

# Serious about sweets

## Our Story





As a family business, we care about future generations and take our corporate social responsibility very seriously. Not just with sustainable business practices, but also by offering a wide range of sweets, liquorice, and freshmakers - in awesome flavours that suit any lifestyle!

Would you like to learn more about us?  
Please visit [perfettivanmelle.nl](http://perfettivanmelle.nl)



“  
**We are very aware  
of the necessity  
of sustainable  
business practices**  
”



**Dear reader,**

When it comes to sustainable business operations within Perfetti Van Melle Benelux, I often think about generations to come. For instance, when we launched our new strategy in 2017. In this strategy, we made sustainability an even higher priority. Of course, we aim to grow and offer continuity to our approximately 800 employees in the Netherlands and Belgium. We can do this in an efficient and responsible way if we continuously consider the people involved and the world we live in.

From the start of my career at Perfetti Van Melle Benelux about 25 years ago, Izaak van Melle taught me the importance of environmental awareness. For instance, in 1997 Van Melle became the first company in the Netherlands that had solar water heaters installed on the roof of our factory in Breda. Today, not a day goes by that you don't hear or read stories about corporate sustainability.

In order to leave a better world to future generations, we have to be willing to do things differently. And let me tell you, that's not always easy. We are part of a global confectionery company and therefore deal with many different cultures, laws, and regulations. On top of this, there are many ways of looking at things. For instance, we would like to offer our candy in portion-sized packets in order to help promote snacking more consciously.

However, if we'd decide to do this, we'd have to use more packaging material. After all, we'd be manufacturing the same amount of sweets, but would have to package them in smaller and therefore more packets. This would be detrimental to the environment, of course. So what decision should we make? Portion-size packaging or less packaging material?

To be fair, costs are also a factor. We want to continue to invest sufficient money into innovation and the development of confectionery and packaging that is less harmful to the environment. At the same time, we want to offer consumers plenty of choice.

My point is that we are very aware of the necessity of sustainable business practices. We are genuinely doing our best to improve ourselves, make the right choices, and take the right actions. Not only for our employees, consumers and other stakeholders today, but also for future generations. Our new strategy – which includes an ambitious sustainability agenda – will be the foundation that will help us realise this.

I hope future generations will appreciate the changes we have made and the actions we have taken. It is also my hope that they will be able to enjoy our sweets and everything our planet has to offer – just like we are able to do today.

*Harold*

**Harold Haerkens**  
Managing Director





# Confecting a sweeter future

Back in 2017 we examined our strategy and decided to rewrite it. This renewed strategy, 'Confecting a sweeter future', was laid out in a clear manifest. One important change compared to previous years was that the 'Serious about sweets' corporate sustainability approach became one of the most important pillars of our strategy. This aspect is currently very high on our agenda - both in a literal and figurative sense.



## Grow our business

At Perfetti Van Melle Benelux we love chewing, tasting, and discovering new ways to make life more delicious. In fact, we're on a mission to refresh the way we innovate, produce and market our products. So every candy lover can find and enjoy our brands, whenever, wherever.

As a family company, we're in it for the long run too. It's important to us that we drive our business in a way that is good to our world, our consumers, our partners and our people.

## Serious about sweets

While growing our business, we take our responsibilities and impact seriously. We offer a choice of sweets that taste great and fit every lifestyle, and further reduce our impact on the planet. Together we create a sweeter future.

## Refresh our way of working

We will create a smarter confectionery business. New digital ways of working support our daily work, helping us to become faster and make better decisions. We challenge each other to continuously improve.

## Build on talent

We embrace our CANdyDO mentality, becoming the top employer in our industry. We invite everyone to use their talent and help each other to make great things happen. This is how we build an inspiring working culture.

## New insights

When rewriting our strategy in 2017, our management team took a closer look at previously developed topics and themes. They decided to go with a slightly different focus. Innovation and Good Employership were important themes within CSR (Corporate Social Responsibility) for 2016, for instance. Now they have become part of our 'Refresh our way of working' and 'Build on talent' strategic agenda. For 'Serious about sweets', we decided on 5 themes: Assortment, Packaging, Environment, Transparency, and Community Engagement.

