



Quality Manual

AS Santa Maria
2011

AS Santa Maria
Tule 24 A
76505 Saue
Estonia



SAI GLOBAL



Certificate of Conformity

Santa Maria A/S

Tule 24A, EE-76505 Saue, Estonia

**Has been audited by SAI Global Assurance Services Ltd
And found to meet the requirements of**

GLOBAL STANDARD for FOOD SAFETY (ISSUE 5: JANUARY 2008)

Grade Achieved: Grade A

Scope:

Grinding, mixing and packing of spices, spice mixes and herbs, mixing and packing of mineral salt, baking products and packing of food gelatine at the Saue site.

Exclusions:

None.

Categories:

15 – Dried foods and ingredients.

4&5-November-2010

Date of Audit

25-Oct-2011 – 22-Nov-2011

Re-audit Due Date

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Certificate Issue Date

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Certificate Expiry Date

15889

Registration Number

Acting Chairman
(Certification Committee)
Chris Reading



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Subject Field:

Product development, production and packing of spices, herbs and blends of them and seasonings, production and packing of mineral salt and packing of food gelatin, blending and packing of wet marinades and sauces.

The management system of quality and food safety is based on BRC Global Standard for Food Safety as reproduced by SAI Global/EFSIS (European Food Safety Inspection Service) issue No. 5.

Table of Contents:

1. Introduction of the Company

1.1. Milestones

1.2. Products

2. Mission and Core Values

3. The Structure of the Organisation and Fields of Responsibility

4. Quality, Food Safety, Environmental, and Social Responsibility Policy

5. Description of Internal Processes of the Company

5.1. Marketing and Product Development

5.2. Planning

5.3. Sourcing

5.4. Production

5.5. Logistics and Customer Service

5.5.1. Handling of Non-Conformity

5.6. Technical Service

5.7. Administration

5.8. Personnel Management

5.9. Administration of Information

5.10. HACCP and Quality Assurance

5.10.1 Product Safety



1. Introduction of the Company

AS Santa Maria is 100% owned by Santa Maria AB, which is well-known of its high-quality spices and its international food concepts.

Santa Maria AB is one of Europe's leading corporations focusing on taste sensations and it operates in more than 30 countries.

Santa Maria is the largest supplier of Tex-Mex products in Europe and it is the market leader for seasonings in the Nordic and Baltic countries.

In addition to seasonings and Tex-Mex, the product concepts also include BBQ, Thai and Indian flavours.

Santa Maria AB officially joined the Paulig Group in the beginning of 2010.

1.1. Milestones

- 1.6.1993 Paulig Group started a company AS Paulig Baltic in Estonia (Saue plant) which began production and packaging of spice mixes, pure spices and herbs under Santa Maria brand.
- Since 1993 Santa Maria brand has been known in Baltic States.
- Since 1995 Santa Maria brand has been known in Russia, Ukraine and Belorussia.
- 2002 Production for Santa Maria AB (Nordic markets) was started.
- Starting 1.1.2007 AS Paulig Baltic transferred Santa Maria sales and marketing responsibilities to AS Santa Maria (subsidiary of Santa Maria AB).
- From 1.1.2010 AS Santa Maria is working as sales & marketing and production company.
- Santa Maria brand is dominant market leader in Estonia, number one in Lithuania and Latvia and one of the leaders in premium spice sector in Russia.
- Santa Maria Tex Mex sales is developed today in Baltic and Russian regions and has a clear market leader position in the Baltic States.

2011 financial year estimated net sales will be approximately 23,5 million EUR.

AS Santa Maria has 121 employees.

Products produced by AS Santa Maria are sold in 15 countries. Private label products are sold to Oriola Oy (Finland).

Document No. KK1 v8	Confirmed by: T. Nuudi	Date of confirmation: 22.08.2011	Page 4/16
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1.2. Products

Product groups produced by AS Santa Maria:

Santa Maria products

Spices, herbs and blends made of them, seasonings, food gelatine, gourmet salts, wet marinades and wok sauces



Private label products

Spices, herbs and blends made of them, seasonings, mineral salt and seasoning blends with mineral salt

2. Mission and Core values

Our mission is to create the right taste.

