

CSR POLICY PLAN

Schouten Europe

June 2019

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Terminologies:

Corporate Social Responsibility (CSR) or (*Maatschappelijk verantwoord ondernemen, MVO*) is a company's sense of responsibility toward the community and environment, both ecological and social, in which it operates. This means taking responsibility for the impact on the environment, the society, and employees while striving for economic success.

Sustainable Development Goals (SDGs) known as the **Global Goals**, a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.

In 2015, countries adopted the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals. The 2030 Agenda for Sustainable Development provides a global blueprint for dignity, peace and prosperity for people and the planet, now and in the future

United Nations Global Compact is launched by United Nations (UN) to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation.

The UN Global Compact is a principle-based framework for businesses, stating ten principles in the areas of human rights, labor, the environment and anti-corruption.

ISO 26000 provides guidance on how business and organizations can operate in a socially responsible way. This mean acting in an ethical and transparent way that contributes to the health and welfare of society. ISO 26000 provides guidance rather than requirements, so it cannot be certified.

1 PREFACE

Global population predicted to increase 9.7 billion by 2050 where food demand will also grow 70 percent by 2050 vs 2006. Land degradation, declining soil fertility, unsustainable water use, environmental degradation are all lessening the ability of the natural resource base to supply food. The food sector accounts for around 30 percent of the world's total energy consumption and accounts for around 22 percent of total Greenhouse Gas emissions. (Source: UN)

Corporate Social Responsibility (CSR) is a company's sense of responsibility toward the community and environment, both ecological and social, in which it operates. This means taking responsibility for the impact on the environment, the society, and employees while striving for economic success. CSR is, therefore, closely linked with the practice of Sustainable Development.

Sustainable development has been defined as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs". (UN)

Schouten is a fast growing company. With a vision to be a market leader in innovation and production of plant based protein products, we strive for social development as well to achieve equity and equality in the society.

In connection with UN global agenda and a social responsibility of a business, we have formulated this CSR policy to take appropriate initiatives regarding environmental, economic and social concerns of sustainable development while doing the business operations. This report provides information about our current business practices and our future CSR plan with set targets and goals for coming years.

In alignment with vision of our company and through the CSR initiatives, we are trying to fulfilment our role as a Socially Responsible Corporate, regarding reduction of environmental impact, considering stakeholders concerns, good working conditions of our employees, and for well-being of the communities where we operate.

2 SCOPE OF THE REPORT

This is our first CSR policy report for the period of 2019-2022. Our CSR policy covers the significant social, economic, ethical and environmental commitments to pursue our business activities by considering the global sustainability agenda, government commitments, stakeholders and consumers priorities.

In this report, we present our current business practices and our future CSR plan regarding sustainable development. To fill the gap, between current and future CSR initiatives, we have set goals and targets for coming years to integrate sustainability in our management and production activities.

We are committed to monitor regularly our environmental & social performance and continue improvements and reporting on CSR issues on regular bases.

This report has been completed with good coordination and cooperation of our co-workers from internal departments (R&D, Quality, Purchase, Marketing and HR) and our suppliers/production partners.

3 METHODOLOGY

The topics of this CSR report are based on the three dimensional criteria of sustainability;

1. Social
2. Economic
3. Environment

We have considered the concerns / priorities of our stakeholders and Sustainable Development Goals (SDGs) regarding above stated element of sustainable development. To contribute in UN global agenda, we have selected the following SDGs:

SDG 1: No Poverty

SDG 3: Good Health and Well-Being

SDG 7: Affordable and Clean Energy

SDG 8: Decent work and Economic Growth

SDG 12: Responsible Production and Consumption

Both, internal and external data has been used to complete this report. The data has been gathered with questioners, reports, and personal meetings with both our co-workers and our suppliers about their environmental performance and their preferences about sustainable development.

4 INTRODUCTION

Schouten is a family company originally started in 1893 as a bakery by the great-grandfather of the current Director Henk Schouten. Later on, the company started trade in raw material and animal feed around the world. Schouten family subsequently built up substantial knowledge and experience of the various sources of vegetable protein through many years of international trade.

In 1990, the company has been focused specially on plant based protein food. Schouten is a first Dutch company who initiated and innovated a large scale of plant based protein food products and contributed to market development of same range of products in Europe.

Schouten works with European retailers; brand manufacturers of snacks, salads and meals; global fast food chains and all sorts of other parties within the industrial, intermediate, and institutional market. Schouten outsources the manufacturing of its product to different production and packaging partners. These production partners have been chosen based on their skills and speciality of specific products to maintain our product quality.

4.1 VISION

Schouten aims to be a reliable partner for parties in the retail sector, food services and other industries worldwide. We want to provide added value in the field of plant-based protein food by offering high-quality products that will make these parties stand out in the market.

4.2 MISSION

Based on the conviction that the world requires a range of foods that is more plant than animal-oriented, Schouten aims to offer consumers a sustainable alternative to meat. Our range of plant-based protein foods must be attractive to flexitarians, vegetarians and vegans. Furthermore the products must be suitable to a healthy lifestyle. We aim to produce in a fair and transparent manner while respecting humans, animals and the environment.

4.3 CSR GOALS

Improving availability of affordable & healthy plant based protein products in our respective sales channels with zero-deforestation, reduction in CO2 footprints, and zero-poverty impact by;

- Responsible sourcing.
- Responsible supply chain management.
- Minimizing impact on the environment by reduction of energy and water use.
- Maximum reuse, reduce and recycling of the waste.
- Considering life cycle of our products for developing them as sustainable as possible.
- Well-being of the communities where we operate.
- Dealing with employees in a responsible way.
- Building long term relationships with our suppliers.

4.4 CSR STRATEGY

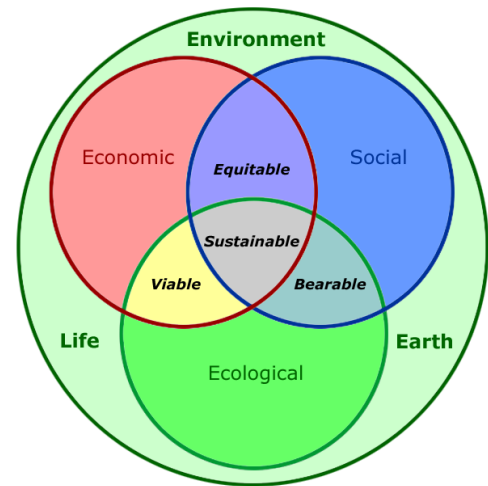
Our sustainability strategy aligns with the UN Sustainable Development Goals (SDGs) and the stakeholders concerns about sustainable development.

