

# SARIA NEWS

THE NEWSPAPER OF THE SARIA GROUP

SARIA.COM



RENEWABLES,  
ENERGY &  
SERVICES

CREATING AND  
SHARING VALUE

**SARIA®**

FEED &  
PET FOOD

PHARMA &  
CASINGS

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DEAR LADIES AND GENTLEMEN, CUSTOMERS, SUPPLIERS,  
EMPLOYEES AND PARTNERS OF THE SARIA GROUP

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"Creating and sharing value" is the headline of this edition of SARIA News. It encapsulates the aims of our wide-ranging activities in the recycling of animal by-products and organic waste: to create genuine value for our customers and partners, and to promote real sustainability in the use of natural resources.

We have an important role to play not only as a service provider for the meat and fish sectors but also as a major supplier of raw materials for various processing industries. In all our activities, we aim to maximise the potential of the materials we collect. The result: greater added value for the meat and fish sectors as well as for partners in many other industries that use our products as raw materials in their own production processes. In all our relationships, we foster success through close collaboration and trust.

Each of our core divisions – SecAnim, ReFood, ecoMotion, SARVAL, Bioceval, Bioiberica and Van Hessen – provides specialist products and/or services in a number of different markets. In the first part of this edition, we present the individual divisions with their respective activities, and examine how each is "creating and sharing value" in practice.

All of our divisions follow the same core strategies of specialisation and international expansion that are also shaping the meat and agriculture industries generally. As a result, the Group has enjoyed significant growth in recent years, continuously expanding its geographic footprint along with its product and service portfolio. In 2017, for example, we joined forces with the ECB Group, gaining a foothold in Italy and Romania. In Poland, the addition of the JKK Group expanded our portfolio and regional presence, and strengthened our already positive position in that country. In Germany, we added a mucosa processing plant in late 2017, giving us much greater access to this primary material, which is used in the production of heparin. You can read more about these and other recent international projects in the second part of this edition.

But we begin with an interview in which we as Executive Board members share our thoughts on recent developments within the Group. We also consider what SARIA can expect in the years ahead and how "creating and sharing value" can help us achieve a strong and sustainable future.

Best regards

SARIA Executive Board

Lars Krause-Kjær // Harald van Boxtel // Tim Schwencke // Franz-Bernhard Thier



# Well positioned for future developments

THE SARIA GROUP HAS BEEN SHAPED OVER THE YEARS BY MANY EXCITING AND OFTEN CHALLENGING DEVELOPMENTS. THESE INCLUDE INTERNATIONAL EXPANSION, NEW LINES OF BUSINESS AND CHANGES IN SENIOR MANAGEMENT. THE EXECUTIVE BOARD MEMBERS LOOK BACK ON THESE DEVELOPMENTS AND DISCUSS THE CURRENT STRATEGY OF CREATING MAXIMUM CUSTOMER VALUE IN A TIME OF EVER-INCREASING DEMANDS. THEY ALSO CONSIDER THE IMPORTANCE OF RESPONDING PROACTIVELY TO MARKET AND SOCIAL TRENDS IN ORDER TO SECURE THE POSITION AND FUTURE COMPETITIVENESS OF THE SARIA GROUP.

**// SARIA past, present and future: How would you sum up the Group's development?**

**HVB:** SARIA as a Group has seen impressive growth over the last decade, including both geographical expansion and new business activities. We now operate on a global scale, with most of our businesses being among the leading players in their respective sector.

**FBT:** We believe that our robust market position, combined with an international presence and strong local management teams, provides a solid basis for future growth.

**// There have been major changes in the SARIA senior management team over the past year. Can you give a short overview?**

**TAS:** One key change was obviously the departure of the former CEO last September and the decision not to name a replacement, but to lead as a team going forward. Discussing the various topics collaboratively enables us to view each issue from different angles and thus come to an in-depth understanding and find creative solutions. At the same time, we remain capable of taking and communicating decisions quickly.

The Executive Board of SARIA Group (f.l.t.r.): Lars Krause-Kjær (LKK), Harald van Boxtel (HVB), Tim Schwencke (TAS), Franz-Bernhard Thier (FBT)

"Customers on both sides expect a reliable business partner who offers the best possible service and provides a broad range of high-quality products."



**LKK:** Another development was Jean-Louis Hurel standing down from the Executive Board and as CEO of SARIA France after being part of the SARIA Group for 23 years. Below Board level, there were several other management changes at SARIA, including Arnaud Bécard joining the Group as the new head of SARIA France.

**FBT:** Despite all these changes, a lot has also stayed the same. Our business principles are mainly derived from being a family-owned company and will continue to guide us. These principles include trust, which goes hand in hand with high levels of personal responsibility, and our long-termist approach.

**// Can you give us some insights into the specific strategy that will define SARIA's activities over the next few years?**

**TAS:** We need to highlight our strengths and the characteristics that differentiate us from the competition, but our main focus is on continuously adapting our business strategies and operations to changing market requirements. Given our role as a value-adding intermediary between different industries, we often find ourselves in the unique position of having customers on both sides. This makes it important for SARIA to consider the needs of both parties in order to generate maximum value for everyone in the chain.

**HVB:** Clearly, there will always be room for improvement, like further sharpening the Group's customer focus, for example. This requires us to

rethink and adjust some aspects of our strategic direction while building on the traditional strengths of a family business that have made us successful.

**// What does creating value for customers mean exactly?**

**HVB:** Value creation has multiple facets. As mentioned by Tim, one of them relates to the fact that SARIA typically connects two sets of customers. If you take SARVAL or Bioceval, for example, they are the link between the meat or fish industry on the one hand and the pet food industry on the other. Both sides expect a business partner to be reliable, to offer the best possible service and to provide a broad range of high-quality products. We have to deliver in those three areas in order to create value for them. Business units such as ReFood and SecAnim, which primarily act as service providers, need to offer advanced logistics solutions in addition to reliable, excellent service. Another way of creating value is to convert the collected raw material into specific high-value goods, such as heparin API or single-species fish oil, e.g. salmon oil.

**LKK:** In my opinion, another key factor in creating value is to seek the right balance between sensible standardisation and maximum flexibility in order to meet our customers' requirements. Working with organic materials naturally implies heterogeneity of the incoming material, which is further increased by operating in so many different regions. Nonetheless, our customers expect us to deliver the same product

with the same specification and quality standard regardless of which global facility it comes from. At the same time, there is rising demand for highly customised products that meet very specific requirements. One way of addressing this situation is to focus on sensible standardisation by aligning our processing methods and technologies across locations based on procedural know-how, extensive research and state-of-the-art technology. Operational excellence enables us to achieve dependable quality and product standards. This provides the basis for flexible adaptation to individual customer requirements, thus creating value for them.

**TAS:** In the context of customer focus, and especially when it comes to meeting high quality standards, we believe that SARIA can benefit from a modern, forward-looking take on decentralisation. To us, that means combining our traditional decentralised approach with the advantages of closer collaboration and alignment, thereby leveraging our strengths as a Group. Having trusted local management teams with a high level of autonomy allows us to make fast decisions and respond flexibly to individual circumstances. At the same time, we recognise the need for greater coordination of our operational units across the Group in order to boost overall efficiency and effectiveness.

"SARIA can benefit from a modern, forward-looking take on decentralisation that maximises opportunities through closer collaboration."



**// What specific areas would benefit from a more centralised set-up within the Group?**

**FBT:** If customers demand greater standardisation of products, we can only achieve that by aligning our processing methods and technologies across locations. Our goal must be to achieve operational excellence by implementing the best solution at every site. Greater linkage and sharing within the Group will enable us to learn from each other and profit from the vast expertise of our people.

**HVB:** In addition to processes and technologies, another important area to mention is Group-wide coordination of our sales activities. Our experience to date has shown that we need closer collaboration to navigate our key markets effectively and serve customers across borders.

**// You said that customer focus is essential for success. Is market expansion also an important part of your strategic thinking?**

**LKK:** Definitely. Markets can be considered on different levels: products, applications and services on the one hand, geographies on the other. With regard to geographical markets, SARIA has traditionally focused mainly on Europe. From our origins in France and Germany, we have greatly expanded our activities, into Denmark and the UK, southern Europe and the

Eastern European countries, where we have successfully completed various projects in recent years, establishing new locations in Russia, Belarus and Romania, for example. With Van Hessen and Bioiberica, we have also successfully expanded our international presence to include regions such as China, Australia and New Zealand, plus North and South America. Our strategy in this context has always been to strengthen our position in existing markets and invest in new ones that offer potential for SARIA's product and service portfolio.

**TAS:** Right now, we are particularly interested in accelerating our activities in regions that are recording economic growth, which is closely associated with increasing livestock populations. These regions offer exciting growth opportunities for SARIA over the next five to ten years, but since they are partly on the other side of the world it will take time to develop them.

**FBT:** Talking about markets, we also need to take into account that the meat industry, which is obviously of major relevance to many of our activities, is experiencing mixed fortunes. Europe is notable for flatlining or declining production and consumption of meat products, while the opposite applies in other parts of the world. Asia in particular, but also Russia and South

America, are seeing rising demand for meat products, fats and proteins. This is largely down to higher standards of living that enable people to spend more money on food – both for themselves and for their pets. Many SARIA partners and customers are expanding into those areas in response, thereby creating new business opportunities for us.

**// You also mentioned products ...**

**LKK:** There is strong demand for customised products. That is why SARVAL and Bioceval don't just produce one type of mixed protein, but offer a wide range of products with specific ingredients or for specific applications. Another example is Bioiberica manufacturing hyaluronic acid as a lubricant for human joints – a highly specialised application. By continuing to research and develop new ways of using animal by-products, we are not only serving existing markets but also creating new ones.

**TAS:** Having said all that, we think it's important to focus on our core business rather than diversifying too much. This allows us to provide our customers with better quality products and to devote our energy to areas where we have the potential to be leaders.

"We are a strong Group, but we can only prosper if we have the best people on board."

