



*make it a beautiful day*

# CSR REPORT

2018 / RYNKEBY FOODS



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This report constitutes the statutory account of corporate social responsibility and gender composition of the management, cf. sections 99a and 99b of the Danish Financial Statements Act ".The report covers the financial year 2018 from 01.01.18 to 31.12.18.



PETER F. ANDERSEN  
Managing director

## INTRODUCTION

### FOCUS ON RESPONSIBILITY - ALSO IN TIMES OF CRISIS

2018 was a difficult year for Rynkeby. Major changes, such as several new production lines and a new IT system, have led to large investments, not only in equipment, but also in acquiring the right new competences. Nevertheless, we have succeeded, as this report should show, to maintain focus on the sustainable and responsible business. Also in times of crisis there is a need for long-term thinking.

This report reviews the status of CSR activities in Rynkeby in 2018. Activities carried out on the basis of the joint engagement and the joint commitment contained in our CSR policy.

It is important to emphasize that we at Rynkeby again this year endorse the 10 principles of the UN Global Compact for the areas of human and labor rights, environment and corruption, and relate to the 17 world goals set by the UN.

This commitment is reflected in a number of actions. This report describes what we have done in 2018 to support the principles of the Global Compact, both in our business system, strategy, culture and in our daily work. Open and honest communication, both internally and with consumers and business partners, is of crucial importance to us.

Together with our owners, Eckes-Granini, we continue to focus on the responsibility of our raw material suppliers. We also continue to have a special focus on employees' health and well-being. Thus, more than 60 employees participated in 2018 in the trip to Paris with Team Rynkeby.

Again in 2018 Team Rynkeby set new impressive records, both in terms of the number of participants from the 6 participating countries and in the collected amounts that are given to charitable purposes.

*Peter F. Andersen*

#### RYNKEBY FOODS A/S IS FULLY OWNED BY ECKES-GRANINI

##### Management

###### Direktion

Peter Frank Andersen, Man.dir.

###### Finance

Jan E. Petersen, CFO

###### Marketing

Jørn Falk, Marketing Director

###### Out of Home

Anders Myltoft,  
Director Out of Home

###### Sales Retail

Denis Qvist, Commercial Director

##### Supply Chain

Jens Bang Termansen, COO

##### Board members

On the board of Rynkeby Foods A/S 4 members are elected by the shareholders and 2 by employees in Rynkeby Foods.

##### By shareholders:

Thomas Hinderer,  
Eckes-Granini (chairman)

Sidney Coffeng,  
Eckes-Granini (vice-chairman)

José Marti Cos,  
Eckes-Granini

Ulrik Bunk,  
Eckes-Granini

##### By employees

Karsten Hansen,  
IBM Notes  
Administrator

Lene Lindstrøm,  
HR-assistent

##### Responsible for the report

Quality and CSR Manager  
Rikke Bekker Henriksen



## NEW POSSIBILITIES AND NEW GOALS

Both the company's business and strategy are heavily influenced by the major changes that have taken place at Rynkeby since the company was acquired by Eckes-Granini.

The business has become more complex with new initiatives such as a high-speed production line and a fresh-squeezed production line, while we implemented a new ERP system. These changes have required some running-in time and have for a period led to both a larger use of resources and some frustrations among the employees. These, of course, have a negative impact on a number of the objectives we have defined in our CSR policy. We have already prepared plans and initiated activities to improve these, and we have set ambitious goals for how we continuously want to improve this in the future.

The strongest asset in achieving these goals is our employees. It is the employees' attitudes and approach that shall ensure a successful future. Management and especially change management have been, and are, a focus area at Rynkeby in 2018. We have initiated a journey for the company, and the focus is both on how we move as a unified organization and how we ensure that the individual employee develops correspondingly. This has required, that we acquired new competences through education and training, and also that we learned to work in new structures and processes.

In Rynkeby we have for many years been focusing on winning culture. In 2018, the employees were given the opportunity to participate in Team Rynkeby's bicycle trip to Paris under favorable conditions, both to support the good cause and to develop and break boundaries individually and together. More than 60 employees thanked yes and completed the trip to Paris.

The winning culture has been a strong support for the changes, which both require flexibility, will and cooperation. Not just working internally, but now in the entire Eckes-Granini Group. Today, almost all the products that Eckes-Granini sells in Denmark, Norway and Sweden are produced at Rynkeby. To ensure that we can handle this in the best possible way we have introduced a new company process

called a S&OP process (Sales & Operations Planning process). The process ensures coherence between the various commercial business areas in Denmark / Sweden and procurement / production / logistics.

In Rynkeby's Mission, Vision and Strategy, which can be seen on the next page, Rynkeby's strong competences and brands are combined with the great advantages it entails being part of a strong group such as Eckes-Granini. The investments in new production equipment have led to a number of new product competencies in which we see a great potential. And, by way of example, we have incorporated Eckes-Granini's code of conduct, which describes how we as employees of Eckes-Granini should act in the daily business. As part of this, extensive training in compliance has been held several times. We have also worked with action plans based on a major employee satisfaction analysis in 2017, which is carried out in all Eckes-Granini companies and which is carried out again in 2019.

### MISSION:

We are accountable for everything we do and secure high quality natural fruit and vegetables in a convenient manner.

### VISION:

We make it easy for everyone to enjoy a glass of natural fruit and vegetables juice from Rynkeby every single day.

## STRATEGY 2020

Profitable growth through strong brands

Strategic growth  
initiatives

Strategic  
assumptions

Strategic  
expertise

3 strong  
brands



BRÄMHULTS



Strong CSR  
activities



Part of  
Eckes-Granini

**ECKES granini**  
the best of fruit



# DEVELOPMENT IN ACTIVITIES AND ECONOMY

## Annual result

In the financial year 2018 Rynkeby Foods A / S realized a revenue of DKK 982 million and loss after tax was DKK 381 million. The primary reason for this large loss is a write-down of goodwill of DKK 334 million.

Overall, the Danish juice and syrup market rose by 5.7% in value in 2018 and by 3.3% in volume. The increase was a result of significant movements within the various segments.

Rynkeby Foods accounted for the growth in the market for branded products, and the total juice market rose from 26.7% to 28.2%. The growth primarily comes from chilled juices, where especially the Good Morgen brand contributed.

Rynkeby Foods was acquired by Eckes-Granini in 2016. At the end of 2016, Rynkeby Foods merged with the Danish Eckes-Granini company Valsøllille. The result of the merger was a goodwill of DKK 587 million.