We are integrating sustainability into our business to create greater impact across our value chain. We focus mitigating climate change, promoting natural environment, optimizing resources, professional growth and personal development of our employees and supporting communities.

Schouten itself is a sustainable business by developing and producing “plant based protein” products worldwide. We want to be a market leader worldwide by distinguishing ourselves from our competitors, developing and marketing a wide range of tasty and healthy and protein-rich vegetarian products. We want to be a flexible future proof organization and guaranteeing the satisfactions of our employees.

We work toward trustful and long term relationship with our suppliers and production partners. One of our sustainable practice is that we innovate and develop meat substitute products ourselves and outsource the manufacturing to production companies specific to their specialty regarding the product.

We are aware about responsible marketing by taking into account, climate change, that need to influence the concept, design and delivery of products. We fully support a consumer's right to know what is in our products and be transparent in terms of ingredients, nutrition values, and the health properties of our products.



4.5 CORE VALUES

The ethical behavior of our organization is based on integrity. Schouten works towards its ethical policy. Core values of our company implying caring for people, animals and the environment, and the obligation to address the impact of our activities and decisions on the interests of stakeholders;

Innovation: We lead in developing and marketing a wide range of tasty, healthy and protein-rich vegetarian products that are relevant to our customers and consumers.

Integrity: We act efficiently and reasonable manner while dealing our suppliers and consumers by ensuring integrity, honesty and responsibility.

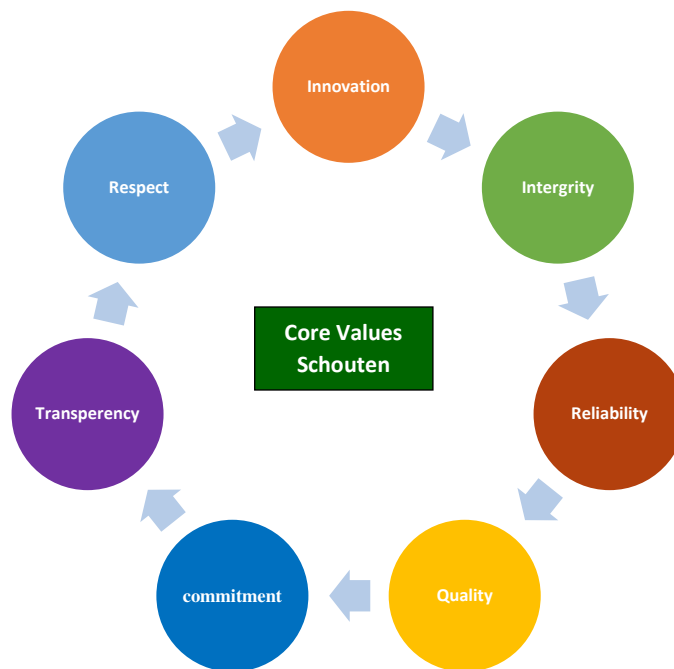
Reliability: Reliable business partner.

Quality: We are committed to ensure food safety and consistent food quality.

Commitment: we acknowledge people's right to health and adequate nutritional values.

Transparency: Our organization is transparent in decisions and activities that have an effect to society and the environment.

Respect: Our organization respects and acknowledges universal deceleration of human rights. We fully respect these rights in all countries, cultures and situations; Equality regarding religion, belief, political health, race, gender, nationality, sexual orientation or marital status.



4.6 COMPLIANCE

Apart from the strict quality and safety requirements that we require of our production sites, we have also obtained IFS certificate and Bio-certificate (Skal).

We also arrange **V-label** on the demand of our clients (The V-Label is an internationally recognized, registered symbol for labelling vegan products and services).

IFS certificate : We have obtained again this year IFS Broker Certificate.

The IFS Broker was created to ensure the safety and quality of products filling the gap between production and distribution. Trading partners expect brokers to communicate their product requirements to manufacturers and that these specifications will be understood and implemented. The audit take place annually.

The certificate defines a large number of requirements that help us to set up a good quality system.

Skal: We have also obtained the Bio certificate from Stichting Skal Biocontrol for our biological products. The process and product for agricultural products originating from organic production methods are in control. During these audit regulations for organic production (consists of European and Dutch legislation and regulations set by the control institute Skal) are audited. This certificate provide the authenticity of biological products. The audit take place annually.

4.7 STAKEHOLDERS

Schouten is aware of the impact of its decisions and activities on the interests and the needs of its stakeholders. We have appropriate valuation for our stakeholders for their different capacities and needs to be in contact with and to be involved in our organization. We have direct and indirect influence of our stakeholders such as customers, consumers, business partners, suppliers, production companies, NGOs, government, and educational institutions.

We respect the interest and concerns of our stakeholders for sustainable development as stakeholders have necessary information and the necessary insight to make our decisions. We periodically assess and evaluate the management processes of our organization; processes adapt to the outcome of the assessments and announce changes throughout the organization.

We have identified our stakeholders those have direct and indirect influence in our business;

Customers: We provide our with adequate and relevant information about our company and products. If there are complaints, we try to inform and solve the problem as soon as possible. We collaborate and ensure to provide a sustainable product to our customers.

Consumers: We provide authentic information about our products on the packaging for our consumers. We respect and consider their opinions and complaints seriously for improvement of our products.

Employees: Our employees are chief asset for our company. We offer them fair pays and good working conditions. Their job satisfaction and motivation is very important for us.

Business partners: In new joint ventures, we consider to work with business partners who comply with the laws of the countries where they operate and respect the internationally recognise human rights and contribute to the “Schouten way of doing business”.

Shareholders: Concern about sustainable long-term financial value growth.

Management: Dealing with daily management, internal control, strategy and vision.

Suppliers: We have direct relationship with these stakeholders. These includes our partners manufacturing companies as well. We have a long-term and strong commitment with our suppliers to deliver quality products.

Government: To fulfill legal obligations towards our products and employees.

Educational Institutions: As a leading organization in plant based protein products in Europe, we offer opportunities to students to learn practically about the development of meat substitute products.

NGOs: Contribute to the continuous learning process and social impact of our organization related to our Corporate Social Responsibility.

5 STAKEHOLDERS INTERESTS IN SUSTAINABILITY

Based on meetings, consumer surveys and reports on sustainability policies from suppliers, we have found out the following interests or priorities of our stakeholders regarding sustainable development;



Stakeholders concerns over sustainability	Which Stakeholders	Source
Innovation in products	Business partner and customers	Meetings and orders
efficient and sustainable production chain	Business partner and customers	Meeting and reports
nutritional value and food security	Business partner, customers and consumers	reports
Integrity and authenticity	Customers and Consumers	Consumer surveys, criteria of business clients and reports
Less packaging and less use of plastic	Consumers and customers	Consumer surveys
Well-being of employees and good work conditions	Management and employs	Staff meetings and Policies
Efficient use of resources: energy and water	Management and government	Compliance and regulations
Minimizing the impact of CO2	Management and government	Compliance and regulations




To get an detailed overview of stakeholders involvement and their concerns, commitments and work together to achieve sustainability throughout supply chain, we still need to conduct a formal dialog with our stakeholders.

