Sustainability Report
2018
6th edition - April 2019
Euroma has implemented an active sustainability policy since 2010. We strive to encourage sustainability in the entire chain. At the sourcing level we cooperate with partners in the Sustainable Spice Initiative to make the production and trading in spices more sustainable. We take responsibility for protecting quality, guarding food safety and the environment, and we promote adequate living and working conditions for farmers and growers.

Our responsibility extends all the way to the consumer’s plate. As a strategic partner in taste, Euroma helps customers in the food industry to innovate and develop products that contribute to healthy lifestyles. A large and varied assortment of herbs and spices, combined with our expertise in transforming these ingredients into tasteful and nutritious food products, has enabled us gradually to reduce the use of salt, sugar and other unnecessary additives. In 2018, we continued with our policy of developing appealing, clean label products and tasteful meat substitutes.

Our new production facility in Zwolle is another big step forward in our pursuit of an ever more sustainable production chain. The factory is constructed of sustainable materials, featuring efficient technical installations, top-rated insulation systems and advanced heat recovery. By generating solar energy, we are able to significantly reduce our energy consumption and thus our CO₂ emissions.

In this way, we continually innovate and improve our organisation. Do you have your own ideas on how Euroma could advance sustainability in the chain? You are most welcome to discuss your thoughts with myself or a colleague.

Robert Hoogstra
CEO
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Euroma’s strategy
Our roadmap towards sustainability

Euroma’s ambitious sustainability strategy is the roadmap towards a more sustainable organisation and environment. Through our policies, we are an active contributor in our industry towards the achievement of the Sustainability Development Goals of the United Stations, as defined at the 2015 Climate Summit in Paris. These goals aim to reverse poverty, inequity and climate change, and provide a common international framework for sustainable development until 2030.

A meaningful role
Euroma is a full-service partner for the international food industry. On the basis of herbs and spices, sourced worldwide, we develop premium products full of taste. And, we offer reliable, efficient total solutions. In this role, we are well placed to deliver an important contribution to a more sustainable future. We believe that stimulating awareness, and even a sense of urgency, is important. Not only within our own organisation, but in the entire industrial chain in which Euroma operates.

SSI in development
Together, we can achieve more. This is why Euroma was one of the founders of the Sustainable Spices Initiative (SSI). The SSI brings together international enterprises and NGOs, with a view to sustainably transforming the spices industry. Euroma holds a position in the policy structure of this growing platform with international reach. The subsequent steps to be undertaken by SSI are described in the covenant for 2025, affirming its ultimate ambition of achieving a 100% sustainable herb production cycle.

Standards and certificates
Various standards and methods are available for referencing as we lend shape and form to our corporate responsibility. The industry certifications in our possession demonstrate that Euroma holds quality and sustainability in the highest regard. As an example, Euroma successfully passed the SMETA 4-Pillar audit, a certification process that focuses on 4 pillars: employee rights, environmental care, health and safety and company ethics.
Goals

As part of our Euroma strategy, we have formulated the following sustainability goals, split in five theme areas.

1) Impact in countries of origin
   • By 2020, Euroma has achieved a 50% buying volume increase for certified sustainable herbs and spices (reference year 2015)
   • By 2025, we have achieved a buying volume of 100% certified herbs and spices.
   • Euroma is permanently committed to the Sustainable Spice Initiative (SSI), the international multi-stakeholder platform for sustainable herbs and spices.
   • Euroma is transparent on the results and performance of its sustainability policy and is available to interact on its performance with relevant parties, for example, by way of certification and/or third-party audits.

2) Our workforce
   • Euroma strives to be an attractive employer for its workforce, and a desirable partner for its stakeholders and other relations

3) Energy, emissions, waste and packaging
   Our targets for 2020 (reference year 2010):
   • 50% reduction in greenhouse emissions (MT)
   • 25% decrease in energy and water consumption at production sites
   • 10% reduction in waste and material spilling
   • 20% reduction of residual waste at production sites
   • 25% increase in the recycling of waste

4) Nutrition and innovation
   • We apply our knowledge and expertise in the area of herbs and spices to produce authentic, healthy, and sustainable food products that meet our customers’ demand, ultimately offering consumers a premium quality product experience.

