



Seven Zwanenberg themes for
Corporate Social Responsibility

Space to **excel** and to **innovate**

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'International - fast decision-making - innovation - the development of food concepts and brands - corporate social responsibility: these are matters that characterise Zwanenberg Food Group.'

Aldo van der Laan
Chairman en Chief Executive Officer

Maarten Elsinga

Aldo van der Laan

Grety Gerritsen

Sjoerd van der Laan



Zwanenberg Food Group (ZFG) produces and sells food products, including meat, meat products, snacks, soups and sauces and vegetarian products for various domestic and foreign markets. Our company exports canned meat to more than 100 countries worldwide.

Zwanenberg has its own production companies in the Netherlands, the United Kingdom and the United States and its own sales offices in various countries. Furthermore, ZFG operates all over the world with independent agents and distributors.

There are ever more stringent requirements for the production of food. In the field of food safety, animal welfare and the environment, but also in the field of (for example) working conditions and ethical entrepreneurship. In this way companies are encouraged to act professionally and socially responsible. In addition, it creates a 'level playing field' with opportunities to excel and innovate.

We distinguish seven CSR themes, namely:



Health and wellness:

Consumers are entitled to honest and healthy products which are produced in a sustainable way with high-quality ingredients.



Animal welfare:

Animal welfare is high on the agenda for us and our suppliers.



Supply chain management:

Zwanenberg's objective is to promote sustainability in all links in the chain.



Climate and the environment:

Zwanenberg conducts an active policy to reduce CO2 emissions from its factories.



Social accountability:

Zwanenberg conducts a pro-active social policy and accounts for its actions.



Ethical trading:

The integrity of our staff and business partners around the world is of crucial importance.



Sustainable profit:

Making a profit is a necessary condition to be able to continue to invest in people, innovative processes and products, and therefore a precondition for the continuity of our business.

Health and wellness



Originally Zwanenberg Food Group was a meat processing enterprise. Meat is an important source of protein, iron, vitamin B12 and minerals. However, Zwanenberg wants to broaden its horizon towards a genuine 'food group' which also makes other products such as soups, sauces, vegetarian and vegetable products.



"Our vegetable burger provided the basis for the development of other successful vegan products, such as the vegetarian smoked sausage that we produce for Unox and the four vegan Kips products that we introduced in 2018. We have the ambition to be a genuine 'food group'!"

Tjeerd van der Laan
Sales Group Manager Snacks

In the 21st century Zwanenberg has already taken steps in this direction. Our production plants in the United Kingdom for instance also produce snacks, puddings and ready meals. In the United States - next to meat - (canned) convenience meals are being produced, such as stews and chili. In Europe our vegetable burger was introduced in 2015.

Zwanenberg acquired Unilever's factory in Oss in 2018. In addition to smoked sausages and frankfurters a variety of soups and sauces are produced there. Under the well-known Kips brand, exciting new vegan products were introduced at the end of 2018, including vegan liver sausage, paté and filet Americain.

In short, Zwanenberg makes products that meet changing consumer needs. The company has built up considerable knowledge in the field of raw materials, finished products, processes, logistics and sustainability.

Safe and responsible

Consumers are entitled to safe, affordable and tasty products. ZFG meets all the requirements in the field of food safety (including HACCP [Hazard Analysis Critical Control Points], BRC [demands set by the British Retail Consortium] and IFS [International Food Standard]). All production plants are certified and are periodically audited.

Health

ZFG is highly pro-active as regards the relationship between consumption and health. Zwanenberg is in favour of consuming in the context of a healthy lifestyle: a balanced diet and sufficient exercise.

Less salt and saturated fats

The Association for the Dutch Meat Products Industry (VNV) has started an industry-wide initiative to reduce salt in food. Various supply chain partners including Zwanenberg Food Group and the Dutch Food Industry Federation (FNLI) have agreed to take steps to further reduce salt and saturated fat in food products. This ambition is also in line with the 2014 Agreement to Improve Product Composition (AVP).

Supermarkets and caterers are convinced that a joint approach can stimulate concrete steps to reduce sodium and saturated fats in products. For many years Zwanenberg has offered product ranges that contain less saturated fat and salt. In addition, Zwanenberg has offered an assortment with low-fat and light (or diet) variants. Our Dutch local top brand Kips offers a growing number of low-fat products as well as vegan products.