In 2017 and 2018, Rynkeby Foods went through a restructuring process. The product range for customers was expanded. And at the same time the factory in Ringe was completely restructured and expanded (the Eckes-Granini factory in Sweden was closed and the production was transferred to Ringe). This resulted in a significant increase in production and expansion of Rynkeby Foods' business model. Because of the restructuring the result for the year 2018 has been affected by several extraordinary events:

1. To be able to take over the production from

the Swedish factory, Rynkeby Foods invested in an Elopak high-speed production line based on new techniques that replaces two old production lines; In 2018, the new line has not been able to operate as cost-effectively as expected, but now shows significant improvements.

2. In order to take over the production from the Eckes-Granini factory in Sweden, a considerable number of new employees have been employed and trained.

3. The major launch of new products at the beginning of 2019 meant significant start-up costs in 2018.

All in all, the above reasons have caused an unsatisfactory result for 2018, and initiatives have therefore been taken to improve Rynkeby Foods' profitability.

As required by the Danish Financial Statements Act, Rynkeby Foods has, due to the unsatisfactory results, prepared an impairment test of goodwill based on free cash flows and estimated capital costs (WACC). The result of the impairment test is a write-down of goodwill of DKK 334 million, which is related, among other things, to unrealized synergies and the described extraordinary events, which cause lower profitability and cash flows.

The management is convinced that the expected future cash flows based on the restructured business platform will reach and be in line with previous expectations.

### Investments

In 2018, DKK 135 million was invested in new equipment, primarily investments, which followed up on the large investments in production facilities in 2017.

### Research and development activities

The company continues its development activities to continuously improve and build on its products and competitiveness. Eckes-Granini's ownership of Rynkeby Foods offers several improvements and benefits also in relation to R&D activities.

### Expectations to 2019

The expectations to the Danish juice and syrup market are that the market for floor juice and syrup will be stable or slightly decreasing, and that chilled juices and smoothies will continue to increase.

The challenges that Rynkeby Foods has had in the supply chain are dealt with and the situation is expected to improve in 2019, leading to higher line efficiency and less waste.

In early 2019, Rynkeby Foods has launched Rigtig Juice. This is one of the biggest launches in recent years - and we expect a good market position with Rigtig Juice. We expect to continue the successful relaunch of Good Morning Juice.

Against this background, we expect EBITDA in 2019 to be slightly better than the result in 2018.

### Goals for gender distribution on the board and management

The Board of Directors consists of 4 owner elected members and 2 employee-elected members. It is the company's goal that both sexes should be represented in the top management in 2020, ie that there must be min. 1

woman among the owner elected members.

The current status is that, none of the 4 owner elected members are



women, and 1 of the employee-elected members is a woman. There have been no changes to the Board of Directors in 2018.

With regard to gender distribution at other management levels in Rynkeby Foods, management believes that a balanced gender distribution gives increased employee satisfaction, as the two sexes handle professional and personal situations in different ways, and thus open up for a problem-solving that will give better results.

Rynkeby Foods works to increase the number of underrepresented gender at all management levels in the organization. The goal is a 50/50 distribution. At the end of 2018, the underrepresented gender is 36% at all management levels. Through our recruitment and promotion work, we expect to be able to balance the gender distribution if candidates with the right qualifications can be found. That is, in case of 2 candidates with the same qualifications, we will choose the candidate of the underrepresented gender.



# THE VALUE CHAIN – FROM EARTH TO TABLE

Rynkeby produces fruit and vegetable drinks from raw materials that are purchased throughout the world. Our raw materials are primarily juice, both from concentrate and not-from concentrate, and to a lesser extent fresh fruit and vegetables for our new production of freshly squeezed juice.

Our products are mainly sold to customers in Denmark, Sweden and Norway. Our customers are both supermarket chains and out-of-home customers, for example, hotels, cafes and the public sector. A simple overview of the value chain can be seen below.

