacturers will need to change the way in which they source soy through a strong focus on responsible sourcing in the supply chain.

A STRONG COMMITMENT
We believe it is our responsibility to supply our customers with soy products that have no connection whatsoever with deforestation, whether directly or in embedded form. We have been a member of the Round Table on Responsible Soy (RTRS) since 2011. The RTRS Standard for Responsible Soy Production is applicable on a worldwide level and assures soy production that is socially equitable, economically feasible and environmentally sound. Vandemoortele has reported on its progress to the RTRS since 2015.

It is our aim to source for our consumer brands 100% certified sustainable soy, both direct and embedded, by the end of 2017. We make use of the RTRS credits system.

Jules Noten* CEO
*On behalf of Jules Noten Comm. V
VANDEMOORTELE PAPER AND CARDBOARD PACKAGING SOURCING CHARTER

CONTEXT
Van demoortele buys paper and cardboard materials, mainly for primary and secondary packaging purposes. For primary packaging, which is in direct contact with the product, we use virgin paper or paper cardboard. For secondary packaging, we use corrugated cardboard, which is recycled where possible.

Paper and cardboard ultimately come from plantations and forests. While most timber is harvested from well-managed forests and plantations, illegal logging and the destruction of old-growth and high-conservation-value forests is still taking place.

A STRONG COMMITMENT
We see it as our responsibility towards our customers to ensure that our products do not contribute to deforestation in any way. We do this in several ways.
In the first place, we are looking for smart packaging design alternatives that keep the resources consumed in our packaging to a minimum.
Secondly, it is our aim to use recycled materials in our packaging where possible.
If recycled materials are not an option (because of direct contact with food, for example), we opt for virgin materials that are certified sustainable.
In the case of certified materials, we require that they are certified against the Forest Stewardship Council (FSC) or the Programme for Endorsement of Forest Certification (PEFC) schemes. Both these international organisations are committed to ensuring that the forests are managed responsibly by taking social, ecological and economic factors into account.

Our aim is to ensure that, for our consumer brands, by the end of 2018, paper bags, solid cardboard and corrugated cardboard packaging are made from recycled or certified materials. By 2020, all paper and cardboard packaging materials for our consumer brands should be recycled or certified sustainable.

Jules Noten* CEO
*On behalf of Jules Noten Comm. V
VANDEMOORTELE EGG SOURCING CHARTER

CONTEXT

VANDEMOORTELE purchases eggs, mainly for use in our bakery products and the sauces.

Cage egg production present inherent animal welfare problems, most notably by their small size and barren conditions. Hens are unable to engage in many of their natural behaviours and endure high levels of stress.

Cage-free egg production, while not perfect, does not entail such inherent animal welfare disadvantages and is a very good step in the right direction for the egg industry.

An important step in 1998 was Council Directive 98/58/EC on the protection of animals kept for farming purposes which gave general rules for the protection of animals of all species kept producing food, wool, skin or fur or for other farming purposes, including fish, reptiles or amphibians. These rules are based on the European Convention for the Protection of Animals kept for Farming Purposes Search for available translations of the preceding and they reflect the so-called Five Freedoms.

The Five Freedoms is a core concept in animal welfare. It states that an animal's primary welfare needs can be met by safeguarding the following five freedoms:

- Freedom from Hunger and Thirst by ready access to fresh water and a diet to maintain full health and vigour.
- Freedom from Discomfort by providing an appropriate environment, including shelter and a comfortable resting area.
- Freedom from Pain, Injury or Disease by prevention or rapid diagnosis and treatment.
- Freedom to Express Normal Behaviour by providing sufficient space, proper facilities and company of the animal’s own kind.
Freedom from Fear and Distress by ensuring conditions and treatment which avoid mental suffering.

VANDEMOORTELE’S COMMITMENT

At VANDEMOORTELE we care about animal welfare. We believe it is our responsibility to supply our customers with eggs that have no connection to negative animal welfare issues. That’s why we commit to use only cage-free eggs (*) as of 2019. For the eggs used in our sauces we even go further and use only free-range eggs and this already since 2016.

