PERFETTI van Melle

Our road to sustainability

Corporate Social Responsibility Report 2016

Overview

This is the first Perfetti Van Melle (PVM) global annual CSR report. The information in the report covers the period from 1 January to 31 December 2016.

Overview
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Production right first time is so important that our employees are encouraged to identify waste prevention and reduction opportunities and sort the waste for recycling.

Read more on p.29

We achieved a 1.2% local gas reduction through the use of solar energy in our production facility in Breda, Netherlands.

Read more on p.29

Overview
Message from our Group CEO

"This report demonstrates that we are determined and passionate about making CSR part of how we conduct business on a daily basis."

I am very proud to present the first global Perfetti Van Melle (PVM) CSR report. We are a multinational confectionery group with a remarkable track record of success and growth in the markets in which we operate.

Over the years, we have built a great reputation for conducting business responsibly and to high ethical standards. Our priority is to preserve such a great reputation, as this is crucial to our success in the long term.

With such a large organisation (31 production facilities, 38 companies and 17,887 employees) we feel the need to give clearer guidance to our people and to our stakeholders on the value of integrating CSR practices in both our daily operations and in our decision-making processes.

This is our first structured and systematic approach to CSR on a global level, in previous years we have reported our CSR efforts, initiatives and programmes at a local level only. This report gives a more consistent structure and visibility to the priorities that impact the sustainability of our business globally.

OUR CONSUMERS

We are committed to ensuring the highest possible product safety and evolving our portfolio to best meet consumers' lifestyle and dietary needs. Consumers' needs and expectations always guide our progress in product development and innovation. New product developments always account for a significant part of our global turnover and much of this value comes from new products that combine the desire for gratification and pleasure with the need to reduce sugar intake and ensure the overall well-being of our consumers, in both the candy and in the chewing gum categories.

I am proud of the commitment that we are taking in being transparent with our consumers on the calorie content of our products: all our sugar-based candies and chocolate products will feature information on calorie content per piece. This clear, simple and straightforward information on the product label makes it easier for the consumer to calculate and compare energy intake and make the best choice based on their dietary needs.

Overview
Message from our Group CEO
continued

We are committed to removing artificial colourings from all our products, both new and existing. It will be a long and difficult process, as it implies reformulating a large number of products. We began the process a few years ago and we will continue with determination, to reconfirm our commitment to produce and deliver the safest products available for our consumers worldwide.

THE ENVIRONMENT & OUR PRODUCTION FACILITIES

Our manufacturing companies are taking great steps forward in managing their environmental impact. Most of our production facilities are ISO14001 certified, showing our determination to adapt our organisation and our manufacturing processes in a way that minimises our impact on the environment. Energy from renewable sources, in particular self-produced bio-gas from effluent treatment plants, is already in use at a number of manufacturing sites. In this first report, we are tracking our manufacturing carbon footprint on a global level. This will enable us to set global targets for the coming years.

SAFETY & HEALTH

Our manufacturing facilities are also making many efforts to guarantee that Health and Safety receive top priority action and attention. As illustrated in this report, we have taken commitments to ensure that all plants are fully compliant, not only with local and international legislation, but also with industry and stringent certification standards.

OUR PEOPLE

Our employees are our most precious asset. Attracting, motivating and engaging them is the most fascinating and rewarding task for management. Perfetti Van Melle benefits from its reputation as a fair employer, but we offer more than that at PVM. We have created an environment in which passion, expertise, entrepreneurship and friendliness thrive.

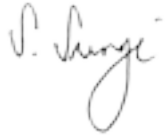
The report highlights the steps taken and the importance of continuing and improving our practices to create a fair and engaging work environment for our employees. In 2015, we conducted our first global employee engagement survey which recorded a very positive global score, higher than the benchmark for food and beverages companies. In 2017, we will conduct our second global survey and we hope to report further progress in ensuring that all our employees can actually “unwrap their potential” at PVM.

OUR COMMUNITIES

Our operations play a role in the local communities in which they operate. Most communities provide our labour force, skills and competencies. We want to make a difference in those communities, in terms of supporting local social, cultural and medical needs. We have programmes and initiatives in place to help and support local communities and the report illustrates some good examples. We are keen to continue and further enhance our efforts to really improve the lives of many people living around us.

This first report will help us better focus our corporate social responsibility strategy for the years to come. We are conscious that real changes can only occur step by step, we need the support and involvement of all stakeholders; suppliers, commercial partners, employees and our consumers. This report demonstrates that we are determined and passionate about making CSR part of how we conduct business on a daily basis.

This project has been an engaging and learning experience for those colleagues involved from cross-functional and cross-geographical teams, and I would like to thank them and all my PVM colleagues around the world for their continued contribution to ensuring the long-term success of our group, based on concrete and authentic socially, environmentally sustainable actions.

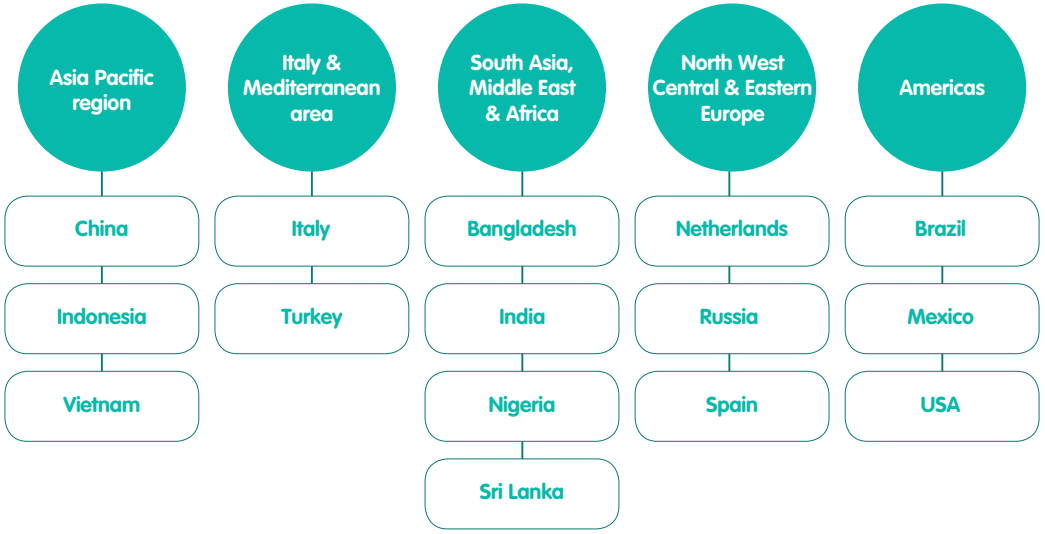


Sameer Suneja
Executive Director and Group CEO

Overview
About this report

This is the first Perfetti Van Melle (PVM) global annual CSR report. The information in the report covers the period from 1 January to 31 December 2016. PVM is one of the world's largest manufacturers and distributors of confectionery and chewing gum with 38 Operating Companies worldwide. In this report, an Operating Company is the legal entity for which activities primarily consist of the production and/or sales of confectionery products. Manufacturing Operating Companies refers to legal entities with production facilities only.

The scope of this report covers our global Manufacturing Operating Companies located in the following countries:



As we move towards a global, integrated and coordinated CSR approach, this report allows us to evaluate our Manufacturing Operating Companies' current CSR efforts and to plan for the future. As this is a global CSR report, we intend to gradually expand the scope of this report by including our non-Manufacturing Operating Companies.

This report is prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards): Core. This report is also guided by the GRI G4 Food Processing Sector Disclosures.

As this is our first report, there are no restatements of information and we have not sought external assurance.

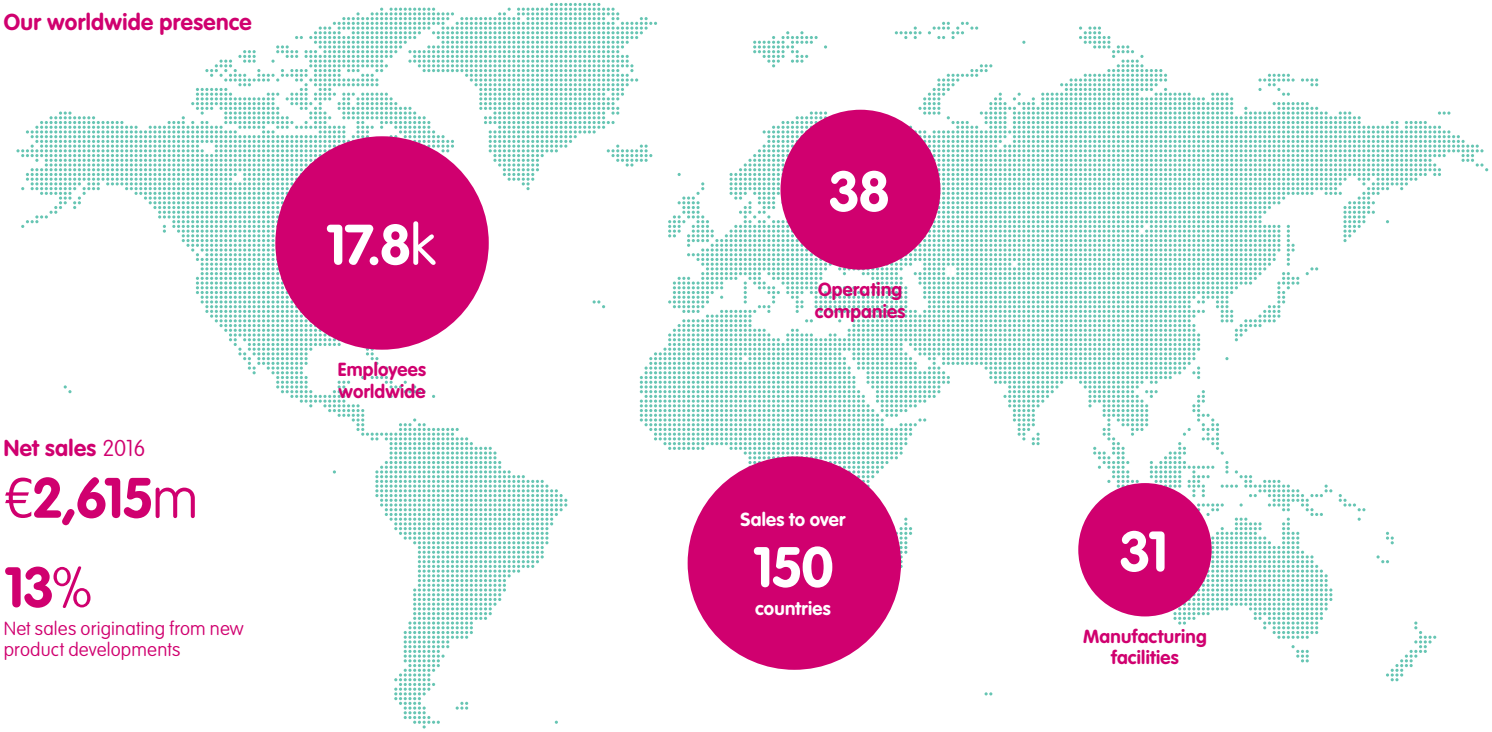
We will publish our next report in 2018 which will cover data and improvements for the 2017 period.