5) Our community
   • Euroma plays an active social role and supports (local) community initiatives.

In this document, we report on the advances achieved in each of the theme areas identified above, covering Euroma’s locations in Wapenveld and Schijndel only. No data is reported on Intertaste, since the merging of the two companies occupied most of 2018, the year in which the merger took place.
Impact in countries of origin
Sustainability at the source

In 2018, we were able to add more herbs and spices to our list of sustainably procured raw materials. Euroma has placed its full weight behind the goal of offering customers a full range of 100%-sustainably procured herbs and spices, by 2025. Our sustainable buying process covers various areas in which Euroma contributes to shape and form a sustainable future.

Protecting the environment
Local farmers are trained in sustainable farming practices and are shown alternatives to chemical pesticides. They are instructed in sustainable irrigation techniques; on how to stimulate biodiversity, and on how to apply circular agriculture.

Better working conditions
Euroma is committed to improving working conditions for farmers. For example, they are instructed on the safe use of crop protection agents. By entering into discussion with our suppliers, we can help address corruption, power abuse and discrimination. Period audits are conducted to monitor ongoing developments.

Reversing poverty
Honest price agreements with farmers who supply raw materials can help reverse poverty. Long term, we anticipate that the demand for sustainable herbs and spices will continue, and that production will thus become more attractive to these mostly small farmers, while improving their economic resilience.
White onions from India

For a large variety of spices and dried vegetables, India is an important export nation for Euroma. Together with our partners, we assist this Asian nation in developing sustainable growing practices. And, the results are showing. In the past few years, we could add such spices as turmeric and chilli from India to our list of sustainably procured raw materials. White onion, also grown in India, now appears in the list as well.

India is the world’s no.1 onion exporter. It is our source country for a number of varieties, including the white onion. The white onion has more ‘bite’ than the common onion but is somewhat sweeter than the yellow onion. Euroma is co-sponsoring a program for sustainable contract growing in the Maharashtra region, for farmers who cultivate the white onion.

Sustainable farming methods
In this program farmers are trained in sustainable farming methods and irrigation techniques. They receive instruction in alternative pesticides and responsible waste management. The program also looks at the wellness of farm workers.

Regular field research takes place. The farmers are able to obtain advice from a team of Indian agricultural scientists, the so-called Gram Sevaks, who can support the farmer in every stage of the process, from sowing, to delivery to the factory.

Benefiting farmers and biodiversity
By participating in the sustainability program, the farmers are assured of receiving a fair price for their produce. This secures a reasonable wage for the farmer and his field workers and improves living conditions for both.

Besides helping the farmers, the program also benefits the natural environment. Soil fertility and farming lands are maintained and improved. Moreover, water quality is improved, which in turn protects the natural flora and fauna and the region’s biodiversity.

Nearly 5,000 farmers participated in the program to date, and together they manage around 9,000 hectares of farming land.
Partners
Making sustainable the norm, that is Euroma’s goal.
We pursue this goal together with non-governmental organizations. Meet our partners:

Sedex is a non-profit members organization, committed to promoting ethical and responsible trading practices in global supply chains.

The Sustainable Trade Initiative (SSI) works to promote and strengthen sustainable trading practices, through impact-oriented coalitions between leading multinationals, civil community organisations, governments, and other interested parties.

The Sustainable Spices Initiative (SSI) brings together leading international enterprises and NGOs, with the two-fold objective of achieving a sustainable transformation of the spices trade, while safeguarding future sources.

Euroma is among a select group of suppliers who offer a range of products which are certified by the Rainforest Alliance, a certification that audits working conditions, environment and nature preservation, for products sourced in regions where rain forests are found.

Sustainable products
Our sustainably grown product selection currently covers 9.3% of all spices, herbs, seeds and dried vegetables. We will continue improving our performance.
Euroma offers space for individual growth. And, we support the wellness and vitality of our workforce. These are the two pillars of Euroma’s approach in securing a safe, healthy, and motivating workplace for all employees. In 2018, training and development received a new impulse with the launch of our new training platform, while preparations for the new production site in Zwolle were in full swing.