We inspire and help consumers to have food experiences from the whole world in their own kitchen. We create an exciting cuisine profile to increase profitability and sales in stores and restaurants.

Our **corporate philosophy** is:

1. Brand leadership
2. Ethnic Food
3. Intensive product development
4. Focus on quality
5. Building the premium brands
6. Cost consciousness

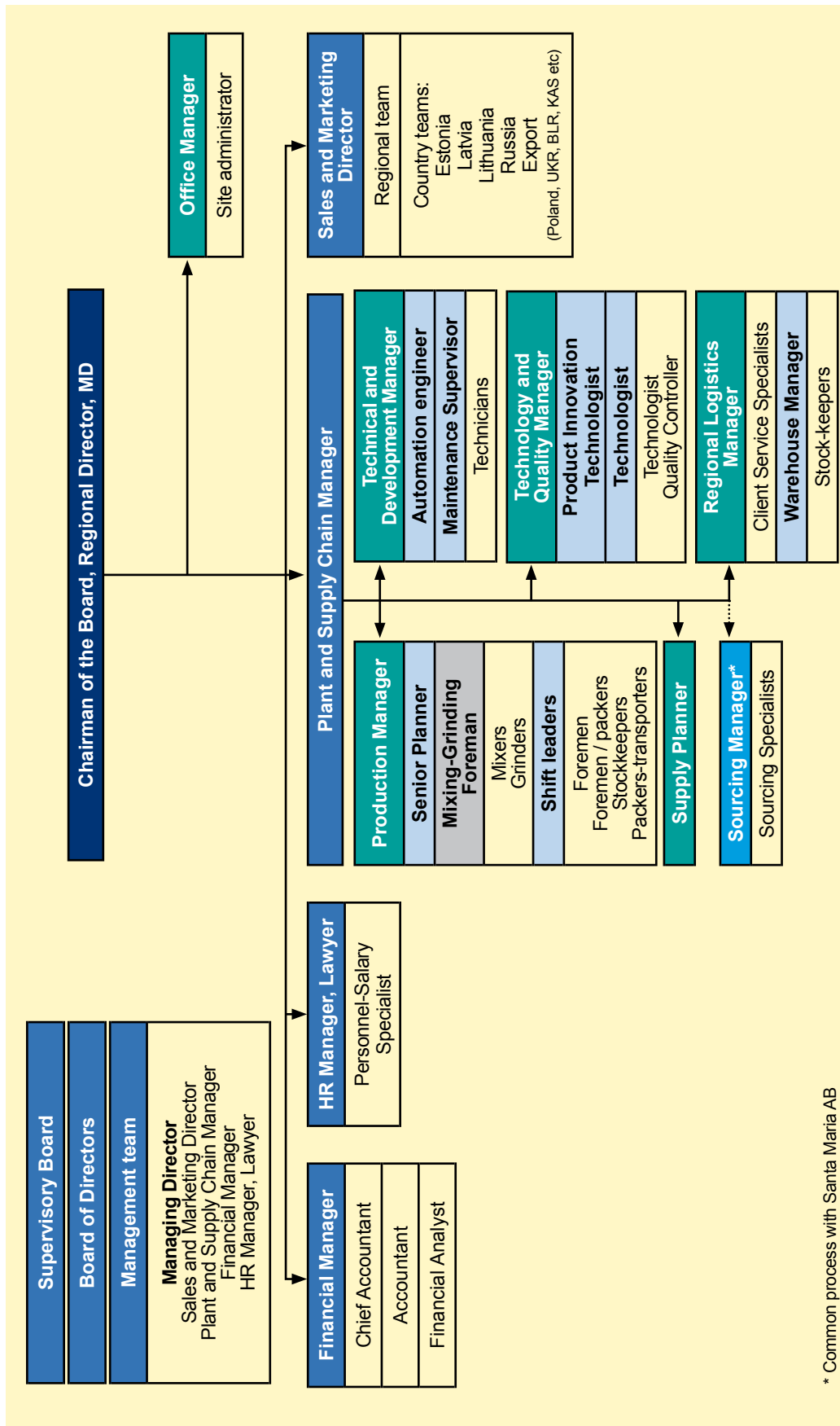
Our **core values** are:

1. Curiosity and courage
2. To be the best at what we do
3. Strong belief in the individual's abilities
4. Strength of the team-work
5. Continuous growth

Document No. KK1 v8	Confirmed by: T. Nuudi	Date of confirmation: 22.08.2011	Page 5/16
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3. The Structure of the Organisation and Fields of Responsibility

The structure of the organisation including the description of relationships of subordination.



