

FAIR ORIENTAL, A(HIEVING SUSTAINABILITY AMBITIONS THROUGH BEST PRACTICES

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Foreword

Inproba BV doesn't just want to create the best and best value oriental products - we also want to produce them in a responsible manner. With natural, sustainable raw materials and in a safe way. Whilst paying attention to people and the environment. Here and in the countries where our raw materials come from. We consider that Fair Oriental: fair for the consumer, friendly for the environment and with care for society.

Responsibility as a matter of course

We regard our social responsibility as a matter of course. Which is why, in addition to our food safety and quality policy, we have also stipulated a CSR policy. We work with plenty of ambition for corporate social responsibility. That drive is derived from our understanding that we form part of society. Both as a manufacturer of high-quality products and as a good employer for people in the Netherlands and the countries where our raw materials come from. We regard this corporate community investment as an essential part of our right to exist.

"Quality assurance and sustainability form the heart of our Fair Oriental company philosophy. You get value for money, we are concerned for the environment and take a critical look at sustainability and working conditions. Here and in the countries where we source our raw materials." - Rob Libbenga, Director of Inproba BV

CSR integration in our company

Inproba BV focuses on four pillars: environment, raw materials, corporate community investment and safety. Together we have set CSR goals that relate to these pillars.

We aim to fully integrate CSR in all areas of our business operations. With climate change in mind, and based on our desire to leave a cleaner and fairer Earth behind for future generations, our main focus for the coming years will lie on achieving a climate-neutral* organisation by 2020.

Another focus is on the continuing sustainability of our main raw materials, including sambal, in which we have conducted Rainforest Alliance sustainable supply chain certification this year in close cooperation with our main suppliers. Major steps concerning the sustainability of prawn crackers are currently being investigated. We also see the recent launch of a 100% organic range earlier this year as a sustainable milestone in the history of Inproba.

Inproba will successfully achieve its CSR goals by involving all our employees, suppliers, customers and other stakeholders.



Sustainable Development Goals (SDG's)

As you have read in our foreword, we work ambitiously to achieve corporate social responsibility and focus our activities on four primary areas: the environment, raw materials, social involvement and safety.

The CSR targets we have set relate to all these primary areas, and we have taken the UN's Sustainable Development Goals (SDGs) as a guideline.

In the words of the United Nations in its proposal for a new global agenda; the Sustainable Development Goals define 17 goals and 169 targets to make the world "a better place in 2030". The goals and targets are intended to put an end to poverty, inequality and climate change.

SUSTAINABLE GALS DEVELOPMENT GALS





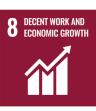
































When we look at the 17 SDGs, our focus homes in on the following objectives:

- 1 No poverty
- 2 Zero hunger
- 3 Good health and well-being
- 6 Clean water and sanitation
- 7 Affordable and clean energy
- 12 Responsible consumption and production
- 13 Climate action
- 15 Life on land
- 17 Partnership for the goals









Care for the environment

We want to do everything we can to contribute to a beautiful, clean and healthy living environment for future generations. Which is why we focus on working in an environmentally aware manner within the organisation and we are reaching agreements with our customers and suppliers in relation to complying with environmental requirements deriving from the ILO guidelines etc. We have signed the Baarn Climate Covenant 2030 and, as the only production company in Baarn to do so, will significantly contribute to reducing the C02 footprint of the Municipality of Baarn in 2020 through a climate-neutral organisation* (scope 1 & 2).