6 LINK AND CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS (SDGS)

The Sustainable Development Goals are a collection of 17 global goals set by the United Nations General Assembly in 2015 for the year 2030. The Sustainable Development Goals are the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including those related to poverty, inequality, climate, environmental degradation, prosperity, and peace and justice.

To take part in global sustainability agenda and connection with our CSR goals, we have chosen five SDGs 1, 2, 7, 8, and 12. that are fitting in our operational activities. These selected goals are directly and indirectly influencing our business activities regarding sustainable development.

SDGs	Contribution of Schouten in SDGs
 <p>1 NO POVERTY</p> <p><i>End poverty in all its forms everywhere.</i></p>	<p>Schouten Foundation: A foundation has been raised up in February 2019 within Schouten to support the community development work in developing countries. The foundation provide financial support to the projects such as;</p> <ul style="list-style-type: none"> • Supporting vulnerable people to get education and nutritional food. • Supporting vocational training programmes to improve the social status and income of needy people. • Supporting accompaniment for people with physical and mental disabilities <p>For more detail see: www.schoutenfoundation.com</p> <p>Sponsor Program: Schouten offers every new employee to sponsor a child via Compassion Child sponsorship program. Schouten Foundation bears the sponsor costs. Employees are expected to have regular communication with the sponsored child.</p>
 <p>2 ZERO HUNGER</p> <p><i>End hunger, achieve food security and improved nutrition and promote sustainable agriculture.</i></p>	<ul style="list-style-type: none"> • Innovation and development of payable/affordable high plant based protein products. • Address nutritional aspects within product development. • Development of tempeh meal for children in India to improve the nutritional factors (In-process). <p>CHIEF - Centrum Hulp bij Innovatie Educatie en Fascinatie Plantaardige Eiwitten in The Netherlands:</p> <p>Schouten initiate CHIEF to accelerate the protein transition through realization of a shift in diet of the consumer of predominantly animal to more vegetable proteins. (in-process)</p>

<p>7 AFFORDABLE AND CLEAN ENERGY</p>  <p><i>Ensure access to affordable, reliable, sustainable and modern energy for all.</i></p>	<ul style="list-style-type: none"> • Less use of energy: End of 2022, has an energy label C in our head office in Giessen; <ul style="list-style-type: none"> ◦ using led lamps, using energy efficient modern technology, placement of solar panels or wind energy. • Less waste: reuse, reduce and recycle. • Minimum use of water.
<p>8 DECENT WORK AND ECONOMIC GROWTH</p>  <p><i>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</i></p>	<ul style="list-style-type: none"> • Get commitments by signing contracts with our suppliers (throughout supply) regarding; <ul style="list-style-type: none"> ◦ No Child labour, defined as work conducted by people under 15 years of age. ◦ No Forced labour. • Protect labour rights and promote safe and secure working environments for all workers. • Provide good work conditions to our employees. • Offer good wages to our employees. • Providing enough free days to employees for balance the work and personal life.
<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>  <p><i>Ensure sustainable consumption and production patterns.</i></p>	<ul style="list-style-type: none"> • Buying certified raw material. • Recyclable packaging: Shift to 100% biodegradable packaging in 2022. • Conduct a Life Cycle Assessment of our products 2019-2020. <p>Memberships:</p> <ul style="list-style-type: none"> • RTRS Roundtable on Responsible Soy. • RSPO Roundtable on Sustainable Palm Oil. • MVO Nederland (Corporate Social responsibility) network in The Netherlands. • Green Protein Alliance.

7 ECONOMIC PERFORMANCE AND DEVELOPMENT

7.1 PRODUCT RESPONSIBILITY

7.1.1 Quality & Safety

Schouten's primary responsibility is to guarantee the quality, traceability and safety of the products it sells. It therefore undertakes to comply with strict standards that management pursues to continuous improvement of the food safety culture. This responsibility relates to the products and also to the promotional objects that may be associated with product (gifts, prizes etc.).

7.1.2 Research & Development (R&D)

Our product is developed by using our expertise, knowledge, innovation and market trends of plant based protein products. We designed our products under the guidelines of "voedingcentrum" in The Netherlands for specific ingredients. We use an innovative approach to develop a product keeping into account such as climate, ethnic group, appropriate to taste and culture.

7.1.3 Customer health and safety

Schouten uses the "Schijf van Vijf" criteria from Voedingcentrum The Netherlands for development of meat substitute products such as quantity of ingredients per 100g product.

We also develop and make products for other companies. There we are following the demands and specification of the assigned party.

Schouten is also working together with ProVeg for vegan products. ProVeg is a leading international food awareness organization for a plant-based future, active in four continents, giving advice on vegan products to the companies.

7.1.4 Consumer information

Schouten undertakes to provide consumers with information on the composition of the products it sells, via product packaging, website and social media. We have a special consumer service on website where our consumers can ask information about availability and specification of the products.

7.1.5 Product end of life

Schouten donated the products, which are not sold and still have use date, to Food Bank. Unfortunately, the outdated products has to be demolished.

Note: At present, we are looking for possibilities to find out the footprints of our products. We would like to find out our product impacts from farm to fork and waste. We also want to compare our veggie products footprints with meat products.

Targets and Actions 2019-2020

- Conduct a life cycle assessment of our products from "farm to fork and waste" to understand the impacts and identify opportunities to reduce this impact.

- Use risk assessment to determine any adverse environmental effects arising from the use and disposal of our products.

7.1.6 Responsible marketing

Marketing to consumers in an appropriate and responsible way to shaping consumer behavior to promote healthful choices and better environmental outcomes

- Foster environmentally friendly behaviors
- Foster healthy behaviors
- Product labelling
- Transparent communication
- Provide clear product information in terms of ingredients, nutrition values, and the health and beauty properties of our product

Target and Actions:

- Update marketing strategy incorporation with sustainability
- Provide relevant information and advice to consumers & customers on the environmental impacts of our products

7.2 PROCUREMENT POLICY

Schouten purchase biggest part of the raw material self and partially is done by suppliers. We have priority to buy responsible products. We make commitment that the goods and services purchased are produced, delivered, used and removed in an eco-friendly and socially responsible manner, so they yield in long term for both Schouten and its customers.