## 5 puzzle pieces

The themes of 'Serious about sweets' are closely connected to each other, as well as our other strategic agendas. For instance, if we work on something related to one theme, it could affect another theme or agenda as well. Sometimes strategic agenda's go together quite easily, but sometimes they just don't quite fit. Sustainable growth truly is a puzzle. This is why we refer to the themes within 'Serious about sweets' as puzzle pieces.

**“ Why do things the hard way when we can collaborate and make things easier? ”**

In 2018 we worked on defining concrete objectives and action items for each puzzle piece. For example, we took stock of many aspects, some of which we are still researching up to this day. This is because we want to approach these aspects in a structured way and involve all employees on all levels. Explaining what we're working on, sharing dilemmas, learning from each other; it's all equally important! For this reason, we appointed the CSR & Communications team. One of their responsibilities is to gradually implement CSR throughout the entire organisation. We are making a significant effort towards this, as this is something we'll all have to do together.

## Focus on CSR

In my new role as CSR manager, I spent a lot of time 'on tour' in our company to tell people about CSR and more importantly hear their thoughts on the subject. It wasn't just about talking, but also about taking action together with colleagues. Indeed, CSR is one of those things you can really develop together!

**Wilma Bouw**  
CSR Manager





# It's all about finding the right balance

A balanced lifestyle that includes sufficient exercise and a varied and healthy diet is key to maintaining a healthy weight. We believe such a lifestyle also means having fun and enjoying life's moments, for instance with an occasional delicious sweet or piece of liquorice. Perfetti Van Melle manufactures various products that represent 'enjoying the little things'.



## Assortment

A balanced lifestyle involves making choices. That's why we offer consumers options such as sweets with sugar, sugar-free or low-sugar confectionery, family-size packs, but also single items and portion-size packets. We realise that making choices is not always easy. For this reason, we help consumers by providing clear information on our packaging and websites.

What we want to offer with our brands is something delicious for every lifestyle. That's why we're always working on products that can contribute to this. In 2017, we introduced a range of Fruittella products containing 30% less sugar. It's quite a challenge to make sweets with less sugar that taste just as good as the 'regular' ones. With Fruittella 30% less sugar, we convinced consumers it is possible. And we're very proud of this fact!

**“ Fruittella 30% less sugar tastes just as good as regular Fruittella! ”**



In 2018 we introduced Klene Puur. Klene has always been about the ingredients. At times even literally, such as in the case of Klene Puur, for which we print the six ingredients used on the front of the packaging. We're always transparent about what this liquorice is made of; only essential ingredients of the highest quality. This gives it its pure taste.

In the coming years we will continue to work on offering delicious choices that can be part of a balanced lifestyle.



## It's totally fine to occasionally enjoy sweets

We of course have the responsibility to expand our selection of sugar-free and low-sugar products. On the other hand, I think consumers have a responsibility themselves as well. Of course, I let my children enjoy delicious sweets on certain occasions. This doesn't mean they're allowed to eat the whole roll or bag in one go, however

**Michiel Goedvolk**  
Marketing Manager





# Packaging: a necessity!

Our delicious candy, liquorice, and chewing gum offer moments in which little things in life are enjoyed. Therefore, we want our products to taste just as good when you experience them as they did when they were freshly produced. Packaging always plays an essential role in ensuring that our products can be safely transported and stored. Additionally, an attractive packaging also contributes to the enjoyment experience. However, it also comes at a cost as it contributes to CO<sub>2</sub> emissions and waste generation. Our aim is to reduce this negative impact as much as possible.

## The right direction

We are fully conscious about the urgent necessity to pack our products in a sustainable way and to reduce the waste packaging generated. We also want to act on it in the right way across the full organisation and not only in the Netherlands. I'm happy to announce that we have completed the inventory of the packaging materials we use in 2018. This was an important first step which, in 2019, will pave the way to defining concrete targets for the packaging sustainability agenda.

**Karima Moussaoui**  
P&T Director

All the paper  
we use is  
recyclable







### What packaging materials do we use?

In the last years, we took several measures to reduce the amount of packaging materials we use. Additional measures are necessary to decrease our environmental impact. Tackling plastic is one of our highest priorities. You probably know why. We've all heard about the plastic waste floating in the oceans, with serious consequences for biodiversity, animals, and people.

