



We preserve nature's precious gifts.



2011 UK Corporate Responsibility Report

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Ardo UK is the British arm of Ardo, a market-leading Belgian company. Our core activity is to provide our customers with the highest quality frozen fruit, vegetables, rice and pasta based food at a competitive price.

Our close links with nature drive us to improve our environmental, health and communal issues and awareness: this document summarises our aims and progress. This report is for the UK only and the Group has an umbrella policy to coordinate efforts across its 14 sites in 8 countries.

We have also identified our stakeholders, i.e. groups of people that have a particular interest in Ardo UK due to its effect on their neighbourhood, lives, environment or business.

Key Achievements

Targeting to help 50% of our employees to NVQ level 2 by the end of 2011. We already have 48% of people either taking the qualification or qualified – an increase of 12% over 2009 levels.

A 35% reduction in our overall carbon footprint due to our consolidation from three locations to a single site.

Saving of 33% on the carbon emissions per tonne of product sold in the UK due to a 65,000 mile per annum saving in transport costs plus a state-of-the-art packing factory and cold store.

Five Key Principles

1. Be a positive force in our community
2. Respect the environment
3. Source with integrity
4. Develop and market the healthiest frozen food
5. Be a great place to work

Our achievements in 2010

Welcome to our fourth annual report on the performance of Ardo UK Ltd against the targets it has set itself, other notable achievements in 2010, and the next set of key objectives.



In setting these goals, Ardo UK aims to set realistic but stretching targets that are measur-

able, achievable and that make a genuine contribution to enhancing people's lives and environment.

Despite the tough economic environment, Ardo UK has focused on the aims set by our UK board. The results can be seen on page 11 of this publication.



Climate Change

Climate change is still a key concern for our planet. Ardo UK is focusing on this area to ensure that we are at the forefront of change within our industry and that we are stretching our targets to improve our performance.

We recognise that there is not a single agreed format in terms of measurement. We have chosen (without prejudice) to use the carbon calculator from the Carbon Trust: the UK's recognised authority on carbon measurement.

The Carbon Trust has in the last three years further developed and changed the calculation model, which is reflected in our final footprint calculation.

We will monitor the progress of national and international agreements on the method of measurement as well as taking advice from the government.

Performance Indicators

A 35% reduction in our overall carbon footprint due to our consolidation from three to a single site.

Saving of 33% on the carbon emissions per tonne of product sold in the UK due to a 65,000 mile per annum saving in transport costs, plus a state of the art packing factory and cold store.

Company cars are emitting an average of 150g/km; a 3.2% drop from our 2010 target of 155g/km.

Our Aims

Ensure that we use the most cost effective and environmentally friendly energy available.

Focus on cutting carbon emissions with the help of the Carbon Trust.

Continue to enforce our company vehicle policy to ensure that all new company cars purchased emit 155g/km or less.

Our carbon footprint is measured on a yearly basis as an indicator of how much we have reduced our carbon emissions per tonne.



Since we consolidated the company into a single site at the end of 2009, we have seen significant reductions in energy use, road mileage and fuel consumption.



We are also committed to supporting WRAP's Courtauld 2 agreement which will continue to

focus on reducing packaging going into landfill, reducing food waste and driving down carbon emissions within the supply chain.



Ardo UK tries to be the best employer possible to ensure that people know their value, know the company's objectives and are recognised for their part in achieving this objective. We aim to:



- Ensure that our staff feel that they are treated with respect, have a manager/supervisor who helps them, have an interesting job and have an opportunity to get on
- Trust and respect each other
- Do our best at all times
- Support each other and praise more than criticise
- Share knowledge
- Enjoy work, celebrate success
- Learn from experience

We emphasise the importance of self improvement and regular assessment to ensure that minimum standards are upheld at all times. This is supported by our tailored training programmes. To this end we have staff of the following longevity:

1 - 5 Years = 43%
 6 - 10 Years = 30%
 11 - 15 Years = 8%
 16 - 20 Years = 6%
 21 - 25 Years = 6%
 26 - 30 Years = 3%
 31 - 40 Years = 4%

Over half our employees have been here for five years or longer.