Therefore, Schouten is busy in formulating a new procurement policy to meet our commitment for responsible purchasing.

Schouten use the following criteria for selection of the suppliers;

- The supplier should preferably have a certified food safety quality management system based on HACCP principles (e.g. ISO 22000, FSSC 22000, BRC, IFS) in place, which is audited by an accredited body.
- Claimproduct, e.g. Biological, Eco etc: openness in product-related communication regarding integrity, such as product labeling, product specification and other consumer information.
- Promoting social responsibility e.g. compliance with core labor standards and equal opportunities, compliance with our code of conduct or similar or adherence of human rights.
- No child and forced labor: We do not accept any form of force labor such as slavery, bonded labor, and human trafficking.
- Verification of compliance with all obligations from relevant environmental legislation, initiatives, codes and practices.
- Suppliers audit and;
- Conduct negotiation meetings with suppliers

Target: To improve sustainable procurement policy in 2019-2020

Actions;

- Updated and implement procurement policy throughout supply chain.
- Sign a contract with suppliers throughout supply chain to provide responsible product.

- Develop a code of conduct. Suppliers should meet the requirements of this code.
- Buying 25 % of raw material locally.
- Meetings and negotiations with suppliers to reduce CO2 impact in the products.
- Building Long term relationship with raw material suppliers.
- Suppliers engagement on the environment and local community.
- Every 2 year assessment and continues improvement in procurement policy.
- Communicate sustainable procurement policy clearly with staff and key suppliers.
- Key procurement staff should receive basic training in sustainable procurement principles.

7.3 RESPONSIBLE SOURCING

Schouten is buying maximum raw material from certified suppliers. We have a selection criteria for suppliers to meet the certain requirements. This process is done via fulfilling the questionnaire and if necessary with audit of the company. The companies who cannot meet the standard criteria, we do not work with them.

Soy and Palm oil are basic ingredients for most of our products. We purchase sustainable soy and sustainable palm oil with certificate.

7.3.1 Sustainable Soy

We purchase soy within the sustainability framework of Round Table of Responsible Soy (RTRS). We are a member of RTRS and buying soy with non-GMO credits. The certification allows producers to commercialize RTRS non-GMO credits. One ton of non-GMO soy is equivalent to one credit.

RTRS is a multi-stakeholder initiative that has developed principles and criteria for responsible soy production. Its principles cover;

- good agriculture practice
- environmental responsibility
- legal compliance
- good business practice
- responsible labour conditions
- responsible community relations

Our ambition and commitment is to continue support and use the responsibly produced soy in our production and supply chain.

7.3.2 Sustainable Palm Oil

We are buying palm oil from RSPO certified supplier. Schouten Europe is self a member of RSPO.

Roundtable on Sustainable Palm Oil-RSPO is an international platform of social organisations, industry and the retail sector, aiming to make global palm oil production sustainable. A criteria have been formulated by this platform that guarantee due care and attention for humans, animals and the environment and which, in addition to the social and ecological aspect, also take into account the economic aspects.

Our ambition and commitment is to continue support and use the responsible produced palm oil in our production and supply chain.

7.3.3 Sustainable Packaging

In December 2015, the Commission adopted an EU Action Plan for a circular economy. There, it identified plastics as a key priority and committed itself to 'prepare a strategy addressing the challenges posed by plastics throughout the value chain and taking into account their entire life-cycle'. In 2017, the Commission confirmed it would focus on plastics production and use and works towards the goal of ensuring that all plastic packaging is recyclable by 2030.

Schouten is using PET PE packaging material which is in accordance with foodstuff regulations of the EU, especially 1935/2004/EG and additional directives for materials with food contact. The packaging can be recovered where facilities exist for recycling or incineration with energy recovery.

We use two type of packaging; consumer packaging and bulk packaging. Bulk packaging is 100 percent recyclable made by carton material. Consumer packaging consist on transparent plastic trays with cartoon sleeve. Disposal of material is mentioned clearly on the packaging.

At present, trays and sleeves are recyclable but the foil we use for closing the tray is not recyclable. Therefore, we are searching new and sustainable solutions for our packaging.

We also have received consumer feedback about our packaging via a survey conducted in last quarter of 2018. Consumers have also recommended to use less material and improve the packaging.

By taking into account the sustainability and our consumers concern, we shall take the following measures for use sustainable packaging;

Target: Reducing the waste stream by using less packaging material

This will be achieved by doing short term and long term actions together with our production partners;

Short term actions:

- Research on use of recycled material packaging.
- Research on Improve end-of-life management of our products, such as through the use of recyclable or compostable packaging material, which may mitigate potential risks related to costs and compliance.

Long term actions:

- Efficient packaging by reducing 20% less material use.
- Shift to 100% recyclable and compostable packaging material by 2023. We may consider one of these guidelines such as EN 13432, ISO14855-1:2005, ASTM D6400, or ASTM D6868, which describes criteria for packaging recoverable through biodegradation and composting.

8 SOCIAL

8.1 HUMAN RESOURCE AND HUMAN RIGHT

Schouten supports the Sustainable Development Goals (SDGs), 2015, including specific targets related to the promotion of fundamental freedoms, which encompass freedom of association and collective bargaining, and the elimination of child labour, forced labour and discrimination at work.

8.1.1 Fundamental Human rights

We support and respect the protection of internationally proclaimed human rights and constantly monitor our sphere of influence to ensure that we are not complicit in any human rights violations in whatever way. We uphold and promoting the basic rights and freedoms of all those who work across the value chain.

8.1.2 No Child labour

Child labour is often defined as work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development. According to International Labour Organization (ILO) a total of 152 million children - 64 million girls and 88 million boys - are in child labor globally, accounting for almost one in ten of all children worldwide.

Schouten strictly discourage and prevent child labour. We assess our suppliers and production partners for their employees minimum age may not be lower than the age stipulated in conventions 138 and 182 of the International Labour Organisation, i.e. 15 years, increased to 18 years for dangerous or particularly difficult work.

8.1.3 No Forced labour

We do not accept any form of forced labor such as bonded labor, prison labor, slavery, human trafficking or the retention of any important personal documents of employees.

8.2 WORKING CONDITIONS

8.2.1 Employee Health & Safety

Schouten is determined to provide and maintain working conditions that ensure the safety and protect the physical and mental health of all its employees. We are providing the safety to our employees according to Arbo legislation.

- We have all the safety measures such as; first aid for accidents, fighting fire and limiting the consequences of accidents, alarm and evacuation, and communication & connections with external emergency services.
- The management is assisted by the BHV team that optimally organises and implements the operational health and safety at work. The BHV team is getting a refreshing training every year.