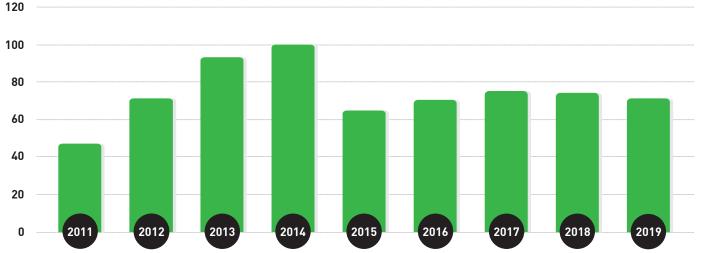
Objectives realised in 2018

- Less pollution: despite increasing production, the number of pollution loads is still falling in relative terms. In 2018, we achieved a reduction of 22% compared to 2014. By 2019, we expect to achieve a reduction of about 25% compared to 2014, despite the continued significant increase in production output in recent years.
- **Fuel savings:** through the purchase of our electric/hybrid car fleet, now 7 in total, we contribute to further fuel savings in commuting and business travel. Inproba's car policy relating to the purchase of new passenger cars calls for compliance with an emissions value of no more than 120 grams of CO2 per kilometre in standard trim
- **Wind energy:** from January 2016, all our electricity requirements were transferred to 100% Dutch wind energy. Inproba's annual energy requirement is generated by the equivalent of one wind turbine.
- **Reduction of our CO2 footprint:** the switch to 100% wind energy in 2016 has resulted in a reduction of roughly 60% relative to our former CO2 footprint in 2015.
- **Reduction in biomass waste:** optimising biomass capture increased the production of biogas. The research into better cleaning technologies resulted in the purchase of new boilers (end of October), pipework, and new technology that is expected to yield even greater savings.
- Less food waste: we have minimised food waste by improving the metal detection systems for unpackaged products, investing in 3 endof-line metal detectors for packaged products and donating surplus batches of packaged food to the food bank.
- Sustainable labour participation project: operators and team leaders have taken part in a series of training courses to improve ergonomics and mobility with the aim of ensuring their long-term deployment without physical complaints. This project was followed up by implementation of the new Risk Assessment & Evaluation RI&E.

On schedule for 2019

- Reduction of our CO2 footprint:
 Inproba's target is to achieve full
 climate-neutral* operation by 2020.
 In 2019, half of the remaining CO2
 footprint will be compensated by
 purchasing Gold Standard certificates
 for the "Cook stove Project Ghana"
 in collaboration with ENECO. This
 will result in fully CO2-neutral gas
 consumption. The remaining CO2
 footprint will be compensated in 2020.
- Solar energy: a study initiated within the framework of the Baarn Climate Covenant into the use of (part of) the roof for installing solar panels for third
- party use (i.e. the residents of Baarn) is nearing completion, and expected to result in a positive assessment. This study was commissioned in collaboration with the Municipality of Baarn and the Baarn Climate Covenant 2030 Foundation.
- Reduction of biomass waste: our biomass will be reduced even further through additional investment in specific cleaning technologies, new hot water boilers and piping, and the introduction of the CEVA box as a replacement for IBC containers. Investments in more end-of-line metal detectors
- will ensure an optimal balance between food safety and minimum food waste.
- Residual waste reduction: external research (by Milgro waste management) indicates a recycling rate of more than 90%. Despite the good score relative to the industry average, the company is still looking at ways to separate recyclable materials more effectively and reduce residual waste to a minimum. New research into bulk packaging should clarify the potential for further residual waste reduction.

VE Development 2011-2019





Use of sustainable raw materials

Our products come from nature. For Inproba, it is therefore very important that we handle our raw materials and the way in which they are produced in a sustainable manner. When selecting and assessing suppliers of our raw materials, membership of organisations that promote sustainable production (e.g. ProTerra, Global G.A.P., Rainforest Alliance, EU organic and EKO) is an important consideration.

2017-2019

- Non-GMO: Within Inproba, we don't use any genetically modified organisms.
 - Read more about our non-GMO policy.



- CO2 footprint associated with our 700 ml chilli sauce: in a benchmark comparison between our PET bottle versus a reference product, i.e. the same chilli sauce packaged in a glass bottle by a producer in Thailand, it was found that Inproba's chilli sauce causes 41% less C02 emissions. The study was carried out by LuTz Consulting based on an environmental impact LCA.
- FSC® certified paper and cardboard: All* the paper and cardboard purchased by Inproba has been FSC certified, and therefore comes from responsibly managed forests, since June 2018. This applies to all forms of packaging (labels, boxes, paper sheet, secondary packaging, trays, etc.) and our company stationery and copying paper.

 - *> 99%. Read more about our FSC policy.
- Organic products: In 2016, Inproba obtained SKAL EU organic certification, and the beginning of 2017 saw the first production and supply of organic sambal. Jumbo Supermarkets decided to sell Inproba's organic range in June 2019 and this product range is now available nationwide.

- Research into making the sambal supply chain more sustainable: Inproba was awarded funding for this research under the IMVO Voucher scheme (subsidized by the Ministry of Foreign Affairs). The research identifies realistic opportunities for making the sambal supply chain more sustainable. As a result of this initiative, Inproba has set up a strategic alliance with a new supplier, taken action to make the current supplier's value chain more sustainable and entered into collaborations with several Dutch and international NGOs in developing countries. The two main suppliers of chilli peppers and their farmers have been succesfully audited under the
- Participation in the 'Transparent about Sustainability' **pilot project:** this pilot project is funded by the Ministry of Agriculture, Nature and Food and implemented by The Questionmark in collaboration with Wageningen University & Research and The Sustainability Consortium. As one of the twelve leading companies participating in this project, Inproba participates as one of the 12 frontrunners with the product group sambal. **Q**uestionmark

Rainforest Alliance certification scheme.