We have increased the number of people in our pension scheme to 73%, beating our 2009 figure of 69%.

We have reduced our accident rate and kept it below 50 reported incidents for the last three years – this is despite encouraging employees to report all accidents regardless of severity.

Targeting to help 50% of our employees to NVQ level 2 by the end of 2011. We already have 48% of people either taking the qualification or qualified – an increase of 12% over 2009 levels.

All our employees who have either been working at Ardo for one year or joined the pension scheme after three months are automatically given life cover of four times salary.

During 2010 a new HR management information system was introduced resulting in significantly reduced amounts of paper being used in the department.

Responsible Employer



Responsible Trading

Ardo UK strives to ensure that customers and suppliers are happy to trade with us. Ardo has retained major customers such as Tesco, Sainsbury's, Waitrose and Aldi for over 15 years. We like to think that this is down to the high service levels we provide and the quality of our food and people.



We have also worked with a number of regular suppliers from around the world for over 20 years. The reason for this is that we ensure that the suppliers are paid to terms, the terms are fair and that the workers are treated fairly and responsibly.

Having incredibly long trading relationships with our suppliers from across the globe has enabled us to work with them to improve safety and the welfare of their employees.

Ardo has a strict policy which prohibits a number of practices deemed irresponsible by our consumers and customers. These include the places where people live, fairness of pay, education levels, working conditions, ensuring that there is no child labour and provision of adequate facilities on the site.

In addition to this, we also support our trade body, The British Frozen Food Federation. Our directors and senior managers are active within the Federation to ensure that we can influence the policy direction to benefit everyone.

Performance Indicators

We have achieved our goal to have over 80% of our supplier base registered on the SEDEX system: SEDEX, the Supplier Ethical Data Exchange, is a membership organisation for businesses committed to continuous improvement of the ethical performance of their supply chains.

Amount of product air freighted 0%: we use road and sea freight which according to the Network for Transport and the Environment emits between 10% and 66% less CO₂ than air freight (Source: The Network for Transport and Environment. NTM is a non profit organisation, initiated in 1993 and aims at establishing a common base of values on how to calculate the environmental performance for various modes of transport).

Group Global Standards for Food Safety or IFS approved factories: 100% = All 14 sites.

Number of emerging economies sourced from: 14 Countries (Guatemala, Peru, Chile, Argentina, Costa Rica, South Africa, China, India, Vietnam, Serbia, Poland, Morocco, Mexico, Ecuador).

Where appropriate Ardo offers both advice and investment to suppliers from emerging economies to help to develop their business with our Group; for example our investments in Serbia and India enabled a fruit processor to successfully supply to Ardo's strict requirements.



Ardo UK and staff continue to have strong local links with Kent and the South-East: we would like to continue to support our neighbours and wider community.

Since moving onto the site over ten years ago, Ardo UK have continued to try to develop a close relationship with our neighbours and local businesses. We source 27% of products from Kent as a percentage of total UK purchases, and 26% in total from the UK – good news for the local economy given the recent economic challenges.

Ardo UK is active in the local community. Thanks to our neighbours and government bodies, we have successfully completed our new, highly efficient state of the art factory and additional cold store space.

n.b. In 2009 our £15,000,000 investment gave an exceptional local boost which cannot be repeated.

Performance Indicators

We have estimated that during 2010 we reduced local lorry mileage by at least 65,000 miles per annum

We are actively marketing British products such as raspberries, parsnips, peas and Bramley apple.



Ardo's beliefs are that safety comes first and healthy, tasty, nutritious food is what people demand.

We develop our products using ingredients that can be commonly found in domestic cupboards.



Our food is grown with the minimum of pesticides and herbicides, and Ardo proactively manages a programme to reduce these further.

We have now achieved our goal to make 100% of our retail packs of frozen fruit and vegetables into 'English only' text in order to improve our ability to advise and help the consumer.

Our new packaging declares the GDA (Guideline Daily Amount) and the government's 5 a Day logo

We help people to make healthy choices through our use of information on the packaging.

We support the Government's 5 a Day programme to increase the amount of vegetables and fruit that people eat every day.



