Dear reader,

Within Aviko, sustainability has grown into one of the most important elements of the company’s profit and continuity. Creating value from potatoes: that has been Aviko’s motto for the past 50 years. An ambition that is becoming more relevant every day. Our sustainable approach is characterised by the fact that we use virtually everything nature offers us. This way, we make the most of our resources. We are convinced that this efficiency will, in the long term, prove profitable for people, planet and Aviko. In other words: people, planet, and potatoes.

Four years ago we began to track our sustainable activities. We had many good intentions and a few clear objectives - yet we felt there was a lot to be gained still. Over the last four years, we have made substantial progress. We proudly present our second Corporate Social Responsibility Report.

Aviko is making good progress. Every year we have been saving 2% more energy compared to the previous year. An effort not to be underestimated! Over 15% of the energy we consume originates from renewable sources. Regarding transport, we have achieved a substantial reduction of CO₂ emission, by transporting more than 25% of the exported goods to countries outside of Europe over (Dutch) waterways, to seaports such as Rotterdam. And we are continuing our efforts. The temperature-controlled facilities currently being built in Steenderen are an important step in the reduction of carbon footprint. Finally, our potato products are becoming increasingly healthy. By using healthier fats, less salt and fewer allergens, our products can be consumed as part of a balanced diet.

We see tremendous opportunities for the future. When choosing initiatives, we must listen closely to those around us. What do our neighbours, the consumer and society organisations expect of Aviko? The development of the temperature-controlled facilities have been discussed with the people living in the vicinity of Steenderen. Through meetings with representatives from Steenderen, we have informed the local population about our reasons and plans for building a multi storey warehouse. In addition to our global efforts around sustainability, we support the local community and charities. For example, for the past 20 years we have been heating the Steenderen swimming pool with residual heat from our factory.

Our CSR initiatives contribute, amongst other factors, to a sound financial position in the long term. With this edition of our CSR report, we hope to inspire everybody to continue along these chosen paths. When doing this, we always bear one important fact in mind: it is our employees who make a concrete contribution to corporate responsibility each and every day.

The Management Team of the Aviko Group
It all started in 1962, when the yield of the potato crop was high and supply was bigger than demand. A group of farmers decided together to process potatoes in order to increase the value of the potato. They founded the Aardappel Verwerkende Industrie Keppel en Omstreken (Potato-processing Industry Keppel and Surroundings), or the Aviko Group (www.aviko.com). It would be the start of an international success story.

Our inspiration
Aviko makes safe, healthy and delicious potato products. Our challenge is to use all by-products as efficiently as possible. We are guided in our activities by different principles: living up to taking responsibility and knowing what moves the market — it is inspiration that makes the difference. The result is a reliable, innovative and market-oriented company.

Satisfied customers
Our customers value Aviko, in customer satisfaction surveys, for being innovative and reliable. Customers choose Aviko for the high quality in products and services. Which is also why 80% of them would recommend Aviko to others. Customers give us an overall score of 8. (Source: continuous customer-satisfaction survey by Integron)

Active worldwide
In 2013 Aviko was the second largest potato-processing company in Europe (market share: 22%) and the fourth largest worldwide (market share: 8%).

Our main office is located in Steenderen, the Netherlands. Aviko delivers to 110 countries. For a long time now, the processing of potatoes consists of two main activities. The largest activity is Aviko Pre-fried & Boiled Potato Products, production and sales of potato products (www.aviko.com).

The second activity, Aviko Granules & Flakes, produces dried potato products for the food industry. Potatoes and scraps, generally originating from our Pre-fried & Boiled Potato Products division, are pureed, dried and then converted into flakes and granules (www.rixona.com). The processing of various by-products, such as potato peels from various processing industries, has been placed with Duynie (www.duynieholding.com).

Since 2012 this company, Duynie Holding, has been part of our parent company Cosun. In terms of the quantitative data, therefore, in this report we only provide information on the activities of Aviko Pre-Fried & Boiled Potato Products and Aviko Granules & Flakes. All figures relate to the year 2013, unless otherwise indicated.
Royal Cosun
Since 2002 Aviko has been part of Royal Cosun (www.cosun.com). Royal Cosun is an agricultural-industrial group that is firmly embedded in the primary sector. The companies that are a part of Cosun include Aviko, Duynie, Sensus, Suiker Unie, SVZ, and Cosun Biobased Products. These manufacture ingredients and products intended for the food industry, food service, and retail. Increasingly, they are also used as components in non-food applications. Royal Cosun was founded over 110 years ago by Dutch sugar-beet growers who joined forces in a cooperative. The cooperative today has around 9,400 members/shareholders and has developed into a corporation employing some 3,500 people with an annual group turnover of approximately € 2.2 billion.