(*) apply to all the eggs, egg powders, egg yolks, egg yolk powders, egg whites, egg white powders we purchase.

Jules Noten* CEO
*On behalf of Jules Noten Comm. V
Vandemoortele’s Supplier Code of Conduct

In line with our mission statement, guiding principles and sustainable development policy, Vandemoortele is committed to ensure responsible conduct on ethical, social and environmental issues. This Code of Conduct summarises the requirements to which Vandemoortele adheres and which Vandemoortele also asks its suppliers to commit. These requirements are prepared in accordance with the 10 principles of the UN’s Global Compact.

**Business is conducted lawfully and with integrity**
All forms of corrupt practices, such as bribery, extortion, fraud and unlawful restrictive trade practices are strictly prohibited.

**Working environment and social conditions comply with international frameworks**
The supplier shall support and respect internationally declared human rights and treat its employees fairly, equally and with respect.

**All workers enjoy freedom of association**
All workers are free to exercise their right to form and/or join trade unions or to refrain from doing so and to bargain collectively.

**Work is conducted on a voluntary basis**
No form of forced labour or compulsory labour is permitted.

**All workers are of an appropriate age**
Child labour is not accepted. The age limit set in the laws of each country shall be respected and regardless of the country’s legislation children under the age of 14 years shall never be hired. The supplier must not employ any young workers under the age of 18 to perform any work that is likely to be hazardous or harmful to their health and safety.

**Working hours for all workers are reasonable**
Working hours must comply with national legislation and agreements with trade unions.

**All workers are paid fair wages**
Wages, benefits and overtime compensation shall at least comply with national legislation and agreements. The wages of employees are paid on a regular basis.

**All workers are treated equally and with respect and dignity**
No worker shall be subject to any physical, verbal or psychological abuse or other form of intimidation. There is no discrimination in employment, including hiring, compensation, advancement, discipline, termination or retirement. Discrimination based on ethnic groups, colour, gender, political or religious convictions, belonging to a union or a specific social environment, or any other situation is prevented.

**Worker’s health and safety are protected**
Health, safety and other workplace standards must meet all local laws and safety regulations. Accidents and work-related injuries have to be prevented.

**Business is conducted in a manner which reduces environmental impact**
The supplier shall comply with national laws and shall adopt a precautionary approach in its business operations. Vandemoortele expects its suppliers to actively work on emission reductions to the air, soil and water and on more efficient use of natural resources.

**Supplier declaration**
The undersigned supplier has read the Code of Conduct, and understands that business with Vandemoortele depends upon full compliance with this Code. Vandemoortele reserves the right to make inspections to ensure that this Code of Conduct is being enforced. These inspections may be performed by an independent third party and may be unannounced. In case the supplier fails to comply with the terms of this Code of Conduct and if improvements are not made within an agreed time period, Vandemoortele may terminate its business with the supplier.

The Vandemoortele Group Supplier Code of Conduct is applicable for all companies of the Vandemoortele Group (Vandemoortele NV and affiliated companies).

This Vandemoortele Group Supplier Code of Conduct forms an integral part of the Vandemoortele General Purchase conditions for the delivery of ingredients and packaging and the Vandemoortele General Purchase conditions for the delivery of goods, services and works. (consultable on http://www.vandemoortele.com/en/terms.htm)

The supplier is by its signature below committed to this Code of Conduct.

Company: ________________________
Date: __________________________
Signature: ________________________
Print name/Title: __________________

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Vandemoortele NV – Registered seat Moutstraat 64 B-9000 Ghent – Tel. +32 9 242 45 11 – Fax. +32 9 242 45 20
Our position on palm oil

Key message

Vandemoortele is committed to sourcing palm oil that is traceable, deforestation- and exploitation-free as well as certified sustainable.

Background

Palm oil is the most commonly used vegetable oil for food and non-food purposes across the world. In the tropical belt of Southeast Asia, Africa and parts of South America it is used as a common cooking fat. Worldwide it is used as an ingredient in the food industry because of its excellent sensory characteristics and functional properties. The global demand for palm oil has increased significantly, and it is still increasing, as no other alternative edible vegetable or animal oil exists in sufficient quantities and offers the same functional properties.