Share with us your feedback on our CSR practices by contacting csrinfo@perfettivanmelle.com

Overview
About Perfetti Van Melle

Perfetti Van Melle (PVM) is one of the world's largest manufacturers and distributors of confectionery and chewing gum. Privately owned and headquartered in Amsterdam, Netherlands with operations globally, we create imaginative products and brands that are enjoyed in over 150 countries.

Our worldwide presence



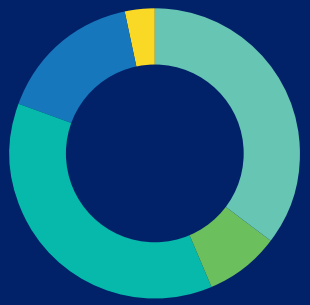
Net sales 2016

€2,615m

13%

Net sales originating from new product developments

Net sales by geographic regions

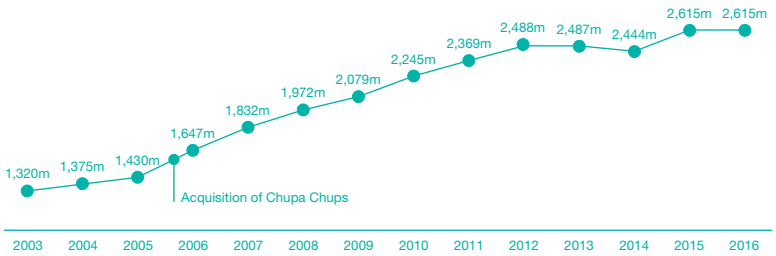


EU	35.4%
Other Europe	8.3%
Asia & Oceania	37.2%
Americas	16.0%
Other	3.2%

63.6%
Candies

36.4%
Chewing gums

Net sales 2002 – 2016 € million



Overview
About Perfetti Van Melle
continued

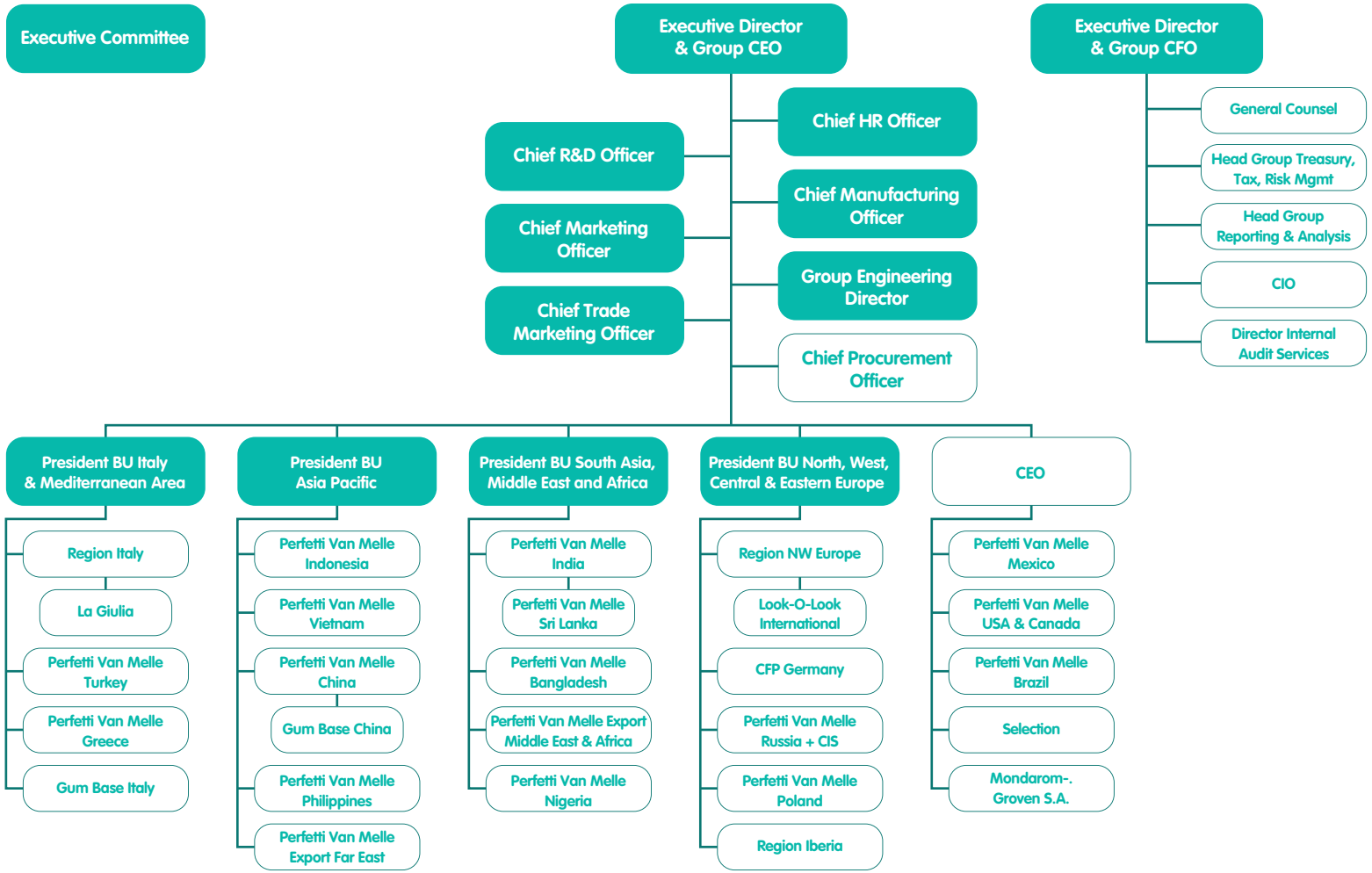
Global brands
Our global brands are enjoyed in over 150 countries across the world.

Regional brands
Our products are extremely popular in regional markets, where our innovation creates unique tastes to match local preferences.

Perfetti Van Melle is a member of the International Chewing Gum Association and Food Industry Asia.

Overview
About Perfetti Van Melle
continued

Our organisational structure



Always innovating what confectionery can do

At PVM we are focused on constantly improving our entire business: our products, our factories, our relationships with customers and suppliers, everything we do, in an effort to make a positive impact on people's lives with our products. Our Purpose spans over the entire portfolio of brands and over all countries in which we operate.

In 2015 we shared with all our employees across the globe Our Blueprint for the Future, a plan designed to guide our Group in the next five years that highlights our company Purpose, sets an ambitious business goal, dynamic growth strategies and indicates the behaviours that all employees will adopt to ensure that we are all aligned in what we do.

This Blueprint for the Future, drawing from the Mission, Vision and Values that have been guiding the Group since 2001, is our roadmap that can guarantee our long-term success.

Overview
CSR at Perfetti Van Melle

We recognise and value the role we play in our communities. We are serious about corporate responsibility. We care passionately about and value our customers, our people and the environment.

Most importantly, we are extremely particular about following the food law and regulations of the countries in which we operate. All ingredients are tested and certified food safe before use and are subject to strict quality controls to meet food safety standards. All our products go through extensive shelf life and stability tests. We are proud of our track record and happy to share information about our progress.

Our recipe for being responsible
In 2016, we established our global CSR framework "Being Responsible" that enables us to prioritise our global efforts around five key pillars and create specific actions within those pillars. This is closely aligned with our Mission and Values that guide our actions in conducting our business as responsible members of society. This CSR report is structured based on this framework.

OUR VALUES
The following values guide our actions:

Integrity Without Compromise
We conduct our business with honesty, integrity, and respect for those with whom we have relationships.

Achieving Excellence
We pursue quality in everything we do. We strive for continuous improvement in the way we operate. Unremitting attention is given to details at every stage and resources are used in the most efficient way.

Dedication to the Consumer
We will meet and exceed the differing needs and expectations of our consumers, offering them high quality, state-of-the-art and innovative products.

Care for our People
We are committed to creating a global workplace where teamwork, involvement, open communication, flexibility and fun exist. We treat our people fairly; we value different styles, skills, experiences and backgrounds and acknowledge that these differences result in greater creativity and better insights. We encourage them to take initiative and expect them to approach their jobs with passion and commitment. We offer our people training opportunities and ongoing development so that each individual can reach his or her full potential.

Social and Environmental Responsibility
We will conduct our business as responsible members of society, respecting the laws of the countries in which we operate, contributing to the progress of the local communities in line with the legitimate role of the business. We will operate safely, responsibly, and with sound environmental practices, aimed at minimising our impact on the environment and working toward long-term sustainability.

Independence
We are committed to achieving ambitious business goals whilst securing our company's profitability thus ensuring our independent growth.

Overview
CSR at Perfetti Van Melle
continued

How we formulate our recipe

The foundation of our global CSR framework is built on CSR topics that matter most to us. These global CSR topics were identified through a three-step process that involved listening and considering stakeholder opinions.

CSR topics important to stakeholders

CSR topics important to the business

Eight global CSR topics priority to PVM

Selecting locally relevant CSR topics

Overview
CSR at Perfetti Van Melle
continued

How we formulate our recipe continued

The table below charts the boundary of the stakeholder groups that could be impacted by each material CSR topic.

Material CSR topic	Governments	Regulators	Family owners	Industry associations	Business partners	Employees	Customers	Consumers and communities
Being compliant	●	●	●				●	
Being a responsible employer	●	●	●	●		●		
Practising responsible marketing	●	●	●	●			●	●
Promoting consumer well-being	●	●	●		●		●	●
Limiting carbon footprint	●	●	●		●			●
Reducing packaging	●	●	●	●	●			●
Understand our impact on local communities and playing a role as a corporate citizen	●		●			●		●
Reducing environmental and social impact in supply and distribution chain	●	●	●	●	●			●

Overview
CSR at Perfetti Van Melle: Stakeholder engagement continued

Who we listened to

There are many types of stakeholder groups with whom we engage. When considering the groups which are essential to our results and the groups most affected by our activities, our most important stakeholders are:

- Customers
- Consumers
- NGOs
- Employees
- Government
- Suppliers
- Media

We have regular contact with all our stakeholders as part of our daily activities to ensure that we are listening and meeting their expectations.

For this, our first global CSR report, we engaged 205 internal stakeholders to determine the topics most important to us. Those included were managerial staff and above including Executive Committee members.

How we ensure that our recipe works

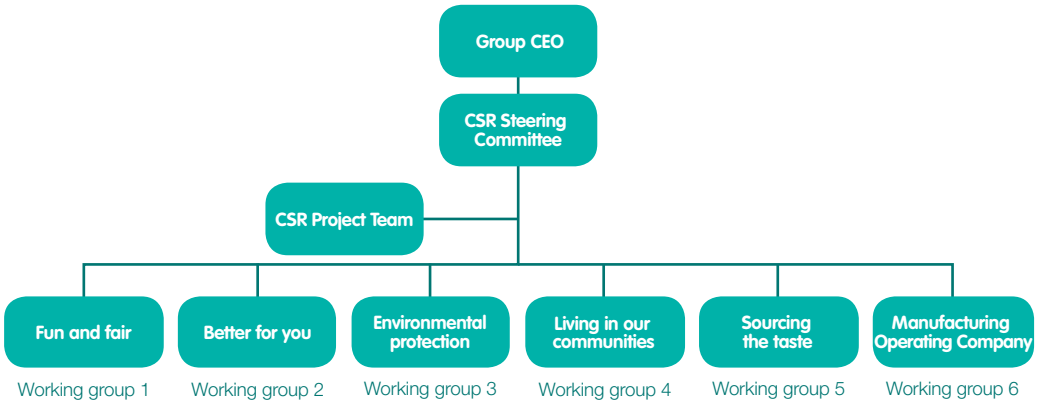
We strive to act responsibly across a wide range of social and environmental issues, including positive community involvement, good environmental practices, product safety, responsible marketing, high employee engagement and good labour practices.