Cage-free eggs only:

For the past few years, Inproba has been using only raw materials (or their derivatives) for which cage-free eggs are

















Use of sustainable raw materials - sequel

2017-2019:

- Soy: RTRS/ProTerra: Inproba purchases only non-GMO products. Because we also want to contribute to sustainable cultivation of soy beans in a way that protects people and the environment, we only purchase soy from Asia, Europe or North America (where the major problems associated with soy production hardly play a role) or we buy soy from South America under the ProTerra quality mark. This quality label goes a step further than RTRS and guarantees both an environmental and human-friendly crop and a strictly non-GMO crop. Read our soy policy here.
- CSR in the supply chain: All our suppliers fulfil at least the seven most important criteria (out of 10) of the International Labour Organization (ILO). During audits and conversations, this is discussed in further detail. During the course of 2019, all suppliers of raw materials and packaging will once again be subjected to a new CSR assessment in the form of a supplier survey. The questionnaire, which combines ILO & BSCI aspects, provides information for a risk assessment and physical audits will be carried out to check compliance.

- We transport the raw materials as few kilometres as possible
- Transportation of as few kilogrammes as possible (such as unnecessary transportation of water, for example).
- Sustainable packaging: an internal study into the possibilities of making packaging, particularly plastic packaging, more sustainable is currently ongoing. Inproba already meets a number of the objectives of the Covenant on Sustainable Packaging 2025 drawn up by FNLI (the Dutch food industry federation) and CBL (the Dutch food retail association). We will start to offer r-PET bottles in 2019. Black plastic packaging is already being phased out because it is not recyclable. In addition, research will also be carried out this year into the options for making incoming bulk packaging more sustainable in order to reduce our footprint in this area as well. Please click this link for details of Inproba's MOSH/MOAH policy.

















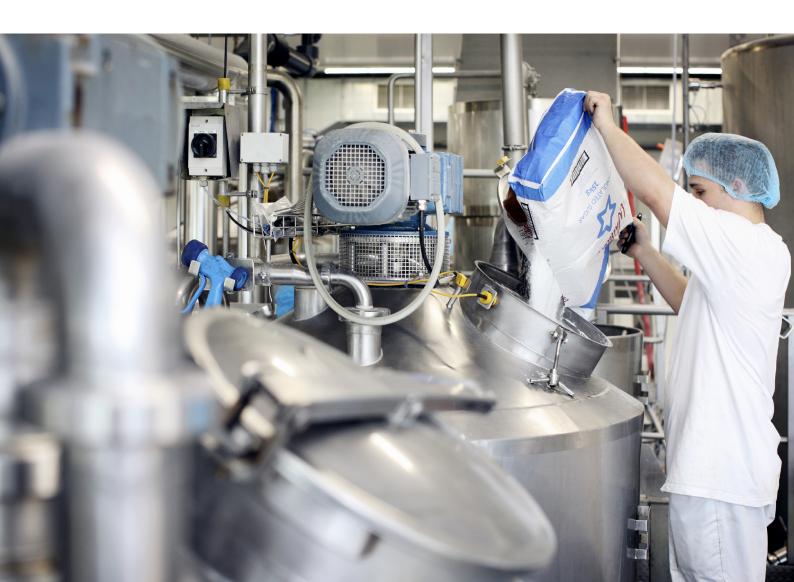


Focus on safety

Safety for our employees forms a central part of the production process. By producing a Product Risk Assessment Evaluation, we have made different problems visible and action is being taken to make each situation as safe as possible. This risk assessment will be conducted again at fairly regular intervals so that constant improvements can be made.

2016-2019:

- RI&E review: In 2016, external research by HAS critically reviewed the current RI&E in terms of occupational health and safety legislation and internal compliance on the shop floor. This project has been incorporated in the new RI&E. In order to lighten the operators' workload, a significant investment was made in an automatic loading station for PET bottles in 2019. Further investments will be made in 2020, including two depalleting machines to reduce physical strain for operators.
- **Quit smoking programme:** a ban on smoking in Inproba's building came into effect on 1 April 2019. All employees and agency workers can enrol for a 'quit smoking' course.
- **Integrity policy:** Inproba introduced an integrity policy procedure for employees, which also includes a whistleblower scheme, at the end of 2017.
- **Food Defence:** all operators and team leaders receive regular Food Defence training. In addition to the camera surveillance equipment installed in 2016 (both inside and outside the building) and a new time registration and door security system, a secure fence was installed around the entire site in 2017.
- Social and medical team: in 2016, a social and medical team
 was formed, made up of three external professionals an
 occupational health and safety doctor, an HR specialist and
 a lawyer to look after employee welfare and support them
 through reintegration activities.