However, European public opinion has three main areas of concern regarding the use of palm oil in food products: its effects on the environment, on society, and on health.

1. Environmental concerns

Palm oil production has been linked to deforestation and the loss of peat lands. Both of these hazards cause the loss of biodiversity and the endangerment of animal species. If unregulated, palm oil production can hinder the sustainable development of natural ecosystems.

Despite these concerns, there are important environmental advantages to using palm oil. Above all, palm is the most efficient oilseed crop in the world. Palm trees produce the highest yield per hectare (an average of 3.7 MT oil per hectare per year), requiring much less land use than any other vegetable oil alternative. One hectare of oil palm produces 5-10 times more oil than other vegetable oil crops. Palms provide 39% of the global vegetable oil production, while they occupy only 7% of oilseed agricultural lands.

This high productivity, together with the worldwide growing demand for oils and fats, has encouraged the increase of palm oil production.

2. Social concerns

In some instances, the land conversion required for palm oil production has negatively affected the lives of workers and smallholders, as well as some indigenous and local communities.

However, palm oil production also contributes significantly to the economic development of regions where it is produced. For example, palm oil production provides an important source of revenue for millions of smallholder farmers in Southeast Asia and Africa. In this way, it plays a vital role in rural development and poverty reduction.
A right balance must be found between the conservation of the natural environment on the one hand, and the needs of the local community in terms of economic benefits and social viability on the other.

(3) Health concerns

In some European countries, palm oil is perceived as an unhealthy fat. In those countries, thought leaders, retailers and politicians, among others, try to ban palm oil in food and promote “palm-free” products.

However, there is no scientific proof that consumption of palm oil is related to any specific health concern. Health experts recommend a reduction of saturated fatty acid (SFA) intake from all sources – not only from palm oil, but also from butter and cream, for example. From a nutritional perspective, the total fatty acid composition, and in particular the ratio of SFAs to unsaturated fatty acids (UFAs) of the food “as consumed”, is important.

In actual fact, palm oil has a rather balanced composition in terms of fatty acids. It contains saturated and unsaturated fatty acids in near-equal amounts (50% SFAs/50% UFAs). In foods, palm oil is most often used with other vegetable oils and fats with different fatty acid profiles, which together determine the total fatty acid composition (SFAs and UFAs) of the final food.

Scientific studies have shown that, due to its specific fatty acid composition, palm oil does not increase the ratio between total and LDL-cholesterol and the risk of cardio-vascular mortality. The negative impact of SFAs is offset by the positive impact of the UFAs present in palm.

What is more, other nutrients (such as vitamin E and A) that are also naturally present in palm oil are also beneficial to health.

Palm oil is considered a healthy alternative to partially hydrogenated oils and fats containing trans fatty acids (TFAs). The use of palm oil in food has made it possible to reduce TFAs in food products without increasing the total sum of SFAs and TFAs.

Our position

Vandemoortele is a significant buyer of palm oil for use in food products. We use palm oil mainly because of its excellent functional properties and sensory characteristics. Due to its higher melting point, palm oil is naturally solid at 20°C and gives an excellent feel when tasted. Palm oil also offers the right structure for a final smooth and creamy texture.

What’s more, in terms of land use efficiency and productivity, as well as socio-economic development, palm oil can deliver significant benefits. When produced in a sustainable way, palm oil has clear environmental and social advantages compared to other vegetable oils and fats.

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1 Prof. Jean-Michel Lecerf (april 2011), Huile de palme: rapport nutritionnel, (Institut Pasteur)
Vandemoortele is committed to sustainable palm oil sourcing. We are a member of the Round Table of Sustainable Palm (RSPO), GreenPalm and The Forest Trust (TFT). In our Palm Oil Sourcing Charter, dated 1 December 2014, we clearly describe our commitment to responsible palm oil sourcing. Clear targets have been set for fully traceable, deforestation-free and exploitation-free palm oil, as well as for certified sustainable palm oil. We have also committed to publicly reporting on our progress at least annually (www.vandemoortele.com/values). In addition, we encourage our customers to use certified sustainable palm oil and to become members of GreenPalm and/or of the RSPO.