- Schouten promotes healthy eating by providing fresh fruit to employees every day. The facility manager is responsible to look risks and safety measures for employees and for the building.
- We also ensure to equal health and safety protection for part-time and temporary manpower, as well as for workers working through subcontracting.
- We offer our employees enough vacation for their work life balance.

8.2.2 Equality of opportunity and treatment

Decisions concerning recruitment, promotion, job maintenance, training, improvement and remuneration are based on the aptitude, skill and experience required to perform the job.

We fully respect the fundamental human rights ; Equality regarding religion, belief, political health, race, gender, nationality, sexual orientation or marital status.

- We provide equal employment opportunities to men and women.
- The employees are selected based on their qualification, skills and experience relevant to the job specification.
- Schouten offers equal salary and benefits to men and women with same work level.
- At present we have almost same ratio of men and women working in Schouten Europe about 50 % men and 50% women.

8.2.3 Personal development and training of employs

Schouten believes it is important that employees have the right knowledge and skills (and continue to improve) and therefore enables employees to develop themselves through training.

There are two types of trainings with a separate objective;

- Job-oriented training is aimed at developing the knowledge and skills that the employee needs to be able to perform his or her current job better.
- Career training courses aim to prepare an employee for a future position or broader employability, for which there is or will be a direct need within Schouten.

Trainings are open to all Schouten employees on an equal basis and non-discriminatory basis. Special attention is given to employees whose work may be canceled or substantially changed in the coming years. They will be given the opportunity at an early stage to prepare for these changes through job-oriented or career-oriented training.

8.2.4 Discrimination & Harassment

Under no circumstances will be tolerated any acts of harassment of any kind and discriminatory practices against employees, and likewise against suppliers, clients and other persons with whom the Schouten has business relations.

We protect our employees against physical, verbal, sexual or psychological intimidation, abuse, or threats at work place.

Schouten has a special “trustable person” in the company with who employees can share the discrimination and harassment issues.

8.3 PRODUCTION SITES PRACTICES

Schouten together with production partners ensures the work safety and good working conditions at production sites. Few of our partners are members of **SEDEX** and also have a **SMETA** certificate which ensures the work safety and better work conditions at workplace. Our production partners also providing regular trainings to their employs on health and safety at work.

Goal: We continue to work on employs good working condition and health and safety by following action;

Target and actions 2019-2022;

- Arbo Plan implementation: attention for good working conditions employees
- collect information on health and safety on regular basis
- develop and distribute safety manuals and training programs
- trainings for all staff in all relevant topics. Organize once a year training at office and at production sites.
- report, register and investigate accidents
- Risk assessment conducted to evaluate policy and procedure effectiveness.
- kolven kamer (a room for breast feeding mothers).
- Encourage healthy lifestyle employees by attractive secondary work conditions such as fitness room, standing working tables, offer a work cycle etc.
- **Nationaal Fietsplan (cycle plan):**
Encourage healthy lifestyle employees by attractive secondary work conditions: ‘nationaal fietsplan’/ fitness arrangement
 - Business bicycle / tax-free kilometer allowance for cyclists
 - Promote vitality in the context of sustainable employability
 - Drop in absenteeism
 - Improving accessibility/ Reducing parking problems
 - Contribution to CO2 reduction
 - Act of Corporate Social Responsibility
 - Satisfied and productive employees

9 ETHICS

9.1 GENDER

Gender refers to the socially constructed characteristics of men and women – such as norms, roles and relationships of and between groups of men and women. Men and women are assigned roles in all societies. These roles of men and women sometimes discriminate against women, but also against men. In all cases, discrimination against men or women limits the potential of individuals, families, communities and societies.

Schouten considers equal the men and the women. We provide equal opportunities to male and female workers in recruitment, task allocation, training, promotion opportunities, compensation and termination of employment. We also offer equal pay for male and female workers for equivalent work. At present, we have about 50-50 percent ratio respectively of male and female workers.

9.2 PREVENTION OF CONFLICT OF INTEREST

A conflict of interest exists when an employee's personal relations or activities outside work may hinder their objectivity, judgment or capacity to act in the best interests of Schouten.

For this reason:

- employees must avoid acquiring interests or participating in any activity that might affect their judgment or capacity to act in the best interests of the company;
- employees are asked to disclose to their superior any professional, commercial or financial interests or activities that might, to their knowledge, be reasonably perceived as creating a real or potential conflict of interest with the obligations related to their job;
- employees are asked to ensure that their acts and decisions are not influenced by any interests that might reasonably seem to be in conflict with those of the company;

9.3 PREVENTION OF FRAUD

Fraud means any deliberate illegal behaviour aimed at appropriating, misusing, falsifying, dissimulating, omitting or destroying money, goods, data and information belonging to Schouten. Internal fraud may involve misusing the company's resources to the detriment of the company and its employees. In order to protect the interests of Schouten and its employees, Schouten will act with the greatest strictness against anyone who commits fraud.

9.4 REJECTION OF CORRUPTION & BRIBERY

Schouten considers that acts of active or passive corruption, aimed at public officers or employees of private companies, suppliers, are unacceptable in the operating countries.

In this context, the following rules apply:

- it is strictly prohibited to offer or to pay a public officer, a private company, supplier or an employee of this company (or an individual or legal entity related to the latter) a commission, benefit of any kind, whether tangible or intangible, or a facilitation payment (i.e. a payment designed to make a routine formality quicker);
- all payments must be correctly accounted for in line with the applicable accounting principles used in Schouten and must be made into a bank account identified in writing.

9.5 PRIVACY OF EMPLOYEES

Employee records shall not be disclosed to any person unless this is required by law or with the written consent of the employee concerned.

9.6 DATA SECURITY

Schouten is following the regulation of The General Data Protection Regulation (GDPR) for employees data. The aim of the GDPR is to protect all EU citizens from privacy and data breaches in today's data-driven world.

Data privacy comes with the extended jurisdiction of the GDPR, as it applies to all companies processing the personal data of data subjects residing in the Union, regardless of the company's location.

9.7 NETWORK

We engage in local, national and international networks with the aim of building strong relationships in area relevant to our business.

10 ENVIRONMENT

10.1 ENVIRONMENTAL POLICY

Schouten believes in economic growth and social development to achieve equity and equality in our society. We are motivated to comply our corporate activities in social responsible behavior and in an environmental friendly way. Therefore;

We are committed to minimising the environmental impact of our operations. In particular, we will achieve this through our commitments to:

- integrate environmental considerations into our business planning and decision making process, including product research and development, new manufacturing methods and acquisitions/divestitures;
- identify, assess and manage environmental risks associated with our operations and products throughout their life cycle, to reduce or eliminate the likelihood of adverse consequences;
- make reduction, reuse and recycling of produced waste;
- reduced the consumption of energy, water and fuels;
- review and enforce our sustainable procurement policy to align with good practices;
- involve employees in our environmental programme and provide necessary training to enable them to discharge their responsibilities;
- build relationship with other environmental stakeholders-including governments, the scientific community, educational institutions, public interest groups and the general public- to promote the development and communication of innovations solutions of industry environmental problems.

