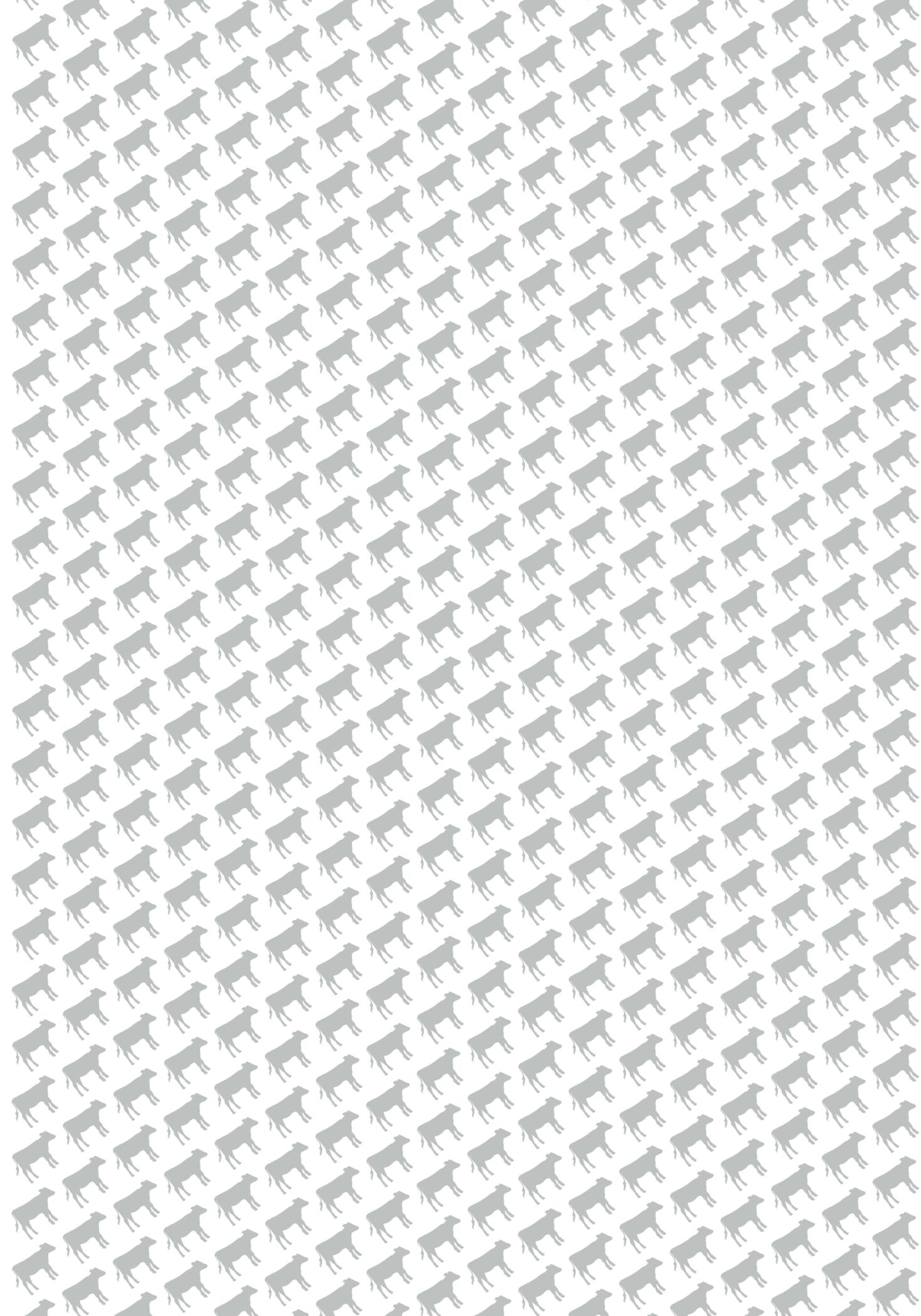


ANNUAL CSR REPORT 2018

THE POWER OF THE CHAIN



VanDrie Group
CONTROLLED QUALITY VEAL



FOREWORD

When I state that the veal sector has a future, I immediately grab the people's attention. I firmly believe that we are making a valuable contribution to the global demand for animal proteins. The veal sector is a formidable sector in which our company is an important player. We have a lot to be proud of. Our capacity for innovation, openness to change and collaboration provide us with a strong basis for advancement. We think from an end-to-end perspective. Not everything is going perfectly, but we are gradually moving forward in every link of the chain.