**// Alongside customer and market demands, which external developments do you think will influence SARIA's activities over the coming years?**

**HVB:** One issue that will continue to impact several of our business units is African swine fever (ASF). The fact is that this epidemic is still running rampant in many parts of the world, especially in Asia and Eastern Europe. According to independent estimates, up to 30 per cent of the pig population in China will have to be culled to prevent the disease from spreading even further. If that happens, it would have a massive impact worldwide. China is home to more than half the global pig population, so markets, prices and the availability of raw material would all be hit hard. ASF could also become a challenge for SecAnim in terms of logistics particularly, if the number of animals that have to be disposed of continues to increase exponentially. We are preparing for all possible scenarios and are confident that we will be able to handle the situation should ASF spread further.

**// Going from industry-specific to more general observations, societal megatrends such as sustainability and the changing demographics in modern societies are impacting all companies. How is SARIA addressing them?**

**LKK:** We are a strong Group, but we can only prosper if we have the best people on board. Accordingly, we have to work hard at being a preferred employer. That holds true for any point in time, but even more so in the face of changing demographics and labour shortages.

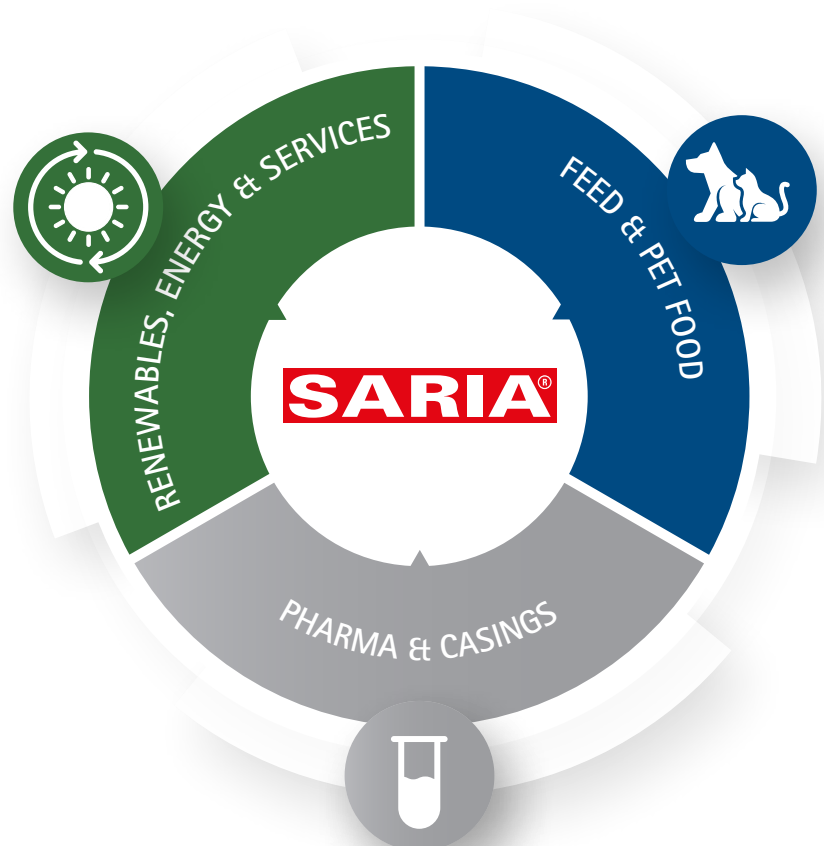
**TAS:** People in today's job market are generally interested in companies that are internationally successful and operate in exciting industries with the potential for further growth. In addition, the focus on sustainability that is now so ubiquitous in society also extends to employers and can make a company more attractive to

prospective employees. Here we have the advantage of being an inherently sustainable business, since the majority of our activities are built on resources that would otherwise go to waste.

**HVB:** Digital transformation will also be a challenge for our industry, of course. But at the same time it offers a host of opportunities to reduce complexity and streamline or accelerate business processes.

**FBT:** While there is always room for improvement, these factors when taken together mean we are well equipped to face the future. Our job now is to leverage the opportunities and take the business forward.

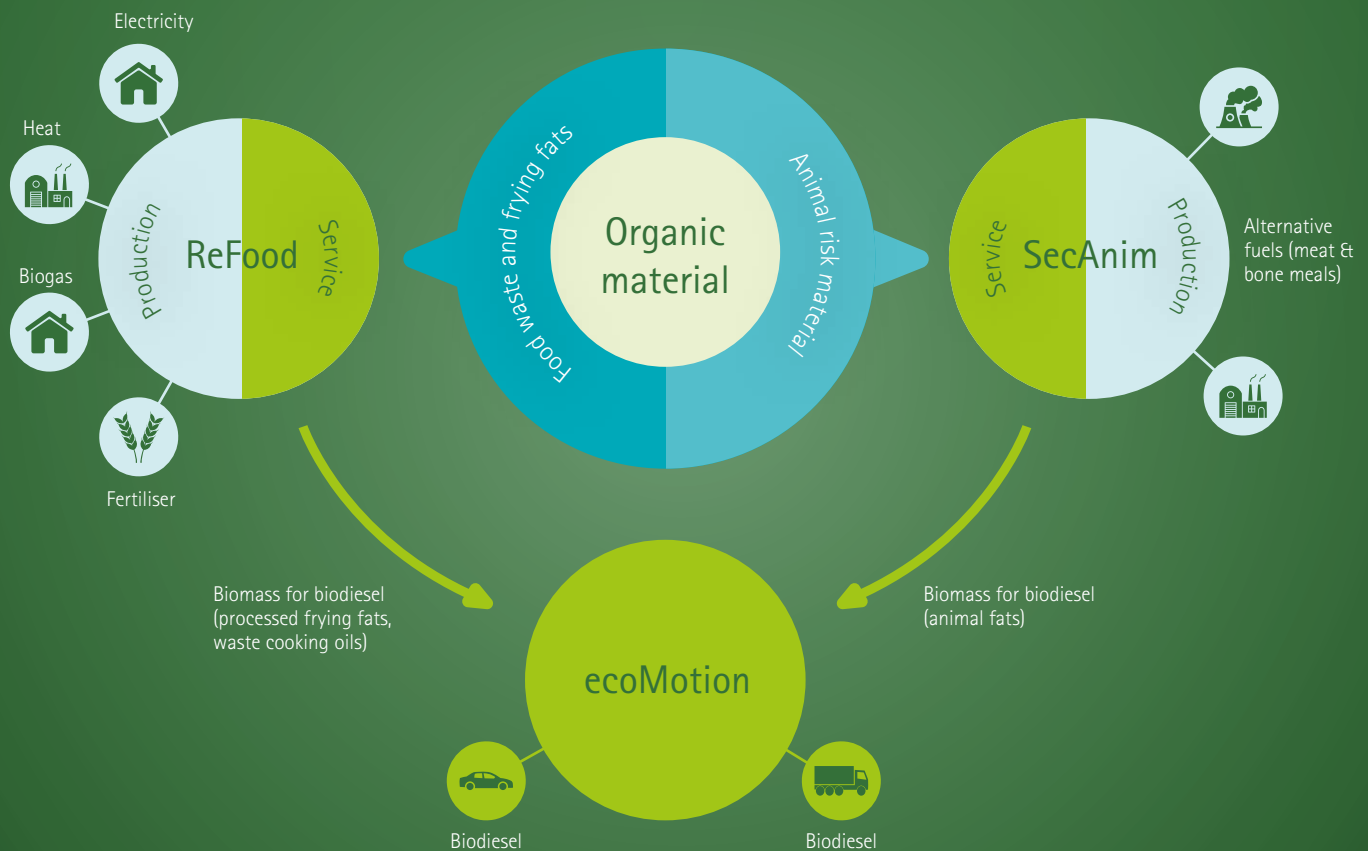
**// Thank you for the interview!**





# Renewables, Energy & Services

We are living in a time of flux. Faced with climate change, global population growth and the decline of fossil fuels such as oil and coal, our traditional methods of energy production have now become unsustainable. We require new and more environmentally compatible solutions that consume fewer natural resources and ensure long-term security of supply. This is where SARIA comes in. Using sustainable raw materials within a highly effective value-adding cycle, SARIA produces climate-friendly energy – both electricity and heat as well as biogas, biodiesel and special-purpose fuels. Although individually diverse, all of these products are derived from organic waste. The ability to create new forms of energy from these materials is a remarkable example of adding value. It also provides two key reasons why companies should partner with SARIA: specialist waste disposal and sustainable energy production.





# SecAnim: Protecting human and animal health

SECANIM IS PROOF THAT EVEN HAZARDOUS ANIMAL WASTE CAN BE COLLECTED AND USED TO CREATE VALUE. DOING SO, HOWEVER, REQUIRES THE HIGHEST STANDARDS OF SAFETY AND HYGIENE, AND ABSOLUTE COMPLIANCE WITH THE VERY STRINGENT LEGISLATION ON PROCESSING OF RISK MATERIALS.

Not all products of animal origin can be used freely in manufacturing, e.g. in foods for human consumption. EU legislation defines specific materials that may pose a risk to human health. These include potentially hazardous by-products from the meat-processing industry as well as fallen livestock that might cause or spread disease. To protect the health of humans and animals, these risk materials must be disposed of in accordance with very specific and strictly enforced rules. The only safe and permissible method of disposal is combustion.

Given the potential epidemiological threat, animal waste disposal is governed by numerous laws and regulations, both at national and EU level. SecAnim guarantees full compliance with all relevant legal and regulatory requirements on the collection and disposal of animal waste. The key priorities throughout that process are safety, hygiene and speed.

Initially, it may seem there is no way of creating value from these materials, given the constraints. But there is. SecAnim has created solutions that not only comply with the need for thermal disposal but also protect the environment and valuable resources. Firstly, SecAnim provides a rapid collection service, applying the highest standards of hygiene and safety. The animal waste is then treated in a hermetically sealed process.