<table>
<thead>
<tr>
<th>Subsidiary companies</th>
<th>Aviko Pre-Fried &amp; Boiled Potato Products</th>
<th>Aviko Granules &amp; Flakes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Aviko, Aviko Potato, Aviko Poland, Aviko Norden, Aviko Lomm, Aviko Cuijk, Aviko Germany, Aviko Eurofreeze, Aviko Snow Valley, Amberger</td>
<td>Rixona, Aviko Gansu</td>
</tr>
<tr>
<td>Products</td>
<td>50% frozen chips 30% fresh chips 20% specialty potato products</td>
<td>Dried potato products for the food industry (granules, flakes)</td>
</tr>
<tr>
<td>Sales (in millions €)</td>
<td>615</td>
<td>90</td>
</tr>
<tr>
<td>Number of employees</td>
<td>1382</td>
<td>378</td>
</tr>
<tr>
<td>Customers</td>
<td>- Retail organisations approx 20% - Quick service restaurants approx 10% - Restaurants/institutions approx 70%</td>
<td>- Retail organisations approx 15% - Food industry approx 75% - Restaurants/institutions approx 10%</td>
</tr>
<tr>
<td>Production locations</td>
<td>Cuijk (NL), Lomm (NL), Steenderen (NL), Proven (BE), Rain am Lech (DE), Ober Dollingen (DE), Helsingborg (SE), Laholm (SE), Harplinge (SE), Lębork (PL), Chabei (CN)</td>
<td>Venray (NL), Warffum (NL), Zhangye (CN)</td>
</tr>
<tr>
<td>Sales representatives</td>
<td>Sales in more than 100 countries worldwide, with representatives in: France, Spain, Italy, Czech Republic, Hungary, Poland, Russia, Latvia, Denmark, Sweden, China, USA (Florida), Columbia, Brazil, Uruguay, Japan (Tokyo), Australia (Sydney), and the UAE (Dubai).</td>
<td>The Netherlands, China</td>
</tr>
</tbody>
</table>
With a natural product such as the potato, corporate social responsibility (CSR) is obvious. In 1985 Aviko had already received the King Willem I Plaque for Environment and Energy, for the pioneering role we played in environmentally friendly production. We see that efficient processes in the factory lead to higher quality, cost reduction and environmentally friendly enterprise. It is a win-win situation.

In the past years, awareness of corporate social responsibility has further increased. Energy shortages, obesity and rising landfills increasingly lead us to wonder: how can we ensure in our production that the worldwide environmental and health problems do not increase? Or even: how do we reduce these issues?

Or, to connect with the definition of sustainability of the UN’s Brundtland Committee from 1987: how do you meet the needs of the present without threatening the ability of future generations to meet their own needs? We operate from a number of core values that are characteristic of Aviko: high quality, passionate, optimistic, smart, and inspiring.

**Objectives**

To bring the three Ps of sustainability (People, Planet, Profit) into greater balance, we established a workgroup in 2010. This workgroup formulated the following objectives:

- We operate responsibly and create value by using healthier fats in our products
- We work as efficiently as possible with natural resources and the environment by using 10% less fossil fuels per kilo of processed product, by saving 100 litres of water per tonne of processed potatoes and by using less packing film in 2012 compared to 2008.
- We conduct ourselves as a responsible employer with greater attention for healthy behaviour and a life-stage-oriented personnel policy.
- We utilise as many of the properties of the potato as possible.

**Communication with stakeholders**

We base the choice of our sustainability activities partly on what stakeholders demand of us. We consult regularly with the major stakeholders: our employees, the members of the Royal Cosun cooperation, suppliers, customers and consumers. Our CEO, for example, is part of the Royal Cosun CSR platform. This platform meets two to three times a year to exchange experiences with CSR. Through Royal Cosun we hold discussions regarding CSR on an industry level within the Dutch Food Industry Federation (FNLI) and the Dutch Potato-processing Industry Association (VAVI). Cosun is also a member of the Dutch Biorefinery Cluster, in which leading companies in the agro food sector and the paper industry exchange knowledge, experiences and facilities to more fully realise the value of biomass.
Pillars

Pillars of sustainability
In this sustainability report we will describe what we have achieved. We describe the results based on the following four themes:

• Sustainable agriculture
• Efficient plant and logistics
• Healthy consumer
• Valuable employee

We are in fact identifying the entire chain: from cultivation through the factory and to the consumer. Our employees are given particular attention. They are, after all, involved throughout the entire chain and determine the success of our sustainability activities.
“I want to optimise the use of our resources.”
Aviko would like to contribute to increasing the level of sustainability in the agricultural industry. In these efforts, the greatest focus is naturally on the potato itself, which represents approximately 90% of our purchases of agricultural crops (1.7 million tonnes annually). The other 10% comprises plant-based oil (5%, approximately 28,000 tonnes) and vegetables, meat, fish and herbs (5%).