Finally, we believe that palm oil can deliver clear and significant benefits for human nutrition and health. Palm oil has a balanced fatty acid composition, and its use in food has made it possible to reduce TFAs in food products through the replacement of partially hydrogenated vegetable oils and fats, which have a negative impact on health. Specifically, palm oil contributes positively to public health by allowing food manufacturers to optimise the total fat composition of many food products.

After carefully evaluating global, scientific research, Vandemoortele has reached the conclusion that, when sourced in a sustainable way, palm oil is a suitable edible oil for use in the food industry.

**Vandemoortele’s roadmap to sustainable palm oil**

We have been promoting sustainable palm oil for many years. Below are some of the highlights of our efforts in this area.

- **2009** Vandemoortele becomes a member of the Round Table of Sustainable Palm (RSPO) and GreenPalm.
- **2010** Vandemoortele starts using 100% certified sustainable palm oil for branded retail margarines.
- **2010** Vandemoortele earns RSPO certification for all its production sites for margarines, culinary oils and fats (MCOF).
- **2011** Vandemoortele strengthens its commitment to use 100% certified sustainable palm oil for all its consumer-branded products by the end of 2015.
- **2011** Vandemoortele publishes its first RSPO Annual Communication on Progress (ACOP).
- **2012** Vandemoortele obtains RSPO certification for seven bakery production sites, becoming one of the first companies in the sector to do so.
- **2013** Vandemoortele becomes a founding member of the French Alliance for Sustainable Palm Oil.
- **2014** On 14 February, Vandemoortele becomes a member of The Forest Trust (TFT), committing itself to traceable, deforestation-free and exploitation-free palm oil.
- **2014** Vandemoortele launches the Vandemoortele Palm Oil Sourcing Charter, the key elements being:
  - 100% certified sustainable palm oil by the end of 2015 for branded consumer products
  - 100% of palm oil traceable to known sources (i.e., mills) by the end of 2015
- Commitment to engage with palm oil suppliers to eliminate deforestation, protect peat lands and fully respect human rights
- Commitment to report publicly on annual progress

2015 Vandemoortele becomes a founding member of the Belgian Alliance for Sustainable Palm Oil, having also actively participated in other national initiatives promoting the uptake of sustainable palm oil.

2015 Target of 100% certified sustainable palm oil in consumer-branded products achieved. (June)

2016 All our production sites using palm oil become RSPO-certified.
Affiliations

RSPO
The objective of the Roundtable for Sustainable Palm Oil is to promote the growth and use of sustainable palm products through a system of certification and audits, based on credible standards and commitments of stakeholders across the entire supply chain (plantations, processors, traders, NGOs, etc.). For more information, visit www.rspo.org/certification

GreenPalm
GreenPalm operates the Book and Claim supply chain option of the RSPO (Roundtable on Sustainable Palm Oil). This supply chain option is one of four provided by the RSPO to either support or use certified palm oil and palm kernel oil. For more information, visit www.greenpalm.org

TFT
The Forest Trust helps its members to turn their values into clear policies, principles and guidelines. “TFT – traceable, deforestation-free and exploitation-free palm oil” means:

- Fully traceable to mill level
- No clearing of high-carbon stock forests
- No clearing in areas of high conservation value
- No planting on peat lands, irrespective of depth
- No burning
- Full respect for human rights, including the right of indigenous and local communities to free, prior and informed consent

For more information, visit www.tft-earth.org
Our position on saturated fats

Key message

Public health can be significantly improved by replacing saturated fats with unsaturated fats in our diets.

Background

Fats are an essential part of a healthy and well-balanced diet. Together with carbohydrates and proteins, they provide most of the energy in our diet.