Every stage is monitored to ensure compliance with legal and regulatory requirements. One of the key process steps is sterilisation as defined in the relevant EU regulation. The animal waste is heated to 133 °C at a pressure of 3 bar and kept in that state until all bacteria, viruses and pathogens have been eliminated.

The sterilised mass is then dehydrated and de-fatted. The resulting animal fats are a valuable raw material for the production of biodiesel that is ultimately used in diesel engines. The remaining solid mass is dried and milled. This meat and bone meal is used exclusively as an alternative fuel in the production of energy and cement. Both products are excellent substitutes for primary fuels such as oil, natural gas and coal. They help to protect natural resources

while benefiting the environment in terms of climate. For example, the biodiesel produced by sister company ecoMotion from animal fats offers a saving in carbon emissions of up to 90 per cent when compared with conventional diesel.



SecAnim products boast a very high energy content. The meat and bone meals offer 17 megajoules per kilogram, which is considerably more than lignite (brown coal). The animal fats are higher still, producing 39 megajoules per kilogram.



SecAnim operates 67 locations across Europe. Around two million tonnes of risk material and fallen animals are processed each year. From this, SecAnim produces 360,000 tonnes of meal as an alternative fuel and 220,000 tonnes of fat as a biomass for biodiesel production

# ReFood: From food waste to renewable energy

REFOOD SPECIALISES IN THE COLLECTION AND RECYCLING OF ALL TYPES OF FOOD WASTE, INCLUDING EXPIRED FOOD-STUFFS AND USED FRYING FATS. COLLECTED SEPARATELY FROM OTHER WASTE, THESE ORGANIC MATERIALS ARE USED TO PRODUCE ECO-FRIENDLY ENERGY IN THE FORM OF GAS, ELECTRICITY AND HEAT AS WELL AS ORGANIC FERTILISERS AND BIOMASS FOR BIODIESEL PRODUCTION.

From restaurants and shops to the food-processing industry – wherever there is food, there is food waste. ReFood specialises in its collection and recycling in accordance with strict hygiene standards. The key to success here is efficient logistics.

ReFood's resources include a full-coverage network of collection and processing sites as well as special collection containers and an intelligent route planning system. Every year, ReFood collects up to 1.35 million tonnes of food waste across Europe.

## THE REFOOD PROCESS

### PRE-TREATMENT

- 1 Arrival of food waste**  
Incoming food waste is collected centrally via tipping stations and readied for subsequent processing.
- 2 Removal of extraneous material**  
Extraneous material, e.g. packaging, is mechanically removed and sent for material or thermal recycling.
- 3 Crushing**  
The organic residue is crushed to a particle size of  $\leq 12$  mm.

- 4 Heating**  
The resulting biomass is heated in preparation for hygienisation.
- 5 Hygienisation**  
The biomass is pasteurised at a minimum of 70 °C for one hour. Any final impurities are then removed.
- 6 Defatting**  
The remaining biomass is defatted and made ready for fermentation.

PRODUCTS



→ Biomass for biodiesel

ReFood produces enough electricity in Europe to supply

 **87,600**  
households

Waste sorting is a basic prerequisite for eco-friendly recycling, but it is not yet compulsory in all countries. This type of legislation is of fundamental importance in order for ReFood to operate successfully. In Germany, food waste sorting is required by law for all public and commercial entities. Restaurants and retailers as well as hospitals and schools must dispose of all their food waste in accordance with the EU directives on separate waste collection. Denmark has differing regional waste collection regimes, some of which also include household kitchen waste. Other European countries are also moving towards tighter regulation. France, for example, is steadily increasing its waste sorting rules, and the UK is actively transitioning from landfill. The situation is similar in Spain, where the move to waste sorting is partially driven by the rising cost of landfill and incineration.

A unique feature of the Spanish market is the relatively high proportion of fish waste – around a quarter of the total volume. In Poland, food waste in the hotel and catering industries is classed as household waste and is therefore the responsibility of local authorities. As a result, ReFood mainly works with supermarkets in this country.

#### Promoting sustainable use of finite resources

ReFood promotes the environmentally friendly and ethical recycling of food waste in many different countries. Activities range from partnerships with schools – in the UK, for example – to the development of a sustainability label together with environmental partners in Denmark.

The ReFood recycling process creates multiple products, including a biomass precursor for biodiesel. The biomass consists of fats separated from general food waste as well as frying oils collected separately. Purified and freed from impurities, this is the basic raw material used in biodiesel production.

ReFood also produces eco-friendly biogas and organic fertilisers. The former can be fed directly into the national gas grid if the right standards are met, as is already happening in the UK. In other countries, ReFood uses the biogas it produces to generate electrical and thermal energy in its own combined heat and power plants. Both forms of energy are used on-site, with excess power being fed into the public grid. Currently, ReFood produces enough electricity in a year to supply approximately 90,000 homes.

## BIOGAS PLANT

7

### Fermentation

Naturally occurring bacteria convert the biomass into biogas and fermentation residue (fertiliser). The biogas is desulphurised, and the elemental sulphur is added as a plant nutrient to the fertiliser.

→ Fertilisers, biogas

## CHP PLANT

8

### Energy production

The biogas is burnt as a fuel in combined heat and power plants. The resulting electricity and heat are used on-site, with excess power being fed into the public grid.

Alternatively, the biogas can be fed directly into the public gas grid.

→ Electricity, heat



## Products that boost sustainability



### Biogas

ReFood recovers up to 150 cubic metres of biogas from one tonne of organic waste. After purification and treatment, biogas can be used as an alternative to natural gas or converted to electricity. Both options have excellent potential as energy sources of the future.



### Electricity

The electricity that ReFood generates is classed as renewable energy. As well as reducing consumption of fossil fuels such as oil, gas and coal, it helps to protect the environment. In fact, ReFood's green power provides a total carbon saving of 173,000 tonnes CO<sub>2</sub> each year.



### Fertiliser

ReFood produces more than 230,000 cubic metres of organic fertilisers annually. These by-products of biogas fermentation are rich in nutrients and do not require energy or finite raw materials for their production.



### Biomass for biodiesel

Biodiesel produced using ReFood biomass is highly sustainable as it is originally based on food waste. Biodiesel production is the core speciality of ReFood sister company ecoMotion. The biodiesel produced from 100 litres of frying fat is enough to power a mid-range car for approximately 1,000 km.

ReFood has 13 biogas plants across Europe







# ecoMotion: Biodiesel with exceptional carbon savings

THE LATEST GENERATION FUELS ARE EXPECTED TO FULFIL CLEARLY DEFINED CRITERIA. THEY MUST BE ECO-FRIENDLY AND SUSTAINABLE, PROTECT NATURAL RESOURCES AND MEET STRICT EUROPEAN QUALITY STANDARDS. ECOMOTION BIO-DIESEL IS A PERFECT EXAMPLE. MADE FROM A BIOMASS OF RECYCLED WASTE, IT PROVIDES TOTAL PROTECTION OF FOSSIL RESOURCES AND EXEMPLARY CARBON SAVINGS.

ecoMotion produces biodiesel at five facilities in Germany, Spain and Denmark with a total combined output of up to 322 million litres per year. As well as hugely reducing consumption of fossil diesel, this represents a carbon saving of around 765,000 tonnes CO<sub>2</sub>.

ecoMotion fuels are fully compliant with the European EN 14214 standard. In other words, they meet the same kind of quality criteria as regular commercial fuels. There are three types of ecoMotion fuel, depending on the biomass used: UCOME (used cooking oil methyl ester) based on used frying fats, TME (tallow methyl ester) based on animal fats, and RME (rapeseed methyl ester) based on rapeseed. ecoMotion sources most of its raw materials from sister companies SecAnim and ReFood or from the agriculture sector. In short: ecoMotion biodiesel is largely derived from waste.

When used in an engine, ecoMotion biodiesel produces up to 90 per cent less carbon than

conventional fossil diesel. Petroleum companies blend it with regular diesel fuels to improve their environmental performance. This enables them to meet government targets on lowering greenhouse gas emissions.

Compared with other biofuels produced in industrial quantities, ecoMotion biodiesel can also claim to be one of the most eco-friendly and sustainable fuels with regard to other exhaust emissions, such as soot and harmful pollutants. It also benefits the vehicle. Regular fossil diesel has to be desulphurised, which removes some of its lubricating properties. Biodiesel, on the other hand, contains virtually no sulphur and has a high oxygen content. Both of these characteristics give it a particularly high degree of self-lubricity, which reduces wear on engine components such as the fuel injection pump.

ecoMotion uses a range of innovative technologies in its biodiesel production. The core process is transesterification, which replaces the

glycerine in the biomass with methanol. After transesterification, the product is distilled, creating an extremely pure and virtually colourless fuel. The production process is almost entirely waste-free. Even auxiliary materials such as methanol are collected after the process for regeneration and reuse. The glycerine obtained during transesterification is marketed for use in a range of applications, such as the manufacturing of foams, paints and varnishes. It is also used in biogas fermentation. Looking ahead, biodiesel production as practised by ecoMotion will continue to grow in importance – driven in large part by the revised EU directive on renewable energy (RED II) adopted at the end of 2018. RED II aims to promote the use of energy from renewable sources up to 2030, with a particular emphasis on advanced biofuels, i.e. fuels produced from waste and residues.