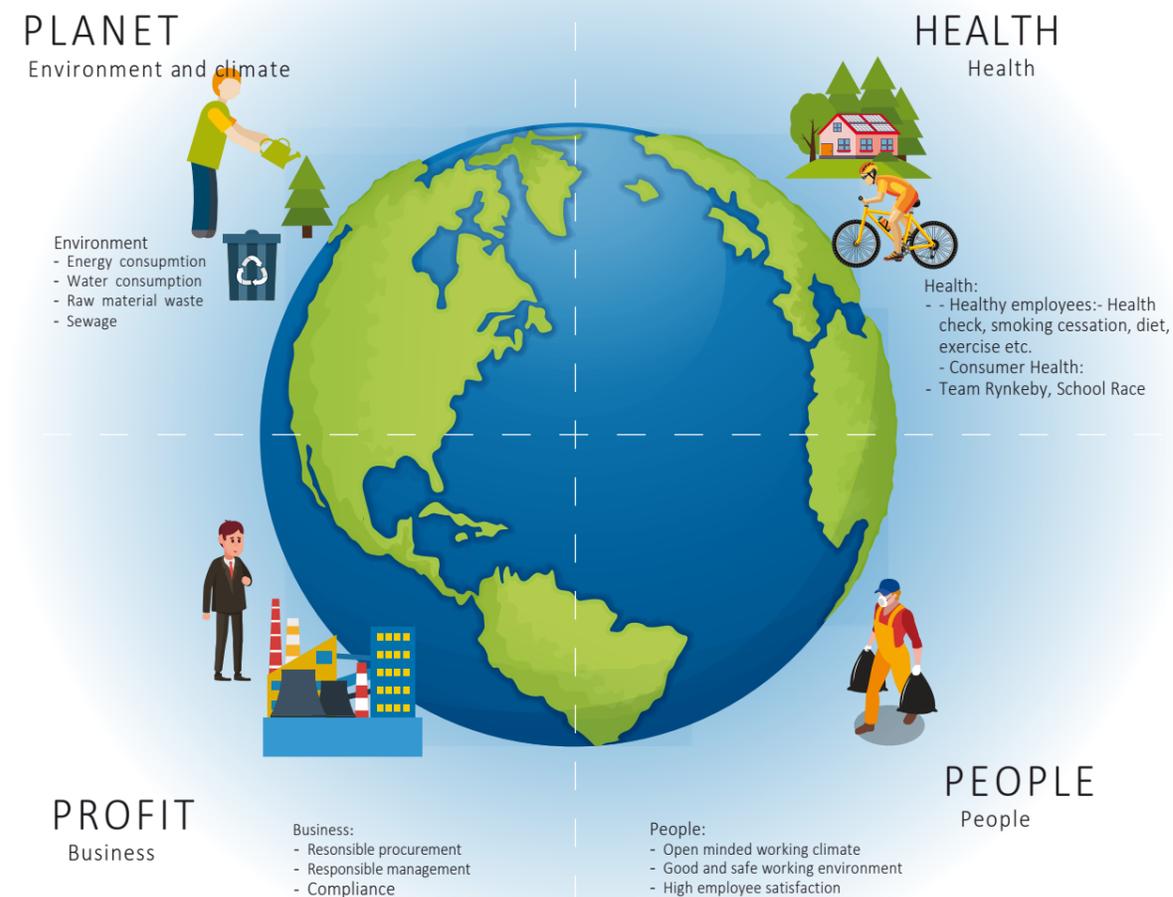
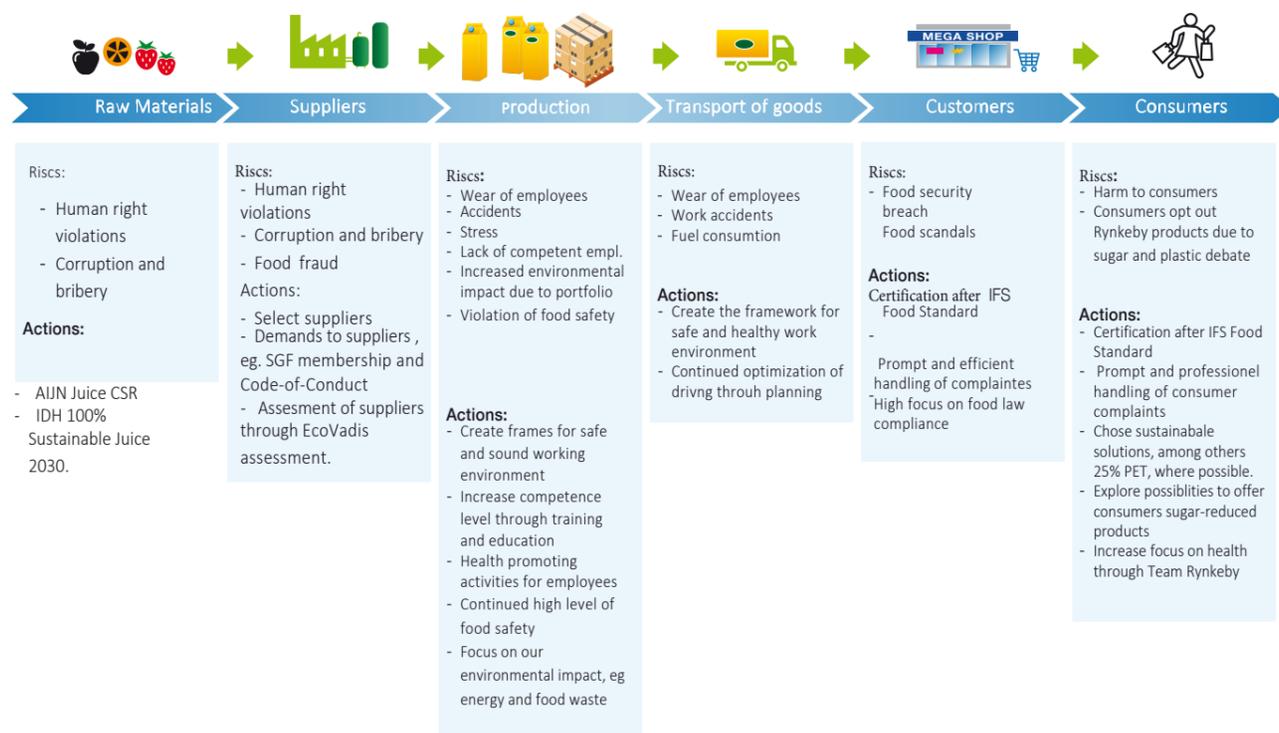
Based on the value chain "From Earth to Table", Rynkeby Foods has identified the most significant risks that our business causes. Based on these, our focus areas are selected.

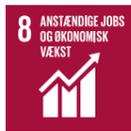
The last three years at Rynkeby Foods have been characterized by many changes, major investments in new

production line, new ERP system (IT) and hiring of many new employees in production. We have employed approximately 50 extra employees as a result of the expansion in production.

Therefore, in such a changing period, it is important to keep focus on the most important issues - and we have succeeded in most cases, as will be described in this report.

For each focus area, a number of issues have been defined that we work with and have set goals for.





# UN GLOBAL COMPACT AND THE WORLD GOALS

Rynkeby Foods has since 2011 joined the UN Global Compact's 10 principles.

The principles promote ethical business conduct. The UN Global Compact is based on international conventions in the field of human rights, labor law, environment protection and anti-corruption.

The UNGC has two purposes, partly to encourage companies to support and implement the 10 principles in their practice, and partly to encourage companies to contribute voluntarily with initiatives to promote the UN's sustainability goals.

In 2016, Rynkeby Foods decided to select the 4 world goals that we as a company can best contribute actively to achieve. In 2018, we continued to focus on these 4 goals.

**Goal 3:** We must promote health and well-being for everyone in all ages.

**Goal 4:** We must promote quality education and make lifelong learning possible for all.

**Goal 8:** We must promote continuous, inclusive and sustainable economic growth, full and productive employment as well as decent work for all.

**Goal 12:** We must promote sustainable consumption and production.

The 10 principles and the 4 world goals are rooted in Rynkeby Foods through our efforts, as seen in the overview below:



We advocate free and fair competition and refuse to take part in bribery and corruption

	THE COMPANY SHOULD:	ANCHORING WITH RYNKEBY FOODS IS DESCRIBED IN THE FOLLOWING SECTION::
HUMAN-RIGHTS	Support and respect the protection of internationally declared human rights and ensure that it does not contribute to human rights violations.	Responsible management Responsible procurement People and health 
EMPLOYEE RIGHTS	Maintain freedom of association and effectively recognize the right to collective bargaining; Combat all forms of forced labor; Support the effective abolition of child labor and abolish discrimination in relation to work and employment conditions.	Responsible management Responsible procurement People and health 
ENVIRONMENT	Support a precautionary approach to environmental challenges; Take the initiative to promote greater environmental responsibility and encourage the development and deployment of environmentally friendly technologies.	Environment Responsible procurement 
ANTI-CORRUPTION	Counteract all forms of corruption, including extortion and bribery.	Responsible management 



## RESPONSIBLE MANAGEMENT



### Policy

Rynkeby Foods must comply with UN conventions and principles, which are defined in, among other things, the UN Global Compact.

This means that we must work according to sustainable principles and seek solutions that take into account human and environmental conditions.

We commit ourselves to show particular consideration to the issues that concern the local community around our company and in the countries from which our raw materials come.