Innovative food concepts

Zwanenberg offers its employees the space to develop innovative products. Purple Bee Hive, an initiative of Zwanenberg Food Group, introduced the vegetable burger in 2015: a tasty and responsible alternative for people who prefer not to eat meat every day. In 2018 delicious vegan meat substitutes were introduced which are hardly distinguishable from the original in terms of taste and texture.

We are constantly researching modern professional skills at Zwanenberg. The question we ask is: how can artisanal processes be turned into innovative processes with new technologies, whilst the product remains just as tasty, but the techniques are more sustainable by reducing waste, less use of drinking water and energy savings in the preparation?

Animal welfare



Zwanenberg Food Group does not have its own slaughter capacity anymore. We purchase our meat from third parties. Animal welfare is a social issue that we take very seriously. In addition to the regular channels we recognise that there is a demand for meat products with additional requirements in the field of animal welfare. As a family business Zwanenberg is able to respond quickly to such market developments.

These days consumers have more options to choose their meat products. In the countries where Zwanenberg is active there are strict laws and regulations in the area of animal welfare. Zwanenberg Food Group places high demands on its suppliers in this area, and regarding quality, hygiene and sustainable business operations.

Better Life Quality Mark

ZFG processes more and more meat with the 1 star Better Life Quality Mark (BLK) issued by the Dutch Animal Protection Organisation ('Dierenbescherming'). This means that the animals have more space, better diversionary material against boredom, are not castrated and are transported over shorter distances.

The share of 1 star BLK meat was only 1% back in 2013. In 2018, it had risen to 25%. Our target is to make our assortment even more sustainable in the coming years.

Between 2013 and 2018, the volume for BLK 2 star meat increased by 88%.



"We take the subject of animal welfare very seriously. Examples of this are strict demands on our suppliers, increasing attention to our organic range, cooperation with the Animal welfare organisations in building sustainable supply chains and transferring knowledge about this to our customers in the Netherlands and abroad."

Laurens Droste
Senior Strategic Buyer Meat

Supply Chain Management



Farmers are at the beginning of the food chain. At the end of the chain is the end consumer, each with his or her specific needs. Zwanenberg has knowledge of the entire production chain. Together with its chain partners Zwanenberg introduces high quality food concepts, with or without meat.



Quality requirements for suppliers

ZFG maintains strict demands on suppliers; not only regarding product quality, but also in the field of corporate social responsibility (CSR). For example, a supplier must comply with all our demands in the field of animal welfare. For the supply of other goods high quality standards also apply. If a supplier repeatedly does not meet these requirements, the relationship will be ended.

Co-creation with trading partners

ZFG works in close cooperation with trading partners (such as suppliers) to come up with sustainable solutions. An example is to promote lighter and bio-degradable or recyclable packaging. We consult with retailers to think up attractive shop designs and food concepts.

Social issues

Zwanenberg Food Group is aware of its position and role in the production chain. We closely follow social developments such as the increasing concern for food safety. The company anticipates and responds to market developments, such as taste trends, the growing demand for convenience meals, and increasing interest in wellness and health. We develop new products and concepts, together with packaging manufacturers, equipment manufacturers, customers and ingredient suppliers.

Climate and the environment



Zwanenberg views the minimisation of the impact on the environment as a logical part of good business operations. Saving energy, waste reduction and reducing CO2 are all part and parcel of the efficient use of raw materials and productivity. Benchmarking is carried out between our production sites, whereby various key figures in the areas of energy and water consumption per tonne of product are compared with each other.



“Zwanenberg UK focusses on the reduction of all waste streams associated with our operations with considerable success. Although it is not possible to eliminate all waste from our business we have established robust processes for reuse and recycling.”

Jonathan Ashmore
Managing Director
Zwanenberg Food UK

“Through intensive logistic cooperation the efficiency has greatly improved. As a result CO2 emissions per unit have been reduced.”