Heart for society

We buy the ingredients for our products from different countries - often countries where the population are having a harder time than in the Netherlands. We like to demonstrate our corporate community investment in these regions in particular. We also support regional projects and organisations, both in the form of a financial contribution and in the form of products.

Sponsorship activities at home and abroad 2016-2018:

- **Agricultural support for Nepal:** Inproba entered into a partnership with Icfon/ISARD in Nepal in 2016 and currently sponsors one of their projects in Northern Nepal. The aim is to educate and train families from different villages to help them earn a permanent income from agriculture and cattle breeding. As a result, hundreds of farming families are now successfully growing fruit and vegetables on their own land. They grow at least enough for their own needs, with some surplus that they sell at the market to build a financial buffer for leaner times. The new kitchen gardens, greenhouses and terraces with irrigation systems, initiatives designed to fertilise the land, the purchase of seeds and farming training programmes (including the efforts of Junior Technicians in Agriculture) have significantly boosted the harvest and therefore the farmers' income. In 2018, approximately 5,600 people had benefited from the annual financial contribution that Inproba has made available since 2016. The target is to triple the annual income of around 450 families from € 500 to € 1,500 by 2020. More information about the collaboration between Inproba and ICFON
- **Sports clubs and associations in Baarn** and its immediate area have received sponsorship money.
- Primary schools and student associations have received sponsorship for projects.
- Events in and around Baarn have received sponsorship in kind and money.
- The Food Bank and Inproba are working more closely together, with Inproba now able to send an increasing number of Private Label as well as its own products to food banks. This works both ways; it combats food waste, and people in need have access to greater variety. In 2018, a record number of pallets of surplus food were donated to the local food bank, Voedselbank Amersfoort, through our programme to prevent food destruction and waste.
- Encourage **healthy food** (both internally and externally).
- In 2019 we have become **Business Supporter** of **WWF**. With our donation we contribute to their Early Warning System to prevent deforestation in Borneo (Southeast Asia), a region where the expansion of palm oil plantations, among other things, leads to large-scale deforestation. Read more.

Milestones for society in 2018/2019:

• Sugar reduction: in 2018, we introduced Chilli Sauce Sweet with 50% less sugar (compared to similar sweet chilli sauces). This product was also one of the winners in the 'Chosen Product of the Year 2019' competition. Read more



- Inproba organic: in June 2019, we introduced our organic range backed up by an EU quality mark. Read more.
- Fair ingredients: in recent years, Inproba has improved a large number of recipes by switching to fair-trade ingredients, reducing the use of sugar and salt and limiting artificial additives as much as possible. Read more.

Objectives for 2019:

- **Salt/sugar reduction:** we want to encourage a further reduction in the use of salt and sugar. For each recipe, we will investigate the extent to which the quantity of salt and sugar can be reduced further within microbiological and organoleptic limits.
- More nature: we will use natural fragrances, colourings and flavourings as far as possible and strive to achieve Clean Label where possible.
- Research into solar energy generation: Extensive research into the possibility of using part of Inproba's roof for photovoltaic systems (solar panels) for the benefit of the residents of Baarn. The study is a collaborative initiative set up by the Baarn Climate Covenant 2030 Foundation, the Municipality of Baarn and energy cooperative Energiek Baarn. The project, which is currently ongoing, aims to determine whether the roof has sufficient load-bearing capacity for the equipment required to generate solar energy for roughly 500 to 700 households in Baarn.















Closing words

Inproba proactively engages in dialogue with its stakeholders, particularly NGOs such as WWF Indonesia, MVO Nederland, the IDH, Rainforest Alliance International, MSC and FSC. Since 2016, there has been positive collaboration with the Netherlands Enterprise Agency with a view to making chains more sustainable and matchmaking with potential suppliers abroad.

The collaboration with the Baarn Climate Covenant 2030 Foundation, an initiative of the Municipality of Baarn, NGOs, citizens and businesses in Baarn, is intended to contribute to achieving the Covenant's target of making the Municipality of Baarn climate-neutral by 2030. Inproba strives to guarantee climate-neutral operations by 2020. To achieve that goal, a number of investments have already been made in new buildings and technical installations. Further investment will follow in the coming years to support a climate-neutral* organisation.

* Scope 1&2 climate-neutral means that we take responsibility for our own emissions in the immediate scope of our influence, and thus which Inproba can control. This concerns parameters such as the use of electricity, gas, water, company cars and trucks and waste-related aspects, including biomass.

Baarn, 4 December 2019





