New factory
Our colleagues in the technical department have been thoroughly trained and prepared to operate the new electronic control system for the production lines. A number of persons in production were invited to assist with the start-up of the new factory in Zwolle. In 2018, these ‘key users’ followed a training course for operator B/C at MBO-4 level. Also, in late 2018 we kicked off with the development of our work station training program, which will assure that all operators are well prepared for their task in the new factory.

Working together to makes things better
In 2018, it was all about the integration of Intertaste and Euroma, front and centre. Two different companies had to be merged into a new, fully integrated entity. Therefore Euroma had organized various integration sessions per location, at department level, where colleagues in specific disciplines of both companies had the opportunity to get to know one other. From thereon, we started integrating the departments and harmonizing the operating routines.

Euroma wants to be an attractive employer. Our organisation is expanding, creating jobs for new employees and growth opportunities within our existing team.

Our workforce
Ready for the future
In Schijndel, a project called ‘Ongoing Improvement’ was initiated in 2018. The purpose of the project was to enable the operators to identify possible improvements in the process, analyse the issue, and get the ball rolling. Throughout the year, the program already delivered several improvement projects, quickly recovering the training investment.

**Learning platform**

Last year, Euroma introduced GoodHabitz on behalf of its employees. This online learning platform offers around 120 courses, in a range of fields. From generic role competencies courses, such as Time Management and Creative thinking, to more role-specific courses focusing on Microsoft Office programs such as Excel, Word and PowerPoint. All Euroma personnel have unlimited access to the courses, which can be taken individually or as a team. Euroma now has two powerful learning platforms: Projuice for internal work station training, and GoodHabitz for general training.

**Other training projects**

In addition to the training courses offered via GoodHabitz and Projuice, individual employees and groups followed several training courses including Project Management, in-company First Aid training and role-specific seminars.

‘I like to stay sharp. So, I’ve already completed some courses via GoodHabitz, like English and Excel. It’s great that you can do that in your own environment. I study mostly from home, and sometimes study an hour or so at work. GoodHabitz is a user-friendly portal that always lets you know where you are in terms of progress. The test does cover a lot of material, but for me that’s OK because it keeps you on edge.’

**Chris van Beuzekom, Logistics Planner**
Employees and training

291 persons

- 72% male
- 28% female

Number of personnel, separated by gender, as at 31-12-2018 (excl. Intertaste).

69% Subject to group contract
29% Not subject to group contract
2% Not eligible for group contract
(4 trainees)

Percentage of staff subject to a group employment contract (CAO).

Total time spent on training in 2018 was 4,385 hours, which covers approx. 0.9% of total available work time.

In recent years, Euroma experienced a steady increase in the number of personnel.

Breakdown of total time spent on training in 2018.

- Group training 2,896 hrs
- Operator B/C 832 hrs
- Projuice training 397 hrs
- GoodHabitz training 260 hrs
- Total 4,385 hrs

Following GRI reporting guidelines, we are required to state the percentage of working hours lost due to industrial dispute. For 2018 this is 0%.

Euroma code of ethics

We value our reputation in regard to honesty, integrity and ethics. Our internal Code of Ethics, which every employee has endorsed, guides us to assure we always act professionally and ethically. Sustainability is a key element and our Code of Ethics sets out the rules.
At Euroma, our workforce is our greatest asset. We strive to offer a safe, healthy and enjoyable workplace. This way, we encourage our people to stay with us longer, and that they work with enjoyment and satisfaction.

**Internal expertise**
In 2017, Euroma implemented several changes concerning employment conditions and external safety. In the past, we have relied on advice and support from the Arbodienst (Employment & Workplace Services). In 2018, next to Arbodienst support, Euroma was able to secure in-company expertise, through the appointment of a Health and Safety Officer. Euroma thereby opted for a more preventative approach to potential hazards and risks and has structurally adopted a policy of ongoing improvement of health and safety in the workplace.