We distance ourselves from any kind of bribery and corruption, both from our own employees and from the suppliers with whom we cooperate.

Rynkeby Foods wants a high level of food safety, and we do not tolerate food scams.

We support and respect the enforcement of international human rights rules and ensure that we do not, as a company or through the activities of the company, cause any violation of human rights.

Health and safety at the workplace is given high priority, among other things by offering health activities, ongoing competence development and training of all employee groups.

We will offer fair wages, insurance schemes, senior schemes and of course follow applicable collective agreements and rules.

### Risks and prevention

We are aware of potential risks in relation to corruption, bribery and breaches of human rights, especially when it comes to the countries from which our raw materials are purchased.

We are also aware of potential risks related to our production and related activities

We are aware of the risk of fraud with food, for example, the organic status of food or the addition of non-original fruit to juice.

We are aware of these potential risks, but at the same time we believe that due diligence is exercised through requirements for suppliers and implemented procedures throughout the value chain, and that we therefore have an appropriate preparedness to counter or completely eliminate any unintentional incidents on the area.

In order to ensure compliance with applicable legislation in relation to corruption, bribery and human rights, the company has prepared a code of conduct with specific guidelines for these areas.

All employees, both present and future, have or will receive Eckes Granini "Code of Conduct". It is expected that all employees have familiarized themselves with the content, just as it is communicated on internal staff meetings and at seminars for new employees, held several times a year.

Furthermore, a larger group of managers and relevant employees at Rynkeby Foods have participated in a course in which in-depth work was done on "Compliance" in several areas. We believe that this training and attention to compliance and code of conduct in 2018 has resulted in continued support for a responsible management in Rynkeby.

In order to ensure the enforcement of the principles of our suppliers, all raw material suppliers must sign our Code of Conduct for suppliers by contract conclusion.

In addition, the largest raw material suppliers must minimum once every 1½ years review an EcoVadis CSR evaluation. We have set goals for what score our suppliers must achieve. This is described in more detail in the section on Responsible Procurement.

We have set a number of goals for our employees' health, safety and well-being. These are described later in this report.



# RESPONSIBLE PROCUREMENT

In 2016, the "Eckes Granini Group" took over the purchasing responsibility for the vast majority of raw materials and primary packaging materials used at Rynkeby Foods. The full integration was carried out in 2017, and since then all contracts for raw materials and packaging materials have followed the principles, guidelines, terms and conditions of the Eckes Granini Group.

### Policy

Rynkeby Foods and our owners, Eckes Granini, place high demands on our suppliers, both in terms of quality, food safety, sustainability, traceability and good business practices. We do our best to ensure that the international rights described in the UN Global Compact are respected.

We know that we, as a single company in a large market, cannot solve the problems of the world community, but that we, with a focus on eg. human rights and anti-corruption among the suppliers we work with, help to ensure that the requirements are met.

### Global and responsible purchases - made from Germany

To meet these high standards, Eckes-Granini has set a number of requirements for its raw material suppliers, including:

- Sign AIJN Code of Business Conduct, which covers compliance with the 10 principles of the UN Global Compact, including human rights, anti-corruption and environmental protection. Compliance with AIJN CoC is verified by SGF audit.
- Membership of SFG (Sure Global Fair), which is an independent organization that conducts annual audits with the members. SGF audits include checking hygiene, authenticity, traceability and sustainability. For those suppliers that are not yet SGF members, other proofs of the quality and authenticity of the raw materials are required, and furthermore, authenticity and pesticide analyzes carried out by an externally accredited laboratory.
- Evaluation of the supplier's performance on sustainability using EcoVadis.

EcoVadis Audit is conducted as an online audit covering 4 topics: Environmental Impacts, Human Rights, Sustainable Procurement and Fair Business Practice (Ethics).

The audit results are assessed by independent experts at EcoVadis, and the result is reported on every four segments from 0 - 100.

The Eckes Granini Group has set minimum goals for its suppliers. The first goal at the end of 2016 was for suppliers to achieve 25/100 points. All suppliers, except one, succeeded in achieving the goal.

The next goal level was 35/100 at the end of 2018 - and this achieved > 90% of the suppliers.

Goals for 2020 are that min. 80% of suppliers score >45 point. In 2018, 69% of the suppliers achieved >45.

The Eckes Granini Group analyzes data and works closely with suppliers to understand and improve the degree of sustainability in the four defined areas.

As Eckes Granini, and thus Rynkeby Foods, does not deal directly with the primary producers (fruit and vegetable growers), we instead work to raise the standard for CSR at the primary producers via connection to the Juice CSR Platform.

Juice CSR Platform was formed in 2013 as a project supported by the EU. The work was and is still being led and facilitated by The European Juice Association, AIJN. In 2015, the platform became independent of EU funds and is now run via affiliated companies and NGOs.

AIJN Juice CSR Platform is a collaboration between the European juice association AIJN and a wide range of stakeholders from the juice industry, producers and NGOs around a CSR platform, to develop CSR work across the juice industry from Earth to Table.

Eckes Granini Group and Rynkeby Foods have participated in

platform since its inception. In 2018, Rynkeby Foods chose to sign up as an independent member, as we are already represented in the project via Eckes Granini.

In 2018, the number of members increased again to more than 45, representing the entire supply chain and NGOs. A steering committee has been established and several working groups have been set up, who work more in-depth with, among other things orange production in Brazil and apples / berries from Europe. Eckes Granini actively participates in the working group on orange production.

Read more at [www.juicecsr.eu](http://www.juicecsr.eu).

### Ecology

Rynkeby Foods produces a larger portfolio of organic products. Therefore, the Eckes Granini Group also buys organic raw materials for Rynkeby and other Eckes Granini companies. Both Rynkeby Foods and the Eckes Granini Group are thus eco-certified, just as its main storage and distribution center, HIWA Rotterdam, is.

The above requirements for the suppliers thus also apply to suppliers of organic raw materials.

### 100% Sustainable Juice in 2030

In the beginning of 2019 Eckes Granini Group joined the IDH Sustainable Juice Covenant, thereby committing ourselves to buying 100% sustainable fruit-based raw materials by 2030. IDH Sustainable Juice Covenant measures sustainability at primary producer level using the SAI FSA audit system. 100% sustainable juice means that all primary producers are audited and certified with the minimum SAI Bronze as a result.

This will be reported in-depth in next year's CSR report.