**ecoMotion**

The  
production of



**322**  
million litres  
of biodiesel

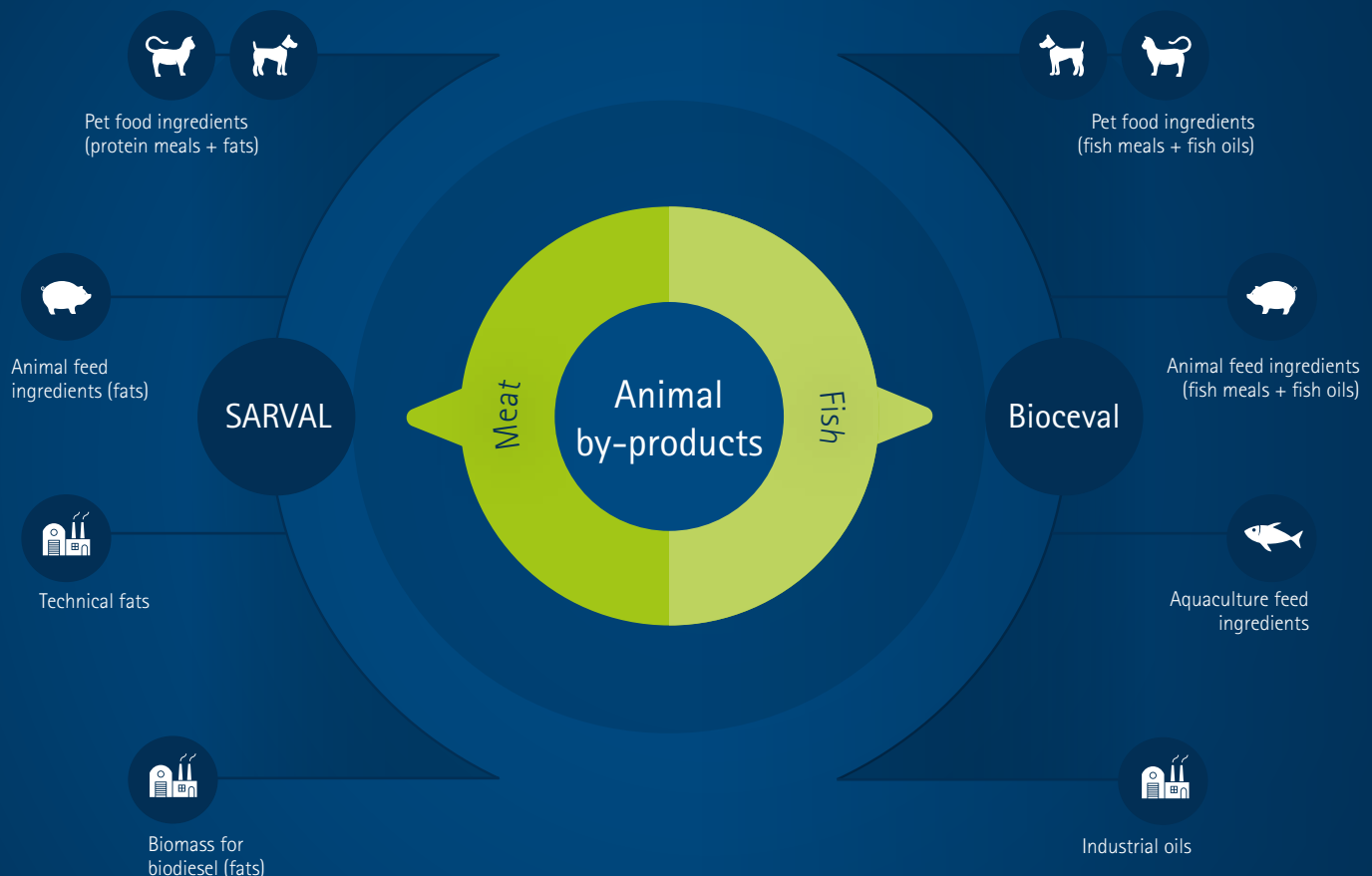
saves  
around

**765,000**  
tonnes of CO<sub>2</sub>



# Feed & Pet Food

The global population continues to grow, accompanied by an increase in urbanisation. This in turn reduces the availability of viable agricultural land – a crucial element in the food security of humans and animals alike. In addition, there are limits on the extent to which natural food sources such as the oceans and seas can be exploited. Faced with these challenges, we require new solutions that allow us to manage finite resources more effectively, not least with regard to animal feeds and pet food. One of the best ways of ensuring a reliable supply of healthy and sustainable nutrition for animals is to reuse waste from other food products. SARIA takes residues from the meat and fish processing industries and turns them into high-quality feed ingredients. In the process, SARIA not only retains valuable nutrition from the original foodstuffs, but is also creating a sustainable food source for livestock and pets that places no pressure on the human food chain.



# SARVAL:

## Proteins and fats with sustainability benefits

SARVAL CREATES VALUE FROM ANIMAL BY-PRODUCTS THAT ARE SUITABLE FOR HUMAN CONSUMPTION BUT FOR WHICH THERE IS LITTLE OR NO DEMAND IN WESTERN MARKETS DUE TO LOCAL CONSUMER BEHAVIOUR AND EATING HABITS. THESE BY-PRODUCTS INCLUDE BONES, RIND AND OTHER WASTE PARTS FROM CATTLE, PIGS AND POULTRY. SARVAL USES THESE MATERIALS TO MAKE FATS AND PROTEIN COMPONENTS FOR VARIOUS CUSTOMERS, INCLUDING PET FOOD MANUFACTURERS AND THE OLEOCHEMICAL INDUSTRY.

According to a study by Swiss researchers, even household pets have a negative impact on the environment. For the typical dog, the annual carbon "paw print" is equivalent to a 3,700 km journey by car, while the figure for a cat is 1,400 km. Food, of course, plays a pivotal role here. If an animal is fed exclusively from the meat counter in the supermarket, its carbon impact is particularly high. With this in mind – along with other ethical considerations – eco-conscious owners are already opting for more sustainable nutrition for their pets, even going as far as using vegetarian products. Thankfully, there is a responsible way of providing meat-based foods: by using residues from regular food production.

SARVAL uses animal by-products to manufacture high-quality ingredients for pet food and additional products. Other companies then utilise these ingredients to make a wide range of items in many different packaging forms – from dry-feed pellets in 10 kg bags to special wet foods such as reduced-fat canned food for domestic pets. When these products are consumed, the SARVAL ingredients provide a host of nutritional and physiological benefits. They deliver essential fatty acids, for example, while increasing the absorption of fat-soluble vitamins. SARVAL ingredients are thus an extremely important element in sustainable pet nutrition.

As in the rest of the pet food sector, SARVAL applies strict quality standards at every stage in the production of its ingredients. The process begins with the collection of primary materials from abattoirs, meat-packing plants, butchers and general food retailers. Originating from food-grade products, these materials are immediately transported to the SARVAL processing plant. In the pet food industry in particular, there is growing demand for unmixed (single species) ingredients. This obviously presents additional challenges for logistics and production. SARVAL already has numerous facilities in multiple markets specialising in single-species production – and is committed to increasing that number.

Rapid transportation to the processing plant is essential for product quality





From an annual intake of around three million tonnes of animal by-products, SARVAL produces more than

**700,000 t**  
of protein meals

and

**400,000 t**  
of fats

The manufacturing process for SARVAL feed ingredients is designed for maximum hygiene and safety. Production standards include restricted facility access as well as analysis and inspection during every process step. The results are protein meals and fats as well as ingredients for wet pet foods that are tailored to the specifications of the respective manufacturers. SARVAL products can also be adapted to certain types of animal consumer. For example, some formulations are designed specifically for puppies, and there are single-protein products for animals with food allergies.

In addition to producing meals, SARVAL uses the primary materials to make fats. These are supplied to the oleochemical industry and are increasingly used as a biomass in biodiesel production as well as in livestock feed. The use of animal fats in feeds is particularly beneficial in a number of scenarios, e.g. when sows have recently littered. The high-energy feed helps the sow to recover and boosts the quality of her milk, which then benefits the piglets.

SARVAL has production facilities in Western Europe (Germany, France, the UK, Spain, Italy and Denmark), Eastern Europe (Russia, Belarus and Poland), and increasingly also in North and South America. In total, SARVAL processes around three million tonnes of animal by-products each year, producing more than 700,000 tonnes of protein meals and 400,000 tonnes of fats.

Positioned between the abattoir sector and the pet food and oleochemical industries, SARVAL connects important markets





Annual production at  
German plants  
amounts to approx.



**5,000 t**  
of greaves



**100,000 t**  
of proteins

**83,000 t**  
of fats  
in various  
grades

# Merger facilitates service growth and greater specialisation

IN MID-2017, SARVAL'S GERMAN SUBSIDIARY MERGED WITH FISCHERMANN'S GMBH, A FAMILY-OWNED COMPANY THAT LIKEWISE SPECIALISES IN ANIMAL BY-PRODUCTS. THE SARIA GROUP HAS A MAJORITY STAKE IN THE NEW COMPANY, SARVAL FISCHERMANN'S. WE PUT THREE KEY QUESTIONS TO MANAGING DIRECTOR KARL-HEINZ FISCHERMANN'S.

**// Mr Fischermann's, mergers usually seek to create synergies. Has that been the case here?**

Absolutely. By combining our activities, we've significantly improved our technical expertise. Some of the best examples of this include the commissioning of the new Line 2 in Marl and the creation of a separate drying plant in Dissen. In addition, the merger puts us in a much better position when it comes to sourcing raw materials – and our output has improved considerably. These are positive developments for our customers and suppliers as well. It's also great to see how both sets of employees have really come together as one.

**// How has the merger affected production capacity?**

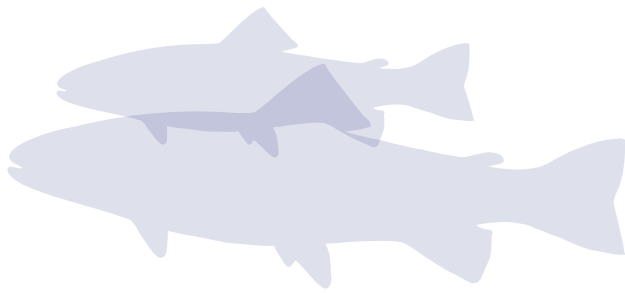
In Germany, we now have five locations – four of which are production facilities. We have changed the way we allocate raw materials to the sites, in accordance with both process efficiency and the relative degree of specialisation. Annual production in Germany amounts to some 100,000 tonnes of proteins, 5,000 tonnes of greaves and 83,000 tonnes of fats in a number of different grades.