CSR at PVM has always been a matter of good management, ethical conduct and respect for our people, our partners, the environment and society. We are convinced that our customers, employees and all our stakeholders expect the best from us, and we would not accept any less of ourselves.

Under the Executive Committee's direction and with the strong leadership of our CEO and support of our senior management team, CSR is being increasingly embedded throughout the company. Plans for investment at our production facilities take into consideration environmental impact goals; new product developments are subject to consumer needs; packaging is carefully evaluated in terms of environmentally friendly features; and we consider treating our employees well to be an ethical duty and a standard to be implemented at all our production facilities.

We established a global CSR governance structure to oversee the management and implementation of our global CSR approach. The CSR Steering Committee consists of cross-function senior leaders who oversee our CSR approach and report to the Group Executive Committee and CEO on progress. The CSR Project Team consists of cross-function middle management leaders who coordinate and execute the CSR strategy across six working groups. Five working groups are responsible for managing specific material topics identified and the sixth working group consists of regional coordinators that communicate and coordinate with the Manufacturing Operating Companies.

PVM is releasing its first CSR report to communicate to stakeholders our efforts, challenges and achievements in all of these areas. We strive to make reporting as transparent, comprehensive and relevant to our business as possible.



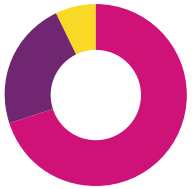
Fun and fair

Our 17,887 dedicated people deserve the highest human resources management standards and an engaging, rewarding working environment.

Fun and fair
Being a responsible employer

Our people are our most precious resource
As a responsible industry player, we apply the highest standards for managing our most precious resources: the 17,887 dedicated people who make up PVM, 16,808 of which are employed in our Manufacturing Operating Companies.

Employees by region



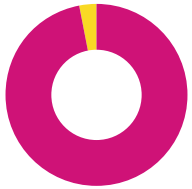
Africa, Asia, Pacific, Middle East	70%
Europe	23%
Americas	7%

Gender

Male	68%
Female	32%

Most of our employees are employed full time (97%). We contract workers to support high season production only in China, India, Bangladesh and Sri Lanka. In addition, more than 10,000 sales representatives hired by independent contractors contribute to the sale of our products.

Employment type



Full time	97%
Part-time	3%

We offer our employees a truly diverse and inclusive working environment. At all our Manufacturing Operating Companies, we value diversity and do not tolerate discrimination, unfair or unequal treatment in any way, shape or form.

People Framework
We make a conscious effort to ensure that we have the right capabilities and culture in the organisation that supports our business delivery and future growth using our people framework, which we continually review in order to stay relevant for the future.

Building Performance for Today

- **Get the right people in** – Ensure we select the best people and maintain a high benchmark
- **Build & reward performance** – Ensure the right skills, capabilities and focus to deliver in current role

Securing Performance for Tomorrow

- **Grow a strong talent pipeline** – Make sure we have the right people in the right numbers at the right time
- **Develop credible successors** – Test succession hypotheses and action development needs

Develop an organisation that works
Ensure the right organisation and culture and the capability to manage change well

Fun and fair
Being a responsible employer
continued

Get the right people in
Ensure we select the best people and maintain a high benchmark
We have a robust hiring process including the use of psychometrics which is designed on our competencies. This ensures that we get the right candidate who is capable of doing the job as well as a good fit with the organisation.

Build and Reward Performance
Ensure the right skills, capabilities and focus to deliver in current role
We offer employees competitive remuneration packages commensurate with experience, performance and job responsibilities. To ensure that the remuneration package stays relevant and competitive, we participate in annual surveys to benchmark against the market. Depending on company performance, eligible employees receive an annual bonus/incentives payment.

Along with our performance management and remuneration policies and processes, we strongly support teamwork as a way of reaching and delivering an inspiring and ambitious set of common goals. We recognise and reward competencies and performance.

Grow a strong talent pipeline
Ensure we have the right people in the right numbers at the right time
We conduct a Talent review process which is a key component of our Talent Management practices. It focuses on our current leadership strength and future talent needs to support business goals. It aims to:

- Assess the strength of leadership in key positions
- Assess the strength of the succession bench
- Identify successors for key positions
- Plan interventions to meet talent needs: development, acquisition, replacements

Develop credible successors
Test succession hypothesis and action development needs
Investing and developing people to perform their current jobs more skilfully and efficiently is a priority and focus area for us. Our Leadership Development Programmes are directed towards identifying and grooming the leaders for tomorrow.

Develop an organisation that works
Ensure the right organisation and culture and the capability to manage change well
We engaged Willis Towers Watson to conduct our first global engagement survey in 2015. Over 13,000 employees, 97% of our workforce, participated in our first ever global Employee Engagement Survey. Our overall sustainable engagement score is higher than the benchmark of Food and Beverage companies worldwide and 2% lower than the Global High Performance Norm we are aspiring to. The engagement score reflects that we feel motivated, energised and enabled to deliver our best every day at work and sustain it over time.

In 2017, a second global Employee Engagement Survey will be conducted.

Fun and fair
Being a responsible employer
continued

Labour relations

In all the countries where we have Manufacturing Operating Companies, our employees are eligible to join unions with exceptions where unions do not allow certain employees to become members: expatriates in the USA and Vietnam, senior managers in Nigeria and the USA, human resource managers in Nigeria and non-factory workers in Mexico. This means 93% of our employees are eligible to join unions of which 52% are part of a union.

We had two incidents of industrial disputes in 2016. In August, workers in our Shanghai production facility went on strike over the compensation of overtime hours which resulted in a loss of 4,300 working hours. We resolved this by applying to the local government for a 'Comprehensive Working Hours' licence. We have communicated our comprehensive working hours policy to our employees with the support from the local government and union and the issue has been resolved. In November, our production facility in Nigeria experienced a protest by the union around the postponement of a meeting to discuss employee benefits resulting in the loss of 336 working hours. This was resolved through an agreement with the union on changes to payment methodology for employees in-line with the union's recommendation which had no cost implications for the business.

Health and safety

Health and safety is among our values and we have a non-negotiable commitment to provide a safe and healthy working environment for all employees, third party contractors working on our premises and visitors. Our ambition is to be fully compliant with local and international legislation and industry standards. Where law and regulations are non-existent or not enforced, we apply our health and safety standards. We want to give our employees meaningful jobs in which they can contribute, grow and develop to the fullest, all in an inspiring environment where ambition, performance, support, trust and collaboration reign supreme.

Going forward we are drafting common policies and standards in order to ensure that we have a state of the art Occupational Safety & Health and Environmental Management System which complies with our Group Quality Policy to obtain certification according to ISO 45001 by January 2021 and ISO 14001 by the end of 2018.

The managerial team of each manufacturing location is responsible for managing Safety & Health supported by the respective Safety, Health, Environment & Risk (SHE&R) teams. The primary duty of the SHE&R team is to advise the management on safety, health and welfare matters to ensure compliance with statutory obligations and corporate policies and guidelines. The figure to the right depicts the strategic pillars of our SHE&R roadmap.

Safety – Health, Environment & Risk Management

Compliance with the Group SHE&R Standards

- Prevent Risk at Source
- Continuously Improve
- Involvement
- Training & Awareness
- Analysing all Events

Risk Inventory & Assessment

Fun and fair
Being a responsible employer
continued

From January 2017, all Manufacturing Operating Companies are required to report non-financial Key Performance Indicators (KPIs) on a monthly basis. Safety & Health KPIs include Lost Time Accident (LTA) rate, days lost rate in production (due to LTA), near miss accidents and illness rates. We are also in the process of developing definitions and collecting data on "near misses". Gaining more insights in these KPI's will enhance the process of reviewing these definitions and defining new KPI's. These will be implemented and reported in our 2018 report.

We are collecting standardised KPIs and data in all Manufacturing Operating Companies. Based on the analysis of Manufacturing Operating Company Safety & Health performance, clear objectives will be provided in an action plan for every Manufacturing Operating Company by 2018. From 2018, we will start collecting data by gender and type of injury.

We have a strong commitment to the safety and health of employees. Developing a safe workplace is a process in which PVM is continuously looking for improvements. Over the last few years, safety campaigns ran on most production sites. All workplaces have been equipped to comply with laws and regulations. Internal occupational health and safety study groups have been established specifically to monitor and improve working conditions.

Health & safety indicator	Asia Pacific region	Italy & Mediterranean area	South Asia, Middle East & Africa	North West Central & Eastern Europe	Americas
Lost Time Accidents (Number of accidents)	8	29	11	22	24
Lost Time Accidents Rate (per thousand employees)	1.81	20.01	3.72	15.75	33.10
Days Lost in production (Number of days lost)	109	821	120	348	533
Days Lost Rate in production (per thousand employees)	24.72	566.53	40.74	249.14	735.17

We are striving for 'Zero accidents and work-related injuries – illness' therefore raising awareness is crucial to enable us to achieve this. By providing information, training (safe ways of working, first aid and emergency response) we want to make employees more aware of the measures they can take themselves to work safely and healthy.

Going forward, we shall strive to improve our Safety and Health performance by pursuing the following objectives:

1. Prevent risks at source by reducing the likelihood of occurrence, through developing and evaluating products and materials, improving operating procedures and processes;
2. Continue to improve the focus on excellence in terms of working environments and tools – making them safer, more ergonomic and ensuring long-term sustainability for operations;
3. Encourage employees' active involvement and participation in developing a culture that favours improved processes and control of preventative aspects through employee health and safety representatives;
4. Motivate all employees to demonstrate safe behaviour and healthy habits in the workplace and in everyday life;
5. Achieve and maintain a level of zero injuries whilst analysing all events so as to prevent possible accidents reported through development and implementation, as well as assessing efficiency of plans for improvement;
6. Insist that health and safety awareness training and competency specific training activities be carried out by all personnel;
7. Ensure that all business partners, embrace and practice our values;
8. Oversee that all prevention and protection measures foreseen by our operational procedures are carefully followed by all employees, supervisors, managers and directors;
9. Further supplement KPIs that meet international safety standards;
10. Set objectives and monitor performances to guarantee continuous improvement of results and our way of operating.

Fun and fair
Sharing the Fun

Celebrating the 70th anniversary of Perfetti Van Melle Lainate

The origins of our Group traces back to 1946 when Perfetti (as the company was then known) was founded in Lainate, a small town close to Milan, Italy.

In September 2016, we celebrated this important milestone together with the local community over the course of a weekend. Over 3,000 people visited our production facility, which had been specially fitted with installations with the theme that had been chosen for the event “a long journey through taste”.

The event was organised and managed by our employees. 200 volunteers guided the visitors around the production facility explaining processes and products. The production facility was in operation and the public was invited to join us in tastings, theatrical sketches and fun activities.

A famous street artist painted a mural along one of the production facility walls to remind us of this journey that is going to continue long into the future.