The company will foster environmental awareness and understanding in all employees, suppliers, customers and subcontractors. Where practicable, the company will provide information and assistance to customers on environmental issues arising from its products and services.

Monitoring progress and reviewing environmental performance against targets and objectives will be done on an annual basis.

Signed:

Henk Schouten, CEO

June 2019

10.2 ENERGY

Goal: Less and efficient use of energy in our business and production activities

Target: Shift in green level energy label B or C by doing the possible actions by 2021.

Rijksdienst voor ondernemend Nederlands (Netherlands Enterprise Agency) has set an obligation for office buildings:

As of January 1, 2023, every office larger than 100 m² must have a minimum energy label C. This means an Energy Index of 1.3 or better. If the building does not meet the requirements, you may no longer use it as an office from 1 January 2023. www.rvo.nl

In our head office at Giessen, we are busy to implement more sustainable energy consumption practices. In 2018 number of measures have been taken to save energy. We have placed led lights partly in our renovated space and also replaced single glass with double insulated glass, type HR ++. The new situation saves Co₂ gas emissions ca. 29,0 ton per year. The old mechanical ventilation has also been replaced with new heat recovery installation (used air is used to heat fresh air).

Our production partners comes under this category and they have to fulfil this regulation automatically.

Future actions

- Conduct audit with professional to find out possibilities to improve energy using options and the building condition to get energy level C at our office.
- Implementation of recommended actions
- regularly record and analysis of energy consumption

10.3 CLIMATE CHANGE

Human influence on climate has been the dominant cause of observed warming since the mid-20th century, while global average surface temperature warmed by 0.85°C between 1880 and 2012, as reported in the IPCC Fifth Assessment Report, or AR5 (IPCC, 2013b).

Given current concentrations and on-going emissions of greenhouse gases, it is likely that by the end of this century, the increase in global temperature will exceed 1.5°C compared to 1850 to 1900 for all but one scenario.

According to UN, Global emissions of carbon dioxide (CO₂) have increased by almost 50 per cent since 1990. Emissions grew more quickly between 2000 and 2010 than in each of the three previous decades.

Schouten is committed to reduce greenhouse gas emissions (e.g. carbon dioxide, methane and nitrous oxide) from production, transport and storage of food by taking appropriate action;

- **CO₂ compensation regarding traveling by plane**

The aviation sector currently accounts for about 2% of global emissions, and is one of the fastest-growing polluters. According to projections from researchers at Manchester Metropolitan University, emissions from the sector could more than double by 2050 even if planes become substantially more fuel-efficient and airlines save additional carbon by optimising their operations.

Schouten stimulates their employees to minimize traveling by plane and to look for alternatives like video conference or traveling by car or train. If Schouten employees do travel by plane, we strive to book CO₂ compensation seats.

- **CO2 compensation by using Travel Card**

Schouten is using travel card for business cars and official travel to participate in CO2 compensation. We pay extra cents based on per liter price e.g. petrol 1,5 cent per liter extra and on diesel 1,7 cent per liter extra.

Travel card has a connection with MVO Nederland. Travel card is investing the compensation money on different projects such as: Energy winning through degradation methan, Tasma wind project India, Gas winning Turkey, son-energy China, Winning biomass China

- **Product Transport**

Schouten delivers its products directly from manufacturing points to the distribution channels. For our product delivery, we are working with external transport companies. We choose and work with transport companies who;

- Separate and minimize waste streams
- Reuse plastic packaging
- Commitment to save CO2 emissions and driving low-pollution delivery vehicles.

Goal: Improving eco-efficiency alongside our value chain; by

- Implementation of National cycle plan:
(Stimulate employees to come to work with cycle by offering them a cycle on subsidies price).
- Life cycle assessment: to get the CO2 footprint of our products
- Involve suppliers in our ambition
- Replace cooling systems for food storage with natural cool material, which do not damage the ozone layer and have a negligible influence on climate change.
- Practicing 3 R's – reduce, reuse and recycle
- Reduction in food waste

10.4 MATERIAL & WASTE

Goal: Support the SDG 12:

By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

Target: 20% Waste reduction by separation, reuse and recycle of our waste from business and production activities by 2020

We are aware about waste management. The products are not sold and still have use date are given to food bank. Unfortunately, out dated products and not sold products has to be destroy. Professional waste management companies are collecting the waste from production sites and bringing to recycling and dump sites. At present, we don't have clear picture about the quantity of product waste from our production sites. In future, we want to give extra attention to waste management.

Other waste from office use such as paper, plastic, ink, electronic etc. separated by its sort. The production waste from industrial sites is also efficiently separated for recycling.

To achieve our target for waste reduction, we shall practice on 3Rs;

1. Reduce

- Produce efficiently for reduction of food waste.
- Good management of production waste through product life cycle.

- No use of paper towels.
- Replace paper towels with hand dryers in toilets.
- Use of thinner printer paper.
- No use plastic disposables.

2. Re-use more

- Find solutions to reuse the production waste which at the end has to go to landfill.
- Find out new solutions to reuse of our packing material.
- Find out use of recycled packaging material.

3. Recycle effectively

- Maximum separation of material with its sort.
- 100% recyclable packaging by 2022.
- Manage liquid waste of production sites properly through maximum recycling.

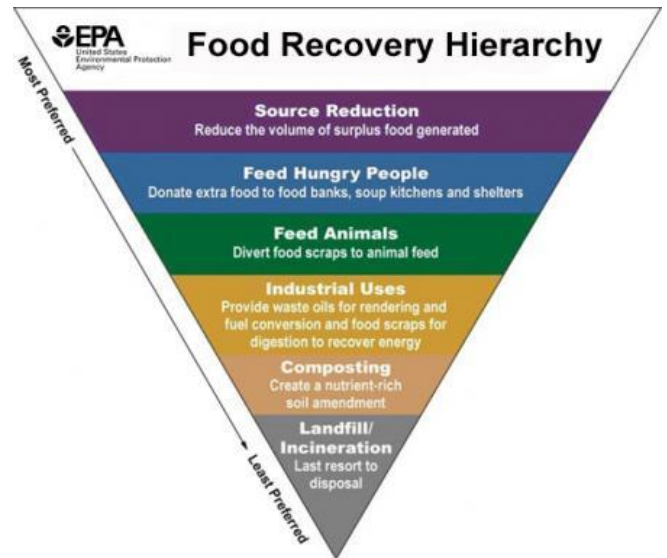


Figure 1. US EPA's Food Recovery Hierarchy

Recommendation:

- Schouten should register the product waste by volume and cost on periodical bases. Make a data base to find out and to analysis the exact destroyed amount of end products from production sites.
- The Waste management company who collect the waste from production sites, should also provide volume of waste on the invoices.
- Find out the solutions to reuse of products, for example making feed for animals.
- In coming years reduce the quantity of product waste by 10% , which goes to landfill.