CSR GOALS	RESULT 2014	RESULT 2015	RESULT 2016	RESULT 2017	RESULT 2018	GOAL 2020
Share of suppliers who have signed Rynkeby or AIJN CoC.	100%	100%	100%	100%	100%	100%
EcoVadis Selfassessment for suppliers			All suppliers , except one has achieved >25 point		>90% suppliers achieved >35 point	2020: 80% of suppl. achieved min 45 point*



## QUALITY AND FOOD SAFETY

As a responsible producer, our most important task is to ensure that our products are safe to consume. We have ensured this for many years through good management of raw materials, supply, hygiene, production and finished goods via our certified management system. Until December 2018, Rynkeby has been FSSC 22000 certified, but in December 2018, this certification was replaced by the IFS Food standard, where we achieved a result in “Higher Level”.

### Policy

Rynkeby Foods A / S's overall policy is to process and deliver safe food to the Retail and Food Service sectors, taking into account the surrounding environment as well as the working environment. This must be done through:

- Food safety and quality management continue to meet the standards, customer and consumer requirements.
- Errors and defects are dealt with immediately and not passed on to customers.
- Motivate and inspire all employees for increased understanding of the importance of quality, food safety and environmental concerns.
- Relevant environmental, quality and food safety requirements are imposed on suppliers.
- Great demands are made on the communication “From earth to table” in order that correct information can reach all parties and thereby ensure that subcontractors, suppliers, customers etc. have the necessary information to be able to supply safe food.

### Quality and food safety management

In order to ensure the high quality and produce safe products, we have implemented a wide range of procedures and instructions in all areas of our production. Among other things the IFS Food certification is a check that these procedures are in control.

Rynkeby Foods is also approved for organic production.

We can list some of the most important parameters of our quality and food safety system:

- We place high demands on the quality of raw materials via raw material specifications.
- We analyze and approve all raw materials before entering the factory.
- Further checks are carried out for eg. food cheating and organic status by external laboratory.
- Process control at all stages.
- Management of deviating products.
- We conduct internal audits of processes and procedures.
- We respond to customer complaints promptly and professionally, taking into account GDPR rules.
- Controlled access to the factory.
- Goals have been set for, among other things, quality costs and complaints.

### Complaint processing and recall

Despite good management of the entire supply chain and processes as well as controls of our raw materials and products, both before, during and after production, we still receive inquiries from consumers who are not satisfied with our products for various reasons.

The table below also shows that there is a big difference in consumer behavior in the Nordic countries. In Sweden and Finland, we generally experience a significantly higher level of consumer complaints per year. 100 million liter sold product compared to DK. When we compare the key figures with our other European colleagues, the difference is even bigger.



CONSUMER COMPLAINT PER 100 MILL LITER SOLD PRODUCTS	2014	2015	2016	2017	2018	GOAL 2020
Denmark	127	319	140	220	305	Max. 300
Sweden	845	1075	1035	538	1064	Max. 700
Finland	816	1070	1149	921	1275	Max. 700

We calculate target figures for complaints for respectively Denmark, Sweden and Finland, which are our largest markets. We have had an increase in the number of complaints compared to previous years, which is attributed to our new production of Brämhult's freshly squeezed juice. These are premium products that are sold at significantly higher prices than our other products. Therefore, there is also a higher level of consumer inquiries if the consumer is not satisfied with the product.

None of the consumer inquiries have been of a health nature, which is our primary target for complaints.

From 1 January 2018 all complaints from both DK, SE and FI were registered in SAP, so that we can extract the information from the same system.

We have not had any recalls of consumer products in 2018. We have had 3 minor cases of quality defects where we have chosen to withdraw products before reaching consumers.



# HEALTH, SAFETY AND WELL-BEING

Despite the many changes and activities in 2018, Rynkeby maintained a focus on health with both Team Rynkeby and health check for a large proportion of employees.

### Policy

At Rynkeby Foods, we believe that employees' health is of utmost importance for job satisfaction and well-being at the workplace as well as in private life.

We have therefore set policies and goals for the following areas: Diet - Smoking - Alcohol - Exercise - Stress.

In addition we will have and develop a safe and healthy work environment through increased education and understanding of safety requirements

Through education and training of employees, Rynkeby Foods' goal is also to have happy, flexible and skilled employees, and to retain employees at the company through a safe working environment with possibility for personal and professional development, thus creating the basis for the ability and willingness for change of the employees.

### Team Rynkeby Ringe 2018

In 2017, Rynkeby's management team decided to offer all employees a seat on Team Rynkeby 2018 on favorable terms. More than 60 employees accepted this offer and took part in the trip as either rider or as service staff.

From September 2017 until departure for Paris on June 30, the participants trained extensively both in the gym and on country roads. Some colleagues also received valuable support

from our nutrition and exercise counselor, who works for Rynkeby 10 hours a week.

The participating colleagues were a mix of production and administrative staff. Both day and night teams were also represented.

It is the management's opinion that the Team Rynkeby project for employees has a positive impact on the participating colleagues on a number of parameters, such as job satisfaction, well-being and health. However, we have not been able to measure the effect directly, as well-being analysis has not been performed in 2018.

### Health check

From the fall of 2018, health checks have been started for all employees. The health check is carried out by Rynkeby's nutrition and exercise counselor.

It is Rynkeby's goal that all employees should be offered a health check every two years. It is a big task for one person to check up on 250 employees, and therefore the check this time has taken longer than the previous times. The advantage of letting an internal employee do the checking is that she can subsequently set up a diet / training plan for each employee if requested.

CSR GOALS	RESULT 2014	RESULT 2015	RESULT 2016	RESULT 2017	RESULT 2018	GOAL 2020
Number of smokers	iNot measured	Not measured	14%	Not measured	16%	<17% (NSP 2017)
Number of heavy overweight (BMI >30)	Not measured	Not measured	22%	Not measured	24%	<17% (NSP 2017)
Number of overweight (BMI 25-30)	Not measured	Not measured	45%	Not measured	38%	<34% (NSP 2017)
Number of employees who are moderately or much physically active in their spare time.	Not measured	Not measured	38%	Not measured	19%	<50%

This report provides a temporary status for the first 140 employees. The preliminary experience shows that most employees accept the health check offer.

The result after approx. 60% of employees have been checked is that the overall number of overweight employees has fallen slightly from 67% to 62%. But the distribution has changed, and the proportion of heavy overweight people has increased.

We can thus also observe that for this group of employees, the result is above the National Health Profile of 2017.

It also appears that the number of smokers has increased, and that the proportion of employees who are moderately or physically active in their spare time has decreased.

At Rynkeby, a Health Group meets during the year to discuss health initiatives. The health activities are documented in an annual wheel that is constantly updated.

In 2018, activities have been prioritized around Team Rynkeby and health check for employees. In addition, like the previous years, we participated in the DHL relay race in Odense with as many as 10 teams starting, divided into 5 walking teams and 5 running teams.