Sustainable agriculture is often associated with organic growing and the use of natural rather than artificial fertiliser. However, in the large-scale production of potatoes needed for Aviko, this is not our starting point: our focus regarding sustainability particularly involves the efficient use of resources. This also applies to the potatoes themselves. From the very early stages of the potato growing process, we minimise the use of water and crop-protection agents. And afterwards our continuous attention is focussed on optimising the sustainability of our product flows. How to make maximum use of the crop? And how to minimise residual streams?

The efficient potato
The potato is an efficient agricultural crop. During cultivation, for example, potatoes use 287 litres of water per kilo of dry material. Which is considerably less water than rice, for example, which uses approximately 2,497 litres of water per kilo of dry material. The potato also grows faster and is more climate-proof than most other crops. Moreover, 85% of the plant is edible, as compared to 55% for grains.

Potatoes also consume CO₂ while growing. Based on the FAO calculation method (www.fao.org), we have calculated that Aviko’s potatoes extract approximately 600,000 tonnes of CO₂ from the air each year. The cultivation of potatoes contributes to the reduction of CO₂ emission. Naturally the cultivation of potatoes will indirectly also cause CO₂ emissions, for example during the production of fertiliser and crop-protection agents. We continually consider the total emissions and extraction in the chain.

Matthijs Meijer
Manager Agronomy and Projects
Sustainable varieties
The potato, is an efficient crop. Still, there are differences among varieties and Aviko is always looking into possibilities to develop new, more efficient varieties. However, to develop a new variety requires at least ten years. It is a difficult and lengthy process to cultivate new and more sustainable varieties. A process we try to accelerate by learning from other crops. When cultivating new tomato varieties, innovative technologies are used that produce earlier results. These so-called True Breeding technologies we would like to apply to our potatoes, in order to bring out the best and most sustainable properties. Together with partners in the breeding chain, we look for new possibilities. Another point of attention during the cultivation process is the breeding of potato varieties that use less water and contain more dry matter, so there isn’t any excess water present in the potato that needs to be removed at a later stage during the production process. This way, we study the potato’s properties right at the source, to minimise losses later during the process.

In consultation with our growers
More than 50% of the total volume of potatoes processed by our production locations in the Netherlands is grown by Cosun cooperative members. Aviko works closely with the Dutch growers in a Comittee of Potato Growers. These representatives of Aviko growers negotiate a fair price for the potatoes and act as a sounding board and advisory council for Aviko. The committee consists of an average of eight growers from various regions.

Once a year a meeting is held with all growers. In 2012 a special department was set up within Aviko, comprising agricultural specialists (agronomists), which supervises and advises growers by means of study groups during the cultivation and storage of potatoes.

We feel that this Agronomy department is a big step in the right direction. It means we closely collaborate with our growers by ensuring downstream integration and a greater involvement throughout the chain. We are coaching these growers and notice an increased social engagement. Today we are increasingly purchasing products directly from growers, rather than through wholesalers. These shorter lines allow smooth collaboration throughout the chains.

<table>
<thead>
<tr>
<th>Product</th>
<th>Number of litres of water required per kg product</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>15,415</td>
</tr>
<tr>
<td></td>
<td>2,497</td>
</tr>
<tr>
<td></td>
<td>1,827</td>
</tr>
<tr>
<td></td>
<td>1,222</td>
</tr>
<tr>
<td></td>
<td>920</td>
</tr>
<tr>
<td></td>
<td>822</td>
</tr>
<tr>
<td></td>
<td>287</td>
</tr>
</tbody>
</table>

Source: www.waterfootprint.org
Where the future is concerned, we are continuously looking for ways to improve the potato’s quality, efficiency and overall value and to develop varieties that may lead to more efficient processing procedures. In addition, the Agronomy department has set long-term objectives aimed at improving the product’s quality and its processing properties. For example, they look for potato varieties that produce more chips per hectare, work together with our technology and innovation departments to discover ways for optimum utilisation of the potato, and help growers become aware of the possibilities to improve growing techniques and storage of the harvest. In our growing conditions we have stated that we do not accept genetically modified varieties.

Environmental requirements of supermarkets
Each one of our growers cultivates their potatoes according to the food safety directives drawn up by the VAVI, which is the branch organisation for the potato processing industry in the Netherlands. Approximately one quarter of the Aviko growers possess the Global GAP certificate. This means that our growers satisfy the enhanced requirements of supermarket organisations in the areas of food safety, environment, nature and working conditions. We have noticed that the demand by supermarkets and other customers concerning sustainability and the environment is becoming more explicit. These for example concern the use of crop-protection agents and fertilisers.