Jan-Peter Müller
Managing Director Müller
Fresh Food Logistics

Reduction in energy consumption

All ZFG production sites work with an integrated company environmental plan (CEP) and an energy saving plan (ESP). Dealing with energy in a responsible manner plays an important role at ZFG. Energy efficiency has greatly improved during the past decades. The energy consumption involved in investment plans is one of the criteria when assessing these. ZFG has participated in the various MultiYear Energy Efficiency Agreements. These agreements include an annual improvement in energy efficiency.

In 2017 a heat pump was installed in Oss, the Netherlands, that produces hot water for the sausage factory. This heat pump, which required a substantial investment, consumes much less energy than the old solution (heat exchangers and steam) and requires significantly lower maintenance costs.

Registration = improvement

We register and evaluate consumption of raw materials and packaging materials, gas, electricity and water. This way we can always achieve significant improvements.

Compliance with laws and regulations

Our production sites comply strictly with all environmental laws, directives and regulations. This requires an impeccable policy as regards operating licences, regulated waste water discharges and compliance with all standards in the areas of noise, smell, waste registration, storage and dispatch.



“Consuming less energy is just common sense. Better for the environment and better for your wallet.”

Greta Gerritsen
Chief Financial Officer

Sustainable logistics

The ZFG Logistics Department is dedicated to efficient storage, transport and distribution. This is not only cost-efficient; it also has a positive impact on the environment because we reduce the number of logistical movements.

The organisation of our logistics in the Netherlands is outsourced to Müller Fresh Food Logistics. This company has won multiple awards for the drastic reduction of CO2 emissions (minus 36% in five years time). Optimal efficiency is combined with the lowest possible environmental impact by keeping logistic movements to a p minimum and through proven successful concepts such as CarCooling.

At our own production sites we have installed charging stations for electric cars.

Reusing water

Water consumption in ZFG is measured to the drop. Water that is used in the cooling process is reused in the sterilisation process and heat is recovered. Monitoring takes place constantly on the basis of an efficiency index.

Water treatment Corby (UK)

In October 2018 the Corby factory opened a new biological water treatment plant. This new installation ensures that the water used in the manufacturing process is clarified and can be drained via the main sewer system.

Air is injected into the dirty water so that there is a separation layer between the water on the one hand and fats and proteins on the other. Fats and proteins are removed with a scraper. These are used as fuel for a biogas installation that generates energy.

Sustainable use of cooking oil

Cooking oil is used in snack production such as satay in Corby and Almelo. By controlling the temperature the aging process of the cooking oil slows down. The result is that we can now continue operations a few days longer with the same oil. Not only substantial environmental benefits are realised, but also a substantial annual saving.

Packaging: less waste, more recycling

Packaging is necessary for efficient, hygienic and safe transportation to wholesalers, retailers and consumers as well as for the shelf life of our products.

In recent years we have asked our suppliers to think about lighter packaging. The results have been especially striking with regard to tin cans (packaging optimisation). The solution generates more efficient transportation and less waste.

At our plant in Almelo, the Netherlands, steel cans have even been completely replaced by the much lighter aluminium. This leads to a lower CO2 emission per unit partly as a result of lower fuel consumption during transport. In addition, pallets are reused and we make less use of so-called tertiary packaging.



"Zwanenberg Food Group invests substantially in the development of its employees through training and education."

Mathijs Praas
Human Resources Manager

Human Resources

Staff

Zwanenberg employs some 1,400 FTEs including more than 800 in the Netherlands, 460 in the United Kingdom and 140 in the United States. We have a corporate policy that aims to encourage diversity. Our employees have excellent prospects at all levels to further develop their professional knowledge and skills.

Zwanenberg's social responsibility is not just limited to its own employees. It reaches further into the chain and affects all our trading partners as well as our neighbours, potential employees and other individuals who are interested in our company.

Zwanenberg Food Group in the Netherlands:



	Male	Female	Total
Number of employees	629	196	825
%	76.24%	23.76%	100

Human-resource policy principles

Principles of our human resources policy are dealing carefully and respectfully with manpower and equipment. Our objective is that our staff feel at home and have the opportunity to develop themselves personally and professionally.

Treating each other respectfully

Zwanenberg communicates transparently with its stakeholders, including its employees. We have a proactive policy in the area of sexual harassment and discrimination. Zwanenberg has adjusted its privacy policy following the General Data Protection Regulation (GDPR) that came into force in May 2018.