* Common process with Santa Maria AB



Responsibilities connected with the quality and food safety system of the company are described in the responsibility matrix above.

OFFICIAL TITLE RESPONSIBILITY FIELD	MANAGING DIRECTOR	FINANCIAL MANAGER	HR MANAGER, LAWYER	REGIONAL LOGISTICS MANAGER	PLANT AND SUPPLY CHAIN MANAGER	SOURCING MANAGER	TECHNICAL AND DEVELOPMENT MANAGER	TECHNOLOGY AND QUALITY MANAGER	SALES AND MARKETING DIRECTOR	PRODUCTION MANAGER
1 HACCP system (self-control system)	B			B	A	B	B	A		A
2 Quality and food safety management system, quality policy, organizational structure, internal audits, management review, customer focus	A	B	B	B	A	B	B	A	A	B
3 Quality manual	B	B	B	B	B	B	B	A	B	B
4 Purchasing					B	A		B		
5 Document management and administration of information	A	B	A	B	A	A	B	A	B	B
6 Handling of non-conformities and corrective actions	B			B	B	B	B	A	C	B
7 Traceability				B	B	B		A		A
8 Management of incidents, product withdrawal and recall	A	A	A	A	A	A	A	A	A	C
9 Location, territory, buildings	B				B		A	B		
10 Layout and product flow				C	A		A	A		B
11 Production planning and material movement				C	A	A	C	C	C	A
12 Water and sewerage							A	B		
13 Measuring and monitoring devices, calibration							A	A		
14 Housekeeping and hygiene	B	C	C	C	A	C	C	A	C	A
15 Waste disposal							A			B
16 Pest control								A		
17 Logistics, warehouse management and transportation				A	A	B				B
18 New product development		B		C	A	B	B	A	A	B
19 Handling of specific materials (allergens)						B	C	A		A
20 Handling of metal, glass and hard plastic							B	A		A
21 Measuring and monitoring	A	A	A	A	A	A	A	A	A	A
22 Personnel development	A	A	A	A	A	A	A	A	A	A
23 Cleaning					B	B	B	A		B

A – responsible B – performer C – participant



4. Quality, Food Safety, Environmental and Social Responsibility Policy

Purpose: To ensure quality, food safety, and environmental compatibility by observing principles of social responsibility.

The quality, food safety, and environmental policy include:

- To produce safe products, which conform to legislation and quality requirements set by company and by customers.
To ensure a continuous increase of client satisfaction by continuous and consistent improvement of products and service.
- To ensure prevention of possible hazards in the whole delivery process, beginning with storage of raw materials and ending with distribution of end products.
- To produce products what are GMO free and are produced from materials of non GMO origin.
- To provide employees with a safe working environment and suitable work equipment in order to ensure food safety.
- To ensure all personnel have awareness of enterprise quality, food safety, and environmental policy, including following and continuous improvement of the policy by all employees.

AS Santa Maria food safety policy goals are:

- To have metal detection equipments on every packing and sieving systems on every mixing line to avoid foreign bodies in end product.
- Continuous training of our production personnel to avoid deviations in CCP's and ensuring of following of working instructions and hygiene rules.
- Not to have complaints concerning food safety.
- To avoid cross contamination of allergens during whole production process.
- Rate of customer complaints related to product produced (pcs) less than 1 ppm.

AS Santa Maria operations are based on environmental legislation, considering the aspects of environmental protection in order to minimise any harm to the surrounding environment.