Our Dutch factories do not just manufacture products for the Dutch market, but for other countries as well. Similarly, we also import products from our factories abroad. We strive to use fewer packaging materials for all our products available on the Dutch market. However, it's easier for us to take direct measures in the case of packaging materials for products we actually manufacture in the Netherlands (such as Fruittella).

WIKKEL



Since 2016, all Fruittella packaging in the Benelux includes detailed disposal instructions

FOLIE



### I teach my children how to separate waste at home

When it comes to our packaging material in the Benelux, we follow as much as possible the EU hierarchy which is based on the following 5 pillars: Prevent, Re-use, Recycle, Recover and finally – if one of these four is not possible – Dispose. We also want to support the consumers to dispose our packaging materials in the right way as “being sustainable” requires a serious effort from themselves too. For instance, I teach my children how to separate waste at home. It's a small effort, but all of our actions add up to a significant impact.

**Bart de Roover**  
Packaging Development Manager

To define (more) sustainable alternatives to our current packaging materials, we first focused on our Dutch product portfolio to gain insight about the amount of packaging materials used. This was no easy task, especially when you consider that packaging often consists of multiple components. The next step in 2019 will be the draft of a proposal that defines the targets for reducing the impact of packaging, as well as developing alternatives for a number of packaging materials we eventually have to phase out.

### Different perspectives

In order to make the right decisions, we have to look at the possibilities from different angles and perspectives. Not just the consumer's. The desires and needs of retailers as well as costs play an important role too. We need to carefully determine which materials are truly the best options. For instance, biodegradable plastic may seem like an obvious choice, but it has downsides as well, including availability, cost, and how recyclable it currently is. And in addition to considering environmental impact, we also have to look at the impact on the quality and food safety of the products themselves.

We can only make the right decisions if we base them on research and facts. We are very aware that we're not alone in the 'world of Perfetti', and that means we deal with different environmental laws and regulations and ways of handling waste. A good example of such differences is the various ways of waste sorting and disposal we have across Europe. Within the Perfetti Van Melle Group, we strive for an approach that is as uniform as possible, but priorities can be different in other parts of the world. This sometimes makes it challenging to find solutions quickly.

### Consumers are VIPs, but they use a bin as well...

By the end of 2019, we want to have clear targets and a concrete approach, which will allow us to implement specific measures to reduce our environmental impact. This also includes analysing consumer behaviour. What do they do with empty packaging? How can we increase awareness and help consumers dispose of their waste correctly? Improving waste disposal rules on our packaging is something that will definitely help. After all, we all have to work together on handling our rubbish in the right way. Consumer are VIPs, but they use a bin as well...

**“ We deal with different environmental laws and regulations ”**

80% of all the paper we use has the FSC label, a label for responsible forest management



VERPAKKING



In 2017, all Klene packaging were provided with the Plastic Hero logo. This logo indicates the packaging should go in the plastic bin





# How do we treat our environment?

Topics such as pollution and climate change are in the news every day. There is increasing pressure from society and governments to do something about it as well. And for good reason. We believe it's important to take our responsibility for the environment in which we operate. In the past, we already took some big steps in this regard and achieved impressive results. We continue to look for ways to further reduce the impact we have on our environment – with our factories, supply chain, and offices.



## We can be proud

The complete assessment of all transport flows we carried out in 2018 is truly a complex puzzle, but this is also what makes it fun and challenging to me. By reducing our impact on the environment through our transport, we can already achieve quite a lot. In this respect we're also an example for other parts of the Perfetti Van Melle Group. This is something we can be proud of.

**Ruud Slegers**  
Category Purchasing Manager NPR



## We want to reduce our CO<sub>2</sub> emissions

As agreed with the Dutch government, we want to achieve a 2% annual CO<sub>2</sub> reduction. 2018 was the first year that we didn't make it all the way to this goal. This was due to various tests we carried out with a new product, outside regular production. So far we have been able to make significant strides by initially focusing on easily achievable results. Examples include replacing fluorescent lights with LED lighting, installing double-glazed windows, and reducing conveyor belt use with a different setup. Now we have to think more and more outside the box to achieve the objective. Reaching the 2% goal will become increasingly challenging in the coming years, but we will continue to look for creative and innovative ways to meet our targets!