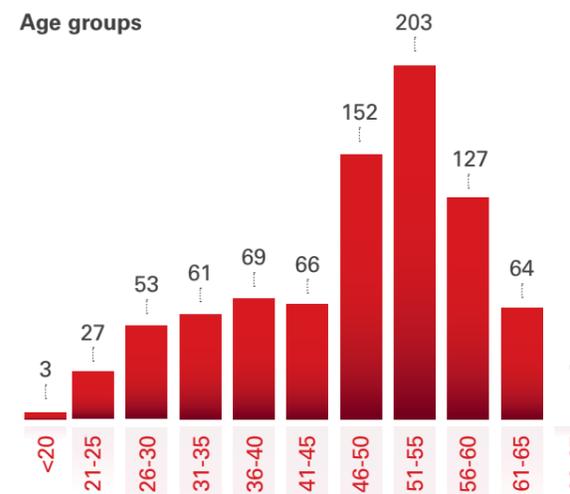
Employment

Zwanenberg is open-minded as far as hiring long-term unemployed people is concerned.

Training and courses for all

Investments in cooperation, training, working conditions and communication about vision and mission lead to knowledgeable, motivated and loyal employees. ZFG offers its employees numerous courses in the areas of production, meat (technology) management, sales, finance, how to run meetings, negotiation and presentation skills. We run our business on the principle of continuous improvement: 'A bit better every day'.

Age groups





Continuous development with Dutch secondary Vocational Education (MBO)

Employees from various Zwanenberg locations have either attained a recognised MBO certificate or are still on a course. The courses range from MBO Level 1 to MBO Level 4. This includes training courses for all-round operator, manager, etcetera. These courses are recognised nationally and – in collaboration with the educational institution – are fully adapted to our own production processes.

HACCP, Health & Safety and Working Conditions

Zwanenberg Food Group's food safety systems are based on the Hazard Analysis Critical Control Points (HACCP). Practical training courses on this subject as well as on matters of health and safety and working conditions (such as courses in prevention and lifting) are organised at our production sites on a regular basis.

Employee participation

Zwanenberg has a Works Council in which the section committees of all Dutch sites are represented. The Works Council is concerned with participation in the widest sense of the word and is – consistent with the Dutch law - consulted on all kinds of matters that affect the company, such as acquisitions and production relocation.

Health

ZFG aims to hire flexible and multifunctional staff. If an employee is incapacitated, we will help him or her to recover as soon as possible and resume work. The welfare of other employees must not be jeopardised.

Illness prevention

Prevention is better than cure. That is why Zwanenberg Food Group takes measures aimed at preventing absenteeism and industrial accidents as much as possible. An example is Personal Protective Equipment (PPE). This has a preventive function. Employees are required to use it if the nature of their work demands this. Examples are hearing protection, safety footwear, thermal clothing and safety glasses.

“Going forward, Zwanenberg Food Group USA will be focused on a continuous improvement process across all our business disciplines including those surrounding the group's commitment to sustainable practices that are good for our company, customers and consumers.”



Robert Russo
Chief Executive Officer, ZWAN Food USA

Preventive Medical Examination (PMO)

Preventive Medical Examination summarises the health risks of employees. With this data health problems and absenteeism can be prevented or limited.

Safety and health measures

The Risk Inventory and Evaluation (RI&E), required by Dutch occupational health and safety legislation, and the health and safety catalogue which was developed by the meat industry are suitable instruments to make an overview of the security and health risks within our locations. Furthermore, in accordance with the occupational Health and Safety Ordinance, a prevention officer has been appointed within ZFG. This colleague helps create the RI&E and advises the management on safety, health and well-being. There is a regular exchange with the Works Council Section Committee (OC) and the location management team.

Physiotherapy

One of the company physiotherapist's tasks is to signal burdensome work situations and resolve them if necessary. In consultation with the plant manager and Human Resources action will be taken, such as customising the work area. The company physiotherapist also organises consultation on site and he is in touch regularly with the company doctor or absence consultant to achieve optimum absenteeism guidance. The company physiotherapist is active at a number of sites.