10.5 WATER CONSUMPTION

Goal: Improving access to water and managing water use and abstraction sustainably across the value chain.

Target: Reduce 20 % water consumption in our business and production activities in 2020 by taking these actions;

- Regularly record and analysis of water consumption
- Installation of water-saving taps
- Use hand dryers
- Regularly check the water pipes
- Installation of rainwater collection tank to use it in garden
- Rainwater collection system installation

10.6 CONSERVATION OF NATURAL RESOURCE

We support Amsterdam Declaration that has been signed by a number of European countries including the United Kingdom, France, Denmark, Germany, Netherlands and Norway. The declaration recognizes the need to eliminate deforestation in relation to agriculture commodity trade within these countries as member state of the European Union. Each country is supportive of private sector and public initiatives to halt deforestation by 2020.

Schouten is contributing by buying sustainable raw material. We are buying Round Table Responsible non-GMO credits Soy and Round Table Sustainable Palm oil. This practice ensures and leads to no deforestation, no loss of valuable habitats, good working conditions and no negative impacts on local communities.

10.7 PRODUCT USE

According to global agenda specific to **SDG 12:responsible consumption and production**

- By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses.
- By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.

Action

Conduct a Life cycle assessment of our products. We want to check the total impact of our product from farm to fork; cultivation to consumer use including waste stream.

11 SUPPLY CHAIN

11.1 SUSTAINABILITY PRACTICES OF OUR SUPPLIERS / PRODUCTION PARTNERS

We preferably work with suppliers / production partners that are certified for their products and service. We concern that our suppliers maintain direct contact with plantation in operational countries to monitor the quality and food safety, but also the working conditions of the employees.

Schouten has outsourced the manufacturing of its products. These production partners have been chosen for their speciality of products manufacturing but also to meet quality criteria of our own products. The products such as burgers and sausages are manufactured with different partners according to their area of expert.

Our partners are also concern about environment friendly production activities. They have interest and are actively busy to implement their industrial activities within a sustainable framework. They are committed to work toward sustainability by focusing on Sustainable Development Goals (SDGs).

In the period 2019 - 2021 few of them focus on the following Global Goals:

Goal 8: Decent work and economic growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Goal 9: Industry, innovation & infrastructure Build resilient infrastructure, promote inclusive and sustainable industrialization and stimulate innovation

Goal 17: 17 Partnership to achieve goals Strengthen the means of implementation and revitalize the global partnership for sustainable development.

11.1.1 Social performance of suppliers / production partners

Most of our production partners are members of **SEDEX**. Few of them have;

- **SMETA certification** which ensures the work safety and good work conditions at their workplace.
- **Performance ladder** (Prestatieladder Socialer Ondernemen)
- **MVO** zelfverklaring ISO 26000

Their main focus working areas are:

- Optimum deployment of employees
- Efficient and sustainable production chain
- Nutritional value and health
- Food security
- Health and Safety training provided to workforce

One of our (long term relation) production partner is busy to incorporate sustainability in their policies. In 2019, they want to audit various suppliers and discuss their CSR agenda in particular working conditions. It is new for them to ask suppliers about their social accountability.

Based on the reactions of the supplier, they will formulate sustainability goals for coming years.

11.1.2 Environmental performance of production partners

Although still lot of work has to be done to meet 100% sustainability but our production partners are doing their best to reduce environmental emissions by doing the following activities;

- By investing in modern, energy-efficient machines and installations
- By using residual energy e.g. heat from the cooling installations for heating water and cold of the freezing tunnels for cooling departments.
- Electricity, gas and N2 consumption is recorded on regular basis and processed in a report for the management.
- Waste is separated and collected by a professional waste management company.
- Product waste (LRM / destruction material) is collected weekly by waste collection company.
- Minimising CO2 emission by:
 - preferably buying raw material in the region maximum 100 km from their location for reducing CO2 emission
 - the amount of gas used (partly for heating the building, (partly) for heating hot water, for the steam generator for the cooking cabinets and for gas-fired production grillers) is monitored weekly (management / MT)
 - use of reusable packaging material (eg E2 crates, curver crates, plastic H1 pallets, wooden Euro and Epal pallets).

11.1.3 Total Supply Chain assessment

Schouten is doing the assessment of raw material suppliers by using a questioners and with an audit about the quality and their social performance. But at present we do not have a complete overview of all suppliers from our supply chain about their social and environmental performances.

Recommendation

Schouten should organize an research throughout supply chain to get more clear view of the sustainability performance of the suppliers;

- Strategically choose which suppliers to engage.
- Build the trust with suppliers.
- Commitment with suppliers to work together on CSR issues.
- Sign contracts with suppliers for supplying responsible products.

12 ASSOCIATIONS CSR

12.1 GREEN PROTEIN ALLIANCE

The Green Protein Alliance (GPA) is an unique alliance between 25 retailers, the catering industry, food producers and 10 knowledge partners in the Netherlands, supported by the Dutch Government. Their common goal is restoring a healthy and sustainable balance in protein consumption.

The current ratio of plant based: animal protein in the Dutch diet is 37:63. GPA's ambition is to realize a 50:50 balance no later than 2025. This balance is a first step towards a more healthy and sustainable diet.

12.2 MVO NEDERLAND

Schouten is a member of MVO Nederland (Corporate social responsibility) network.

MVO Nederland inspires, connects and strengthens companies and sectors to take the Corporate Social Responsibility (CSR). The Companies that conduct corporate social responsibility therefore, take the social effects of their activities into account. This applies to all business processes: purchasing, production, sales and maintenance as well as HRM and marketing communication.

12.3 CHIEF- CENTRUM HULP BIJ INNOVATIE EDUCATIE EN FASCINATIE PLANTAARDIGE EIWITTEN (IN PROCESS).

Schouten is an initiator of CHIEF. The center aims to accelerate the protein transition through realization of a shift in diet of the consumer of predominantly animal to more vegetable proteins.