One example of a measure we took in 2017 was installing a bio-gas central heating boiler in our factory in Breda. Using our waste water, we produce bio-gas which we then use to heat a part of our buildings. In this way we reuse part of our waste product in an optimal way. Partly thanks to this measure, we have been buying less gas. This not only reduces our CO<sub>2</sub> emissions, it also saves on costs. This is a good example of a two-fold effect.

In 2018 we researched ways to recover heat in our factory in the future. However, such matters require large investments often have long payback periods. This is why we are now looking at how we can make a solid business case. At the same time, we are examining other measures – large and small – to reduce CO<sub>2</sub> emissions as well.

The transport of raw materials and our products has a significant impact on our CO<sub>2</sub> footprint too. In 2013 we joined the Lean & Green CO<sub>2</sub> reduction programme. This means we have committed to the Lean & Green goal to achieve a 20% CO<sub>2</sub> reduction within five years when it comes to transport. We haven't quite realised this goal yet, but we've taken some important steps regardless! For example, this year we looked at the exact CO<sub>2</sub> emissions per transport flow and where there was room for changes and improvements. The result is that we now transport less by road and more by train. Unfortunately, this solution doesn't work for all our shipping needs. For instance, because certain (parts of) routes don't have railways. This is why we are also looking at other transport options, such as inland shipping. It's all a bit of a puzzle, as making changes in one transport flow often influences others.



**No raw materials, no sweets**

In order to be able to manufacture and package our sweets, liquorice, and chewing gum, we require raw materials. When purchasing these raw materials, price is of course an important consideration. We also look at how we can reduce our negative impact on the environment as much as possible. After all, as a business, we have an interest in the availability and affordability of raw materials and manufacturing supplies. We depend on this for the production of our sweets, liquorice, and chewing gum. Now and in the future. In 2018, we therefore started a full assessment of all raw materials we purchase for the Benelux organisation. What country do they come from? How are the raw materials procured? What are the labour conditions? And so on. We hope to complete the assessment in the first half of 2019. The next step is then of course to look at ways in which we can improve.

**“ We have to be creative to come up with solutions ”**

Since Perfetti Van Melle is obviously not the only company that is working on sustainability when it comes to purchasing raw materials, these developments have consequences for the market as a whole. For example, raw materials for sugar substitutes and packaging with a reduced environmental impact are already becoming more scarce and expensive. This will be a challenge for our purchasing department in the coming years.

**Coming up with creative solutions together**

When it comes to energy saving, I feel we've already achieved a lot. This is why we need to be creative when it comes to finding solutions for further improvement. The only way for us to achieve this is if we work closely with different departments within Perfetti Van Melle.

**John Boeren**  
Project Coordinator

**Reduced waste**

A final important focus area is reducing waste. As a manufacturing company, we deal with different waste streams, varying from residual waste, plastics, and wood to construction waste. We strive to produce as little waste as possible and to separate and recycle as much of it as we can. Our confectionery waste is fermented into bio-gas that is used to produce green electricity. In 2018 we conducted a baseline measurement. It involves assessing all types of waste, the quantities that are released, and looking into ways to improve things. We want to reduce our impact on our environment with these measures.

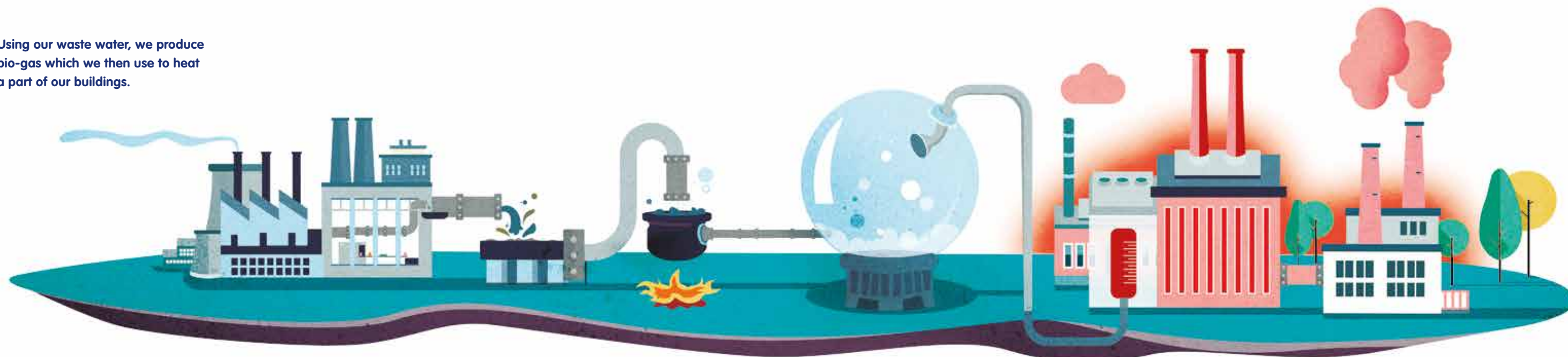
**Responsible and sustainable procurement**