∞ Waste & Packaging

Ardo is constantly reviewing the amount and type of packaging used on their products. We also try to support consumer demands in terms of the environment and practical function. The key focus we have is:

- Minimising packaging waste
- Using the most environmentally sound materials available at the time
- Minimising packaging used around the product



Performance Indicators

- We are currently supporting both the Courtauld Commitment areas (1 and 2) with a number of our retail customers. This is an agreement to reduce the amount of waste being thrown into landfill sites, and from March 2010 to focus on reducing the amount of energy and water used in the supply chain. Web site: www.wrap.org.uk.
- The key signatories have all set their own targets in terms of packaging waste reduction.
- As a result, Ardo UK will help these customers to hit the targets through packaging and packing technology to help stop the growth of landfill sites.



Our Stakeholders

Stakeholder Group	Interaction with Ardo	Stakeholder Expectations	Link to Ardo CSR
Our Neighbours	Private label, lorries, staff, supply of local goods and services	Communicative and considerate, safe and subtle, a good neighbour	Local roads, shops, schools, people, new factory build, current operational effects
Consumers	Ardo brand, private label	Safe, healthy, high quality, ethically sound product delivered to them with the least impact on the environment	Eating healthily, climate change, waste packaging and recycling
Customers	Take branded and private label products, agree distribution deals, agree ingredients to new products	Safe, healthy, high quality, ethically sound product delivered to them with the least impact on the environment	Eating healthily, climate change, waste packaging and recycling
Government	Direct and indirect taxes. Complying with rules and regulations. Developing the skills of the workforce. Positive action on community and the environment	Strict compliance with legislation, providing stable and family friendly employment and good training, and paying all relevant taxes	Being a Good Employer, community plan, waste packaging & recycling, climate change
Investors	Family owned company, so daily contact at maximum	Manage the company as efficiently as possible, support customer strategies, minimize environmental impact	Link back to Ardo group
Employees	Presentation of activities and priorities. Consultation on new policies and projects through the works council. Joint working and financial support on shared initiatives	Leadership approach to Corporate Responsibility, clear policies and principles, reliable reporting, transparent communications and interaction	Climate change, waste, packaging and recycling
Suppliers	Direct commercial relationships with suppliers of food products around the world. Indirect commercial relationships via third party processors and manufacturers	To lead our suppliers in our expectations of corporate responsibility, clear policies and principles. Updating the policies where necessary	Ethical trade and developing countries, waste and packaging recycling, climate change