Many different dietary fats and oils are used in the food industry to create a wide variety of tastes and textures. Over 90% of these dietary fats are in the form of triglycerides – compounds linked to fatty acids. These fatty acids may be either saturated fatty acids (SFAs) or unsaturated fatty acids (UFAs). SFAs are typically of animal origin and solid at room temperature (such as butter and lard), while UFAs are usually liquid at room temperature, examples being fish oils and the majority of vegetable oils. Food products may contain varying proportions of SFAs and UFAs.

Fats high in SFAs increase the level of low-density lipoprotein cholesterol (LDL-cholesterol) in the blood. LDL-cholesterol can increase the chances of cardiovascular disease, and because of this it is considered “bad” cholesterol. For this reason, based on the research from health authorities around the world, the World Health Organisation recommends limiting the intake of SFA to a maximum of 10% of total energy intake. In the majority of countries across the world, and especially in Western countries, current intakes of SFAs exceed this recommendation.

UFAs, by contrast, lower the level of “bad” LDL-cholesterol in the blood and reduce the risk of cardiovascular disease. Replacing SFAs with UFAs helps to maintain normal blood cholesterol levels, and recent studies confirmed that replacing SFAs with UFAs reduces the risk of developing coronary heart disease.
Our position

Vandemoortele supports the WHO recommendation to limit the intake of SFAs to a maximum of 10% of our energy intake. We also subscribe to the view that replacing SFAs with UFAs in our diets has a positive effect on human health.

Our products contain varying amounts of SFAs. Over recent decades, we have significantly reduced the content of SFAs in our products, especially in margarines and spreads. These positive results have been achieved both by lowering the overall fat content and by replacing SFAs with UFAs. The development of semi-liquid margarines is an excellent example of our progress in this area.

Furthermore, in 2013, we founded the Vandemoortele Centre for Lipid Science and Technology at the University of Ghent. The purpose of the Centre is to improve the health value of fats by gaining new scientific insights and developing technological innovations.

We are committed to continuously optimising the SFA content of our products, while also preserving their excellent quality and taste.

5 EFSA opinion of the scientific panel on dietetic products, nutrition and allergies on a request from the Commission related to the presence of trans fatty acids in foods and the effects on human health of the consumption of trans fatty acids (Request EFSA-Q-2003-022), adopted on 8 July 2004.
Our position on trans fats

Key message

Trans fatty acids (trans fats) in margarines and fats no longer pose a danger to public health. This is thanks to the food industry’s ongoing and self-imposed efforts over recent decades to reformulate food products so that they contain fewer trans fatty acids.

Background

Fats are an essential part of a healthy and well-balanced diet. Together with carbohydrates and proteins, they provide most of the energy in our diet. However, not all fats are healthy for us.

Trans fats – also known as trans fatty acids or (TFAs) – are a case in point. They are a type of unsaturated fat that occurs in both animal and vegetable fats. TFAs in animal fat occur naturally, and are formed by the microbial flora in the stomach of ruminants, such as cows, goats and sheep. These TFAs are present in the milk, butter, cheese and meat products derived from these animals. Most TFAs in vegetable fat are formed when vegetable oils are converted into solid fats in a process called partial hydrogenation.

The TFAs present in both animal and vegetable fats are chemically identical to each other, but differ in the quantities in which they occur. According to the European Food Safety Authority (EFSA), there is no scientific evidence suggesting that, when consumed in the same amounts, TFAs in animal and vegetable fats differ in how they affect health.¹

However, whether in animal or vegetable fat, TFAs do have a negative impact on health, specifically on cholesterol levels. Consuming TFAs increases not only the total level of cholesterol in the blood but also low-density lipoprotein cholesterol (LDL-cholesterol or "bad cholesterol"). At the same time, it decreases high-density lipoprotein cholesterol (HDL-cholesterol or "good cholesterol").

The reduction in HDL-cholesterol specifically caused by TFAs means that, at equal intakes, the ratio of total cholesterol to HDL-cholesterol increases


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much more compared to saturated fatty acids (SFAs). Because of this, TFAs are considered a significant risk factor for cardiovascular disease compared to SFAs. The World Health Organisation recommends limiting the intake of TFAs to less than 1% of total energy intake.