Lifestyle

Employees with a healthy body and a resilient mind keep our company sharp. The employee has the responsibility to care for body and mind. If necessary he or she will visit a GP or specialist or consults the company doctor timely in order to consult an expert if necessary to avoid absence.

Following the results of the Preventive Medical Examination (PMO) employees can get advice about their lifestyle and thus improve their health. Executives within ZFG have to set an example.

Ethical trading



Integrity

Zwanenberg Food Group conducts its business with all its trading partners in a transparent way. Zwanenberg only buys raw materials and ingredients which do not involve abusing the natural living environment or over-exploitation.

Our objective is to have a sustainable relationship with suppliers and customers. We are always in search of potential alliances. For us, doing business revolves around trust and co-creation with the ultimate goal of mutual enhancement. This is for example how we purchase goods on the basis of locally responsible circumstances and conditions.

Zwanenberg only wants to work with pro-active suppliers who – like us – show a commitment to achieving the above. A strict anticorruption policy is part of this.

No child labour

ZFG does not buy raw materials or products that have been manufactured using child labour. In the Netherlands, Zwanenberg's home base, strict laws apply.

Furthermore, Zwanenberg Food Group requests its suppliers and other business partners to express their policies with regard to child labour and anti-corruption measures. Should business relations fail in one or more of these areas in the view of Zwanenberg Food Group, these matters will be discussed. If they fail repeatedly, Zwanenberg Food Group may decide to terminate the business relationship unilaterally.

ZFG's policy is laid down in the note 'Zwanenberg Food Group's stance on child labour' dated April 2016, and a Code of Conduct (revised and updated in March 2018).

Sustainable profitability



Zwanenberg Food Group is a family business that was founded in 1929. (The history of the ZWAN and Zwanenberg brands which were acquired in 1996 even goes back to 1875.) The characteristics of our company are dynamism, innovation and entrepreneurship. Profitability is a necessary precondition for continuity. Profits enable us to keep investing in people, training, working conditions, cleaner production methods, low-energy equipment and many other sustainability measures.



“Recent successful product innovations are our ‘Better Life’ products, vegetable burgers and vegan products. We innovate both with and without meat!”

Thea Smit-Dekker
Corporate manager
New Product Development



“Every three years Zwanenberg chooses a different charity to which we make substantial financial contributions.”

Jo-Anne Krepel-van der Laan
Marketing Manager

Zwanenberg considers the following issues to be strategic and operational priorities:

- the development of new (international) markets
- the development and launch of top quality food concepts
- building upon our brands
- Corporate Social Responsibility (CSR)

The strategy of Zwanenberg Food Group is built upon the following pillars:

International sales

For many decades Zwanenberg has been looking far beyond national borders. More than 75% of our company's sales come from exports. Again and again we discover and cultivate new markets rich in prospects and expand our existing markets.

Segmental approach

Prospective market segments are explored and pro-actively approached with specific food concepts. Convenience meals in the US and the UK, ZWAN trolleys in African countries and vegetarian and vegan products in Europe are good examples.

Innovation in product and brand development, food concepts and technology

The innovative capacities of ZFG are expressed in the development of new food concepts. Sometimes this involves new concepts for new market segments; at other times these are further elaborations of existing products. Examples include the development of a product range with lower sodium and saturated fat contents, convenience meals and various vegan products.

Social activities

Zwanenberg enables many social activities, both in the Netherlands and abroad. These are some examples:

- Every three years Zwanenberg Food Group supports an (international) charity with substantial financial contributions. Examples from the past are The Health Promoters, Oxfam Novib and War Child.
- Local distributors in various African countries operate trolleys from which local entrepreneurs are able to sell ZWAN products and make a living.
- In the Netherlands, which is Zwanenberg's home base, we support many social initiatives and organisations either financially or otherwise, including the Food Bank.
- From a community perspective, the staff of the Corby site of Zwanenberg UK are supporting the local palliative care hospice 'Lakelands'. Staff and managers are arranging various events to raise money for the facility.

“Continuing to supply top quality foods worldwide. That is our mission.”

Sjoerd van der Laan
CEO Zwanenberg International



Zwanenberg Food Group

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