We received many positive comments from the local community expressing the pride that they have hosting such a friendly and future focused company as Perfetti Van Melle in the town where they live.

The event was an engaging experience for our employees, who worked in cross-functional, cross-generation, cross-skill teams delivering their best through passion and determination.

Fun and fair
Sharing the Fun
continued

Be, Feel & Empower the Change

Be the Change

Be the Change is an initiative developed in 2015 by our Manufacturing Operating Company in Spain. It focused on the profitability, effectiveness and efficiency of PVM to build a sustainable future as well as shaping new behaviours and actions that enable transformation. Be the Change campaigns require that employees work within their departments to actively contribute initiatives to improve efficiencies, processes, costs as well as to work in cross-functional teams on the design and implementation of change projects arising from the initiatives contributed by the departments.

Feel the Change

In 2016, we advanced to "Feel the Change" where we continued with the same focus and give global recognition to the value of the effort that employees have dedicated in order to change habits and attitudes.

Empower the Change

For 2017, the initiative will evolve to "Empower the Change" where we will raise the tempo again to inject energy into the transformation process, be ambitious with challenges we propose, engage in the path taken by PVM, share the illusion of reaching more and better, collaborate in order to achieve better results and, be passionate about new ideas, projects and improvements. Empower the Change will seek out our employees' brilliant minds for initiatives that aim to boost sales growth and profitability, push and develop new products, optimise our capabilities in CSR and to develop the competency levels of our leadership and functional employees.

Employee Selling Day

This initiative was to create excitement and pride for our employees in Indonesia with the launch of Big Babol Asteroid and Alpenliebe Lollypop.

Over 1,565 employees were competing to win the sales competition. We embraced consumers in the surrounding district of Cibinong where our production facility is located and nearby cities. The activity created a fun day for employees and enabled us to share the pride and fun of our new product launch.

Fun and fair
Being compliant

Our Group's reputation for being an honest, fair and capable company with which to do business is one of our most valuable assets which we are determined to preserve. Maintaining high ethical standards within our company and in our relations with customers, suppliers, authorities and the public in general is vital to our continuous success wherever we operate.

In 2016, all our employees globally participated in a customised training course on our Code of Conduct, either by eLearning or on-site, classroom and face-to-face training.

Code of Conduct
Our PVM Code of Conduct (CoC) sets forth the principles that apply to all PVM employees. It is important that its content is well known and understood by each of us, as it highlights our responsibility, as a Group and as individuals, to implement and protect our core values and our ethical standards in the way we do business. We rely on our CoC and Values to guide our behaviour every day and everywhere, making PVM a great company to work for and to work with.

The CoC is approved by the Board of Directors of Perfetti Van Melle Group B.V. (Group) that contains the principles and commitments undertaken by the Group and all 38 Operating Companies belonging to the Group and by each one of its employees, governing our behaviour both towards the Group and to third parties.

The purpose of the CoC is to communicate to all PVM employees, managers and stakeholders of every Operating Company of the Group, our commitment to adhering to ethical principles under all circumstances, and in particular to:

- comply with the laws and regulations of each country where the Group operates;
- be equitable, fair and polite in relationships with fellow employees;
- respect the interests of all stakeholders (customers, consumers, business partners, government agencies, authorities and the external community);
- play our business role with professionalism and integrity.

The principles contained in the CoC are the foundation of our corporate policies and inspire the practices, guidelines and operating procedures adopted by the Group. Whenever more detailed clarifications are needed on how to implement the Group's values and culture in operational practices, specific guidelines will be issued to supplement those already existing.

All employees are required to read the CoC and to conform their conduct to the principles stated. Compliance with the provisions of the CoC is considered an essential part of the contractual obligations of employees and any person or entity conducting business with the Group.

The CoC details how to report any violations of the Code and the measures to be applied in the event of a violation.

We provide CoC, whistleblowing and reporting ethical concerns training online and in classroom sessions. In September 2016, all employees participated in the eLearning course with local translation and on-site classroom and face-to-face training.

By 2017, our toll-free EthicsPoint Hotline and EthicsPoint.com will be operational for employees to utilise. Employees can then provide feedback or report unethical practices online or by calling the hotline, both are managed by the Group Compliance Office.

Fun and fair
Being compliant
continued

Internal compliance: Certification
Beyond legislative requirements, our customers expect and demand safe products of high quality such as retailers who are increasingly requiring food manufacturers to have a food safety certificate. As such, our Group Quality Policy specifies the certifications that our Manufacturing Operating Companies need to obtain and work towards. Our Manufacturing Operating Companies targets are to obtain a Global Food Safety Initiative (GFSI) recognised food certification by 2017, ISO14001 by end 2018, ISO45000 by end 2020, SA8000 by end 2021 and FSSC22000Q by end 2023.

Highlighted in the table to the right shows our progress towards obtaining the certificates required.

Location	Food quality ISO 9001	Food safety FSSC 22000	Environment ISO 14001	Social ethical /Health & Safety SA 8000
Italy Lainate	●	ISO 22000	●	
Italy GBC	●	BRC		
Italy Gelco	●	BRC, IFS	●	
Italy La Giulia	●	BRC, IFS		
Turkey	●	●	●	
Benelux (all locations)	●	●	●	●
Spain (all locations)		●		
Russia Moscow	●	● (one production line) ISO 22000 (other lines)		
Russia St Petersburg	●	ISO 22000		
Bangladesh		●		
India (all locations)		●	●	
Sri Lanka		ISO 22000		
Nigeria				
China Shanghai	●	●		
China GBS	●	ISO 22000	●	
China Shenzhen	●	●	●	
Indonesia	●	ISO 22000		
Vietnam	●	●		
USA		BRC	●	
Brazil	●			
Mexico		●	●	

Our Manufacturing Operating Companies' targets are to obtain a Global Food Safety Initiative (GFSI) recognised food certification by 2017, ISO14001 by end 2018, ISO45001 by end 2020, SA8000 by end 2021.

Fun and fair
Making the workplace Fun and Fair

"It is great working for an organisation which is characterised by fun, creativity and innovation!"

"Perfetti Van Melle's business has grown substantially in Asia. During this time we have developed our professional and management capabilities to better compete and excel in the marketplace. Attraction, retention and development of talent, especially in emerging markets, continues to be a primary challenge for us. As we continue to focus on business growth and human capital, we put more emphasis on compliance and ensuring our employees adhere to the guidelines set in our Code of Conduct. This helps to promote a safe and fair working environment in every location and ensure we are compliant with the most advanced Food Safety and Quality Standards.

It is great working for an organisation which is characterised by fun, creativity and innovation! These are important ingredients of our daily life at work despite our multiple challenges, duties and responsibilities.

The first global CSR report is a major milestone for Perfetti Van Melle. I am very proud that a large number of our colleagues from many different functions took the commitment to make this happen. They put in extra time and made a big effort to support the collection of data and materials that are not always available as consolidated information. This project would not have been successful without them."

Luca Parodi
President of Business Unit Asia Pacific

Better for you

A multi-faceted strategy to help our consumers make the right choice when they want to enjoy our delicious confectionery products.

Better for you
Practising responsible marketing

In compliance with our Code of Conduct (CoC) and global food industry requirements, we are committed to communicate and advertise our products responsibly.

We support consumption in moderation and our advertising communication will not depict over consumption of food and of our products. We ensure the message and tone of our advertising communication is responsible, for example, we will not depict stereotypes, explicit sexual behaviour or controversial subjects.

In 2016, we established a Group Statement, consistent with our Code of Conduct, that elaborates our responsible marketing and advertising position. We have also developed a Marketing Code that sets internal rules for our communication materials. We use a combination of local guidelines, our Group Statement and Marketing Code when we conduct briefings to creative and media agencies.

Our core principles from our Marketing Code listed below shape the way our Sales and Marketing teams communicate and advertise globally across all media platforms:

- Our advertising messages will not encourage over consumption;
- Messages will encourage an active lifestyle (especially among the youth);
- Our advertising messages will not feature children below seven years consuming confectionery products. Children may be featured in our advertising and promotional communication as part of a family situation or in a playful environment, when relevant to the marketing message;
- Our advertising will feature products in a reasonable portion size for the situation depicted;
- Our communication and advertising messages do not treat our product as substitute for meals but as snacks and treats.

We respect local guidelines and rules on responsible advertising.

We do not track complaints or fines relating to responsible marketing and advertising. In 2017 we will evaluate the possibility of tracking to evaluate the effectiveness of our approach.

Better for you
Promoting consumer well-being

We live in an era with an array of food choices and increasingly sedentary lifestyles. Convenience, wealth, family lifestyles, media and the overconsumption of sugars all play a part in rising obesity and diabetes rates.

Added sugars are common components of modern-day diets, found in a wide range of foods and drinks, including confectionery. In addition to providing sweetness and an attractive taste, sugars are a source of energy. Confectionery products contain added sugars, and therefore best to be enjoyed in moderation. The World Health Organization suggests that sugars added to food and drinks by manufacturers, also called 'free' sugars, should be reduced to less than 10% of a person's daily energy intake. For an adult requiring 2,000 kcal a day, this equates to no more than 200 kcal from free sugars, about 50 grams or 12 teaspoons of sugar.

We believe that the reduction of sugar intake can be achieved as a result of numerous actions taken by consumers. We are also aware of the key role that the confectionery industry can play and for this reason our Group R&D, Marketing and Regulatory teams adopted a multi-faceted strategy based on three main goals:

1. Transparent calorie content information on our sugar based candies and chocolates for consumers

By displaying calorie content information on the front of pack of our main sugar-based packaged candies and chocolate, we help our consumers to be aware of product calorie intake and we facilitate the comparison among different options. Consumers can make the best choice based on their personal dietary needs, health style and requirements.

For all new sugar based candies, lollipops and chocolate, taking into consideration national legislation and local requirements, we will provide our consumers with clear calorie per piece labelling compatibly with availability of space on packaging.

We believe that with calorie per piece as a reference we provide clear information to our consumers to calculate and decide how many pieces they can consume based on their daily dietary intake. Depending on the local legal framework the calorie per piece information is also supplemented with the nutritional information per 100g.

With the exception of very small packaging like mono-pieces and single lollipops, where there is no space available, we commit that all our sugar based candies and chocolate will visibly feature the calorie information per piece:

- candy and chocolate bags above 10g will feature front-of-pack calorie labelling;
- other pack types (boxes, sticks, rolls) will feature the calorie information as visibly as possible, either on front of pack or close to the ingredient list in a visible way;
- lollipops packed in a bag or a flowpack will feature front-of-pack calorie labelling.

The existing candy and chocolate packs lacking calorie information will be gradually changed over the next five years so that all our sugar based products worldwide will be aligned with this commitment.

For all new sugar based candies, lollipops and chocolate, we will provide our consumers with clear calorie per piece labelling, compatibly with availability of space on packaging.

Better for you
Promoting consumer well-being
continued

2. Wide range of sugar based, sugar free and sugar reduced products

We offer our consumers a wide product range from sugar based products to sugar free and sugar reduced options. In particular, for all our global brands (Mentos, Chupa Chups, Alpenliebe and Fruittella), we commit to offer a sugar free or sugar reduced variant next to sugar based products in the coming five years.

