

# SUSTAINABILITY IN PLUMROSE

## MEGATRENDS

POPULATION INCREASE / OBESITY AND MALNUTRITION / FOCUS ON HEALTHY FOODS  
 RISING COMMODITY PRICES / NEW GROWTH MARKETS DEMANDING MEAT / CLIMATE CHANGE

## COMPETITIVE PARAMETERS

PRICE / QUALITY AND FOOD SAFETY / HEALTH / ANIMAL WELFARE  
 POSITION IN GROWTH MARKETS / LICENCE TO OPERATE / THE BEST EMPLOYEES

## VISION

LONG-TERM BUSINESS SUCCESS  
 THROUGH RESPONSIBILITY AND INNOVATION

A number of improvement targets were reached in Plumrose in 2012 within environmental management, animal welfare and contributions to nutrition and health in local communities. Plumrose has established energy consumption and carbon emission calculation, which will be used for future benchmarking.

The table shows selected indicators on Plumrose's sustainability impact and performance.

### People – Supporting better health and nutrition

With Plumrose focusing solely on Venezuela, it is vital that the business clearly demonstrates its corporate responsibility. Hence, Plumrose continues to invest in employee benefits and health as well as efforts to promote healthy food and nutrition to counter malnutrition and lifestyle diseases.

Plumrose is considered a preferred employer in Venezuela. 78 per cent of Plumrose's employees in 12 locations are organised in six different unions and are covered by collective agreements with benefits ranking among the best in Venezuela. In 2012, Plumrose

PLUMROSE – SELECTED CSR INDICATORS	2013	2012	2012T	2011
Employees – year end		3,686		3,567
Average seniority (years)	>8.3	8.3	>8.1	8.1
Average hours of training (hour/employee)		28.1	>22	22.0
Work accidents/workers*	0.27	0.27	<0.26	0.29
Work-related fatalities	0	0	0	0
Female employees (%)		15		16
Water consumption (l/kg in meat processing plant)	<8.6	8.6	9.2	9.6
Carbon emissions (1,000 tonnes scope 1 & 2)**	<88.3	90.2		-
Farm carbon emissions (ton per pig)**		0.29		0
Meat processing CO2 emission (ton CO2/ton meat)**		0.48		
Donated and invested in education programmes (USD 1,000)		331		248
Donations of own products (USD 1,000)		33		41

\* Number of work accidents (2011) does not include La Montserratina operations.

\*\* Energy consumption and carbon emissions are available for 2012 only.

spent almost USD 14.9m (-6 per cent) on other benefits and productivity incentives in addition to fixed employee salaries.

Plumrose regularly invests in upgrading its production facilities and training its employees. Improving food safety is a continuous process, and the production facilities are facing increasing demands from customers. In 2012, Plumrose initiated a number of initiatives to improve hygiene standards.

OTHER CSR TARGETS	2013	2012	2012 T	2011
ISO 14001 at feed mill	100%	70%	100%	
Conversion rate (kg feed to kg weight gain)	<2.60	2.60	2.62	2.72
Removal of solids in manure	>45%	>40%	>33%	30%

Alongside the core businesses, Plumrose continued to promote health and nutrition by providing know-how and resources to local communities through educational programmes as malnutrition is officially recognised as a health problem. The first 2-year cycle of Plumrose's nutritional education programmes in local communities were completed and results showed that overall knowledge about nutrition and health grew by 28 per cent with knowledge translating into real change of habits and healthier lifestyles. The number of malnourished children at risk fell by 75 per cent and the number of obese children fell by 32 per cent in the six participating schools. In 2013 the programme will continue for schools in vicinity to Plumrose sites.

Plumrose invested more than USD 330,000 in the education programmes (+33 per cent). Plumrose also donated own products to municipalities, public service and NGOs totalling more than USD 140,000.

#### Planet – Environmental management system

The systematic use of the IT-based environmental data collection system was consolidated during 2012 and expanded to also include the La Montserratina business. The feed mill has been preparing for its first ISO 14001 audit during 2012 and final certification is expected for early 2013. Preparation for further ISO certifications is planned to be initiated in other manufacturing units during 2013.

Studies were carried out to ensure improved animal welfare with the extensive renovation of stables in both pig farms during 2012. Installation and operational testing of open gestation will be initiated during 2013.

#### Profit – Business integrity system improved

Plumrose launched a new and improved whistleblower structure that allows four different ways for reporting breach of the code of business conduct in complete confidentiality. Compliance with the code of business conduct is also upheld through a permanent internal control programme reporting directly to the CEO. A dedicated team plans year-round audits of procedures and results in all operations. No incidents or allegations of corruption were recorded during the year.

#### Targets and priorities for 2013

Plumrose will continue to automatically load and improve the data detail and quality in the sustainability data collection system to follow up on targets for its on-going CSR performance.

In 2013, Plumrose will continue the efforts in reducing the number of work accidents with the end goal to reduce incidents by at least 10 per cent.

The development of environmental management systems will be a priority in 2013, focusing on better utilisation and recycling of resources, resulting in a target reduction of carbon emissions of 2 per cent in 2013.

For more information on the CSR efforts and impacts in 2012 and targets for 2013, please consult the Plumrose UN Global Compact Communication on Progress available on <http://www.eac.dk/responsibility.cfm>.