For us it includes the following:

- Energy conservation – monitoring of used kWh per produced products in kg;
- Using recyclable packing materials as well as easy and safe utilisation;
- Waste minimisation by reducing packing materials and possible recovery of processing waste, target 2011 – 60% of waste is recyclable;
- Choosing suppliers considering standpoints of environmental protection;
- The principles of environmental compatibility (user of renewable energy) are followed in the whole operation of the enterprise, including product development and planning investments;
 - user of Green Energy (renewable electricity);
 - filtering of exhausted ventilation air;
 - recuperative air heating of ventilation;
 - natural gas based boiler station.
- Informing the employees of the environmental problems

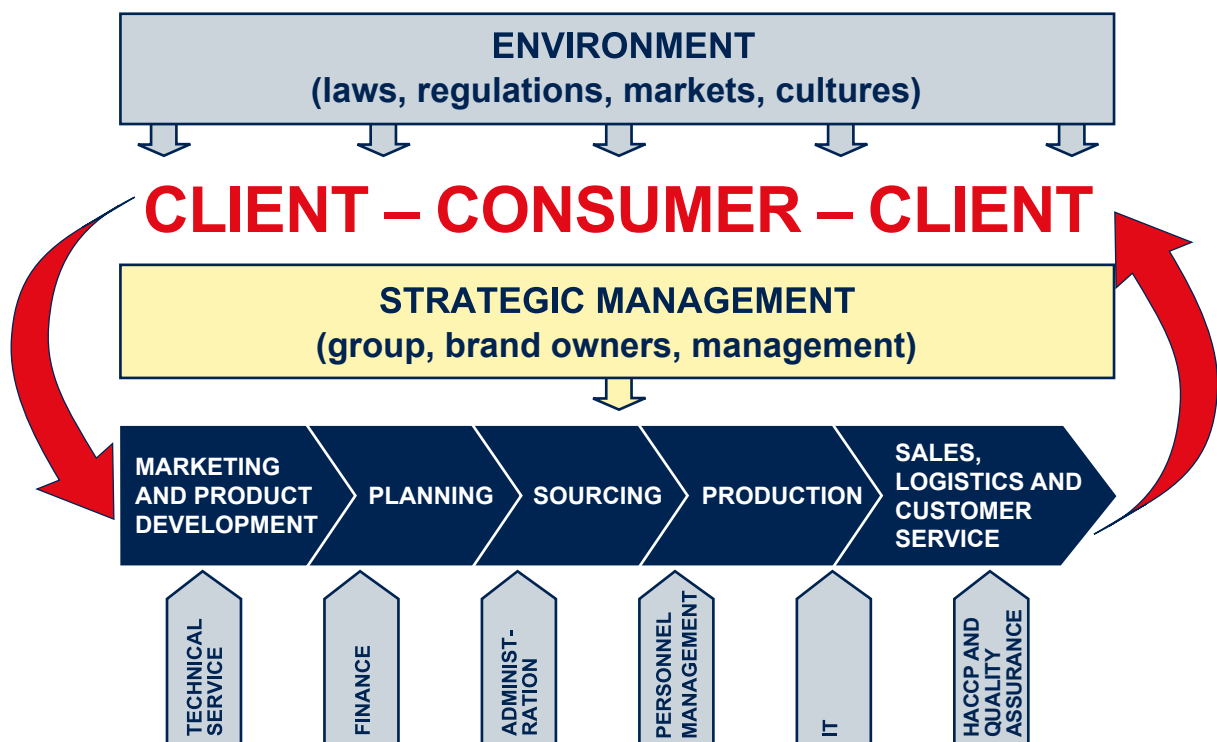
Considering the abovementioned the company does its best in cooperation with other companies in order to support their goals of the environmental issues.

AS Santa Maria management team will review and update quality, food safety, and environmental policy, and analyse the implementation of social responsibility annually.

Document No. KK1 v8	Confirmed by: T. Nuudi	Date of confirmation: 22.08.2011	Page 8/16
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5. Description of Internal Processes of Company



Internal processes of the company have been considered in constructing the food safety and quality management system.