**Risk assessment**
A renewed, extended risk inventory and evaluation (RI&E) was the logical first step as part of Euroma’s ongoing commitment to improving workplace safety. The focus in RI&E is quite broad and ranges from social safety to technical safety aspects. Relevant personnel in all layers of the organization at both Wapenveld and Schijndel were closely involved with the risk analysis. The assessment produced more than valuable new insights: it is also a perfect tool to increase awareness of safe and healthy workplace practices.

**Safe storage of hazardous substances**
An action list was prepared on the basis of the risk assessment. Throughout 2018, a number of risk control measures were initiated. Action was taken, for example, in regard to the safe storage of hazardous substances. In Wapenveld the storage facilities for hazardous substances were improved, and next to safety, environmental issues were considered. The follow-up mostly concerns the safety of personnel handling those hazardous substances.

**Healthy workers**
In addition, we focused on absenteeism via HRM. Placing the emphasis less on the reason why someone was inhibited from doing their regular work, we chose instead to focus on what they were still capable of doing. This, in order to encourage people to stay active for as long as possible. In 2017, the ‘Euroma Vitaal’ program was wound up. We continue to focus attention to healthy living, for example, by offering healthy and varied products in the canteen, and designing ergonomic workplaces. Euroma has also started offering a quit-smoking course for both permanent and temporary staff.

In the coming five-year period, we will proceed with our policy plan for implementing management measures. Personal ownership in each department is important, and this will be looked into. Maintaining good working conditions, after all, is a shared responsibility for everyone in the organization.
Over the last year, we were able to further decrease our energy consumption and CO₂ emissions, and reduce the amount of waste generated in our production facilities. The positive trend recorded in recent year continues unabated.

CO₂ reductions
With respect to the reference year 2010, we have continued implementing sustainability increasing measures within our operational processes. The introduction of a more refined drying treatment for herbs in the Prima Pura steam treatment process is an example. Without compromising on the quality of the process and the herbs and spices being treated, the heat during drying was adjusted slightly downward. This measure alone has yielded savings of about 2,000 m³ gas and 3.6-ton CO₂ per year.

Thanks to the purchase of green electricity, the greening of natural gas, and CO₂ certification, Euroma’s CO₂ emissions level per metric ton (MT) can now be classed as fully sustainable. We remain committed to reduce actual carbon dioxide emissions as a greenhouse gas, however.

More energy efficient
Production levels within Euroma further increased in 2018, with increased volumes at both factories in Wapenveld en Schijndel. At the same time, we were able to become more energy efficient per unit of product. Compared to 2010 the amount of energy used per finished unit of product has decreased by a significant 39%.
This has reduced energy consumption during cleaning, both in production and during work preparation. Also, the office and the canteen were fitted with LED lights, and all steam-transporting pipes in the factory were insulated. The latter was done for safety reasons, but it has also increased energy efficiency. Meanwhile, we are addressing the issue of heat loss in the hot water circuit. In addition, the main grid for compressed air was replaced, delivering further energy savings.

Water use slightly up
In 2018, water use increased slightly. The increase is explained by three factors. First, we were confronted with more stringent hygiene requirements with respect to food safety. To meet the new standards, we have to clean more often, and this consumes more water. In addition, the introduction of a new product mix was partly responsible for increased water consumption. Finally, the hot summer of 2018 played a part. Due to the extreme heat in the Netherlands, the roofs of our factory in Schijndel were sprayed with water to cool them down.

Packaging
In packaging, we are continually alert on any areas where savings might be achieved and constantly review new, sustainable packaging formats. In 2017 and 2018, Euroma contributed to the design of a decision model for sustainable packaging, developed by the KIDV, a technological institute specialising in sustainable packaging. This produced a benchmark for assessing new packaging designs, providing us with a solid basis for advising customers on sustainable material selection.

In one such project, a positive contribution to waste efficiency was achieved by changing over to a thinner packaging film, as used by a strategic partner, which resulted in a substantial reduction in waste. The thinner film saves no less than 12,000 kilograms per year, helping the environment. An exemplary project, with a clear positive impact!