Most of our chewing gum portfolio is sugar free. Chewing sugar free gum is beneficial for oral hygiene. Four health claims specific to sugar free gum backed by science were recognised and accepted by the European Commission in 2012. The FDI World Dental Federation and numerous national dental associations around the world have also recognised that chewing sugar free gum supports dental health. Chewing sugar free gum contributes to the maintenance of tooth mineralisation, the neutralisation of plaque acids and the reduction of oral dryness.

In 2016, the sugar free portfolio of our assortment contributed to 32% of our net sales. Compared to 2015, this is a growth of 3%. We intend to further grow the sugar free portfolio while always keeping in mind that 'offering a choice to consumers' is our goal.

In 2016, we launched our reduced sugar Fruittella candy in the United Kingdom. This will be launched in the Netherlands in 2017. Reduced sugar Fruittella is a delicious fruity candy with 30% less sugar which delivers 350 (kcal) calories per 100g vs a standard Fruittella candy that delivers 400 (kcal) calories.

3. Products in smaller and resealable packs and single portions

We believe that the confectionery industry has a role to play in offering consumers more options including smaller packs that help consumers enjoy our treats in moderation and do not provide stimulus for overconsumption.

Our smaller packs, single portion and re-sealable packs such as Mentos Mini, Fruittella Dummy and Alpenliebe pillow-packs have been part of our product portfolio for a long time. In 2016, around 26% of our revenue came from products sold in pack sizes less than 30g.

For all our global brands (Mentos, Chupa Chups, Alpenliebe and Fruittella), we commit to offer a sugar free or sugar reduced choice variant next to sugar based products in the coming five years.

Better for you
Our position on ingredients

At PVM we produce delicious confectionery treats for our consumers worldwide, using high quality, safe and healthy ingredients. We are convinced that health and indulgence can co-exist and we aim to provide our consumers with products that combine gratification and pleasure with health attributes. Consumers are increasingly health conscious and food-savvy and prioritise natural ingredients in their food choices. This section describes our position and practices on the use of colouring and Genetically Modified Organisms (GMO).

For new product developments of local and global brands, we will identify available natural alternatives and use non-artificial colourings. We will gradually reformulate existing products to non-artificial color alternatives.

Food colouring
Artificial colours approved as food additives by the national and international food safety institutions do not pose risks to consumers' health but have often been a cause for concern, especially in terms of exposure to children. Although confectionery is considered an occasional treat, we consider it a priority to ensure that our consumers are not exposed to any risk when consuming our products. We therefore strive to adopt the best possible available solutions in line with food legislation and indications from scientific institutions and health authorities to ensure the safety of colourings used in our products, minimise and avoid the use of artificial colourings where possible.

Our Group R&D and Group Marketing are responsible for managing our commitments with support from the Regulatory department to ensure we comply with all the relevant food regulations.

Some scientific studies linked specific artificial colourings (Southampton list colours and the so called azo colours) to possible health effects such as hyperactivity in children. These colours are all permitted by food legislation. Nevertheless, as part of our commitment to meet evolving consumer preferences over the last few years, we began reformulating various recipes to remove the use of artificial colourings and we will continue to do so. Our Fruittella brand is already predominantly free from artificial colours globally.

We have committed to the following:

1. For new product developments of local and global brands, we will work with our suppliers to identify available natural alternatives and use non-artificial colourings where feasible.
2. In 2016, we committed to reformulating existing products with the purpose of switching to non-artificial colour alternatives. This process will take several years because of the complexity of the task to maintain the same product appeal, quality standards and food safety levels as well as the large number of products involved in the reformulation process at global level.
3. We have also begun to completely remove titanium dioxide (an approved colour additive used in a variety of applications, including food, to impart white colour) from all product recipes worldwide and we will stop using titanium dioxide in production during 2018.

GMOs
GMO stands for genetically modified organism. Genetically Modified (GM) foods are made from soy, corn, or other crops grown from seeds with genetically engineered DNA. Genetic engineering is a relatively new technique and research linked to the long-term health effects of GM foods is limited. GMO is widely used and generally accepted in the Americas whereas in other parts of the world a more precautionary approach is taken towards the usage of GMO in foods.

In 2016, we defined a Policy at Group level: all PVM products sold outside of the Americas are GMO free. In the Americas we strive to find GMO free alternatives for the raw materials which are not GMO free.

Today all our products sold in Europe are GMO free and we are putting in place action plans to meet the requirements of the GMO Policy in other parts of the world.

In 2016, we established a system where all raw material information, including GMO usage, will be collected on a global basis. By the end of 2017, we will have a clear overview on the use of GMO that will provide insights for planning our future targets and actions.

Better for you
Making it easier for consumers to make the right choice

"We at PVM have taken a very innovative and smart commitment."

"We consider our consumers to be very smart and health conscious in their choices. Our product range offers tasty product solutions for all kinds of needs, going from sugar-based jellies to reduced sugar/sugar-free candies and sugar-free gums with various health benefits.

In our efforts to help our consumers make the right choice, we have gone one step further: in addition to giving them an ample range to choose from, we want to help them to clearly understand the actual calorie intake they are adding to their diet when consuming our candies. I feel that we at PVM have taken a very innovative and smart commitment.

Consumers will soon find a clear logo on our labels telling them how many 'calories per piece'. This way we are not defining a portion size that should fit all consumers. Indeed, we are giving our consumers a straightforward and basic piece of information that allows them to easily establish the number of candies they can consume based on their lifestyle and dietary needs.

Just providing nutritional information per 100g as required by law, is not enough for consumers, as it can be difficult for them to quantify the number of pieces. "Calories per piece" is a very friendly way of providing nutritional information and I feel that PVM will set the example in our category."

Jan Heeling
Chief Marketing Officer

Environmental protection

In order to reduce our impact on the environment, we are focusing on reducing energy and water consumption, limiting waste and atmosphere emissions from our manufacturing locations, as well as reducing packaging material and our carbon footprint.

Environmental protection
Limiting our carbon footprint

We are committed to reducing our impact on the environment. We wish to create and maintain competitive operations, with a long-term sustainable future. To do that, we focus on reducing energy and water consumption, limiting waste and atmosphere emissions from our manufacturing locations, reducing packaging material and our carbon footprint, adopting renewable energy sources wherever possible and obtaining ISO 14001 certification. Ownership alongside 'Good housekeeping' (GHK) are fundamental elements and have continuously been our focus. We motivate employees at every level of the organisation to respect the environment and encourage them to apply the same in their private life.

Environmental management
In 2016, 14 Manufacturing Operating Companies were ISO14001 certified and we target to get all Manufacturing Operating Companies certified by end 2018. Full details provided in Chapter 1.

The management team of the manufacturing location is responsible for managing environmental issues and they are supported by the Safety, Health, Environment & Risk (SHE&R) functions.

All Manufacturing Operating Companies are reporting non-financial KPIs monthly. Data for the following environmental KPIs are collected: waste disposed (product and non-product related), CO_2 emissions, water consumption, water discharged and water effluent specifications.

Carbon footprint
All manufacturing, logistics activities and related processes use energy obtained from resources such as carbon coal, natural gas, liquefied petrol gas, diesel fuel oil, biomass, electricity from the public grids and solar power.

In order to reduce the environmental impact derived from the use of energy, we have implemented initiatives with the intention of generating operational savings and improving energy efficiency. Examples of our initiatives include:

- In all our Manufacturing Operating Companies we emphasise the importance of "Production right first time". We encourage all employees to identify waste prevention and reduction opportunities and sort the waste for recycling. In the Netherlands, incineration of residual waste has led to "zero waste to land fill"; the remaining ashes end up being used as filler in aggregated form for road construction.
- We have invested in energy monitoring systems. Such systems enable us to track the performance of our production processes. Some installations have been connected to the existing building management system to allow better monitoring and adjustment of air handling systems/steam boilers/cooling machines in particular. The extra insight gained resulted in further savings attributing to the adjustment of various controls. In production facilities, these instruments are piloted and deployed, the key learnings are used to develop systems for broader roll out.
- We have Effluent Treatment Plants in nine Manufacturing Operating Companies that generate biogas. This helped us to reduce our consumption of natural resources to generate energy. In 2016, our production facility in Breda achieved 7% reduction in our local gas requirement. We will continue to focus on evaluating the feasibility of using self-generated biogas and implementing energy reduction initiatives in all our facilities. In St. Petersburg-Russia, Toluca-Mexico and Vinhedo-Brazil, the effluent treatment plants are in the final phase of design and expected to be installed in the coming years.

Effluent Treatment Plant in Breda (Netherlands)

Effluent Treatment Plant in Brazil

Environmental protection
Limiting our carbon footprint
continued

Our Manufacturing Operating Companies in India, Indonesia, Italy, Russia and Nigeria have installed Co-generation and Tri-generation plants that use the energy in a more efficient way for our operations. The energy from residual heat from our processes and power generation plants is used to fire vapour absorption plants to generate chilled water deployed for processing activities and building management systems in air treatment units. In our production facilities in Moscow, Russia, the complete production plant, offices and on-site warehouse is 100% serviced by the residual heat from three co-generations plants generating electricity.

- We limit our carbon footprint through the use of LED lighting in all Manufacturing Operating Companies. For example, all lighting in our Shenzhen production facility has been changed to LED lighting.
- In Sri Lanka, briquette (biomass) is used as a fuel oil alternate in the boiler system to generate the steam. The CO_2 emission of briquette is 45 times lower compared to fuel oil.
- We achieved a 1.2% local gas reduction through the use of solar energy in our production facility in Breda, Netherlands. We are evaluating the feasibility of extending the use of solar energy in other Manufacturing Operating Companies and the use of other sustainable energy sources.

Using 2016 as the base year, we are monitoring our energy consumption and carbon footprint in order to formulate our targets more specifically and implement further actions to reduce our impact.

Energy source	Consumption	Consumption (Megajoules)
Electricity consumption	313,513,114 kWh	1,128,647,209
Natural gas and liquefied natural and petroleum gas	44,192,865 Nm3	1,398,704,176
Diesel fuel oil	3,007,374 Ltrs	107,868,492
Furnace oil	3,993,262 Ltrs	130,979,000
Coal	6,694 kg	200,819
Biomass	681,548 kg	11,586,188
Bio gas	2,941,340 Nm3	58,826,806
Total energy consumption	**–**	**2,836,812,690 MJ**

Energy source	Emissions (kg CO_2e)
Scope 1 emissions	
Natural gas and liquefied natural and petroleum gas	83,259,358
Diesel fuel oil	9,743,892
Furnace oil	12,718,540
Coal	15,396
Biomass	46,353
Bio gas	1,176,536
Total Scope 1 emissions	**106,960,075**
Scope 2 emissions	
Electricity consumption	164,907,898
Total emissions (MT CO_2e)	**285,461 MT CO_2e**

As we constantly raise awareness of the direct and indirect impact that our actions can have on the environment, we pursue a strategy to monitor the environmental impact of our manufacturing operations. We are collecting standardised performance indicators and data in all manufacturing locations based on the Greenhouse Gas Protocol and conversion factors provided by local governmental emission standards or local energy suppliers. Our Scope 1 emissions are calculated with an additional 5% to account for emission leakages. Going forward, by January 2019 each Manufacturing Operating Company will have an Environmental Master Plan (EMP).

In addition to reducing our carbon footprint, we are also working to reduce our water consumption through the implementation of efficient cleaning procedures, the recycling of water and good housekeeping, process optimisation, behavioural change of employees, the implementation of 'dry' systems and recycling of residual water. The good housekeeping plan at our production facility in Vinhedo-Brazil resulted in 50% water intake reduction.