Sector	KPI	Target	2002	2003	2004	2005	2006	BASE YEAR 2007	2008	2009	2010	2011	Notes
Community	Local vehicle mileage reduction	Reduce local mileage travelled by Ardo vehicles by 12% over 3 years - measurement of reduced mileage	NA	NA	NA	NA	NA	0	0	37000	65000	65000	This is an estimate of savings made when Ardo UK moved to a single site. It is based on the tonnage that we produced during 2010 if we had retained the Headcorn site.
	Local Sourcing	Increase our local purchases by 2010.	NA	NA	NA	NA	NA	£ 1,444,182	£ 3,748,171	£ 3,836,768	£ 2,998,514		Although this spend has fallen, this is due to the large purchases that were made locally in 2008 and 2009 for building materials such as steel which were fabricated in Kent. This figure is still 108% higher than our 2007 base year.
	Carbon Footprint tonnes of CO2e/ year	Reduce over the previous year	NA	NA	NA	NA	NA	3,878	3,511	3,663	2,370		We have delivered a saving of over 35% on our total carbon footprint. This has been driven down by a number of changes to our business: 3 sites down to one saving on interstate transport and also energy consumption. The Asiford site is designed to be more efficient in terms of consumption and with the connection of the coldstore and factory we have drastically reduced product movement.
	kg of carbon dioxide per tonne of product packed in the UK	To reduce our carbon emissions per tonne of product produced by 5% year on year.	NA	NA	NA	NA	NA	146	150	173	120		The move to a single site combined with the latest industrial kit has enabled Ardo UK to reduce the emissions per tonne substantially.
Climate Change	kg of carbon dioxide per tonne of product sold in the UK	To reduce our carbon emissions per tonne of product sold by 5% year on year.	NA	NA	NA	NA	NA	76	76	79	53		The total amount sold in the UK also includes pre packed products from the Ardo Group, third party manufacturers and other items - having a single site has contributed to the recent reduction in carbon.
	Car policy	Reduce our average CO2 emissions from our UK company car fleet to below 155 by the end of 2010. Measured in g per km.	182	175	171	164	159	155	155	153	150	Less than 150 (revised in 2011)	We are continuing to enforce our policy to purchase cars that fall within the 155g per km or lower. With recent advances in engine technology and the annual turnover of new cars, we are gradually pushing the level down to below 150.
	NWQ Qualifications	Targeting to get 50% of our employees to NWQ level 2 by the end of 2011.		0	0	0	0	0%	13%	36%	48%	50%	
	Total Accidents	Reduce these down year on year through investment in training, safer working conditions and protective clothing.	58	66	61	64	55	55	49	46	48		Although the number of accidents reported has increased, this has been the result of a drive to encourage the reporting of accidents. The accidents that were reported displayed a reduction in serious accidents and an increase in minor cuts and bruises. All of these are taken very seriously by the senior management.
Responsible Employer	Total employees	Including full and part time, but excluding agency staff	NA	191	178	160	176	190	179	128	128		
	Number in the pension policy	Number of staff actively participating in the Ardo UK pension scheme	NA	NA	NA	NA	NA	114	120	88	93		
	Percentage of employees in the pension scheme	Target of 65% by 2011	NA	NA	NA	NA	NA	60%	67%	69%	73%		We are proud to have achieved a 13% improvement in this area since we began monitoring and hope to increase this even further.
	Death in service benefit - employees covered - 4 x salary	Continue to reach 100% on all those employees who have been with the company for 12 months or have joined the pension scheme after 3 months.	NA	100%	100%	100%	100%	100%	100%	100%	100%	100%	
Healthy Eating	Increase our percentage of nutritionally signposted English language Ardo packs using the GDA (Guideline Daily Amount) format.	Increase our percentage of nutritionally signposted English language Ardo packs by the end of 2008 to 100%	NA	0%	30%	45%	45%	60%	100%	100%	100%	100%	
	Air freighted product	Our policy is to avoid air freight and focus on high efficiency shipping and articulated lorry to minimise emissions.	NA	0%	0%	0%	0%	0%	0%	0%	0%	0%	We do not airfreight any of our product, preferring to ship from other parts of the globe.
Responsible Trading	Number of Ardo group factories approved by the British Retail Consortium	Aim to have 100% by 2012. Currently all 14 owned sites are approved at the highest level.	NA	NA	NA	NA	NA	86%	87%	100%	100%	100%	



Carbon footprint calculator



Carbon Footprint

Basic carbon footprint summary

Footprint details

<u>Footprint name</u>	Ardo UK Footprint 2011
<u>Organisation</u>	Ardo UK Ltd
<u>Sector</u>	Food Production and Agriculture
<u>Sub sector</u>	Food Processing
<u>Start year</u>	2010
<u>Start month</u>	January
<u>Boundary type</u>	Single Site
<u>Boundary name</u>	Ardo UK Ltd
<u>Include subsidiaries</u>	
<u>Excluded subsidiaries</u>	
<u>Employee numbers within the boundary</u>	128
<u>Turnover within the boundary (£/yr):</u>	48,000,000.00 - Known

Emissions Factors: This footprint was calculated using emissions factors published by Defra in September 2009

Your estimated carbon footprint (based on the data you have provided)	2,369.75
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Quantified emissions breakdown over one year

Scope 1 - direct emissions	CO2e (tonnes)	kWh
Fossil fuel use on-site	11.30	61,446.00
Owned road vehicles	240.70	951,457.85
Scope 2 - indirect emissions 'electricity and imports'	CO2e (tonnes)	kWh
Electricity	2,114.84	3,886,279.00
Scope 3 - other indirect emissions	CO2e (tonnes)	kWh
Employee travel - air	2.74	11,057.05
Employee travel - rail/tube	0.16	n/a
Total	2,369.75	4,910,239.90





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