Also, in 2018, in our pursuit of a sustainable Euroma, we completed the transition to labels and folded cardboard packaging of a sustainable quality. These materials are purchased on the bases of the criteria, set by the leading certification bodies, for sustainable forest management. All paper in our packaging material is FSC-certified.
In 2018, the construction of Euroma’s new factory continued in full swing. Future-oriented building goes hand in hand with having to make choices affecting sustainability. This means building with materials that have a minimum impact on the environment. The construction process has been designed to comply with BREEAM certification. A design which has already earned Euroma the qualification ‘Excellent’. The final audit is scheduled to take place in April 2019.

For all intents and purposes, the new office is almost completely energy neutral and gas-free. The Product Development department, for example, will change over from gas to induction heating. For the heating of the production location and for the generation of power for the process installations, we are using state-of-the-art equipment that complies with the most stringent norms. As a result, we are able to a substantial reduction of CO₂ emission levels.

Furthermore, the factory is provided with heat recovery systems: heat emitted from the process installation is redirected to heat the offices. Thanks to adequate insulation and advanced temperature control, the building suffers only minimum heat loss. And with 2,600 solar panels on the roof, we will be able to supply 15% of our total energy requirement. We are moving to the new office in 2019, while the factory will be fully operational in 2020.
Projects for the reduction of salt and sugar, clean label recipes and gluten-free products. In 2018, there were plenty such. At Euroma, we continually respond to the market demand for premium quality, healthy products, without any unnecessary additives. We can proudly report that one of our innovations received an industrial award. Innovation, at Euroma, includes research on how we can have a sustainable impact on the chain, for instance, with the NEXTGarden project.

Alternatives for meat
Regardless the reason – whether animal wellbeing, health, or environmental – it is a fact that consumers in Western Europe are eating less meat. Today’s consumers enjoy a varied kitchen with various meat alternatives. In 2018, Euroma developed a number of projects involving plant-based alternatives. Plant-based protein sources, as an alternative to animal proteins (meat), are researched in one such project. And, we are currently working on a project aimed at protein-enrichment of existing products.

Clean label bouillon awarded
A national industry award (Jaarprijs Goede Voeding 2018) was won by the fresh Pumpkin & Carrot Puree Soup of retailer Albert Heijn and vegetable producer Koninklijke Vezet. The clean label bouillon used for this soup is a joint innovation by Euroma and Vezet. Our clean label variant offers a number of advantages over the traditional bouillon cube: it contains less salt, no E-numbers (food additive codes) such as palm fat, no aromas, and no added sugar. Instead of three allergens (celery, lactose and milk protein) the bouillon only contains carrot as allergen. What about the taste? That’s excellent!

Healthy is safe
Healthy products are safe products. Euroma products comply with the strictest requirements in the area of food safety. To assure ongoing compliance, quality management is an essential part of every phase in the Euroma production process. Both our production sites are GFSI (Global Food Safety Initiative) certified according the highest certification class.
Euroma has received the green light for its research project ‘NEXTGarden Ingredient Farm’. The European Fund for Regional Development has pledged a grant for this agricultural research project, undertaken by Euroma in partnership with several other Dutch companies, growers, students of HAS Hogeschool Agricultural University in Den Bosch, and the municipality of Lingewaard. The principal research question: could exotic spices be grown in glass greenhouses in the Netherlands?

In 2018, we decided to kick off a research project for turmeric and possibly black pepper. There had been previous experience in the Netherlands with black pepper, the ‘king’ of spices. With NEXTGarden, we are further building on that.

In 2019 we are planning to perform field research with turmeric, as, next to the pepper berry, we were keen to research a root crop: could we adapt the root so it can be grown viably in the Netherlands?

The incentive for this research project relates to issues such as the availability, quality, and authenticity of spices sourced in from Africa, Asia and South America. In addition, there are potential sustainability benefits, such the ability to control the use of pesticides, reduced water consumption, while cultivation in the Netherlands significantly reduces international transport movements.

Research must determine whether any disadvantages, such as the energy consumption of the greenhouses, outweigh the advantages mentioned.
Our community
Sustainability, close to home

Euroma wants to deliver a positive contribution to the local community. We can do that, close to home, for example, by offering employment disadvantaged persons a meaningful day job. And, we welcome students with learning & development opportunities in our company. In return, they help our organisation grow.