Our time on this planet is brief, and I want to pass it on to my children and grandchildren in the same or an even better state. Luckily Perfetti Van Melle offers me the opportunity to actively contribute through my buying activities. For example, we prefer packaging materials that don't travel the globe, and raw materials that are grown sustainably. I'm aware of this at home too, just like at work. I only buy seasonal products, for instance.

**Marleen Metdepenningen**  
Lead Buyer



Using our waste water, we produce bio-gas which we then use to heat a part of our buildings.





# Communicating openly, clearly, and responsibly

For several years, we have understood the importance of presenting and selling our products in the right way. This is why we believe it is important to communicate openly, clearly, and responsibly. In line with this, we are actively contributing to social initiatives happening in the confectionery industry.



## Our eyes allow us to enjoy things too!

We believe that enjoying delicious moments is part of a balanced lifestyle. Attractive, playful packaging completes the enjoyment of a delicious product. After all, we don't just enjoy sweets with our mouth, but with our eyes too! Regulations in the world of packaging continue to develop, however. This is something Perfetti Van Melle also has to deal with. In 2018 for instance, there was a broad debate in the Netherlands about the use of Licensed Media Characters on packaging. These include characters such as Mickey Mouse, Miffy, and the Minions. In response to this discussion, the Dutch Food Industry Organisation has started a procedure with the 'Stichting Reclame Code' (Advertising Code Foundation) to ban such characters. It specifically relates to products that don't meet nutritional criteria and are aimed at children under thirteen years old. The Dutch food sector is on the forefront of this development.

Perfetti Van Melle respects local laws and regulations. This is why we decided to take action regarding Licensed Media Characters before the final decision of the procedure. Starting 1 January 2019, we will no longer be selling packaging with these characters to retailers on the Dutch market. This leads to a number of challenges, because our factories don't just make products for the Dutch market, but for other countries as well. This means we have to adjust our packaging specifically for the Dutch market. The packaging won't be any less fun, by the way. Have you seen our Fruittella Dummy, for instance? He definitely steals the show!



## Cooperating with the National Prevention Agreement

A society where Dutch people smoke less, drink less alcohol, and are less overweight. The measures described in the National Prevention Agreement (Nationaal Preventieakkoord) have to ensure that this is achieved by 2040. Since Marian Geluk officially signed the agreement on behalf of the Dutch Food Industry on 23 November 2018, this has been a frequent topic in the news and in the corridors. Although the Netherlands is doing well on international lists, obesity and weight problems are on the rise here as well. The cause of this lies not with a single group, nor can it be solved by a single group. By acknowledging the problem together, we can start to make progress. After all, we're not the direct cause of obesity, but we sure are part of the solution!

**“By acknowledging the problem together, we can start to make progress!”**

In the formation of this national agreement in 2018, we took on an active role on behalf of the confectionery industry with the theme 'less obesity'. It is quite a challenging topic for us because there is a lack of international guidelines, and each country has its own focus areas when it comes to health.

Following lengthy negotiations, a plan was formed with two main points for our industry. The first is further activating the low-calorie product range (sugar-free and low-sugar). Think for instance of introducing more consumers to products like Fruittella 30% less sugar or Klene sugar free. A second important measure is that we are going to provide information on portion sizes on our packaging, for instance by advising a maximum calorie count and number of sweets per portion.