When the final result of the health check for all employees is ready, the Health Group will evaluate the results and decide if further efforts are needed in this area.

We already offer - besides health check - a subsidy for individual fitness activities, the healthy choice and fruit / vegetables in the canteen, Team Rynkeby participation, DHL relay race and other events.

### Employee satisfaction survey

In 2017, Rynkeby participated for the first time in the Eckes Granini Group employee satisfaction survey, which is conducted every 2 years.

The results of the analysis showed that action was needed in several areas. This was expected due to a couple of years with many changes and projects in the company.

Therefore, a number of action plans were drawn up, with the most important elements being

- Training and education for both existing and new employees in new production equipment and routines.
- To better understand - and optimize - new ERP system (SAP).



- New processes with clear roles and responsibilities, best illustrated by new business process (S&OP - sales & operations planning), which supports the collaboration between the commercial areas and procurement / production / logistics.

During 2018, these action plans have been implemented with the help of projects initiated by management. The action plans are targeted to improve the outcome of the next employee satisfaction survey in areas such as leadership, influence, training, collaboration and work processes.

**Training and enhancement of competences in production**

One of the very large projects launched in 2018 was "Training and Education" of employees in production. With approximately 50 new employees, corresponding to approx. 30% of the total production workforce, there was a need for increased focus on competence and management training. Therefore, the need for training was reviewed and determined in all production areas and plans were drawn up for necessary training. This applies to all types of training, both in process equipment, quality and food safety, SAP / IT and work environment and safety.

Key figures have been prepared to monitor the effect of the training, and these key figures are now being followed up with the production management.

The goal is to ensure competent employees on all shifts and in all departments, with increased efficiency and better working environment and well-being as a result.

**Work environment and safety**

Unfortunately, we saw a large increase in the number of accidents at work in 2018. All accidents were reviewed with the safety manager and the line manager, and actions have been taken to prevent the accidents from happening again. These were in most cases minor accidents such as falls and twist of the back or ankles, and primarily among newer employees. Therefore, safety training is also a priority in 2019. In addition we will have more frequent safety rounds and meetings in the production working environment group.

Workplace assessments are continued, as well as the preparation of action plans.

**Staff turnover**

The year 2018, as previously described, has been a year of many changes, which also can be seen in the staff turnover, which ended on 17% in 2018. This is the same level as in 2017 - and thus somewhat higher than our target figure of 12%, which the management assessed to be the level that will give the company new inspiration and skills. The target is for staff turnover to fall to 12% again by 2020. As we already know that 2019 will be a demanding year, we also expect that the staff turnover in 2019 will be higher than our target - but lower than the figure for 2018.

CSR GOALS	RESULT 2014	RESULT 2015	RESULT 2016	RESULT 2017	RESULT 2018	GOAL 2020
Staff turnover	13,9%	12,0%	15,1%	17,0%	17,0%	12,0%
Average nos of days per employee per year	Less than one week/empl Average.	3,7 days	2,3	3,9	2,9	2,5 kursusdage pr. medarbejder
First Aid course	Offered to all	Offered to all	Offered to all	Not in 2017	Offered to all	Offered min. once a year
Registered "nearby" incidents	36	52	47	41	38	No goal
Registered minor accidents (without absence)	17	24	10	20	17	0
Registered work accidents	7	2	6	6	17	0

# TEAM RYNKEBY 2018

Team Rynkeby is a Nordic charity cycling team that cycles to Paris every year to raise money for children with critical illnesses and their families.

Team Rynkeby was founded in 2002 when Knud Vilstrup persuaded 11 "crazy" bike rider enthusiasts plus a helper in a car - all associated with the Danish juice producer Rynkeby Foods A/S - to ride to Paris to see the end of the Tour de France.

Rynkeby Foods was the main sponsor of the trip, but other companies also backed up. In fact, the participants in history's very first Team Rynkeby team were so good at getting sponsorships that there was a surplus of DKK 38,000 when the team returned to Denmark just over a week later.

After some internal discussion, the first Team Rynkeby team agreed to donate the money to the Child Cancer Department at Odense University Hospital - and a tradition was born.

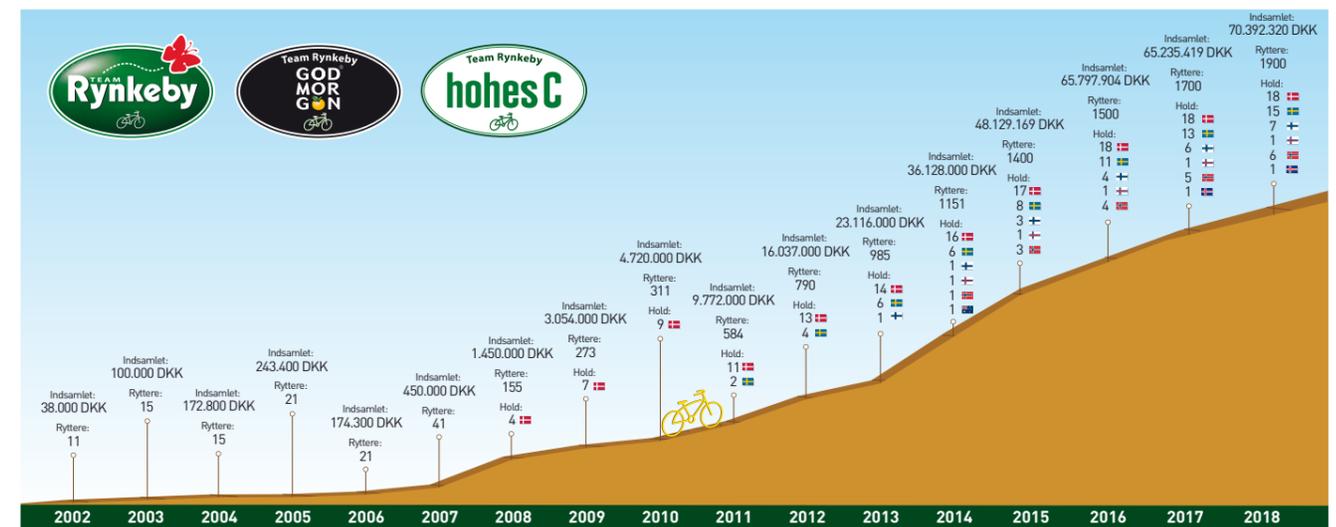
In the now completed 17th trip to Paris, the project in the summer of 2018 consisted of no less than 1,900 cyclists from six countries and approx. 450 service people - divided into 48 teams. Participants were selected from thousands of applicants who filled out the application form on Team Rynkeby's website.