“To us, it is important to demonstrate to consumers that we, the growers, are on the right track. We have noticed that Aviko is succeeding in substantially raising their sustainability levels. A fact we feel they may present more strongly to the outside world. Potatoes are the only crop showing a drop in profit over the past 20 years. This is most probably the result of soil conditions deteriorating. It is a challenge to Aviko to change this downward trend into an upward one, together with growers and knowledge institutions. The foundation Stichting Veldleeuw is an ideal partner in this.”

William de Jonge, Potato Grower
Growers with their own CSR plan
We stimulate growers to participate in the foundation Stichting Veldleeuwerik. Within this foundation, our growers collaborate to increase the level of sustainability in the potato growing business. Stichting Veldleeuwerik brings agriculturists and processing companies together to promote the sustainable production of agricultural products, including barley, sugar beet, onions and potatoes. 10% of our growers are a member of this organisation. Where the future is concerned, we are looking for ways to set up an initiative together with Stichting Veldleeuwerik to inform consumers about our activities. For example by providing successful products resulting from the teamwork within this foundation with a quality mark. Active membership by a grower demonstrates their focus on achieving more sustainable cultivation.

Innovation in precision agriculture
Our farm in Poland, of which both Aviko and competitor Farm Frites are 50% owner, is participating in the Flagship Farm Project by McDonald’s. With this project McDonald’s is hoping to promote the sustainable cultivation of its food ingredients.

Through good working conditions, improvement of the use of soil and water and reduction of energy consumption, this farm will function as best practice for other suppliers of McDonald’s. For example, the farm uses biological growing models to determine how much water is required and what the best time is to administer pesticides. The Polish farm is also actively involved in a pilot project of the international branch of Veldleeuwerik, called Skylark. This project is aimed at precision agriculture. This means that we closely study the amount of minerals present in the soil and what is still needed by this soil in specific locations. This way, we are able to apply exactly the right quantity of fertiliser while reducing the environmental impact to a minimum.

Sustainable palm oil
We also believe that sustainable cultivation is important for other raw materials. Since 1 February 2011 Aviko has been active as the world’s first independent potato processor member of the Round Table for Sustainable Palm Oil (www.rspo.org). Participation means that we promote the sustainable production of palm oil in palm-oil-producing countries such as Malaysia and Indonesia by purchasing certificates.

According to the RSPO criteria, sustainable palm oil comes from plantations that are built without cutting down new rainforest, that respect local residents and employees and that preserve the habitats of threatened animal species. Our ambition was to purchase 100% RSPO-certified palm oil by 2015. In 2012
Aviko purchased sustainability certificates that corresponded with 13% of our total volume of palm oil. In 2013 this increased to 60%. In 2014 we expect we will already be able to purchase 100% of the sustainability certificates for the oil we need.

Other raw materials
In addition to potatoes and oil, we purchase other raw materials for our products, for which we try to find sustainable alternatives as well. For example, the fish in our meals is caught sustainably and is certified by the Marine Stewardship Council. The chicken we use in our ready meals ‘Maaltijdpannetje Malse Kip’ (tender chicken) has 1 Better-Life star granted by the Dutch society for the prevention of cruelty to animals. This means that these chickens have more daylight compared to common chickens. They also have covered free-range facilities, straw bales, and they are given grain every day. Aviko does not use genetically modified raw materials or consumables.
“We are working on cost reduction and environmental benefits: a win-win situation.”
When the potatoes are taken from the ground, they are transported to the factory. The process from raw potato to end product is advanced and has been continually optimised throughout the company’s 50-year existence. Since 2007 Aviko has used Total Productive Maintenance (TPM). Using this system we formulate our ambition: zero accidents, zero errors and zero losses. Multidisciplinary teams look together at what improvements can be made.

It is expected that these improvements will in 2014 lead to an Excellence Award Category A, by The Japanese Institute of Plant Maintenance, for the production location in Steenderen. In 2011 the production location in Cuijk already won this award and they are currently working on the achieving of the Consistency Award.

Energy efficient
Using energy efficiently is also part of TPM. This leads to cost savings, but also has environmental advantages due to lower CO₂ emissions. Baking ovens used for the production of fries, consume the most energy. For the flakes and granule companies, the driers consume the most energy. All of the locations in the Netherlands of both Aviko Pre-Fried & Boiled Potato Products and the Granule & Flakes activities have signed the long-term agreement (LTA). In this way they commit to working 30% more energy-efficiently in 2020 compared to 2005. From 2005 the three Dutch subsidiaries have together realised savings of specific energy consumption amounting to 16.5%. This equals an average of 2.1% per year, demonstrating that the LTA of at least 2% savings per year is achieved. The specific energy consumption per tonne of product in the production locations in Steenderen, Cuijk, Lomm, Proven, and Rain am Lech has been reduced by 16.2% in 2012 and by 14.4% in 2013, compared to 2005. This increase in energy consumption in 2013 was caused by a number of factors, including incidents in Lomm and in Rain am Lech.