Social employment
Euroma has a close working relationship with institutions offering social employment. Co-workers on such food-certified work/learn company help us to package our herbs and spices. Next to these production tasks, we are assisted by employment disadvantaged employees who maintain the green spaces in Schijndel. Social employment thus delivers a valuable contribution to Euroma’s success and growth.

Electrical vehicles
EV charging stations are installed at Euroma sites to enable staff to recharge their electrical cars. Euroma encourages all staff driving a company lease vehicle to opt for an electric or hybrid car. If they choose to do so, we will have a charging station installed at the employee’s home address. In 2018, Euroma charging stations were used to a total capacity of 7,505 kWh. This is 1,500 kWh more than in the prior year.

Safe environment
On behalf of the security of the business park where our factory in Schijndel is located, Euroma is a member of the project team Veilig Ondernemen (Safe Entrepreneurship). Together with relevant local bodies, such as the municipal council, police, fire services, security, and other businesses, we continue to contribute to a safe and clean industrial district.

Trainee placements
Regional schools and training centres know where to find Euroma when it comes to work experience. Euroma offers traineeships in production, logistics, product development and marketing. Apart from helping us fill the need for qualified personnel, including operators, the training places facilitate personal development and education of new personnel.
Euroma is a full-service partner for the international food industry. As an expert in taste, we offer reliable total solutions based on herbs and spices and building on more than 120 years’ experience and entrepreneurship.

These are our values to pursue our ambitions:

**Passion**
We love what we do. We heartily accept the challenges our customers bring before us. We focus on developing solutions in taste that help our customers grow their business and support our own growth and development.

**Responsibility**
At Euroma, we understand our role in the world as a socially aware and responsible enterprise. We embrace our responsibilities as a company and expect no less from every individual. We are a reliable partner for our customers, suppliers, employees, and the community. We choose to do the right thing.

**Entrepreneurial**
Identifying and using opportunities, taking decisions fast if needed, customer focused and serviceable. That is how Euroma has earned an edge on the competition. We’re down to earth. We understand that the customer comes first, always. We enjoy making a good idea happen.

**Genuine**
We like to be us. We value sincerity, and we keep our promises. When you work with Euroma, you know who you can depend on. Honest products, honest people. That is who we are.
Key company data
A compact overview showing the essential data of Euroma

Head office
Koninklijke Euroma B.V.
Kloosterweg 3
8191 JA WAPENVELD
www.euroma.com

No. of personnel
As of 31 December 2018, Euroma employed 291 persons, excl. Intertaste.

Turnover
With an annual turnover of 104 million in 2018, excl. Intertaste, the organization keeps growing.

Product
Euroma produces and packages dry and liquid taste solutions, based on herbs and spices.

Chain partner
For 120 years, we have been a reliable supply chain partner from source to the consumer’s plate.

Sales market
We service the food industry in Western Europe.

Operational structure

Euroma Holding B.V.
Wapenveld

Supervisory Board

Koninklijke Euroma B.V.
Wapenveld & Schijndel

Board of Directors
Koninklijke Euroma B.V. adheres to the sustainability reporting guidelines of the Global Reporting Initiative (GRI). The G3 sustainability reporting guidelines, including the Sector Supplement for the Food Processing Industry, provide us with a strong framework and recommended performance indicators for our report. Based on the available data, we have been as thorough and complete as possible. The sustainability report meets the GRI-3 criteria for a ‘self-proclaimed level C.’

**Economic Performance Indicators**
EC2: Implications as a result of climate change

**Environment performance indicators**
EN3: Energy consumption
EN8: Water consumption
EN22: Total weight in waste

**Performance indicators with regard to working conditions**
LA1: Total workforce according to gender
LA4: Percentage of staff subject to a group employment contract
LA10: Time spent on training/education
FP3: Percentage of work time lost to strikes
FP5: Sites that have been certified by independent third party on the basis of an internationally recognized system for food safety

**Performance indicators with regard to human rights**
HR2: Business partners whose compliance with human rights has been tested
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