The main processes are:

1. Marketing and product development
2. Planning
3. Sourcing
4. Production
5. Sales, logistics and customer service

Supporting processes are:

1. Technical service
2. Finance
3. Administration
4. Personnel management
5. Information technology support
6. HACCP and quality assurance

Document No. KK1 v8	Confirmed by: T. Nuudi	Date of confirmation: 22.08.2011	Page 9/16
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5.1. Marketing and product development

Purpose: Fulfilling customer demands and expectations

Marketing and product development process is discussed in the product development procedure (PTA-1), where the course of product development, planning, and responsibilities are described. A punctual schedule with stage deadlines and persons in charge for each stage is drawn up while product development projects are started. One stage of the development process is hazard analysis and identification of the critical control points. At the end of each development stage the stage analysis will be carried out and a decision will be made regarding ending, improving or continuing the project. Analysing established goals and results including summing-up terminates the development project.

5.2. Planning

Purpose: Timeliness of the supplies and consolidation of resources

All the subordinate units of the company are involved in planning and it is being described in all procedures while planning the corresponding activities.

Compiling sales estimates, planning purchases and production, cost accounting of materials and management of quality control system is carried out with integrated administration software.

5.3. Sourcing

Purpose: Purchasing of quality commodities and suitable services

The operations connected with planning purchases are described in the purchasing procedure (POS-1). The aim of the procedure is to regulate purchasing of both materials and services in order to ensure cost effective takeover of quality and safe products in time and in the right amount. Evaluation of suppliers is carried out to ensure the quality purchasing of materials, products and services. The choice of co-workers is based on the criteria described in the evaluation list of the supplier. Proposals as to the amount of fee and/or agreements of the suppliers serve as a basis for placing orders, whereas the list of accepted suppliers serves as an additional basis for placing orders for raw material. The quality control of raw materials and packing materials is carried out in a laboratory according to control procedures. Production materials cannot be used until the results of the analysis have become clear.

Reclamation is made if the materials do not conform to quality requirements or the conditions agreed upon with the supplier.

5.4. Production

Purpose: Quality and safe product

The operations connected with production are handled in the product planning and material movement procedure (PTO-1). The purpose of planning the production is optimisation of production, granting effectiveness, executing orders on time, and producing quality and safe products that meet the customer's needs. All the information about the necessary resources for production and production organisation and quality control during the production has been computerised. Each production stage can take place after the previous stage has been controlled and confirmed by quality control. The production is carried out according to the technological schemes of different product group, production equipment handling and operating instructions, indicated in the self-control systems of the company.

Document No. KK1 v8	Confirmed by: T. Nuudi	Date of confirmation: 22.08.2011	Page 10/16
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5.5. Logistics and Customer Service

Purpose: Timely supply, instant response to the client feedback

The storage and planning of transportation is described in the logistics procedure (PLO-1). The purpose of the procedure is to ensure appropriate takeover, storage and dispatch of raw materials; semi finished and finished products and packaging materials in order to ensure their preservation. Regular control of the compliance of the means of transport used for transportation of the products will ensure the preservation of product quality during transportation. Handling of customer orders must ensure the timely transaction of the appropriate product to the next participant in the supply chain. Sales process is not described in quality and food safety management system.

5.5.1. Handling of Non-Conformity

Purpose: Finding out the reasons for non-conformity and prevention of non-conformity

The aim of the procedure of handling non-conformity (PHP-4) is to provide employees with instructions for handling a non-conformity product in order to prevent the sale of the non-conformity product to the client and using the non-conformity product in the further production process. Similarly the aim is to give instructions handling customer feedback and removal of the product from the market if necessary (PHP-3). All non-conformities are entered into the computer network, which allows analysis of complaints and to establish corrective and preventive actions.

5.6. Technical Service

Purpose: To ensure the working order of the equipment

The aim of the technical service is to ensure the working order of machines and equipment so that it would grant quality and product safety, occupational health and safety, outdoor environment pollution prevention, carrying out production plans in time and in accordance with the terms of volume, and optimisation of energy use. The operations have been described in the procedure of equipment maintenance system and restraint of measuring instruments (PTE-1). The frequency of the maintenance is stated in the relevant legislation of the state or by the occurrence of faults in the machinery or equipment.