Gelco Co-generation plant

Co-generation plant in Russia (Moscow)

Environmental protection
Reducing packaging

Our packaging requires the combination of quality for our consumers whilst considering the environmental impact. PVM aims to deliver optimal packaging solutions that protect the product on its way to the end user with the least environmental impact and fit to purpose usage of packaging and related waste and emissions.

Lately, we have completed studies and activities delivering sustainable action plans, including:

i. Weight reduction of key bottle formats, resulting in 80,000 kg less plastic used on a yearly basis from mid-2017
ii. Multiple global activities optimising material structures and quantities used

Going for an even more holistic and global approach to the entire packaging system from sourcing to end of life in 2017, Group R&D will:

1. Set up internal packaging sustainable forum to better address and prioritise sustainable activities
2. Focus on a more structured evaluation of sustainability in our packaging impact
3. Optimise the weight and volume of our packaging in overall product life cycle
4. Develop more fit-for-purpose packaging solutions
5. Invest in research in alternative technologies to reduce environmental impact

Our roadmap and what we commit to achieve

Key Area	2018 Milestone	2022 Commitment
Water	Good House Keeping (GHK) program in place in all factories	
	Water intake reduced by 10%[1] (Resulting in 3,24M3/MT)	25% reduction[1]
CO_2 Footprint Scope: 1&2	CO_2 in manufacturing reduced by 2%[1] (Resulting in 0,586 kg CO_2 eq./kg)	10% reduction[1]
	CO_2 in logistics and distribution baseline and targets 2022 set	5% reduction[2]
	CO_2 cooling agents impact baseline and targets 2022 set	90% of all cooling systems replaced with "green" units[2]
CO_2 Footprint Scope: 3	CO_2 from travelling and commuting baseline and targets 2022 set	5% reduction[2]
Certification	Production locations ISO 14001 certified	All plants ISO 14001 certificates obtained

[1] Baseline 2016.
[2] Baseline 2018.

The challenge of sustainable manufacturing

In "Our Quest for the Best" in manufacturing Perfetti Van Melle, like any other company, is facing the challenge of reaching the point of sustainability for the long term. This highly ambitious target however is an important driver in all our activities to continuously evaluate how we are doing things today and how we can we do things different and better tomorrow. We embrace the Perfetti Van Melle values, People-Planet-Profit, in the way we're conducting our daily activities in our business.

Perfetti Van Melle is making efforts to reduce its impact. In our daily manufacturing activities, we're continuously looking to improve processes making them as efficient as possible, where the principles "right first time" and "good housekeeping" are deployed across the organisation. With LEAN manufacturing concepts, education and industrial investments, Perfetti Van Melle is providing all the instruments in working towards sustainability for the long term. Upcoming new technologies like SMART Industry 4.0 will help making even bigger steps in operational improvements, embracing this roadmap will guide us in digitising the shop floor achieving higher levels of operational excellence such as maximising the reduction of energy resources usage.

To show our ambition that we want to make steps in reducing our impact, we need to make responsible choices for all stakeholders and setting the right priorities also considering the available resources. "What is our commitment and what we've achieved", as depicted in the table to the left, is the ambition we have. As such we continue with persistent efforts chasing our goals in our "Quest for the best".

Ko Van Belois
Chief Manufacturing Officer

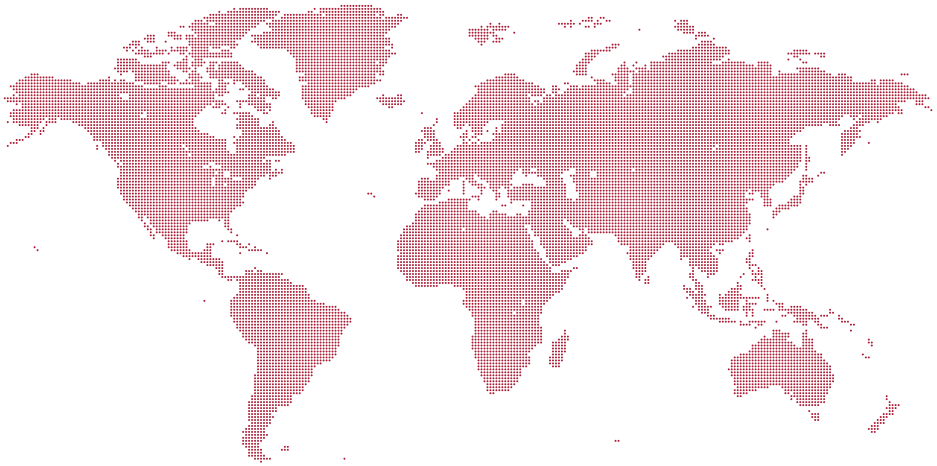
Living in our communities

We owe much to the communities we operate in and we support many good causes and initiatives locally throughout the world to take care of social, cultural and educational needs.

Living in our communities
Our impact on local communities

We are very much aware of the importance of the quality of the connection we make with the communities we operate in. We depend on them in many ways: we hire our employees from local communities, we need local licences and community endorsement to operate, we use community infrastructure and very often suppliers live close to our production facilities. Our Manufacturing Operating Companies have implemented a variety of practices around the world to enable us to better connect with those communities.

Perfetti Van Melle Global Community Engagement



USA
Big Brothers / Big Sisters
Boys & Girls Clubs
Keep Cincinnati Beautiful
The Giving Fields / Local Food Pantries
Annual Community Day
Donations to Local Non-Profits

Brazil
Arts Programs for At-Risk Children

Mexico
World Vision
Assisting Families in Need
Sustainable Farming

Spain
CARES
ASPRONIS
AMPANS
Promote Training & Employment for People with Special Needs
Product Donation to Support Local Food Banks

Netherlands
Het Kasteel Special Needs School

Italy
Ape Operosa Onlus
Support local town marching band
Contribute Euro 10K to purchase paratransit vehicle to transport individuals with disabilities
"Green Day" woodland cleaning
2-day "open factory" for community to explore & engage

Russia
Russian Children's Fund for Orphans

Turkey
Vocational High School Coaching
Kizlar Sahada / Actifit
Gender Equality
My Istanbul Esenyurt Primary Schools

India
Local School Support

Sri Lanka
Renovation of Children's Home School Supplies to Area Schools

Bangladesh
Local Primary Schools
Night Schools for Working Children
Education of Street Children

Indonesia
Indonesian Red-Cross
National Anti-Narchotics Agency

Living in our communities
Our impact on local communities
continued

Our Manufacturing Operating Companies have always applied their own local practices to connect with the local communities they operate in. Out of the 15 countries with manufacturing presence, 12 connected with their communities in 2016. China and Vietnam conducted initiatives in previous years and will report their efforts next year. Our operations in Nigeria have only been operational since 2015 and will define community plans in the near future. There is enormous diversity in the maturity of the policies and practices in place. Our operations in Spain, Sri Lanka and The Netherlands have a community investment policy while our operations in the USA, Brazil and Italy have a history of organising annual events. The remaining Manufacturing Operating Companies apply an ad-hoc approach to connect with their local community.

Local community initiatives are currently managed by different departments in each Manufacturing Operating Company with the Human Resource department most frequently driving these initiatives. The causes that we support and the community initiatives that we implement are determined by employees' suggestions, requests from communities, requests from local governments or our assessment of community needs. The success of our 'Living in our Communities' initiatives is measured with several indicators across the Group that differ per country.

In Italy, we support local economic, social, scientific and cultural causes in different ways. On a regular basis, we provide work for a local social cooperative that employs people with disabilities. The cooperative provides co-packer services. In 2016, we assigned €18,000 worth of packing activities to them. We regularly support clinical and experimental scientific research related to health and safety of ingredients at Istituto Mario Negri, a key Italian independent and world-renowned research centre. In 2016 we donated €100,000 to support their research. Provided below is a snapshot of social and cultural projects supported in Italy in 2016:

- Ape Operosa Onlus: volunteers of this organisation help people living in poor conditions by providing workmen to carry out small maintenance job and decoration;
- We support the musical performance for the Corpo Musicale Giuseppe Verdi, the town marching band;
- We contributed €10,000 to purchasing a specially designed mini-van for the transport of disabled people;
- A "Green Day" in cooperation with the local Council where our employees cleaned a woodland close to our production facility;
- 2-day 'open production facility' event for the local community to come and explore and engage with us.

In Turkey, nine employees coached 35 vocational High School Students to prepare them for professional careers. We support increasing awareness about gender equality and specifically we support women between 20-40 to boost their self-confidence and personal development through encouraging women to play sports. We sponsor the "Benim İstanbul' um" lecture that addresses up to 250 students per year. The lecture combines cultural, experimental and historical elements to offer students a different perspective.

In the USA, we support many organisations throughout the year. Our support is given in the form of donated product, time and monetary funds. We have one major event each year where we shut down production and close our offices. All of our employees spend the day volunteering at several inner-city schools or working in The Giving Fields. At The Giving Fields, we harvest vegetables that are donated to the local food pantry. The food pantry provides meals to families who are homeless or cannot afford to provide meals for their loved ones. At the schools, we paint and repair playgrounds that provide a safe environment for the children in the community. In 2016, at our All Company Meeting, as a team building exercise, employees built 45 bikes to donate to a local Boys and Girls Club, a national organisation that provides supervised after-school activities for children. In 2016, we contributed approximately €45,800 to community initiatives and 3,540 volunteering hours.

In the USA, we have also committed to forming a committee and standardising our policies and procedures as it relates to charitable organisations.

Bikes donated to USA's Boys and Girls Club organisation

Living in our communities
Our impact on local communities
continued

In The Netherlands, CSR is well-embedded in the organisation. We have a policy in The Netherlands where each department receives an annual budget of €35 per employee for a team activity. If the team activity is CSR related, the budget increases by €10 per person and the activity can be organised during working hours. This policy increases the awareness on CSR among our employees.
We have a tradition where every year around 120 employees spend half a day supporting a community initiative. In 2016, an Elementary school for special education "Het Kasteel" in Breda was selected. At this school, special needs children aged 5–12 receive education, support, therapy and care. Our employees made the outside area of the school "spring proof" by emptying and filling all sandboxes, creating special cultivation tables for children in wheelchairs, painting walls and doors in a special "castle style", installing a new kitchen and building a special "castle" fence. 80 children spent time with us painting, dancing, playing music, hockey and football.

Community initiative in The Netherlands

In Russia, we supported the Russian public charity foundation "Russian Children's Fund" both with products and with the support of our employees. The main purpose of the foundation is to raise voluntary contributions and donations to provide special assistance to orphans, children left without parental care, disabled children, as well as Russian children and children from other countries affected by wars, inter-ethnic conflicts, natural disasters and epidemics. The Foundation promotes the protection of motherhood, childhood and paternity. Several of our employees helped during working hours to prepare gifts for over 3,000 children. We provided candies to boost the 3,000 presents this foundation gave to children during New Year and other public holidays.

In India, we developed initiatives in the local community for the purpose of building awareness and giving a better lifestyle to the under-privileged. The initiatives promote education on safety, healthcare, safe drinking water to all and environmental awareness and the eradication of poverty, hunger and malnutrition. The Heads of Human Resource of each production facility identify the local community needs and requirements for each respective location. During working hours, each Head of Human Resource together with two employees performed a large variety of community initiatives. The outputs of these initiatives were not measured however in 2016, €160,000 cash and in-kind donation valued at €4,750 were donated to various schools.