The decrease of 14.4% is the equivalent of the annual energy needs of approximately 7000 homes. Among other factors, this decrease is the result of an effective monitoring system, proper insulation, the reuse of heat and the switching off of machines in the event of faults or when not in use.

Each location has its own energy manager who is responsible for energy savings. These managers work together as a team. They share knowledge and best practices. In addition, some production locations have energy teams researching possible improvements in the areas of water and energy consumption.

Menno Bol, Remco Paap
Chief Operating Officer Aviko, Plant Manager Steenderen
In addition we have joined forces with the Wageningen University in the LEAF (Low Energy And Fat) Project, in which we are teaming up with various partners to develop technologies to produce using less energy and fat. Aviko receives a subsidy for this from the Province of Gelderland.

**Transport**

Our transporting activities require a considerable amount of energy. The potato is a heavy product due to the quantity of water. Moreover, our pre-fried and boiled potato products are transported chilled (25%) or frozen (75%).

In 2013 Aviko was granted the Lean and Green Award. In 2015 we aim to reduce our CO$_2$ emission in transport in the Netherlands and the transport to seaports by 20%. In 2013 we have already achieved a CO$_2$ reduction of 11.8% compared to 2010. In other words, we are well underway to achieve this target. Together with our permanent transporters, we consider how we can set up the logistics in the most efficient and environmentally friendly way possible. Currently, we are already transporting 35% of our containers via inland waterways, we are monitoring fuel consumption, and we are starting to use heavier LNG vehicles. We envisage a great future for the use of LNG vehicles in national transport. Using such vehicles will lead to a reduction of CO$_2$ emissions by 25%. We are closely following the developments in this area. In the Netherlands, our transport is responsible for approximately 2800 tonnes of CO$_2$ emissions.
Lean and Green is an incentive programme for trade & industry and the government to achieve higher sustainability levels by taking measures that will not only save money, but will also result in a reduced environmental impact. By means of a Plan of Approach, Aviko has demonstrated in 2013 that it will be able to achieve a 20% CO₂ reduction in five years’ time. This has resulted in us being granted the Lean and Green Award. If we succeed in actually achieving this objective by 2018, we will receive the Lean and Green Star.
Teaming up with our transporters
We are always looking for partnerships with transporters in order to jointly come up with sustainable solutions. For example, in 2012 we teamed up with NVO Transport to realise a transport service by train to Sweden. This was only possible because Aviko entered into a long-term agreement for this project. Three times a year we meet with transporters, competitors and experts about ways to improve transport. After all, together we are able to achieve more. For example by organising combined shipments.

Sustainable energy
In addition to reducing our energy consumption and making transport more efficient, our CO₂ emission was reduced further because we are increasingly using sustainable energy. In 2013 the use of biogas (GJ) amounted to 3.7% of the overall energy supply of Aviko chips plants; in 2012 this was 3.15%. In Lomm, Rain, Proven, and Steenderen we procure biogas from local water purification plants. We use this gas to run our steam boilers or biogas motors that generate electricity.

In 2012 our German factory in Rain commissioned a wood incinerator to burn scrap and waste timber and turn it into steam. In 2013 this saved us over 9 million m³ of gas, which is equivalent to the gas consumption of 6000 homes. Our Belgian factory in Proven had also had a combined heat and power plant since 2011, which is partially powered by biogas, allowing us to save an annual 400,000 m³ of natural gas.
In total we produced nearly 4.5 million m³ of biogas in the water purification installations, which is equivalent to the average consumption of over 3000 Dutch homes.
Less water
In comparison to 2005, we used nearly 15% less water in the factory per tonne of product in 2012 and 2013. This is equivalent to our energy consumption. The largest water consumers in the chips plants are the blanchers and cooling units. For the flakes and granule companies, boiling the potatoes uses the largest amount of water. On average approximately 70% of the water used is ground water and the rest is tap water.

In order to realise greater savings, Aviko is innovating in the area of Closed Loop Blanching. During the production process, Aviko blanches peeled and cut potatoes. By making use of this new technology, we endeavour to use less water for the process. This also results in less energy being lost, because the new water does not have to be reheated every time.

* The water consumption of the production locations in Steenderen, Cuijk, Lomm, Proven, and Rain am Lech.

* The water consumption of production locations Rixona Venray and Rixona Warffum.
### By-products

Our main by-products are tare, steam peels, shreds, process water and oil. Aviko has set for itself the goal of utilising all by-products to the fullest. In 2013 only 8% (compared to 9.8% in 2011) of the by-products were unsuitable for recycling. This waste is sent to the waste disposal site or incinerator.