Maintenance applies to all the machinery and equipment that are critical in fulfilling the aim stated in the technical service.

Operations are carried out according to developed schemes of maintenance. The criticality of the currently used machinery in fulfilling the presented function is analysed periodically or during installation in the case of new machinery. The technical department, quality department, and machinery users of the production department are involved in the analysis.

Machinery that has been declared critical according to the analysis will be given an identification label and these will be registered in the Computer Based Maintenance Management System (CMMS).

Critical machinery scheduled for performing lab analyses together with the control methods are described in the laboratory instructions.

Document No. KK1 v8	Confirmed by: T. Nuudi	Date of confirmation: 22.08.2011	Page 11/16
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5.7. Administration

Purpose: Ensuring the maintenance of the territory and rooms

The planning of the territory, communications, buildings, and rooms is described in the procedure of territory and communications administration (PHA-1), which has the aim of ensuring the suitability of location, communications, buildings, and rooms according to the BRC standard and requirements of the food industry. All visitors of the company are registered. A contract has been signed with a security company in order to ensure the integrity of the territory and a contract has been signed with a landscaping company in order to ensure the landscaping and maintenance of the territory.

Operations connected with pest control have been described in the pest control procedure (PHA-2). Pest control is carried out to prevent access of pests into the territory and determination of the operations for control and extermination if necessary. For effective pest control a complex contract of extermination of noxious rodents and insects and other pests has been entered into with a pest control company, and methods are taken into use for control of pests in the territory of the factory, production rooms and warehouses as well as the laboratories of the company, kitchen, and mess hall. The results of pest extermination and control are registered in the monitoring sheets and in case of non-conformity corrective actions are taken.

The cleaning procedure has been developed in order to ensure quality and safe product, clean working environment, and effective production (PHA-3). The company has entered into a service work contract with a cleaning company in order to carry out more effective cleaning operations. A cleaning plan has been developed to ensure cleanliness of rooms, equipment, work equipment, and waste bins. According to the production stages every room, all equipment and all facilities (including waste bins) have a specific cleaning method, interval, and responsible person. The results of cleaning and control are registered in the monitoring sheets and in case of non-conformity corrective actions are taken.

The purpose of the waste handling procedure (PHA-4) is to ensure prevention of food products and environment contamination as a result of company operations. The valid Waste Act and local regulations are followed in waste handling. The establishment has entered into contracts with appropriate waste handling companies for carrying out various waste handling procedures. Suitable waste handling in production is carried out in accordance with the hygiene rules (PHP-4) of the company.

5.8. Personnel Management

Purpose: Ensuring competent employees

Operations connected with personnel are described in the personnel development procedure (PPE-1), which has the function of determining the arrangement and means of personnel development in order to ensure manufacturing of suitable products and competence of all employees.

The necessary qualification for a post is described in the post and job description. The necessity for training becomes evident at the end of each year during a development interview between the manager and the worker of the business unit. Development interviews are carried out during hiring and also annually, and after the expiry of the probationary period if necessary.

Document No. KK1 v8	Confirmed by: T. Nuudi	Date of confirmation: 22.08.2011	Page 12/16
-------------------------------	-------------------------------	--	----------------------



The appointed managers introduce to the hired employee the relevant documentation of the company (internal work procedure rules, job description, hygiene rules and other documents of management system) in accordance with the adjustment program of the new employee.

The direct manager is obliged to introduce the employee to the documents of the quality system of his/her field of activity. If a new technology or new materials are taken into use or the quality system is improved, internal training in the company will be carried out, which will be lead by the quality manager or chairman of the board. Once a year training connected with food safety for all employees who have contact with food products is carried out.

5.9. Administration of Information

Purpose: Ensuring adequate information

The purpose of the document restraint (PPB-1) is to define how to compile, confirm, and handle documents of the quality management system in order to ensure the formal unity, comprehensibility, systematisation, and preservation of the documents that are to be compiled.