Everyone does it voluntarily, in their spare time and for their own money - and together, the project is probably Europe's largest charity bike project.

From the teams are finally selected at the end of September and until arrival in Paris 10 months later beginning of July, the participants not only work to be able to ride the 1,200 km to Paris - they also work targeted to raise money for children with critical illnesses.

In Denmark, Team Rynkeby supports two organizations; The Children's Cancer Foundation and the Children's Lung Foundation. In 2018, Team Rynkeby donated the largest amount ever of DKK 70.4 million to organizations that help children with critical illnesses. DKK 29.4 million went to the Children's Cancer Foundation and the Children's Lung Foundation in Denmark.

For the past two years, we have been working together with the Children's Lung Foundation on the Team Rynkeby School Race with the result, that now over 100,000 school pupils in Denmark from more than 320 schools the Friday before Easter are out running - partly to focus on children with critical lung diseases - partly to collect money in the form of micro-sponsorships from friends, relatives and neighbors.



## ENVIRONMENT AND CLIMATE

### Status of Environmental Improvements 2018

In order to live up to our environmental policy, we have for many years focused on investing in and optimizing our processes, both in terms of juice production and cleaning routines. At the same time, we plan production as efficiently as possible, taking into account delivery rates and customer expectations.

As of January 1, 2018, Rynkeby Foods took over the production of freshly squeezed juice from Eckes Granini's factory in Sweden. The takeover already started during 2017, when the new production was started.

With the establishment of a brand new "factory in the factory" for freshly squeezed juices and other bottled products, environmentally sound solutions were chosen where possible, eg. pigging for pipe systems to minimize product waste.

However, as this section will describe, producing freshly squeezed juice is a completely different process from our other products produced from concentrate or from NFC (Not From Concentrate).

After many years of lowering our environmental ratios, we now see a significant increase in key figures.

It also means that we, for example, on energy consumption cannot see that during 2017 and 2018 we replaced all light sources in production and at certain offices with LED light sources.

### New production of freshly squeezed juice and other products in plastic bottles

To produce freshly squeezed juice, fresh fruits and vegetables are used. We squeeze oranges, lemons and other citrus fruits depending on the season. In addition, apples, carrots, beets, ginger, turmeric and chili are squeezed. These fresh ingredients must be stored in a refrigerator to minimize wastage due to decay. This requires large cold stores with increased energy consumption.

Next, the fresh fruits and vegetables should be rinsed, washed and scrubbed several times to ensure quality and food safety in the finished juice. This requires relatively large quantities of water and entails discharge of correspondingly large quantities of waste water.

The peels from citrus fruits as well as residues from apple, carrot and beets are collected and reused for animal feed. Fruit / vegetables that are sorted out e.g. due to quality defects, is also collected, but instead driven to biogas plants.

The freshly squeezed fresh juice must be cooled to <math><2^{\circ}\text{C}</math> immediately after pressing to ensure quality, which also

### Environment policy

Rynkeby aims to become a greener and more sustainable company. This means that we must avoid waste, optimize our processes and always seek the most sustainable solution. In practice, this means that we weigh where we can get the greatest environmental benefits, and then we focus our focus.

### Energy

We must save energy, and we always work to find energy-efficient solutions in both existing and new processes.

### Water and waste water

Through optimizations and investments, we must ensure solutions that minimize water consumption without compromising quality and food safety. By minimizing water consumption in our processes, we can also lower our wastewater discharge.

### Waste and recycling

We work consistently to avoid all types of waste, including food, materials, fuel, energy, raw materials, and other resources related to our operations. We also ensure that our waste is recycled to the greatest possible extent. In the event of any waste, we ensure a sustainable disposal. Over-consumption also causes waste. Therefore, operations and consumption are continuously monitored and optimized.

### Climate changes

We help to minimize global warming by continuously working to reduce greenhouse gas emissions. This is done, among other things, through our focus on resources and energy optimizations.

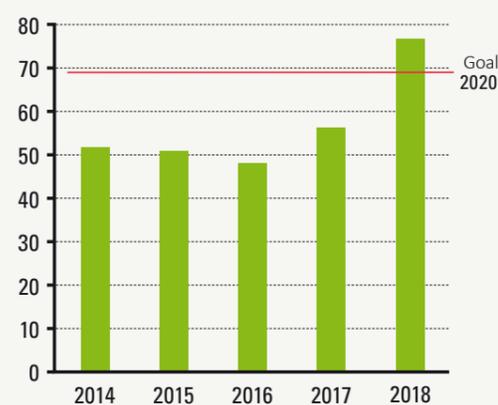
leads to increased energy consumption. The juice must be kept at this temperature until the juice is pasteurized and drained.

Our freshly squeezed juices are pasteurized at a relatively low temperature, so we get a sensitive product with a short shelf life (down to 16-25 days). The short shelf life results in small batch sizes, and thus more product changes. Product changes result in higher consumption of water, chemicals and energy.

At the same time, 2 new bottling machines for plastic bottles have been established, which are used for tapping of both refrigerated products, e.g. the freshly squeezed juices as well as other juices with relatively short shelf-life to be stored in the refrigerator, as well as aseptic products with longer shelf-life. This type of machine has a high level of hygiene, which requires energy and chemicals.

The new tapping machines have meant that part of our production volume has moved from cardboard to plastic bottles. We tap juice in

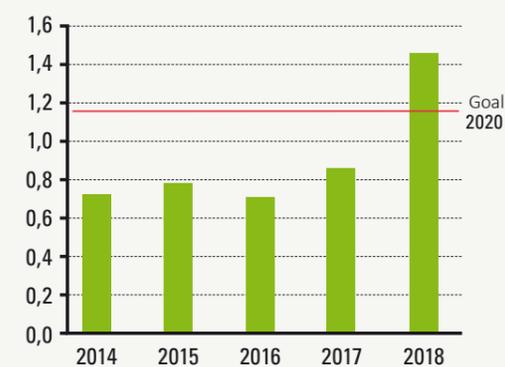
ELECTRICITY CONSUMPTION  
kWh pr. produced 1000 L



WATER CONSUMPTION  
m<sup>3</sup> pr. produced 1000 L



WASTE WATER  
m<sup>3</sup> pr. produced 1000 L



NATURAL GAS  
m<sup>3</sup> pr. produced 1000 L



HDPE bottles as well as PET bottles. We have consistently chosen to use PET with 25% recycled plastic. It is currently the highest achievable proportion available in PET bottles, where our quality requirements are maintained.

As a result of this new situation, our goal or environmental improvements has been changed for the coming years. The focus in 2018 has been the implementation and training of the new processes to achieve stable production efficiency.