**// How has the merger benefited your products?**

With the current set-up, we cover the entire product range – from mixed meals and fats through single-species protein meals and fats to special products for industrial applications. We are a full-spectrum partner creating sustainable value for customers through a diverse product range. We aim to continue on this path, especially when it comes to future product development.

Karl-Heinz Fischermann's,  
SARVAL Fischermann's GmbH





BIOCEVAL

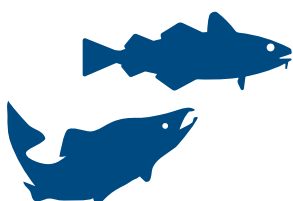
## Bioceval: Sustainable management of scarce fish resources



BIOCEVAL SPECIALISES IN THE RECYCLING OF BY-PRODUCTS FROM THE FISH-PROCESSING INDUSTRY. THE RESULTING OILS AND MEALS ARE VALUED WORLDWIDE AS HIGH-QUALITY INGREDIENTS FOR THE PRODUCTION OF ANIMAL FEEDS AND PET FOODS. BIOCEVAL ALSO PRODUCES SPECIAL FISH OILS FOR INDUSTRIAL APPLICATIONS. THE MULTINATIONAL COMPANY HAS PROCESSING PLANTS IN GERMANY, FRANCE AND SPAIN.

Current demand for fish is already high and will only continue to grow. This is leading to an increase in fish farms, which now provide around half of all edible fish. Fish farms reduce pressure on species in the wild, some of which are already overfished. However, fish farming itself can also be problematic, since some of the feeds used are derived from wild fish that are caught solely for this purpose. Bioceval takes a very different approach, producing its feed ingredients from fish-processing waste and from species not used for human consumption. By making optimum use of these existing raw materials, Bioceval

is actively supporting the sustainability of fish as a food source. Approximately one-third of Bioceval's fish meals and oils are employed as major ingredients in pet food. Most of the remaining meals and oils are used in animal feeds, including aquaculture products in particular. In all these applications, Bioceval products provide a wide range of proteins, amino acids, vitamins and minerals. Key nutritional components include omega-3 fatty acids, which are essential in fish farming and crucial for the health of household pets such as dogs and cats.



No cod for cod, no salmon for salmon: most farmed fish should only receive feeds in which the fish ingredients are sourced from other species. Bioceval provides guaranteed single-species products.





Most of the raw materials used in Bioceval products are trimmings and scraps from the fish-processing industry. These are collected while as fresh as possible and usually sorted by species. The original fish may be saltwater or freshwater, and from wild or farmed stocks. Bioceval uses a multi-stage process to make a range of fish meals and oils that is virtually unmatched by any other manufacturer. Depending on the facility, the company produces up to 20 different varieties – from a trout-based meal to salmon oil.

#### **Growing demand for single-species products**

Single-species products are increasingly important for both the pet food and animal feed industries. To meet this demand, Bioceval collects and processes its raw materials separately. It also produces special mixtures for particular applications, e.g. aquaculture feeds with special protein content or pet food ingredients that are specifically formulated for the respective end product.

Bioceval also works with organic producers to supply fish farms and animal farms with certified organic feeds. Furthermore, some grades of oil are also used in technical applications – in refineries and in the leather industry.

The entire production process is subject to stringent quality standards and controls, from acceptance of the raw materials through to delivery of the finished products. In its production and marketing, Bioceval meets the strict criteria of the Marine Stewardship Council (MSC) and

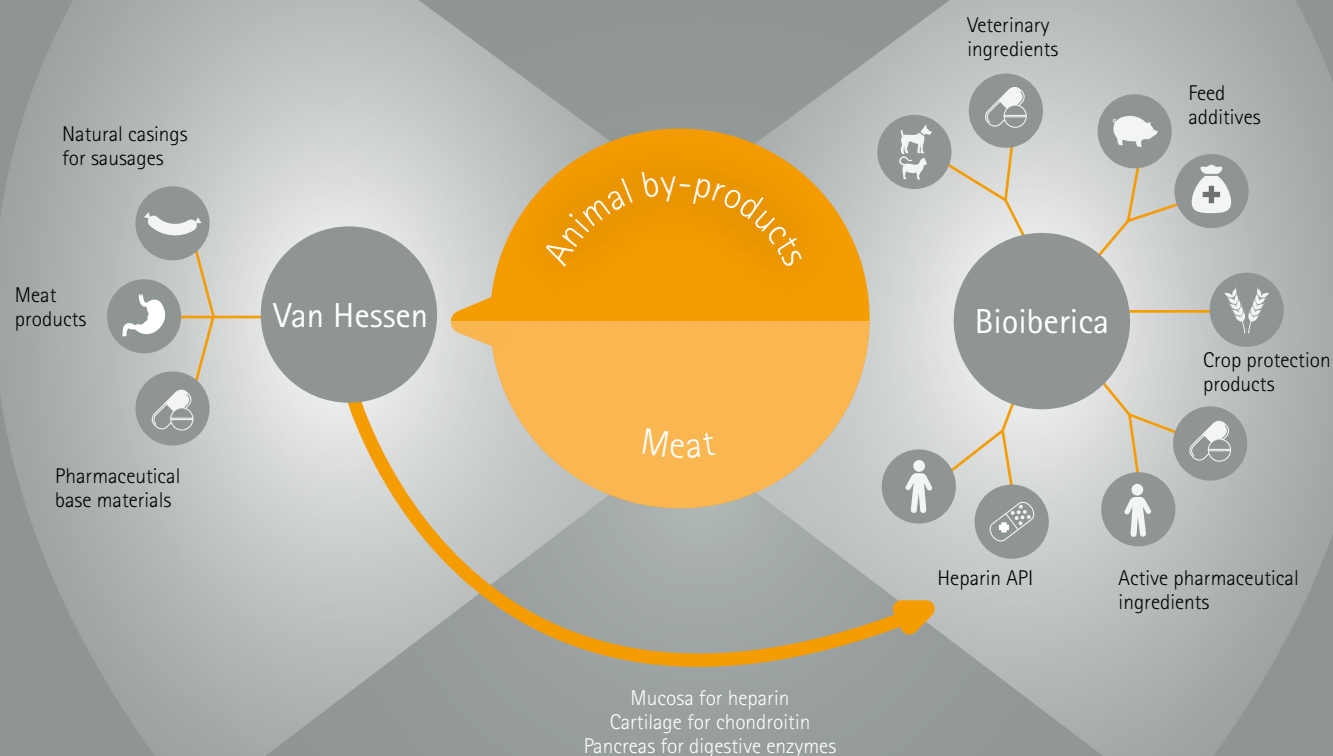
the principles of the Aquaculture Stewardship Council (ASC). The MSC is the world's leading certification and ecolabelling body for sustainable seafood production. The ASC is the equivalent for the fish farming industry. Both labels promote environmental compatibility in the fishing industry and the responsible and sustainable management of this valuable natural resource.



Fish farms are major consumers of Bioceval products

# Pharma & Casings

From water to energy, the food production process involves many key resources. If raw materials are not used in their entirety, then part of their value is wasted. This is particularly true in the meat-processing industry, where the complete utilisation of resources is an obvious priority from an ethical perspective alone. SARIA creates value from animal-derived materials, often requiring complex processes to do so – natural casings made from animal intestines are a good example. These not only preserve the freshness and flavour of sausages, they are essential for certain product styles, e.g. Thuringian, weisswurst and Nürnberger bratwurst. Other SARIA products include active pharmaceutical ingredients found in cartilage, mucosa and pancreatic tissue. Mucosa, for example, is the source of heparin, an important drug in the treatment of cardiovascular disease that saves millions of lives each year. One of the world's leading suppliers, the SARIA Group is involved in both the processing of mucosa and the subsequent production of heparin. With a product spectrum ranging from natural casings to reliable medical care, SARIA is helping to improve quality of life and personal health outcomes for enormous numbers of people in an environmentally responsible way.





# Bioiberica: The life science specialist

AS A LEADING SPECIALIST IN THE GLOBAL LIFE SCIENCE INDUSTRY, BIOIBERICA IS COMMITTED TO IMPROVING THE HEALTH AND WELL-BEING OF PEOPLE, ANIMALS AND PLANTS. THE COMPANY WORKS TO IDENTIFY, EXTRACT AND DEVELOP APIS AND INGREDIENTS OF ANIMAL ORIGIN AND TURN THEM INTO HIGH-QUALITY PRODUCTS FOR THE PHARMACEUTICAL, NUTRACEUTICAL, VETERINARY, FEED AND AGRICULTURAL INDUSTRIES.

Bioiberica's success story began more than 40 years ago with heparin, the most commonly used anticoagulant and antithrombotic medication in the world. Today, Bioiberica is the leading heparin API manufacturer in the Western world. Heparin is a biological molecule that is extracted from porcine intestinal mucosa. As such, it is essential to ensure traceability and quality throughout the entire production process. For this reason, the company covers the entire lifecycle of the product, from extraction and production to commercialisation. One out of every five doses of heparin administered globally is made by Bioiberica.

In addition to heparin, Bioiberica is a leader in the research, production and sale of other animal-derived APIs, ingredients and compounds, such as chondroitin sulphate, glucosamine, hyaluronic acid, native type II collagen and thyroid extract, aimed mostly at improving people's mobility and quality of life.

The company also uses its expertise to develop science-based solutions to improve the health of pets suffering from chronic illnesses. The focus is on solutions that contribute to joint health, counteract dermatological problems, strengthen the immune system or improve liver and intestinal function. Bioiberica also specialises in farm animals and aquaculture, with products to improve immunological and intestinal health in the early stages of development.

In its Plant Health business unit, Bioiberica offers sustainable solutions to reduce plant

stress, boost crop performance and enhance various quality parameters. All products play an important role in the fight against climate change since they enable more efficient use of fertilisers and support integrated, more environmentally friendly crop management.

Bioiberica sells its products in more than 80 countries and has nine production facilities across Spain, Poland, Italy, Germany, the United States and Brazil.