In Sri Lanka, we ran three major community initiatives. One of these was the renovation of the Ministry of Women & Child Affairs approved children's home 'MAHOSU' which is 4km away from our production facility. We provided support to improve the living standard of children by improving the infrastructure of the children's home. €1,500 of in-kind value was donated and our employees spent 112 working hours and 200 non-working hours. This initiative significantly improved the living standards and the comfort of these children.

In Bangladesh, our production facility is located in an area where many social needs exist. We identified the two local schools to support the Beraiderchala Govt. Primary School and the Gilarchala Govt. Primary School. We found both schools to have a large number of students and a shortage of teacher's which hampered their progress. There is also a lack of furniture, fans and books. We supported the schools by providing three additional teachers with a monthly salary and by providing furniture, fans and drinking water.

We also organised a 'Free Health Camp' on our premises every quarter. We provide medical prescription, medicine and health advice to children, women and the elderly in those camps. These medical facilities are rendered by certified male and female medical practitioners.

In 2016, our total contribution totalled €8,000. Three to four employees spent 6-8 hours per month coordinating these activities. These initiatives were initiated by the Managing Director. The production facility's Human Resource team identified the schools' needs by visiting the schools and discussing the findings with the school authority. The initiatives supported our role in the community by demonstrating PVM is a people-oriented company and that we play a part in improving people's lives.

In Indonesia, community initiatives are organised by the CSR team which consists of representatives from various departments. In 2016, we partnered with the Indonesian Red Cross Organisation and the National Anti-Narcotics Agency. Initiatives included blood donation, socialisation/prevention of drug abuse to junior/high school students, health talk to local communities and schools, supporting child nutrition at the "Community Integrated Health Centre" in Posyandu (a community self-reliance health centre in villages for mothers and children and dental care for students at local elementary school and computer donation to a village local government and elementary/high schools in our company's surroundings). In 2016, our cash donation amounted to €4,500. Small amounts of candy are donated in each event. Our community initiatives increase the acceptance of our company as a responsible business. It also raises awareness and strengthens the relationship with the local community.

Living in our communities
Our impact on local communities
continued

In Mexico, our employees worked with World Vision to build four farms to create a sustainable food supply for families and children. We sponsored a small amount and donated several goods in-kind. 12 employees worked for eight hours with World Vision and based on this success we agreed to develop more initiatives with the NGO.

In Brazil, a government initiative allows companies to donate part of their annual taxes to NGO projects instead of paying taxes to the government, thus promoting charity support at no additional costs. PVM Brazil is supporting two projects: Instituto Gerardo Falcoes in São Paulo, an organization that helps children in poor neighbourhoods to develop their talent through music and arts, preventing them from ending up in gangs or using drugs. Our one time Euro 22,000 contribution helped paying teachers and provide additional support to the project such as psychologists, infrastructure, and materials. The second project is Associacao Paraliolimpica in Campinas that helps and trains people with physical disabilities to swim professionally with the aim to compete in the Paralympics. Our one time Euro 5,000 contribution helped to pay trainers and maintain the swimming pool in good conditions.

In Spain, we have one of the most sophisticated policies with regard to the way we connect with society. In 2016, our contribution towards community initiatives totalled €60,000 spent across the organisations below.

Associations and Foundations:

- Asociación MPS España
- Fundación Soñar Despierto
- Fundación Cruyff
- Fundación Bobath
- Ànima Fundación Privada
- Oxfam Intermón
- ITENE
- 1 Carta 1 Somriure
- Fundació Privada Aremi
- Fundació Port Aventura
- Banco alimentos Valencia
- Federació d'Associacions de Transplantats de Catalunya
- Fundació Educativa Privada Dominiques Anunciata Pare Coll
- Fundació Privada Esport Solidari Internacional (petanca solidaria)
- Fundación Privada Madrid Contra la Esclerosis Múltiple
- Asociación de Vecinos de Can Sant Joan
- Federación Española de Enfermedades Raras (FEDER)
- AECC (Asociació española contra el cáncer)
- Fundació institut europeu de salut i benestar social Fundació Grupo Sifu
- Fundació la Muntanyeta (Fepccat)
- Fundació Privada Arc de Sant Martí
- Germanes hospitalàries hospital Sagrat Cor
- Fundació Privada Escoles Garbí
- Fundación Roses contra el Cancer
- Obra Social de l'Ordre Hospitalari de Sant Joan de Deu
- Althaia xarxa assit univ de manresa
- Federación Granadina personas con Dis. F. y Org (FEGRADI)

A special collaboration was a charity draw where we raised funds through our employees with additional cash donation from PVM totalling €2,000 for Fundación Theodora for its Planta initiative: "With your contribution, you have enabled more children and teenagers in hospital to receive visits from DOCTORES SONRISA".

Another initiative is the 'Recicla Cultura' (cultural recycling) project that we have been participating in since 2015. We take advantage of the diada de Sant Jordi to collaborate with this awareness and mobilisation campaign to promote literacy among people at risk of social exclusion. Employees donated second hand books that were then distributed among the underprivileged.

Fundación THEODORA
Payasos para nuestros niños hospitalizados

With Fundación Theodora in Spain more children and teenagers receive visits from DOCTORES SONRISA

Living in our communities
Our impact on local communities
continued

Look-O-Look, The Netherlands
Business and Community Impact

Look-O-Look BV is a Perfetti Van Melle company based in Andelst, The Netherlands. Whilst Look-O-Look is not included in the scope of this report, it is part of the PVM Group. Look-O-Look employs around 45 employees with an annual turnover of €46 million. Look-O-Look is a candy wholesaler and confectionery concept specialist. Candy is sold direct or via distributors in many countries around the world. The business goals are high customer centricity, innovation and flexibility. Look-O-Look is BRC, IFS, FSSC22000, SA8000 and ISO14001 certified.

For more than 20 years Look-O-Look has worked together with four social working places in The Netherlands. As a result, around 850 disabled people re-packed a part of Look-O-Look products. One of the social working places is Weener XL. In 2008 Look-O-Look set up a partnership with Weener XL, a labour development organisation of the Municipality of 's-Hertogenbosch. This organisation finds employment for inhabitants of the city who are not able to participate in the regular labour market. For this target group, suitable work and participation are key.

Together with Weener XL, Look-O-Look has created meaningful activities whereby their employees produce Look-O-Look popular products like the Candy Pizza. Weener XL workers earn additional income on top of social security payments. Look-O-Look's production is completed close to the Look-O-Look production facility at a good price and Weener XL offer meaningful and paid employment to a group of citizens who otherwise would have difficulty finding work.

In 2016 Kees de Waard and Adrie Gerritsen, Managing Director of PVM Benelux and Look-O-Look respectively, signed a further three-year contract with Weener XL on behalf of Look-O-Look.

The future

Moving forward we intend to consolidate and focus our efforts around a common global theme that is aligned with our Mission and Values. Our Operating Companies will continue to have the autonomy to plan and implement community initiatives. This allows us to maximise our impact on the communities when our common global theme is applied locally.

The future of community investment

Only some of our Operating Companies measure the value of their cash and in-kind donations, the number of employees involved and the hours they have spent on the initiatives. For 2017, our ambition will be to define three indicators:

1. Total amount of money invested in the community initiatives – both in cash and in kind;
2. Overall number of employees involved in the community initiatives;
3. Total number of working hours invested on the initiatives.

We are looking into the option of an 'umbrella-theme' for our community investment activities and are considering choosing one theme and inviting local companies to fill this in their own way and learning from each other to see which project has the most impact. At the same time, we do not want to take the energy out of the local initiatives. Initiatives that are invented close to the ground, have higher commitment. For now, no decision is taken on the way forward and we cherish the energy all of this brings to our organisation.

Robbie Pastoor
Regional Director Human Resources, Business Unit Asia Pacific

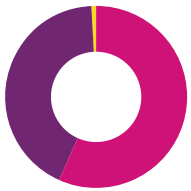
Sourcing the taste

We are establishing a Global Procurement function that will help us and our partners minimise our social and environmental impact.

Sourcing the taste
Reducing the environmental and social impact in the supply chain

Globally, the estimated total number of suppliers is 1,400 suppliers which consists of 800 Packaging Material (PM) suppliers, 600 Raw Material (RM) suppliers, and 10 Distributors that supply both Raw Material and Packaging Material. Our top Raw Materials procured are sugars, glucose, flavours, polyols and mono-polysaccharide, whereas our top Packaging Materials procured are flexible plastic, rigid plastic, corrugated board and paper board.

Total number of suppliers



Packaging Material	800
Raw Material	600
Distributors	10

PVM Code of Conduct
We require our suppliers to sign PVM CoC which covers social and environmental responsibility. We commit to operate safely and responsibly, with sound environmental practices aimed at minimising our impact on the environment. When we select suppliers, we take into consideration their commitment to environmental and social responsibility.

When suppliers sign our CoC, they agree to comply with all the laws applicable to anti-corruption and anti-bribery regulations. The CoC also dictates that no children can be employed in a supplier's organisation and that all the relevant regulation in terms of employee's safety, remuneration – social security contribution included – and management are duly applied.

Palm Oil
Whilst palm oil is not widely used in our products, we decided to eliminate palm oil and derivatives from our recipes wherever possible and in all other cases within the coming year only RSPO MB (Roundtable on Sustainable Palm Oil Mass Balance) certified oil will be used.

Reducing our environmental impact
We're committed to reducing the environmental impact of our distribution operations and have implemented the following initiatives:

We aim to manufacture our products close to our sales markets whenever possible. Our objective is to minimise imports and exports, reducing the environmental impact and waste of energy involved in transporting goods.

Whenever possible, we also make significant use of combined road/rail transport, both for imports and for domestic distribution. For exporting to distant markets we prefer to use shipping, thus helping to reduce greenhouse gas emissions.

With new regular transportation routes, we consistently increase Intermodal weight achieving above 95% on all our transport from Spain to Benelux, Spain to United Kingdom, Istanbul to Benelux and Istanbul to United Kingdom. As a result, we reduced 1.065 tonnes of CO_2 equivalent emissions in 2016.

As part of our target to allocate our production closer to the final market of Italy, we brought our Gum Bottle production from Turkey to France reducing the distance by 85%.

Our production facilities in China have worked on a logistics project reducing the mode of transportation from road to more rail and shipping resulting in a reduction of 8,045,617L of diesel consumption and 21,160 tonnes of reduction of CO_2 equivalent emission.

The future
We recognise the impact that our actions have on society at large and the environment. We are in the process of establishing a Global Procurement function that will put in place a strategy and action plan, not just for us as a company but also for our key partners, to minimise our impact. In 2017 we will set clear and realistic goals with a specific roadmap.

Our Group Quality Policy requires each supplier of raw materials and packaging materials as well as co-packers and co-producers of finished goods to have at least one GFSI recognised food safety certificate by January 2018. This is the first step in guaranteeing a global quality and food safety standard throughout our supply chain. This policy will then be further extended to include Environment, Social Ethical and Health & Safety certification requirements for our suppliers. In 2017, we will set targets and chart a roadmap to achieve this.