Therefore, we believe that we through training and focusing on efficiency improvements can achieve a 10% reduction in energy, natural gas and water consumption over the coming years. Among other things, we will install new water meters at selected places to identify and monitor water consumption more efficiently.

Our waste water volumes must also be reduced, among other things by optimizing cleaning procedures in the press. Last, but not least, in the future we will work to reduce our consumption of plastic in our packaging and to seek opportunities for increased use of recycled plastic material.

#### Focus on product waste

We want to minimize all kinds of waste and have for many years focused on product wastes in production. We recycle products and raw materials as much as possible - without compromising on quality and food safety.

Due to the implementation of a new ERP system (SAP) in mid-2017, for a period of time we did not have sufficient data to systematically follow up on product losses. This data has become available in the latter part of 2018. We have set ambitious goals for reducing waste starting from the end of 2018.

We expect to be able to present valid data for waste for 2019.

#### Fuel consumption

Over the past few years, Rynkeby Foods has invested in new trucks, so that all our 7 trucks are the new environmentally friendly models

#### OVERVIEW OF PLANNED ENVIRONMENTAL IMPROVEMENT ACTIVITIES:

- Reduce electricity and natural gas consumption through efficiency optimization
- Reduce water consumption and wastewater discharge through optimization of cleaning processes..
- Reduce product waste in prodction through training of employees
- ISO 14001 + EMAS certification in 2020

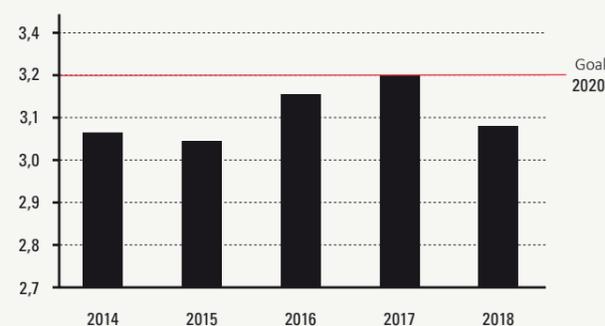
with Ecolution system. The Ecolution system makes the cars specified for the current tasks, and the maintenance of the cars focuses on reducing fuel consumption.

In 2018, however, we see a decline in the key figure from 3.20 km / l in 2017 to 3.06 km / l in 2018, which means that cars drive fewer kilometers per year. liter of diesel.

The reason is a combination of several things, but most importantly, the planning of the trips has been optimized, so that the cars are now driving with higher volumes, which gives a larger fuel consumption when looking at KM / L.

On the other hand, the optimization means that we run fewer trips - eg. we have driven approx. 300 fewer trips across Storebælt in 2018 compared to 2017.

FUEL CONSUMPTION  
km/l



#### Citizens complaints

Rynkeby appreciates having a good relationship with the local community and especially our closest neighbors. Therefore, inquiries from citizens are taken seriously and we act on the inquiries. In 2018, we received a total of 4 complaints from our closest neighbors to the company. The complaints are due to noise nuisance due to the many activities we have had at the company this year. Action has been taken to address the complaints, e.g. to enforce our internal procedures regarding prevention of noise in the evening and night hours. All complaints have been finalized with the citizens.

#### Planned environmental certification

It is Eckes Granini's goal that all factories in the company must be EMAS certified. This was achieved as early as 2015 for the other Eckes Granini factories. It is therefore planned that Rynkeby Foods will be environmentally certified in 2020, which is in line with our strategy. Environmental certification entails more strategic and systematic work on environmental improvements.

Planning for the certification will begin in 2019.

## CSR GOALS - COMPLETE OVERVIEW

CSR GOALS	RESULT 2014	RESULT 2015	RESULT 2016	RESULT 2017	RESULT 2018	GOAL 2020
Share of women on Board of Directors	Not measured	Not measured	0%	0%	0%	Min. 1 woman selected by shareholders
Share of women on other management levels	Not measuredt	Not measured	35%	41%	36%	2020: 40% 2022: 50%
Injunctions/judgements concerning misleading marketing.	0	0	0	0	0	0 pcs.
Share of suppliers hwo he signen Gynkeby or AIJN CoCC.	100%	100%	100%	100%	100%	100%
EcoVadis Selfassessment for suppliers			All suppliers except for one achieved <25 points		>90% of suppliers achieved >35 points	2020: 80% of suppl. ach. min 45 points"
Nos of major faults in onnection with audi.	0	0	0	0	0	0 Majors
Complaints from local community (No of citizens))	0	0	0	4	4	0 complaints
Staff turnover	13,9%	12,0%	15,1%	17,0%	17,0%	12%
Nos of training days per employee/year in average	Almost 1 week in average	3,7 dage	2,3	3,9	2,9	2.5 training days Per employee
Denmark per 100 mill. sold product	127	319	140	220	305	Max. 300
Sweden per 100 mill. sold product	845	1075	1035	538	1064	Max. 700
Finland per 100 mill. sold product	816	1070	1149	921	1275	Max. 700
First Aid Course incl. use of defibrillator	Offered to all	Offered to all	Offered to all	Not held in 2017	Offered to all	Offered min.1 time per year.
Rigistered "near by" incidents	36	52	47	41	38	No goal
Registered minor accidents (without absence)	17	24	10	20	17	0
Registered work accidents	7	2	6	6	17	0
Number of smokers	Not measured	Not mesured	14%	Not measured	16%*	< 17% (NSP 2017)
Nos heavy overweight (BMI > 30)	Not measured	Not measured	22%	Not measuredt	24%*	< 17% (NSP 2017)
Nos overweight (BMI 25-30)	Not measured	Not measured	45%	Not measured	38%*	< 34% (NSP 2017)
Nos empl. who are moderate or hard physical active in sparetime	Not measuredt	Not measuredt	38%	Not measured	19%*	> 50%
Sickness absence (total absence incl. longterm absence)	4,9%	3,9%	8,3%	5,1%	4,5%	Max. 4%
Fuel consumption (trucks)	3,06	3,04	3,15	3,2	3,08	Min 3,2 km/l
Electricity consumption per 1000 L product	51,8	50,9	48,1	56,3	76,77	-10% cmp to. 2018
Water consumption per 1000 L product	2,02	1,93	2,04	2,4	3,23	-10% cmp to 2018
Waste water per 1000 L product	0,72	0,78	0,71	0,86	1,46	-20% cmp to. 2018
Natural gas consumption per 1000 L productt	5,53	5,93	5,89	7,82	11,65	-10% cmp to. 2018
ISO 14001 / EMAS certification						Certificati 2020

\* Part result for 2018. See explanation on page 20-21.



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