<table>
<thead>
<tr>
<th>Main by-products</th>
<th>Application</th>
</tr>
</thead>
<tbody>
<tr>
<td>Potato steam peels and shreds</td>
<td>Shreds that are left over after the potatoes have been cut are processed as much as possible into specialty products. When these are unsuitable, they are sold as cattle feed. Fried shreds also serve as an energy-rich raw material for cattle feed.</td>
</tr>
<tr>
<td>Tare</td>
<td>Tare is the residual soil that remains after the potatoes have been washed. Tare is often reused as clean soil.</td>
</tr>
<tr>
<td>Frying oil</td>
<td>The residues of our frying oil are picked up by external parties. They extract as much water as possible from the oil to permit it to be used as a fuel, for example in heat installations in the horticulture sector.</td>
</tr>
<tr>
<td>Process water</td>
<td>At five production locations the starch is removed from the process water. All of our process water is purified in a waste water purification plant, turning the residue into biogas. The installation also condenses the nitrogen and phosphate from the water to produce struvite, a valuable fertiliser for the agricultural sector.</td>
</tr>
</tbody>
</table>

### Coldstore

During recent years Aviko has been working on plans to build a new coldstore in Steenderen. In consultation with local municipalities and the people living in the vicinity, we have been working hard on making modifications to the zoning plan, after which the construction of the coldstore may be commenced. This modern coldstore will feature the latest cooling technologies, improved insulation, and energy-efficient lighting. Thanks to the good insulation, we will be able to stop the cooling of the coldstore for a short while should the plant temporarily require a lot of energy. When the plant is running normally again, or when it is stopped, the coldstore will be able to turn up its freezing power. This way, the coldstore acts like a battery. The energy from our own combined heat and power plant, which is generated in an energy-efficient way, is utilised in an optimum way.

In addition, the new coldstore will allow 80% of our products from the Steenderen plant to be cooled nearby. To date, these have been transported to various temperature-controlled locations in the Netherlands. This will result in an annual saving of some 80,000 transport kilometres across national by-roads.
of the foil in the vast majority of our packaging decreased by nearly 60%. Close collaboration with our packaging suppliers is an important part of achieving this. In addition, we are researching clever ways of loading our pallets. Whereas we used to use 63 boxes of 10 kilos each, we now only need 54 boxes of 12.5 kilos each. In other words: we use less cardboard to package more products. All of the excess cardboard and unusable plastic is recycled so that practically no material is thrown away.
“Every day we dedicate time to the innovation of our products to make them more sustainable and more nutritious.”
The Aviko range consists of around 200 pre-fried and pre-boiled potato products. Every day, around 8.5 million consumers choose one of our products. We feel responsible for making these products as nutritious as possible. The Guidelines for Proper Nutrition from the Netherlands Nutrition Centre (Voedingscentrum\textsuperscript{1}) are, therefore, also the guiding principle for the development of new products. This way, we would like to contribute to combating lifestyle diseases such as obesity and diabetes.

Unfortunately Western consumers on average are eating too many calories and too much saturated fat and salt, while they are not eating enough fibre and not exercising enough. In the Netherlands, 53% of the men and 43.7% of the women are overweight.

And this percentage is still rising (source: Nationaal Kompas Volksgezondheid 2012, RIVM). In 2012, 13% of Dutch children and young adults aged 2 - 20 were overweight, while 3% were obese (source: CBS, 2013). On a worldwide scale, obesity has nearly doubled since 1980. Each year obesity is costing the Dutch society several billions of euros in medical care, lost work productivity, and disability benefits. That is why we explicitly link our products to a healthy diet and lifestyle.

Information for consumers

When eating chips, a large portion of our consumers are not at all that concerned with health and sustainability. Health is a sensitive topic: where chips are concerned, consumers are more interested in indulgence than in their health. For that reason we are convinced that we must work behind the scenes to ensure that our products are as healthy and sustainable as possible, although we do not specifically communicate this to the consumer. On the other hand, we do utilise an extensive nutritional value list so that the consumer can see the amount of calories, fibre and vitamins the products contain. In addition, Aviko endorses the Dutch Advertising Code whereby no advertisements or promotions are geared towards children under the age of 7 and only modified advertising is permitted for children up to age 12.