“LISTENING CAREFULLY TO OUR STAKEHOLDERS IS A PRECONDITION FOR A FUTURE-PROOF ORGANISATION.”

However, we cannot take our position for granted. In 2018, for example, there was considerable public attention for the impact of livestock farming on the climate. The media even referred to eating meat as ‘the new smoking’. We are therefore monitored closely by politicians, social organisations, customers, governments and consumers, which keeps us on our toes. Listening carefully to our stakeholders is a precondition for a future-proof organisation. It demands total commitment from me and my colleagues. That is necessary too, because we work with animals. We produce our veal products and animal feed for a global market. Nonchalance towards values such as food safety and animal welfare would be unacceptable, especially for a global market leader.

In 2018, we were confronted with undercover footage that was recorded in our slaughterhouse in Belgium. The violation of animal welfare witnessed in that footage is not at all consistent with our values. We were shocked to the core and we emphatically distanced ourselves from the incident. Animal suffering is harrowing and we understand the social outrage that arose. We demand from our companies and our colleagues

that animal welfare is safeguarded at all times and that the intrinsic value of animals is respected. As chain coordinator, we feel responsible for all links in the chain and try to act accordingly. We know that we have an impact on humans, animals and the climate. When we make our products, we leave behind a footprint. We are concerned with climate challenges and circular production. This is why we extract value from every part of the calf and endeavour to make optimal use of natural resources. We do not degrade anything to waste and we strive towards maximum reduction of emissions.

We consider it our duty to listen to our stakeholders, to take them seriously and to be transparent about what we are doing. We need to explain that we are creating value, that we are continuously occupied with optimisation, and that we form an essential part of circular agriculture and circular chains. However, we also need to explain that we have dilemmas, that we are working on changes, but that this sometimes takes longer than the outside world expects from us. Honesty will ensure that we retain support for the veal sector in the long term. In this way, we will ensure that people and organisations support us rather than oppose us.

We are a family business. Looking to the future is ingrained in our way of thinking. I may well be a living example of this. I am happy that I was able to succeed Henny Swinkels at the end of 2018. Moving over to accommodate the new generation is important in order to keep our company vigorous and up to date. But above all I am happy that I am not standing alone. I am proud of my colleagues. With their knowledge and dedication, they ensure that the VanDrie Group can deliver an excellent performance, both now and in the future.

In this CSR Report we demonstrate why the veal sector has a future. You can read how we are working on this and what our activities were in 2018. In this way, we hope to offer greater insight into our chain. If you have any questions or comments about this CSR Report, please send them to us via contact@vandriegrup.com.

I hope you enjoy reading this report.

Marijke Everts
Director Corporate Affairs

28 June 2019

CONTENTS

Foreword	3
Contents	4
New in this report	5
SUMMARY: KEY FIGURES FROM 2018	6
About VanDrie Group	9
<i>Company profile</i>	10
<i>Our production chain</i>	11
<i>Value creation model</i>	14
VanDrie Group in society	17
<i>Trends and developments</i>	18
<i>Dialogue with our stakeholders</i>	20
<i>Material themes</i>	22
<i>Risks and management</i>	26
Our activities in 2018	29
<i>CSR objectives</i>	30
ACTIVITIES: OUR ORGANISATION	32
ACTIVITIES: FOOD SAFETY	38
ACTIVITIES: ANIMAL WELFARE	42
ACTIVITIES: SURROUNDINGS & ENVIRONMENT	47
Scope	51
Assurance report	52
Addresses	56



19 IN CONVERSATION WITH Sandra Salerno, food journalist and founder of Un Tocco di Zenzero



21 THE VANDRIE DIALOGUE WITH DAIRY FARMERS



24 IN CONVERSATION WITH Daphne Hameeteman, Olenex & Theo Koster, Van Drie Ingredients



33 DILEMMA: VEAL SLAUGHTERHOUSE



 SPECIAL: OUR PEOPLE



35 IN CONVERSATION WITH Aart Jacobi, ambassador in Japan



38 DILEMMA: PLASTIC



42 DILEMMA: USE OF ANTIBIOTICS



43 DILEMMA: REGIONAL PRODUCTION CHAIN



46 IN CONVERSATION WITH Rozenn Lefèvre, Quality Assurance Manager at Tendriade



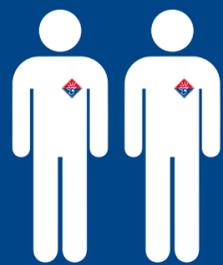
47 DILEMMA: RAW MATERIALS OUTSIDE EUROPE