Bioiberica's main facility in Palafoxs





# Uncompromising quality standards

STATE-OF-THE-ART TECHNOLOGIES, VERTICAL INTEGRATION AND EXTENSIVE COOPERATION WITH RESEARCH BODIES ENSURE MAXIMUM QUALITY AT BIOBERICA.

Bioiberica cooperates with some 200 research centres, universities, companies and health institutions to find solutions to some of the major health challenges of our times. The effectiveness and safety of human health products is endorsed by more than 40 scientific publications.

To guarantee the highest quality standards, Bioiberica is vertically integrated. Much of the raw material is obtained from sister company Van Hesse and processed at Bioiberica's nine locations. This ensures a solid supply chain, as well as flexibility and adequate production capacity. All plants have implemented a common quality control system and environmentally friendly processes.

The final purification process for the different products is carried out at a state-of-the-art facility in Barcelona (Spain). This results in products of excellent quality and reliability that are adapted to client needs.

20 %

of the heparin APIs administered worldwide are made by Bioiberica

20 m

patients worldwide use pharmaceutical products containing Bioiberica APIs

17 %

of farmed salmon worldwide are given feed supplements from Bioiberica

2.5 m

hectares are treated with Bioiberica plant health solutions

New applications are constantly being researched in Bioiberica's development laboratories

# "Quality and safety are our top priorities"

LUIS SOLERA, CEO OF BIOIBERICA, TALKING ABOUT QUALITY.

// Mr Solera, Bioiberica operates in a sensitive sector. How important are quality factors to you?

Our core business is the identification, extraction and development of animal-derived biomolecules. Working with biological raw materials means that quality and safety are top priorities for Bioiberica. Accordingly, we guarantee traceability and quality control throughout the production process to minimise the possibility of any biological hazard. Our production processes comply with all relevant international standards and legal requirements. In addition, numerous quality certificates and audits cover the wider environmental management and occupational health and safety requirements.

// How important are the employees?

The team is a key asset at Bioiberica. Our people are very committed and I'm convinced that this is instrumental in helping us to move forward and grow our business activities. The level of knowledge within Bioiberica is of the highest order. We maximise the potential of each team member by supporting them in being clear about objectives, organising their work well and focusing on the specific action required.

// What about Bioiberica's position within the SARIA Group?

Being part of the SARIA Group is hugely beneficial to a company like Bioiberica. Alongside the obvious financial benefits, collaborating with other Group companies often gives us a major competitive advantage. For example, our vertical integration with Van Hesse is now yielding results that deliver greater consistency for our businesses. Similarly, Bioiberica can provide knowledge around end-use applications to other units in the Group, giving them the chance to add value to their raw materials and products, thereby benefiting their suppliers and customers.







# Van Hessen: Let's Meat @ Van Hessen



VAN HESSEN IS A LEADING GLOBAL PLAYER IN THE HARVESTING, PROCESSING AND DISTRIBUTION OF NATURAL CASINGS, WITH A PORTFOLIO THAT ALSO INCLUDES MEAT PRODUCTS AND RAW MATERIALS FOR THE PHARMACEUTICAL INDUSTRY. VAN HESSEN AIMS TO ADD VALUE ALONG THE ENTIRE PROCESS CHAIN, THEREBY PROVIDING CUSTOMERS WITH CONSISTENTLY HIGH-QUALITY PRODUCTS WHILE GENERATING MAXIMUM VALUE FOR RAW MATERIAL SUPPLIERS. THIS IS MADE POSSIBLE BY THE PRECISION, COMMITMENT AND DEEP PRODUCT EXPERTISE OF THE VAN HESSEN TEAM AND ITS PARTNERS.

Van Hessen is active across 23 countries and supplies customers in 65 countries with high-quality products. It operates gut rooms within abattoirs worldwide. Thanks to its coverage of the entire production chain from procurement through processing to distribution, Van Hessen is able to guarantee its customers a reliable supply of key raw material of consistently high quality.

Product safety is a priority for every customer. Producers and consumers can rely on all products meeting the highest hygiene and production standards at all times, with full traceability. Strict control and monitoring of every process step ensures consistently high product quality.

All production, cleaning, selection and distribution operations comply with, or exceed, national

and international legislation and quality standards. Within the meat industry, Van Hessen offers a diverse product portfolio consisting of high-quality natural casings, meat products and raw materials for the pharmaceutical industry.

## **Natural casings**

The product offering for the sausage industry mainly comprises natural casings, which are made from submucosa, a collagen layer of the intestine. The natural casings range includes hog, sheep, lamb, goat and beef casings.

Two main factors underpin the company's leading market position in natural casings: in-depth product expertise and the ability to standardise the harvested natural casings. Standardised sizes and quality standards are essential criteria for







sausage production, not only in the manufacturing process but also for subsequent selling. The casing needed for a particular sausage depends on a number of different factors, including the length and width of the sausage, the type of content (known in the industry as dough), the filling method and the post-filling process. Whether the casings are smoked or dried also makes a huge difference. Due to Van Hossen's global presence and long experience of the sausage industry, it can ensure that sausage manufacturers are provided with the best casings for the various types of sausages.

#### **Meat products**

Meat products comprise the stomach, the spleen and fat ends. These meat products can

be Category 3 as per EU Regulation No. 1069 for use in wet pet food, or food grade, i.e. suitable for human consumption. Van Hossen focuses on food-grade meat products, such as the stomach. These products are either sourced from Van Hossen's own gut rooms in abattoirs or obtained directly from meat processors.

#### **Pharmaceutical products**

Many important medicines are based on materials of animal origin. Understanding the substances contained in animal organs in particular, and leveraging innovative extraction technologies, are a crucial way of adding value. After extraction, these substances are used as base materials for various medicines and a range of dietary supplements.

For pharmaceutical applications, Van Hossen generates three main raw materials. Mucosa, harvested from pork intestines, is utilised for the production of heparin, a drug used as an anticoagulant (blood thinner). Cartilage, a soft bone obtained from bovine trachea, is used as a raw material for chondroitin, which improves joint health. Thirdly, pork pancreases are mostly collected for their digestive properties (i.e. ability to break down carbohydrates, sugars and lipids).

Van Hossen works closely with biotechnology specialist Bioiberica, which is also part of the SARIA Group, in order to guarantee meat industry suppliers maximum valorisation while simultaneously offering customers a controlled and transparent supply chain.

Van Hossen uses innovative technologies to extract valuable precursors for pharmaceutical products



# ReFood UK – investment in Greater London area up and running

IN JULY 2017, REFOOD UK CELEBRATED THE OPENING OF ITS STATE-OF-THE-ART ANAEROBIC DIGESTION (AD) FACILITY IN DAGENHAM. 24 MONTHS LATER, THE SITE IS OPERATING AT FULL CAPACITY AND CONTINUES TO SET THE STANDARDS FOR INDUSTRY-LEADING FOOD WASTE RECYCLING TECHNOLOGY IN THE UK.



Industries Park – a flagship project funded by the Mayor of London which aims to become the UK's largest concentration of environmental industries and technology companies.

Philip Simpson, director at ReFood UK, commented: "As well as displacing 73,600 tonnes of CO<sub>2</sub> per annum, the equivalent of taking 14,431 cars off the road, ReFood Dagenham supports Transport for London's (TfL) Clean Air Action Plan through the generation of biomethane for gas-powered vehicles. In view of this contribution to protecting the environment, we were highly commended in the Recycling Facility of the Year category at the 2018 National Recycling Awards."

ReFood Dagenham converts inedible food waste collected from customers in the London area into renewable energy and sustainable biofertiliser. The site is capable of processing more than 160,000 tonnes of food waste every year, generating 14 million cubic metres of biogas in the process – enough to power 12,600 homes.

As the largest city in Europe, London has a population of more than 8 million residents and attracts 31 million tourists every year. Over 2.7 million tonnes of food waste is generated per annum – 40 per cent of which is still land-filled. ReFood Dagenham is the capital's fourth AD plant, situated at the London Sustainable

Delivering outstanding service for its customers, ReFood Dagenham has quickly reached feedstock capacity and now processes some 1,200 tonnes of food waste every week and 900 tonnes of liquid waste.

ReFood's state-of-the-art anaerobic digestion facility in Dagenham is capable of processing more than

**160,000 t**  
of food waste a year

The plant generates

**14 million**  
cubic metres of biogas



Enough to power

**12,600**  
homes





"As well as displacing 73,600 tonnes of CO<sub>2</sub> per annum, the equivalent of taking 14,431 cars off the road, ReFood Dagenham supports Transport for London's (TfL) Clean Air Action Plan through the generation of biomethane for gas-powered vehicles."

Philip Simpson, director at ReFood UK

Thanks to the site's state-of-the-art technology, both solid and liquid foodstuffs can be handled, which are collected from shops, supermarkets, restaurants, cafés, food producers, manufacturers, hospitals, schools and local authorities within a 50-mile radius.

In addition to being a significant investment by the SARIA Group in its UK operations, the development is supporting London's wider sustainability ambitions. The capital's Environment Strategy highlights that food waste being sent to landfill results in a multitude of negative environmental impacts.

The strategy aims to make London zero waste by 2030, carbon zero by 2050, and to replace polluting vehicles with biomethane-powered transportation. ReFood will play a leading role

in delivering these targets by recycling unavoidable food waste, reducing carbon footprints and generating green gas and biofertiliser.

ReFood Dagenham not only processes the food waste of thousands of customers, it also supplies farmers within the South East region with ReFood's award-winning biofertiliser, ReGrow, thus helping to close the local food supply chain.

The facility was carefully designed to limit harmful emissions and excessive use of energy. This includes thermal mass self-cooling, reducing the need for air conditioning, the use of a biological scrubber to remove hydrogen sulphide from the biogas (other sites use chemical or carbon filters), and roof-mounted solar electric panels which help power the plant machinery. The site itself was constructed from recyclable products and is zero carbon-dependent.