\textsuperscript{1} Read more about the Guidelines for Proper Nutrition here: www.voedingscentrum.nl

Frida Miedema, Ingeborg Blaauw, Jolanda Maagd

Senior Product Developer, Senior Brand Manager, Manager Innovation and Product Development
In our marketing we focus on three types of dishes that match different days of the week: easy, delicious, and nutritious. Within these types of dishes, we offer the healthiest alternatives, presenting various options from our range. For example, we offer Fridéaal, which is a chip product that fits in with a healthy meal, and which is specifically intended for health-conscious consumers. The Fridéaal packaging is adorned by the claim that the chips contain a maximum 1.5% of saturated fat after fryer preparation. Another example is Aviko’s “Kokkerellen”(‘cooking for fun’), which helps consumers prepare a culinary and nutritious, as well as an easy, meal.

The healthy potato

Potatoes contain a lot of healthy nutrients such as fibre, vitamins and minerals, and fit in well with a balanced diet. And because it consists of 80% water, the potato is low in calories. By way of comparison: 200 grams of boiled potatoes contain 160 kcal, as compared to 200 grams of boiled rice which contain 300 kcal.
Healthy fats
The amount and variety of fats in our products are determined by the choice of frying oil in our factory, at the foodservice outlets where our products are fried, and by the consumers at home. That is why, due to the healthier fatty acid composition, we increasingly choose sunflower oil instead of palm oil.

Since 2009 we have been replacing palm oil with sunflower oil in all cut frozen specialty products (slices, wedges and so on). As a result, the percentage of saturated fat in those products decreased by 70%. In 2013 we also switched to sunflower oil for our SuperCrunch range. Sunflower oil now comprises 25% of our total oil use. Together with our private-label customers, we are studying ways to further reduce the palm oil percentage. We will especially focus on replacing palm oil by sunflower oil in our frozen chips. Looking at our product portfolio, this is where we expect to be able to gain the most.

Less salt and fewer allergens
Since 2009 we have gradually been decreasing the salt content in a part of our range of products. In fact, to the majority of our range, we are not adding any salt at all, for example our chips and cut pre-fried products. To our specialty potato products, we do add salt to some extent.
Over the past few years, we have been reducing the salt content in 70% of these specialty products, or we have been taking a lower salt content (max 0.75% salt) into account upon their introduction. In 2013 we have been adding 18 tonnes less salt to our products. This is an improvement compared to 2011, when we reduced the use of salt by 16 tonnes. Furthermore, we endeavour to limit the number of allergens, such as gluten. There is a lot of discussion about the possible increase in sensitivity to allergens. As yet, there is little scientific consensus, because changing measuring methods are making it difficult to compare results. However, all our products with a coating, a thin layer of starch, such as spiced wedges, SuperCrunch and Frídeaal, are gluten-free.

Safe products
The safety of products receives our greatest attention. In 2001 Aviko was the first company to introduce a certification for food safety in the potato growing sector. This certification system includes the cultivation of the potatoes, the storage of potatoes, and a check of compliance with the standards for pesticides and fertilisers.
The system was later adopted by the Dutch Potato Processing Industry Association (VAVI) as an industry standard.
Almost on a weekly basis, one of our facilities is assessed by an independent body. In addition, we carefully monitor our production process so that our products can be safely consumed. In this way we have thankfully had no food safety incidents.
“I am showing potential colleagues what a modern production company looks like.”
At Aviko, we employ approx. 1,700 people. Nearly 80% of them are male, as is often the case at a manufacturing company.

Our HRM policy focuses on the following points of attention:
- Binding talent to Aviko;
- Increasing safety;
- Keeping employees employable - also in the long term;
- Binding employees to our company and allowing them to develop along with our organisation.

**Attractive to new talent**
Talent management is an important spearhead. Talent is scarce and that is particularly true for technical functions. That is why we hired a corporate recruiter in 2012, who has been focussing on reaching potential employees and new talent. For example, we visit schools and trade shows and we organise open days. Most young people do not know what a modern production company looks like, so we are happy to show them. To communicate Aviko’s opportunities to potential employees, we have launched the website www.werkenbijaviko.nl. On this website we use our slogan ‘You will get more out of it at Aviko’ to demonstrate to our potential employees what Aviko has to offer, while giving insight into the wonderful challenges we are working on.

**Successful through the right education**
Internal evaluation shows that we invest a lot in training courses. In 2013 Aviko offered an average 1.9 days’ schooling per FTE. In our Aviko Academy, we train our commercial employees by means of six online modules, focussed on product knowledge, market knowledge, and product-market combinations. This way, insight into customers’ needs is increased, as well as knowledge of Aviko’s products and services. As a result, our people are able, on a worldwide scale, to inform everybody about the issues that exist and the added value offered by our products. Sustainability contributes to our image and makes us stand out from the competition. When comparing 2013 to 2012, the number of training courses offered by Aviko has risen from 109 to 140. This increase is particularly thanks to safety trainings and Total Productive Maintenance (TPM).