In light of these concerns, most EU countries have now lowered the intake of non-ruminant TFAs in food so that it is below the level that would create a public health concern. This successful result was achieved by the voluntary efforts of the food industry to reformulate products.

**Our position**

Vandemoortele recognises that TFAs, both from animal and vegetable fat, have a negative effect on human health, and that their presence needs to be reduced to below the level that make them a public health concern.

Over the past 20 years, due to extensive innovation and technological efforts, the average the levels of TFAs in our own products has been brought down to below 2% of the total fat content, which is below the level of health concern. At the same time, the total sum of SFAs and TFAs has not increased.

In line with our efforts so far, we will continue to work to further reduce the TFA content of our products. Furthermore, we are encouraging and assisting our customers to use margarine and fat products for their products that have a maximum of 2% TFAs (of total fat basis).
1 EFSA Panel on Dietetic Products, Nutrition, and Allergies (NDA); Scientific Opinion on Dietary Reference Values for fats, including saturated fatty acids, polyunsaturated fatty acids, monounsaturated fatty acids, trans fatty acids, and cholesterol. EFSA Publication. Parma, Italy: European Food Safety Authority, 2010. 107 p. (The EFSA Journal; No. 1461).


5 EFSA opinion of the scientific panel on dietetic products, nutrition and allergies on a request from the Commission related to the presence of trans fatty acids in foods and the effects on human health of the consumption of trans fatty acids (Request EFSA-Q-2003-022), adopted on 8 July 2004.
Our position on sugar

Key message

Vandemoortele supports the World Health Organization's recommendation that people should reduce their energy intake from sugar. One way we do this is by offering customers and consumers a wide range of sweet and savoury products containing varying amounts and types of sugar. This makes it easy for them to choose products that are most appropriate for their diet.

Background

Sugars are types of carbohydrates (mono- and di-saccharides). They are naturally present in many foods, such as fruits, grains and honey. They are also added to foods during the manufacturing process for a variety of purposes – to enhance sweetness, to improve texture and colour, or to prolong shelf life, for instance.

Sugars, like any nutrient, can have a negative impact on health if consumed in excessive quantities. They provide the human body with 4 kcal of energy per gram. This means that, depending on an individual's energy requirements, consuming sugar may result in an excessive intake of energy. In turn, this may give rise to non-communicable diseases, such as Type 2 diabetes, or increase the risk of cardiovascular problems.¹

In 2015, the WHO recommended reducing the intake of free sugars to less than 10% of total energy intake. In the same year, the European Commission proposed that the proportion of added sugars in food products should be reduced by at least 10% by 2020.²

Our position

Sugar is a key ingredient in many of Vandemoortele's bakery products, especially in our range of our indulgent sweet products. As sugar not only contributes to the sweetness of our products, but also has certain essential
functional properties, it is a continuing challenge to reduce sugar content without hampering taste and mouthfeel. As many of our products are consumed as an indulgent treat, taste and mouthfeel are of critical importance in helping us meet consumers’ and customers’ expectations.

In order to cater to different health requirements, Vandemoortele is committed to offering customers and consumers a wide range of sweet and savoury products. These enable them to make appropriate food choices without compromising on taste. In addition, throughout our indulgent sweet product range, we are developing innovations that enable people to reduce their intake of sugar. These innovations include products with reduced portion sizes, or in which added sugars have been reduced or partly replaced, preferably using natural alternatives.

At Vandemoortele, we believe that the best way to help consumers make well-informed food choices that fit in with their diet is to provide transparent, accurate nutrition labelling. Accordingly, we are ready to participate in industry-wide initiatives to lower sugar intake (just as we have previously taken part in initiatives to reduce salt content).

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1EU Framework for National Initiatives on Selected Ingredients – Annex II: Added Sugars; 2015
2WHO Guideline: Sugar intake for adults and children; 2015
READ MORE ABOUT VANDEMOORTELE’S SUSTAINABILITY STRATEGY


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