Unlike many competitors, ReFood's facilities use computerised raw material control systems, so they can plan and achieve optimised gas yields. They also employ specialist de-packing machines to separate food waste from packaging. Packaging is then recycled and water is squeezed out for re-use in the AD process. Rainwater is also collected and used throughout the process, ensuring that no resources are wasted.

ReFood Dagenham is the company's third facility in the UK, adding to existing sites in Doncaster and Widnes.





"Success is achieved by people. Through cooperation and exchange, we've quickly become a team where we pool our strengths, learn from each other and take responsibility together."

Tomasz Krasieński, Managing Director of SARIA Poland



SARIA Poland management meeting in Toruń (2019)

## New addition in Poland creates synergies and expands portfolio

FOLLOWING THE PURCHASE OF THE JKK GROUP IN 2018, SARIA HAS BECOME A LEADING PLAYER IN THE ANIMAL BY-PRODUCT SECTOR IN POLAND – WITH NUMEROUS BENEFITS FOR SUPPLIERS AND CUSTOMERS ALIKE.

SARIA has long been one of the leading collectors and processors of animal by-products in Poland. It consolidated that position in the course of the past year, mainly through the integration of the JKK Group, a specialist in poultry by-products. With the addition of the JKK facilities, SARIA Poland has not only increased its production capacity, it has also gained many other advantages that directly benefit its customers and suppliers. Above all, it now has a much wider range of products and services for

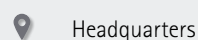
the poultry sector as well as greater proximity to its customers.

SARIA Poland now has a total of nine locations nationwide. With the addition of JKK, it has improved its proximity to the agricultural centres around Warsaw, Łódź and Poznań. In all, SARIA Poland has 17 production lines plus a thermal power plant that runs on meal made from risk materials. The ash from the power plant is recycled as an agricultural fertiliser.

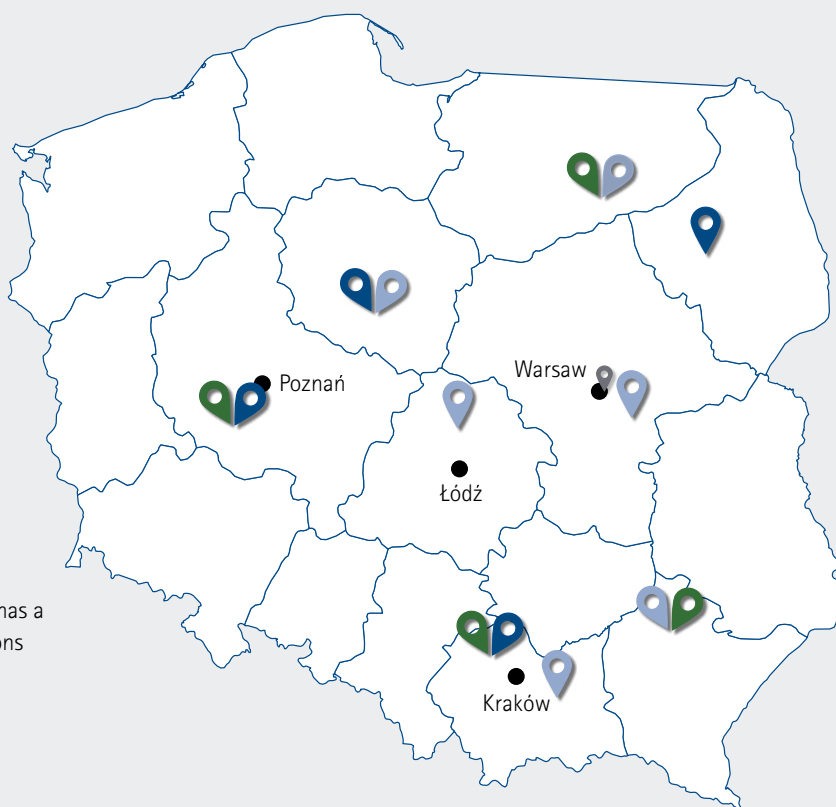
Now employing around 750 people, SARIA Poland processes more than 400,000 tonnes of animal by-products from a range of species every year. Tomasz Krasieński, Managing Director of SARIA Poland: "The merger has greatly increased the services we offer to the meat-processing industry. We have also achieved synergies in the area of logistics – for example, when allocating raw materials. In addition, by pooling our collective expertise we've been able to expand our product range, and in particular to increase the specialisation of our products."



SARIA Poland also has a ReFood arm alongside its SecAnim and SARVAL operations. All three units are developing well. ReFood currently handles an annual volume of around 48,000 tonnes of food waste – a figure that continues to grow.



SARIA Poland now has a total of nine locations



The JKK Group consists of three independent subsidiaries: Eko-Stok, Struga and Kemos. Like SARIA division SecAnim, the JKK Group provides safe disposal of Category 1 risk materials from the meat and agriculture sectors. It also converts Category 3 poultry by-products into proteins and fats used in pet food, aquaculture feeds and oleochemical applications – areas that correspond with SARVAL. Tomasz Krasieński: "JKK is perfectly placed to complement the existing services offered by SARIA Poland. With regard to SecAnim, we've expanded our regional presence, and SARVAL has gained a completely new speciality in the form of the poultry-processing business."

The animal by-product market in Poland has been growing strongly for a number of years, especially in the rapidly expanding poultry segment. Around 60 per cent of all raw materials are acquired from the latter source. "This is due to the fact that in recent years Poland has become Europe's largest poultry producer," explains Tomasz Krasieński. "JKK's existing expertise in the poultry sector stands us in good stead." But he is quick to point out that SARIA Poland does



not intend to rest on its laurels: "We will continue to invest in technology and processes to achieve even higher standards in all areas. We have a crucial advantage in that we can draw on technical expertise from across the entire SARIA Group, which will help to drive us forward."



## On the home straight

BIOIBERICA IS MAKING HUGE PROGRESS WITH ITS FIRST PRODUCTION FACILITY IN GERMANY. FOLLOWING TECHNICAL MODIFICATIONS AND THE COMPLETION OF CUSTOMER AUDITS, THE SITE WILL ENTER FULL PRODUCTION AT THE END OF 2019.

Bioiberica gained a production site in Rheda-Wiedenbrück, Germany, at the end of 2017. Included as part of the Pharma Action transaction, this state-of-the-art facility was built just five years ago by the Tönnies Group, one of the world's ten largest meat-processing companies. Immediately after the purchase, Bioiberica began to adapt the technical infrastructure and processes at the site for the production of active pharmaceutical ingredients. It also invited its international customers to carry out the necessary audits. These audits are complex, multi-stage procedures accompanied by in-depth analysis, documentation and on-site appraisals.

Although the technical modifications and audits are still in progress, the new plant is already having a very positive impact. For example, it has led to a number of new partnerships in the meat-processing industry, increasing the company's access to the mucosa it requires for the production of heparin API. The plant will also improve the supply chain enormously, especially when it reaches full capacity at the end of 2019. Mucosa sourced in north-western Europe will no longer be supplied raw to the main Bioiberica facility in Spain. Instead, the material will be pre-processed in Germany, drastically reducing the volume and weight to be transported.

Three shifts a day: the Bioiberica plant in Germany runs 24 hours a day, seven days a week



Where once the company required 300 truckloads of raw mucosa, it will now receive a single truckload of processed material – an enormous improvement, especially with regard to the environment.

The plant in Rheda-Wiedenbrück features computer-controlled processes and almost 100 per cent automation. When the transition phase is complete at the end of 2019, Bioiberica will be able to process up to 100,000 tonnes of mucosa a year in Rheda-Wiedenbrück. Luis Solera, CEO of Bioiberica: "The new plant provides a major boost for our core business and is helping to strengthen our position as one of the world's leading providers of heparin API."

### Better logistics

In the past, Bioiberica transported raw mucosa from north-western Europe to Spain. Today, this material is pre-processed at the new plant in Germany, drastically reducing the number of truck journeys.

**2017**  
300 trucks



**2018**  
1 truck



# Successful integration in Italy



IN MAY 2017, SARIA ESTABLISHED A PRESENCE IN ITALY BY JOINING FORCES WITH THE ECB GROUP. ECB SPECIALISES IN THE PROCESSING OF POULTRY BY-PRODUCTS. IT SUPPLIES HIGH-QUALITY FATS AND PROTEINS TO INTERNATIONAL CUSTOMERS, MAINLY IN THE PET FOOD INDUSTRY BUT ALSO IN THE AQUACULTURE SECTOR.

The ECB Group has been processing poultry by-products in Italy for more than 50 years. In addition to its main site in Treviglio (Lombardy), it has a second production facility in the town of Sorgà, south of Lake Garda. It also holds a 25 per cent stake in a third production site in Gatteo near the coastal city of Rimini; the remaining 75 per cent share is owned by three poultry slaughterhouses. All three ECB facilities are located in northern Italy, in close proximity to the centre of the country's poultry slaughter industry.

ECB produces particularly high-quality poultry proteins and fats, thanks in large part to its sophisticated production technology. The company's wet-rendering process is particularly gentle in its treatment of the raw material and produces a high-protein, low-ash meal as well as a high-quality fat.

"Even before ECB became part of SARIA, it was extremely advanced in terms of plant technology," says Daniela Castegnaro, Managing Director of ECB. "In our subsequent innovations, the goal has always been to replace individual components that would first and foremost improve the efficiency of the production process." In addition, the company is making technical and organisational improvements in safety and environmental

protection. Examples include optimising the exhaust air purification and wastewater management systems at the Treviglio and Sorgà sites.

When integrating ECB into the SARIA Group, Daniela Castegnaro was particularly keen to involve her staff in the process. "Most of our employees were positive about the link-up. We built on that positivity and strengthened it further by encouraging people to take responsibility," says Castegnaro, adding that the transition process required a change in mentality among staff: "There's a difference between working for a small Italian company and in a multinational group. The decision-making structures and working methods are inevitably different, and it takes time for people to adapt."