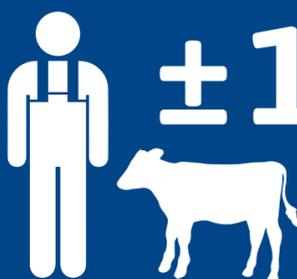
48 DILEMMA: CALFSKINS

KEY FIGURES FROM 2018

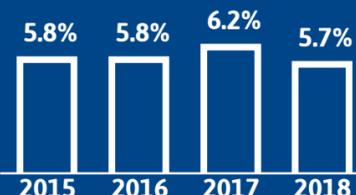
OUR ORGANISATION

 **2,468**
EMPLOYEES
IN TOTAL

NL	CALF SLAUGHTERHOUSES	33.6%
	FEED/CALF FEED	8.9%
	CALFSKINS	1.4%
	OTHER	5.3%
BE	CALF SLAUGHTERHOUSES	1.3%
	OTHER	0.3%
FR	CALF SLAUGHTERHOUSES	39%
	OTHER	0.5%
IT	FEED/CALF FEED	8.3%
DE	FEED/CALF FEED	1.4%

 **±1,100**
VEAL
FARMERS

ABSENTEEISM



TYPE OF CONTRACT



90% PERMANENT
10% TEMPORARY

 **76% MALE**  **24% FEMALE**

 **44**
AVERAGE AGE

13.1

AVERAGE NUMBER
OF YEARS OF
EMPLOYMENT

INFLOW 15%
OUTFLOW 12%

OUR PRODUCTS

±1.5
MILLION



CALVES

±505,000
TONNES



CALF MILK
POWDER

±315,000
TONNES



ROUGHAGE/
MUESLI

±200,000
TONNES



TRADED RAW
DAIRY MATERIALS



±1.4
MILLION
CALFSKINS

BRANCHES



THE NETHERLANDS
BELGIUM
FRANCE
ITALY
GERMANY



EUROPEAN MARKET
SHARE OF THE
VANDRIE GROUP

± 30%



VEAL SALES FROM THE NETHERLANDS

7% NETHERLANDS • 23% ITALY • 23% GERMANY • 15% FRANCE •
22% OTHER EU COUNTRIES • 10% OUTSIDE THE EU

NUMBER OF EXTERNAL AND INTERNAL AUDITS: 319
NUMBER OF RECALLS IN 2016: 2
NUMBER OF RECALLS IN 2017: 2*
NUMBER OF RECALLS IN 2018: 2
* ONE OF WHICH WAS VOLUNTARY

2017 FINANCIAL RESULTS*

TURNOVER ± 2.14 BILLION

NET PROFIT ± 92 MILLION

NET PROFIT MARGIN ± 4.3%

VEAL EXPORTS 93% TO MORE THAN
60 COUNTRIES

* THE SPECIFIED TURNOVER DATA AS WELL AS THE EXTENT OF THE ASSETS AND
OPERATIONAL COST TRENDS CAN BE FOUND IN THE VANDRIE GROUP'S ANNUAL
FINANCIAL REPORT FOR 2017.