The purpose of the internal information exchange procedure (PPB-2) is to ensure the optimum running and amount of meetings and protocols, operative information exchange, control of timely problem solving, and archiving of protocols.

5.10. HACCP and Quality Assurance

Purpose: Continuous monitoring and improvement of process performance

The purpose of measuring and monitoring is to ensure the suitability of quality management systems, processes, products, and services, which is described in the monitoring and measurements restraints procedure (PPB-3).

Quality management and food safety system evaluations are divided into internal audits and management reviews. The purpose of system evaluation is to ensure continuous development of quality management system. The purpose of implementation of corrective and preventive actions is to avoid recurrence of non-conformity and to ensure effective operation of the quality management system. Evaluation and improvement of the quality management system is discussed in the corresponding procedure (PPB-5).

The internal clients and company complacency surveys are being carried out regularly in the company. In the case of external clients (final consumers and resellers), their satisfaction with the services and products of the enterprise is studied. Client feedback/non-conformities and internal goals (quality policy) of the company are considered during compiling the questionnaire.

Crisis handling procedure (PHP-9) has been worked out to determine possible hazards to business and set up information movement channels with responsible persons, also to ensure operative management of crisis situations and procedures to start up regular production.

5.10.1. Product Safety

Purpose: Ensuring safety in the whole chain of food handling

The HACCP team and procedures of the HACCP system (PHP-1 and PHP-2) have been created to ensure product safety. The purpose of forming the team is to ensure development of the

Document No. KK1 v8	Confirmed by: T. Nuudi	Date of confirmation: 22.08.2011	Page 13/16
-------------------------------	-------------------------------	--	----------------------



HACCP system (self-control system) and its performance in the planned scale by using qualified personnel. A multidisciplinary approach has been the basis of forming the team. The purpose of determining HACCP team obligations, responsibilities, and rights is to ensure fluent operation of the team and effectiveness of system implementation.

The purpose of the analysis of the hazards discussed in the HACCP system procedure is to list all possible hazards that are connected with product manufacturing. Establishment of critical control points must ensure prevention of hazard emergence and regular monitoring at every step in order to ensure a quality and safe product. Hazard analysis was carried out during the HACCP system development on all production processes. Furthermore it will be carried out during the development of each new product or process.

The production process in the enterprise is monitored according to the self-control plans that have been developed by the HACCP team; the results of monitoring are registered on monitoring lists.

In order to ensure product safety and quality, numerous microbiological, chemical, physical, and organoleptical analyses are performed. All results of internal control are saved in the computer system of the company.

The suitability of water is controlled according to the water and sewerage procedure (PHP-5). The water in the enterprise conforms to the valid regulations for drinking water. A sewer system with sufficient handling power has been projected for effluent and wastewater sewerage in order to ensure a hygienic working environment and safe products.

Shelf life tests are carried out to monitor product quality and to determine shelf life time.

In order to ensure safe products for the consumers, procedures for preventing foreign bodies in the products have been developed. A register of glass and hard clear plastics has been compiled and specific handling instructions (PHP-6) have been developed in order to prevent glass and hard clear plastic pieces hazardous to health getting into products.

In order to prevent metal parts from getting into products, special requirements have been established for production rooms and appliances, which are described in the metal handling procedure (PHP-7). Activities carried out by the enterprise in order to prevent cross-contamination in the production process and to inform the consumer of the existence of potential allergens and other ingredients causing hyper sensitivity in the product have been described in the allergen handling procedure (PHP-8).

Hygiene rules (PHP-4) have been compiled in order to produce quality and safe products for the customer in a safe work environment. Hygiene regulations apply to all personnel and all visitors who move around in the production and storage rooms. Special hygiene rules are created for sub-contractors and cleaning personnel (PPB-6, PPB-7). Hygiene regulations are introduced to sub-contractors and new employees before they start working. Hygiene training and a test will be carried out for new production workers. Visitors are obliged to fill in health questionnaires. Cleaning personnel is trained according to the hygiene rules PPB-6 by a cleaning company responsible employee according to the service work contract.

Document No. KK1 v8	Confirmed by: T. Nuudi	Date of confirmation: 22.08.2011	Page 14/16
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