The changes made in the post-integration phase have had a very positive effect. There is greater standardisation in the company's operations, with clear structures and responsibilities. The staff can now connect with other SARIA Group companies, gaining direct access to expertise from other markets. In addition, ECB has hired new employees and created new roles, such as a procurement office, to generate savings in the purchasing process. Moreover, there is now a quality manager for raw materials,



Daniela Castegnaro, Managing Director of ECB

specifically tasked with increasing the quality of offals and strengthening the relationships with the approximately 50 partner slaughterhouses. ECB adds value by bridging the gap between slaughterhouses on the one hand and pet food producers and fish farms on the other, by linking the needs of the latter with the former. The ultimate goal is to improve value creation throughout the supply chain, creating a win-win opportunity for all parties.



ECB supplies ingredients to premium pet food manufacturers and aims to expand this customer base



ECB can process up to 220,000 tonnes of poultry by-products each year at its sites in Treviglio and Sorgà



# Joining the SARIA network creates many opportunities for growth

AS PART OF ITS INTEGRATION OF THE ECB GROUP, SARIA ALSO ACQUIRED ROMANIAN COMPANY CLEAN TECH INTERNATIONAL SRL. THE PRODUCTION FACILITY IN THE TOWN OF CIULNIȚA IS SARIA'S FIRST-EVER LOCATION IN ROMANIA.

Located in southern Romania, between Bucharest and Constanța, the Clean Tech site has a total area of around 50,000 square metres. Within that space, around 15,000 square metres are occupied by the actual plant. This new SARIA Group member is one of the leading processors of poultry by-products in Romania.

It supplies high-quality proteins and fats to both the pet food industry and aquaculture feed manufacturers.

Immediately after joining the SARIA family, Clean Tech began a major optimisation programme at the facility in Ciulnița, which

originally opened in 2012. The company has implemented a series of technical improvements aimed at matching the standards of the SARIA Group. Marius Vladescu, Managing Director of Clean Tech: "We have already made significant progress in many areas, but we still have some way to go."

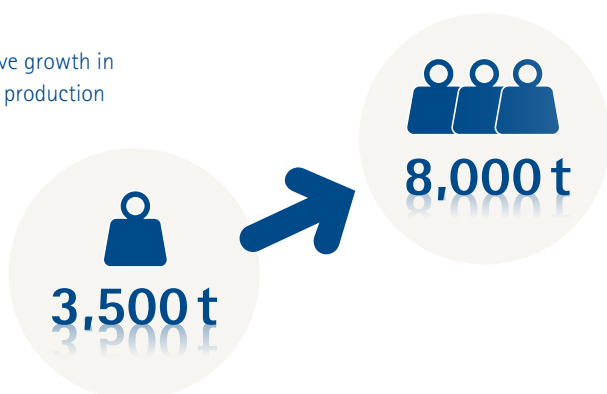
Clean Tech aims to supply premium pet food manufacturers



Clean Tech processes poultry by-products at a plant 100 km east of Bucharest



Impressive growth in  
monthly production



To improve the plant further, Clean Tech is currently implementing an investment plan that is due to be completed within one year. Marius Vladescu: "We are making enormous efforts, both financially and technologically, to accelerate these improvements as much as possible. Our integration into the SARIA Group has brought huge benefits. We now have access to the best possible standards, expertise and know-how in our industry. We can also use the Group's multinational network to communicate with colleagues and learn about current best practice."

Clean Tech is keen to provide total transparency on all its technical improvements – not only for the relevant government authorities but also for local residents. "Over and above our operational activities, our aim is to be a good neighbour," says Marius Vladescu. "Taking responsibility means we also take account of social issues and remain sensitive to our local surroundings."

Regarding its target markets, Clean Tech aims to redirect its focus towards the premium pet food sector – aided by uprated production processes and even better product quality. This objective is now very much achievable thanks to Clean Tech's integration into the SARIA Group.

Clean Tech has two key strengths that are sure to support its growth: good access to raw materials and a favourable geographic location. Romania has one of the fastest growing poultry industries in the European Union. Production outputs and export volumes are increasing year on year. In addition, Ciulnița is only 140 kilometres from Constanța, the largest seaport in Romania. Clean Tech therefore has easy access to international markets by sea. This is a major advantage for long-distance shipments in particular, and a much better option than road.

Clean Tech's ongoing development will also have reciprocal benefits for the poultry-processing industry in Romania. Marius Vladescu: "With the investment we're planning, we are set to become an even stronger and better positioned partner for the Romanian poultry industry in the years ahead."

The poultry industry in  
Romania is growing fast



"We have already made significant progress in many areas, but we still have some way to go."

Marius Vladescu,  
Managing Director of SARIA Romania





# Jean-Louis Hurel stands down from SARIA board

AFTER 23 YEARS, JEAN-LOUIS HUREL HAS LEFT THE SARIA GROUP. DURING THIS TIME, HE WAS PARTICULARLY INSTRUMENTAL IN SHAPING AND DEVELOPING THE GROUP'S OPERATIONS IN FRANCE.

On 30 June 2019, Jean-Louis Hurel stepped down from the Executive Board of the SARIA Group after 16 years as a member. Mr Hurel joined SARIA in 1996, when the RETHMANN Group acquired the rendering operations of French company SANOFI, which included a number of production facilities. In addition to the long-term opportunity of working for a family-owned business, he was attracted by the enormous potential for development. The newly acquired plants had suffered from years of underinvestment; however, that would soon change when Jean-Louis Hurel, working closely with his French colleagues and SARIA in Germany, introduced numerous optimisation measures. This led to improvements in productivity, organisation and technology at these locations as well as a growing presence across the country. After joining the management of SARIA France in 2001, Jean-Louis Hurel became "Président Directeur Général" (CEO) in 2003 and was also appointed to the Executive Board of the SARIA Group.

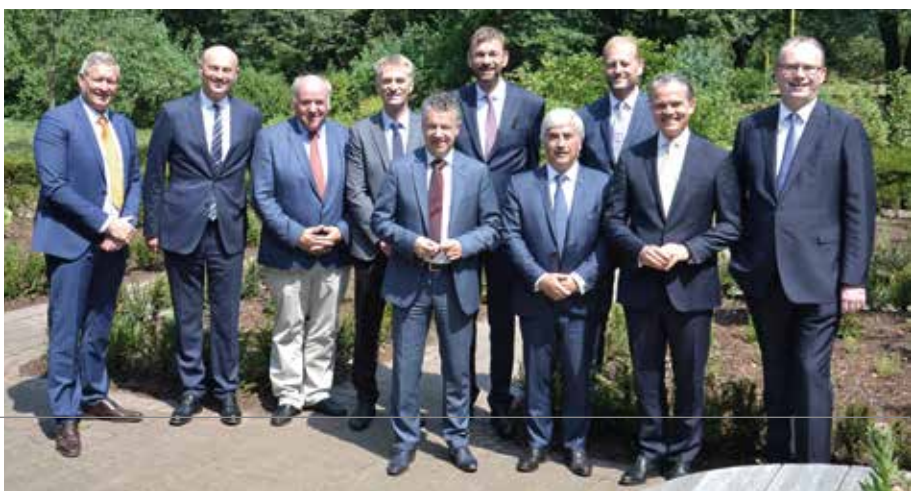
One of the defining issues during his initial years at SARIA was the BSE crisis. The spread of this disease not only increased the demand for carcass disposal, it also raised awareness of the importance of this service among government bodies in France. Having a shared goal of combating the spread of BSE, SARIA France developed a strong and enduring professional relationship with the relevant authorities in that country.

"In France, we focused early and consistently on specialising our plants and separating the raw materials – poultry, pork and mixed – to achieve the highest possible quality," says Jean-Louis Hurel about his early role with SARIA. "We were pioneers in this respect, and it was only much later that our competitors recognised the benefits. Specialisation gave us a crucial advantage and enabled us to create more value."

Martin Rethmann, Chairman of the Supervisory Board of the SARIA Group, paid tribute to Jean-Louis Hurel: "On behalf of the entire Supervisory Board, my family and the SARIA Executive Board, I would like to sincerely thank Jean-Louis Hurel for his many years of dedicated commitment, loyalty and hard work. His contribution to the development of our business activities, especially in France, has been essential to the continuous growth that has helped us achieve a leading international position in our industry."

Jean-Louis Hurel is now President of RETHMANN France and a member of the Supervisory Board of Transdev, the latest addition to the RETHMANN Group. He is succeeded as head and CEO of SARIA France by Arnaud Bécard.

The members of the Executive and Supervisory Boards bid farewell to Jean-Louis Hurel



# New SARIA headquarters in Selm

THE NEW BUILDING, COMPLETED IN 2018, OFFERS A MODERN WORKING ENVIRONMENT FOR AROUND 200 EMPLOYEES AS WELL AS NEW AND CONVENIENT RESOURCES FOR ONE-TO-ONE AND REMOTE COMMUNICATION.

When SARIA moved into its new headquarters in Selm in the summer of 2018, it laid the foundation for future development across the SARIA Group. Since the original building was first occupied in 1983 – at which time it was the head office for all RETHMANN operations – SARIA has grown steadily and expanded internationally. Today, the Group operates in more than 20 countries worldwide. At a certain point in that development, it was no longer possible to accommodate all employees in the old building so they had to be based elsewhere. The new headquarters in Selm houses the administrative functions of both SARIA Germany and the SARIA Group.

RETHMANN SE, the holding company for the RETHMANN Group, is also based at the new headquarters on Werner Straße.

The modern office space has a much more open-plan layout, promoting greater productivity and day-to-day interaction among the almost 200 staff who work there. The new conference rooms are ideal for ad-hoc meetings and workshops as well as international events such as management meetings. The state-of-the-art equipment includes efficient and easy-to-use collaboration tools, e.g. video conferencing. The new building thus not only offers plenty of space for administrative staff, it also enables easier and more

productive communication across international boundaries. Of course, it also acknowledges the enormous importance of direct personal interaction; rooted in Selm, like the rest of this family-owned business, the new headquarters will continue to serve as a central meeting place and provide valuable opportunities for more productive and efficient collaboration.



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