Sourcing the taste
Aligning our production facilities and suppliers with globally recognised standards

"Over recent years our Group Quality team has implemented a global certification policy guaranteeing the strict alignment of all our production facilities to globally recognised standards."

"Having spent 20 years in R&D and Quality in various countries I've had the opportunity to deeply interact with a huge number of suppliers across the globe and also to visit and audit their facilities. Local cultures and circumstances need to be understood and respected when it comes to the evaluation and approval of suppliers, but PVM is demanding that all business partners respect and follow standards.

Over recent years our Group Quality team has implemented a global certification policy, guaranteeing the strict alignment of all our production facilities to globally recognised standards. The most critical standards are becoming a mandatory requirement for some of our suppliers, and we will increase these requirements in the coming years to a wider range of standards and a wider range of suppliers."

Martin Walzl
Chief R&D Officer

Other information
Performance data

Our workforce

	India	Bangladesh	China	Netherlands	Vietnam	Sri Lanka	Indonesia	Mexico	Russia	Spain	Brazil	Italy	Turkey	Nigeria	USA	Total
Total number of employees at 31 Dec 2016	3,106	649	3,188	668	2,320	220	1,601	355	1,096	422	614	980	1,046	217	326	16,808
Employees by employment contract																
Permanent Contract (Indefinite period)	1,772	409	2,702	633	2,013	179	1,507	347	1,096	376	611	915	1,046	166	280	14,052
Temporary or Fixed Term Contract (on PVM payroll)	1,334	240	486	35	307	41	94	8	0	46	3	65	0	51	46	2,756
Temporary or Fixed Term Contract – non sales force (not on PVM payroll)	0	0	0	0	0	0	0	0	58	2	0	24	0	0	0	84
Sales Force not on PVM payroll	3,129	842	2,046	0	0	16	1,012	7	815	2	70	986	89	328	1,141	10,483
Total	**6,235**	**1,491**	**5,234**	**668**	**2,320**	**236**	**2,613**	**362**	**1,969**	**426**	**684**	**1,990**	**1,135**	**545**	**1,467**	**27,375**
Employees by employment type																
Full Time	100%	100%	100%	79%	100%	100%	100%	100%	100%	88%	100%	96%	100%	31%	98%	97%
Part-time	0%	0%	0%	21%	0%	0%	0%	0%	0%	12%	0%	4%	0%	69%	2%	3%
Employees by gender																
Male	93%	92%	58%	66%	64%	93%	84%	47%	55%	51%	53%	69%	66%	89%	58%	68%
Female	7%	8%	42%	34%	36%	7%	16%	53%	45%	49%	47%	31%	34%	11%	42%	32%
Freedom of association																
% of employees eligible to join Union	100%	NA	100%	100%	99%	100%	100%	45%	100%	100%	100%	100%	100%	93%	86%	93%
Actual % of employees in Union	100%	NA	100%	0%	4%	0%	76%	45%	0%	0%	5%	33%	0%	63%	0%	52%

Other information
Performance data
continued

LED lighting deployed across our production facilities

Production location	Lighting			
	% LED			
	Factory		Offices, others	
	Until 2016	2017	Until 2016	2017
NL-Breda	30	40	60	70
NL-Weert	5	10	5	10
BRA-Vinhedo	95		50	
ESP-Sant Esteve	90	100	0	65
MEX-Toluca	14		0	
PCN-Shanghai	11			
PCN-Shenzhen	100	100	100	100
RUS-Istra	95		50	
RUS-St. Petersburg	98		0	
PIT-Lainate	8		8	
PVN-Saigon	2		0	
PNG-Agbara	0		0	
PIN-Rudrapur	46	61	48	68
PIN-Chennai	0		1	
PIN-Manesar	3		49	

Other information
Performance data
continued

Our electricity consumption

Electricity consumption by Operating Company	Consumption (kWh)	Consumption (Megajoules)
PVM ITALY	31,289,181	112,641,050
PVM GELCO	9,525,555	34,291,998
GBS	1,744,624	6,280,646
GBC	7,015,168	25,254,605
PVM La Giulia	2,906,859	10,464,692
PVM Gida	15,074,295	54,267,462
PVM Nigeria	6,675,346	24,031,246
PVM Manesar	17,624,915	63,449,694
PVM Rudrapur	12,465,313	44,875,127
PVM India Chennai	14,984,902	53,945,647
PVM Sri Lanka	1,374,137	4,946,893
PVM Bangladesh	5,102,348	18,368,453
PVM Vietnam	31,169,433	112,209,959
PVMI Cibinong	15,453,000	55,630,800
PVMI Cikampek	8,582,000	30,895,200
PVMI Shenzhen	33,989,430	122,361,947
PVMI Shanghai	50,259,030	180,932,510

Other information
Performance data
continued

Our production facility's electricity consumption continued

Electricity consumption by Operating Company	Consumption (kWh)	Consumption (Megajoules)
PVM Spain (Can Serra)	5,031,892	18,114,811
PVM Spain (Dulcelandia)	585,792	2,108,851
PVM Breda	15,328,660	55,183,176
PVM Weert	3,260,343	11,737,235
PVM Sittard	721,880	2,598,768
Andelst	559,200	2,013,120
PVM Mexico	3,658,000	13,168,800
PVM USA	4,104,183	14,775,059
PVM Brasil	12,053,637	43,393,093
PVM Russia (SPB)	2,973,991	10,706,368
PVM Russia (MOS)	0	0
Total electricity consumption	313,513,114	1,128,647,209

Other information
GRI Index

General Disclosures			
GRI Standard	**Disclosure**	**Description**	**Reference section**
Organisational profile			
GRI 102: General Disclosures 2016	102-1	Name of the organisation	About Perfetti Van Melle
	102-2	Activities, brands, products, and services	About Perfetti Van Melle
	102-3	Location of headquarters	About Perfetti Van Melle
	102-4	Location of operations	About Perfetti Van Melle
	102-5	Ownership and legal form	About Perfetti Van Melle
	102-6	Markets served	About Perfetti Van Melle
	102-7	Scale of the organisation	About Perfetti Van Melle Being a responsible employer
	102-8	Information on employees and other workers	Being a responsible employer
	102-9	Supply chain	Sourcing the taste
	102-10	Significant changes to the organisation and its supply chain	Sourcing the taste
	102-11	Precautionary principle and approach	CSR at Perfetti Van Melle
	102-12	External initiatives	About Perfetti Van Melle
	102-13	Membership of associations	About Perfetti Van Melle
Strategy			
GRI 102: General Disclosures 2016	102-14	Statement from the most senior decision-maker of the organisation	Message from our Group CEO
Ethics and integrity			
GRI 102: General Disclosures 2016	102-16	Values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics	Our recipe for being responsible
Governance			
GRI 102: General Disclosures 2016	102-18	Governance structure	How we ensure that our recipe works

Other information
GRI Index
continued

General Disclosures			
GRI Standard	**Disclosure**	**Description**	**Reference section**
Stakeholder engagement			
GRI 102: General Disclosures 2016	102-40	List of stakeholder groups	Who we listened to
	102-41	Collective bargaining agreements	Being a responsible employer
	102-42	Identifying and selecting stakeholders	Who we listened to
	102-43	Approach to stakeholder engagement	Who we listened to
	102-44	Key topics and concerns raised	Who we listened to
Reporting practice			
GRI 102: General Disclosures 2016	102-45	Entities included in the organisation's consolidated financial statements	About Perfetti Van Melle
	102-46	Defining report content and topic boundaries	About this report
	102-47	List of material topics	Our recipe for being responsible
	102-48	Restatements of information	About this report
	102-49	Changes in reporting	About this report
	102-50	Reporting period	About this report
	102-51	Date of most recent report	About this report
	102-52	Reporting cycle	About this report
	102-53	Contact point for questions regarding the report	About this report
	102-54	Claims of reporting in accordance with the GRI Standards	About this report
	102-55	GRI content index	GRI Content Index
	102-56	External assurance	About this report

Other information
GRI Index
continued

Material Disclosures			
GRI Standard	**Disclosure**	**Description**	**Reference section**
Being compliant			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Being compliant
	103-2	The management approach and its components	Being compliant
	103-3	Evaluation of the management approach	Being compliant
Being a responsible employer			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Being a responsible employer
	103-2	The management approach and its components (including grievance mechanisms)	Being a responsible employer
	103-3	Evaluation of the management approach	Being a responsible employer
GRI 403: Occupational Health & Safety 2016	403-2	Types of injury and rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities	Being a responsible employer
GRI G4 Food Processing Sector Disclosure	G4-FP3	Percentage of working time lost due to industrial disputes, strikes and/or lockouts, by country	Being a responsible employer
Practising responsible marketing			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Practising responsible marketing
	103-2	The management approach and its components	Practising responsible marketing
	103-3	Evaluation of the management approach	Practising responsible marketing
GRI 417: Marketing & Labelling 2016	417-3	Incidents of non-compliance concerning marketing communications	Practising responsible marketing
Protecting consumers' well-being			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Protecting consumer well-being
	103-2	The management approach and its components	Protecting consumer well-being
	103-3	Evaluation of the management approach	Protecting consumer well-being
GRI 416: Customer Health & Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Protecting consumer well-being
GRI G4 Food Processing Sector Disclosure	G4-FP1	Percentage of purchased volume from suppliers compliant with company's sourcing policy	Protecting consumer well-being
	G4-FP5	Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognised food safety management system standards	Protecting consumer well-being
	G4-FP6	Percentage of total sales volume of consumer products, by product category, that are lowered in saturated fat, trans fats, sodium and added sugars	Protecting consumer well-being

Other information
GRI Index
continued

Material Disclosures			
GRI Standard	**Disclosure**	**Description**	**Reference section**
Limiting carbon footprint			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Limiting our carbon footprint
	103-2	The management approach and its components	Limiting our carbon footprint
	103-3	Evaluation of the management approach	Limiting our carbon footprint
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Limiting our carbon footprint
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Limiting our carbon footprint
	305-2	Energy indirect (Scope 2) GHG emissions	Limiting our carbon footprint
Reducing packaging			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Reducing packaging
	103-2	The management approach and its components	Reducing packaging
	103-3	Evaluation of the management approach	Reducing packaging
Non-GRI		Reduction in packaging materials used	Reducing packaging
Impact on local communities and playing a role as a corporate citizen			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Our impact on local communities
	103-2	The management approach and its components	Our impact on local communities
	103-3	Evaluation of the management approach	Our impact on local communities
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments and development programmes	Our impact on local communities

Other information
GRI Index
continued

Material Disclosures			
GRI Standard	**Disclosure**	**Description**	**Reference section**
Reducing environmental and social impact in the supply chain			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Reducing the environmental and social impact in the supply chain
	103-2	The management approach and its components	Reducing the environmental and social impact in the supply chain
	103-3	Evaluation of the management approach	Reducing the environmental and social impact in the supply chain
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Reducing the environmental and social impact in the supply chain
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Reducing the environmental and social impact in the supply chain
GRI G4 Food Processing Sector Disclosure	G4-FP1	Percentage of purchased volume from suppliers compliant with company's sourcing policy	Reducing the environmental and social impact in the supply chain
	G4-FP2	Percentage of purchased volume which is verified as being in accordance with credible, internationally recognised responsible production standards, broken down by standard	Reducing the environmental and social impact in the supply chain