CHIEF will be developed in the Land of Heusden and Altena, on the Kraaiveld estate in Oudendijk, municipality of Woudrichem. There will be a restaurant, a cooking studio / tasting kitchen, classrooms, test fields, food forest and a shop with organic & local products. These aspects together contribute to the goal of showing people to taste, taste and experience plant-based proteins and to promote a more sustainable, healthy and tasty diet.

12.4 COMMUNITY DEVELOPMENT

Schouten wants to make difference in the lives of marginalized people in the countries where it operates. We provide opportunities to men and women to develop themselves by learning new skills. We also wants to provide schooling to young children of our workers to get quality education.

We aim to add long-term value to people's lives. Consequently, we continuously assess and address our societal impact-both positive and negative.

Schouten has recently raised up a formal charity organisation under the name of “Schouten Foundation”.

13 SCHOUTEN FOUNDATION

Schouten Foundation is raised up by the CEO of Schouten. This is an independent non-profit organization that aims to contribute to the social and economic development of disadvantaged and marginalized people in developing countries. The Schouten group will provide financial support to development initiatives relating to education, health, supporting churches activities and youth work. Schouten Foundation is sponsoring the following projects;

12.5 SPONSORING CHILDREN

The Schouten Foundation offers to every new employee of Schouten the option of sponsoring a child through the Compassion sponsorship program. The Schouten Foundation takes care of all costs involved and connects the employee with the sponsor child. The employee has direct contact with his/her sponsor child. This way the marginalized children get chance to live a better life and chance to go to school.

12.6 SKILLS TRAININGS PROJECT FOR MARGINALIZE PEOPLE IN INDIA

Schouten is supporting a skills training center in Chennai, India. The aim of this project is to strengthen the skills of women so that they live with dignity and are able to improve their family income.

In coming years, we want to offer more market oriented trades skills to men and women in India.

12.7 SCHOOL EDUCATION FOR WORKERS CHILDREN IN INDIA

Schouten is since five years active in India and has established Schouten Aahaar India Pvt. Ltd. Together with local partner LT Foods India, Schouten is planning to set up a factory to develop, produce and distribute plant based protein products in India.

We have a plan to provide study funds to the workers children in India. We want to start a school nearby work place so that children have easy access to school. This school will be affiliated to the education department for end exam. We shall ensure the quality by compliance the state education system and approved certificates, which they can use for further study.

12.8 IMPROVE THE NUTRITIONAL VALUE THROUGH PROVIDING TEMPEH MEAL TO POOR CHILDREN IN INDIA

Schouten is busy formulating a project regarding improving the nutritional value of poor children in India. Initially the project will be implemented in slum areas of Ahmedabad where every day one meal

with tempeh dish will be provided to about 300 children. Tempeh is a low cost with high nutrient solution for to combat malnutrition problems. Later on we will integrate this project into a midday meal scheme for school children.

13 CSR ACTION PLAN SCHOUTEN (2019-2022)

Improving availability of affordable & healthy plant-based protein products in as many sales channels as possible with zero-deforestation and zero-poverty impact by taking actions.

Evaluate at least once a year with management of Schouten team to adjust the approach and keep learning.

What	How	When	Who
Supporting SDG 7: Affordable and Clean Energy			
Energy label B or C.	Short term action; <ul style="list-style-type: none"> Conduct a research with professional to find out possibilities to improve energy using options and the building condition to get energy level C at our office. 	2019-2020	Facility department Management
	Long term action; <ul style="list-style-type: none"> Implementation of recommended actions regularly record and analysis of energy consumption 	2020-2022	
Reduction in CO2 emission	Nationaal Fietsplan (cycle plan): Stimulate employees to come to work with cycle by offering them a cycle on subsidies price. Logistic: choose transportation companies driving low-pollution delivery vehicles.		
Less water consumption Reduce 20 % water consumption.	<ul style="list-style-type: none"> installation of water-saving taps in toilets use hand dryers regularly check the water pipes use of rain water for flushing toilets. Rainwater collection system installation by 2020 	2019-2021	Facility department Management CSR

Supporting SDG 8: Decent Work and Economic Growth			
Providing good working conditions to employees.	Arbo Plan implementation https://www.arboportaal.nl/	2019-2020	HR department
Stakeholders dialog. (Supply chain Management)	Conduct a stakeholders dialog to get their concerns, commitments and work together to achieve sustainability in business activities throughout supply chain.	2019-2020	Management
Support SDG 12: Responsible production and Consumption			
Life Cycle Assessment (LCA).	Conduct life cycle assessment via a professional to find out the environmental impact of our products from “farm to fork and waste”.	2019-2020	R&D department Management CSR
Less waste 20% less Waste by reduction, reuse and recycle.	Production waste <ul style="list-style-type: none"> • Register the product waste by measuring quantity and cost on periodical bases to find out the exact destroyed amount of products from production sites. • Make a data base to find out and analysis the production waste. • The Waste management company who collect the waste from production sites, should also provide quantity of waste on the invoices. • Find out the solutions to reuse of products, for example making feed for animals. • In coming years reduce the quantity of product waste by 10% , which goes to landfill. 	2019-2022	Purchase Department CSR Management

	<ul style="list-style-type: none"> • use of 100% recyclable packaging by 2022. • Find new solutions to reuse of our packing material. • Maximum separation of waste by its sort. • Make use of hand dryers in toilets. 		
Recyclable packaging.	<ul style="list-style-type: none"> • Shift to 100% recyclable or biodegradable packaging. • Research on Improve end-of-life management of our products, such as through the use of recycled or compostable packaging material, which may mitigate potential risks related to costs and compliance. • Efficient packaging by reducing 20% less material use. 	2020-2022	Purchase department Management CSR
Update Procurement policy with regard to sustainability.	<p>Updated and implement procurement policy throughout supply chain by;</p> <ul style="list-style-type: none"> • Sign a contract with suppliers throughout supply chain to provide responsible product. • Develop a code of conduct. Suppliers should meet the requirements of this code. • Buying 25 % of raw material locally. (We can try on initial bases if this is feasible.) 	2019-2020	Purchase department

Update marketing strategy incorporation with sustainability.	<ul style="list-style-type: none"> • Update marketing strategy incorporation with sustainability • Provide relevant information and advice to consumers & customers on the environmental impacts of our products. 	2019-continue	Marketing department
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Resources

- UN Sustainable Development Goals: <https://sustainabledevelopment.un.org/sdgs>
- International Labour Organisation: www.ilo.org
- Round Table Responsible Soy –RTRS: www.responsiblesoy.org
- Round Table on Sustainable Palm Oil –RSPO: <http://rspo.org>
- Arbo legislation: <https://www.arboportaal.nl>
- IPCC: www.IPCC.ch
- Environmental Protection agency: www.epa.gov
- Rijkdienst voor Ondernemend Nederland: www.rvo.nl