Babs Quist
Corporate Recruiter
Robust occupational health and safety policy
Each one of our employees has the right to a safe working environment. It is Aviko’s duty to make sure this safety is guaranteed. By means of an occupational health & safety management system, six-monthly internal occupational health & safety audits, and occupational health & safety workgroups, we do our utmost to avoid injuries and improve working conditions. In 2012, in Steenderen, an external expert has started up a programme to improve safety awareness within our corporate culture. Since 2013 our own safety expert has been focussing on implementing, securing, and further developing this programme. Soon our other subsidiaries will be starting on this as well. In addition, we continue to draw attention to the necessity to report unsafe situations, because this will prevent real accidents. To facilitate this, the S.O.S. form has been developed. (S.O.S. is a Dutch acronym for Signaling Onveilige Situaties, which means Reporting Unsafe Situations.) This form was first implemented in Steenderen at the end of 2012 and has been introduced in all other subsidiaries in 2013. As a result, many more unsafe situations have been reported, which is a positive development in itself.

Experienced and healthy employees
To ensure that our employees continue to be employable for many years to come, and will also enjoy good health in their retirement, we have introduced a life-stage-oriented HRM policy. Good health is an essential part of that policy. During the period 2008–2013, 800 employees participated in a health study. Colleagues with health risks were then offered six months’ support, such as coaching by a dietician, a sports physician, or a physiotherapist. In addition, employees were reimbursed the costs of a gym membership and costs for participation in a programme to stop smoking.

However, a number of employees indicated the need for more than just six months’ coaching. That is why we opted for a form of collaboration with ‘Bewegen werkt’, which is a Dutch organisation promoting employees’ health and productivity. They provide Health Coaches who will coach our colleagues for a full year, based on realistic ambitions. The study also includes employees’ partners; after all, partners are important if permanent lifestyle changes are to be realised.

Absence due to illness
In 2013 the percentage of absence due to illness at Aviko was 3.9% or over 25,000 days of absence. Our objective was to achieve 4%, which means we have nearly realised our goal. In 2013 there were 76 accidents resulting in absence, which led to 888 days of absence. The VCA index indicates the frequency of absence in relation to the number of hours worked. Our index was reduced from 43 in 2012 to 31 in 2013. We endeavour to further reduce this number to a maximum of 10.

<table>
<thead>
<tr>
<th>Number of days of absence as a result of an accident</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accidents without injury and near-accidents</td>
<td>830</td>
<td>888</td>
</tr>
<tr>
<td>Accidents with injury and absence longer than 1 day</td>
<td>133</td>
<td>156</td>
</tr>
<tr>
<td>Number of reports of unsafe situations</td>
<td>335</td>
<td>935</td>
</tr>
</tbody>
</table>
Truly satisfied
The results of conversations with our employees about satisfaction showed that we are on the right path with our personnel policy. During the medical examination, we also ask our employees about their work engagement. This is done by means of the UBES Questionnaire. UBES stands for the Utrechtse Bevlogenheidsschaal, which is a scale to measure a person’s work engagement. The results of the UBES demonstrate that we score higher than the national standard for work engagement. Because we want to know what drives our employees, what their strengths are, and how they experience issues such as pressure at work, we want to start using the BPR toolbox. BPR stands for Bevlogenheid (work engagement), Productivity, and (lifestyle and other) Risks, affecting long-term employability (http://eforis.nl/bpr-toolbox/). Based on the results, we will take appropriate action for improvement.

Social engagement
Aviko feels engaged with the developments in society and for that reason we regularly sponsor sporting events, particularly for children. We prefer to involve our employees in these events. Local sports clubs, for example, can request a financial contribution through our employees.

Until recently, Aviko sponsored the evening four-day marathon. Approximately 200 municipalities are connected with this organiser. In 2014 we are sponsoring National Mud Day. Finally, Aviko makes an amount of money available each year to sponsor a charity. A different location chooses the charity each year. We feel it is important to involve our employees in this as well. And they enthusiastically suggest other good causes as well.

On National Mud Day, for example, some 60,000 kids in 1500 nurseries and schools are playing in the mud. Just playing with water and sand... and they’re allowed to get dirty! National Mud Day was introduced in the Netherlands by Veldwerk Nederland, after the example of International Mud Day. And it has been a great success from the very first edition in 2013! Aviko loves this initiative and has decided to support Mud Day. In this screen-dominated era, where children spend an increasing amount of time in front of the television and computer, kids are once again experiencing the fun of playing outside in the mud. During Mud Day, children as well as adults experience what mud is, how you can play with it and how much Mother Earth really means to us in our daily lives. And the link from Mother Nature to the soil in which our potatoes are grown is easily made...
Colophon
Do you have any questions about the Aviko CSR Report?
If so, please contact Dick van der Aart, marketing manager of Aviko, at mvo@aviko.nl.

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