## Happy with the steps we're taking

I'm happy with the steps we're taking, including the new product Fruittella 30% less sugar and our portion-size packets. I also think we're doing well in terms of product range and transparency. We truly help people make informed choices.

**Marc Van Campenhoudt**  
Commercial Director



# Enjoyment for all generations

Perfetti Van Melle believes it is important that everyone can enjoy delicious moments together with others. Moments when everyone is smiling and you create wonderful, new memories together. This is why we gladly make an effort to make this possible for everyone and to prevent people from feeling excluded. Young or old, everyone counts and participates. The fact that we're a true family business is probably one of the main reasons for this. Special moments with each other often involve sharing something delicious. This makes it even more fun to enjoy things together.



## Enthusiastic responses

We asked all our colleagues in what ways they would like to do something for others. We got a lot of enthusiastic responses to this question, as well as fun ideas. The responses told me that people are proud of the fact that they work for a company that makes this possible. As for myself, I also believe it's great and unique that Perfetti Van Melle takes this approach.

**Emmi Hovingh**  
Trainee CSR & Communications



## All ages

We believe it's important to contribute to the world around us. We don't just do this with our confectionery and by offering employment to approximately 800 people throughout the Benelux, but also by supporting charities, associations, and social initiatives in our area. While redefining our strategy and the five puzzle pieces, we are also adding focus to our social policy. For instance, starting in 2019 we will only be supporting initiatives that promote social inclusion – across all generations – and are truly in line with our company mission and vision.

**“ Young or old, everyone counts and participates ”**

## Do something sweet!

In 2018, together with all our employees, we also pondered about how we can improve social inclusion locally. We decided to give our employees one day per year to do something for others together. All our offices and factories will be closed for that day. In groups, our employees will work to give others a wonderful experience. Because employees that usually don't interact in their jobs will be working together on this day, we'll be improving unity too. In addition, we hope that employees who are not yet involved with volunteer work will feel inspired to become volunteers for a cause that appeals to them. A unique project that we are really looking forward to. We will also continue to encourage all our employees to choose an activity for their department outing that contributes to society.

## A lot of satisfaction

Caring for others is in Perfetti Van Melle's DNA. I personally enjoy doing something for others. It gives me a great sense of satisfaction. I'm grateful that I work for a successful and socially engaged company, allowing me to contribute to the world around me.

**Lieke van Aalten**  
Corporate Communications Manager





# Special booklet

We at Perfetti Van Melle are Serious About Sweets. This means our responsibilities related to sustainability are very important to us. We consider it our duty to contribute to a liveable planet and create delicious moments for all generations. That's what we strive for every day. And our story about corporate social responsibility requires sustainable implementation!

But how? By using a special type of paper called CyclusOffset. Paper with unique traits. CyclusOffset is 100% recycled, uncoated, and has a natural, white colour. The production process requires a lot less water than regular paper, which means a significant reduction in energy consumption and a smaller impact on the environment.

In addition to our choice for recycled material, we will also have the report produced in a CO<sub>2</sub>-neutral way. For instance, the printer uses forms of printing without chemicals and plant-based inks. Additionally, after measurements by the Climate Neutral Group, all the printing is allowed to wear the 'Climate Neutral Guaranteed' label. This includes this report as well. However, it's impossible to avoid CO<sub>2</sub> emissions during the production process. This is compensated by reducing the leftover emissions through a sustainable energy project: the Paradigm Project.

The Paradigm Project invests in the development of wood-fired ovens to replace the traditional cooking over open fires. These ovens – which also help combat deforestation – use less fuel and generate little to no smoke. The result? An immediate positive effect on people and the environment. This isn't just a sustainable idea, it's sustainable action.



## Publishing details

### Text and realisation

This is a publication of Perfetti Van Melle Benelux B.V.

- Consultancy: Double Purpose, [doublepurpose.nl](http://doublepurpose.nl)
- Design: NO TOMATO, [notomato.com](http://notomato.com)
- Published: February, 2019

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Do you have any questions or suggestions regarding this publication or the way in which we are approaching our corporate social responsibility? Please let us know! We'll be glad to talk to you about it. There's always room for improvement, and together we can work on a better future. Please send your email to: [info@nl.pvmgrp.com](mailto:info@nl.pvmgrp.com). Why do things the hard way when we can collaborate and make things easier?

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