CONSUMPTION* 2016 2017 2018

ENERGY CONSUMPTION

KWH PER CALF SLAUGHTERED	28.1	30.4	31.3
KWH PER TONNE OF CALF FEED	24.5	25.0	27.3

WATER CONSUMPTION

M ³ PER CALF SLAUGHTERED	0.51	0.55	0.601
M ³ PER TONNE OF CALF FEED	0.047	0.044	0.057

GAS CONSUMPTION

M ³ PER CALF SLAUGHTERED	1.16	1.18	1.15
M ³ PER TONNE OF CALF FEED	1.9	1.88	1.88

* MEASURED IN CALF FEED PRODUCTION COMPANIES (NAVOBI, SCHILS, TENTEGO, ALPURO) AND SLAUGHTERHOUSES (T. BOER & ZN, EKRO, ESA) IN THE NETHERLANDS. CONSUMPTION WITHIN OUR SLAUGHTERHOUSES HAS RISEN IN THE PAST FEW YEARS DUE TO A DEMAND FOR MORE CONSUMER PRODUCTS. THIS MEANS THAT WE HAVE TO PERFORM MORE ACTIONS. THE VOLUME OF WATER REQUIRED TO MAKE CALF FEED INCREASED BECAUSE OF THE WARM SUMMER IN 2018. WATER IS USED FOR THE COOLING OF PLANTS AND MACHINERY.



ABOUT VANDRIE GROUP

The VanDrie Group is a Dutch family business that produces veal, (calf) feed and calfskins. Jan van Drie Sr. bought his first calf in the early 1960s with a view to adding economic value. The group now has more than 25 subsidiaries in the Netherlands, Belgium, France, Italy and Germany.

COMPANY PROFILE

Our subsidiaries operate in all links of the chain: veal farms, raw dairy materials (processing & trade), (calf) feed, slaughterhouses (handling & processing), calfskins and marketing and promotion. This allows the group to exert an influence over the entire chain and it plays an active role as chain coordinator. A total of 2,468 employees work for the VanDrie Group (average in 2018), 90% of whom have a permanent contract. All the group's companies fall under Van Drie Holding bv, which is the company that takes care of the finances, among other aspects. The VanDrie Group has three shareholders: René van Drie, Jan van Drie and Herman van Drie. Marijke Everts is Director Corporate Affairs.

On the basis of our ambition, we have determined which contribution we will make to the Sustainable Development Goals (SDGs) of the United Nations. The VanDrie Group contributes to:



We sell the veal products that we produce to (meat) wholesalers, retailers, supermarkets, butchers, hotels, restaurants, caterers and the institutional market.

We work with the (brand) concepts VanDrie Controlled Quality Veal, Peter's Farm, Vitender and Friander, as well as Finesse de Veau and Tendriade in France. In addition, we have two convenience lines: JAN and Gourmet.

The majority of our calfskins go to Italy and China. Our calfskins subsequently travel across the world to tanneries, manufacturers of shoes, bags and clothing, and the automotive industry for interior upholstery.

We sell our breeding powders worldwide. Our feeds go to veal farmers but also to dairy farmers and other livestock farmers.

The raw dairy materials go primarily to dairy producers, food producers, animal feed producers and dairy product importers.

In the overview of our CSR objectives on pages 30-31, you can read about what we are doing for the SDGs that are relevant to us.

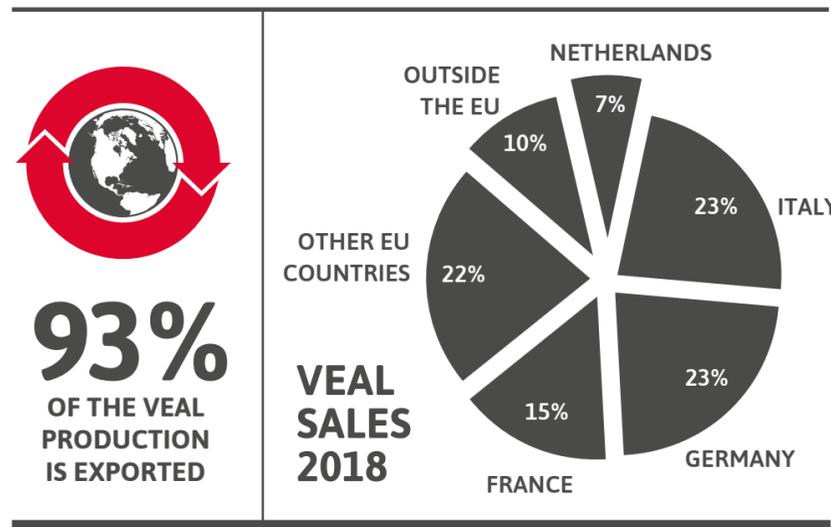
Worldwide sales in accordance with customer requirements

Our European market share is around 30%. Europe is therefore our domestic market. Our chain partners are also primarily active on the European continent. France, Italy and Germany are the largest sales markets.

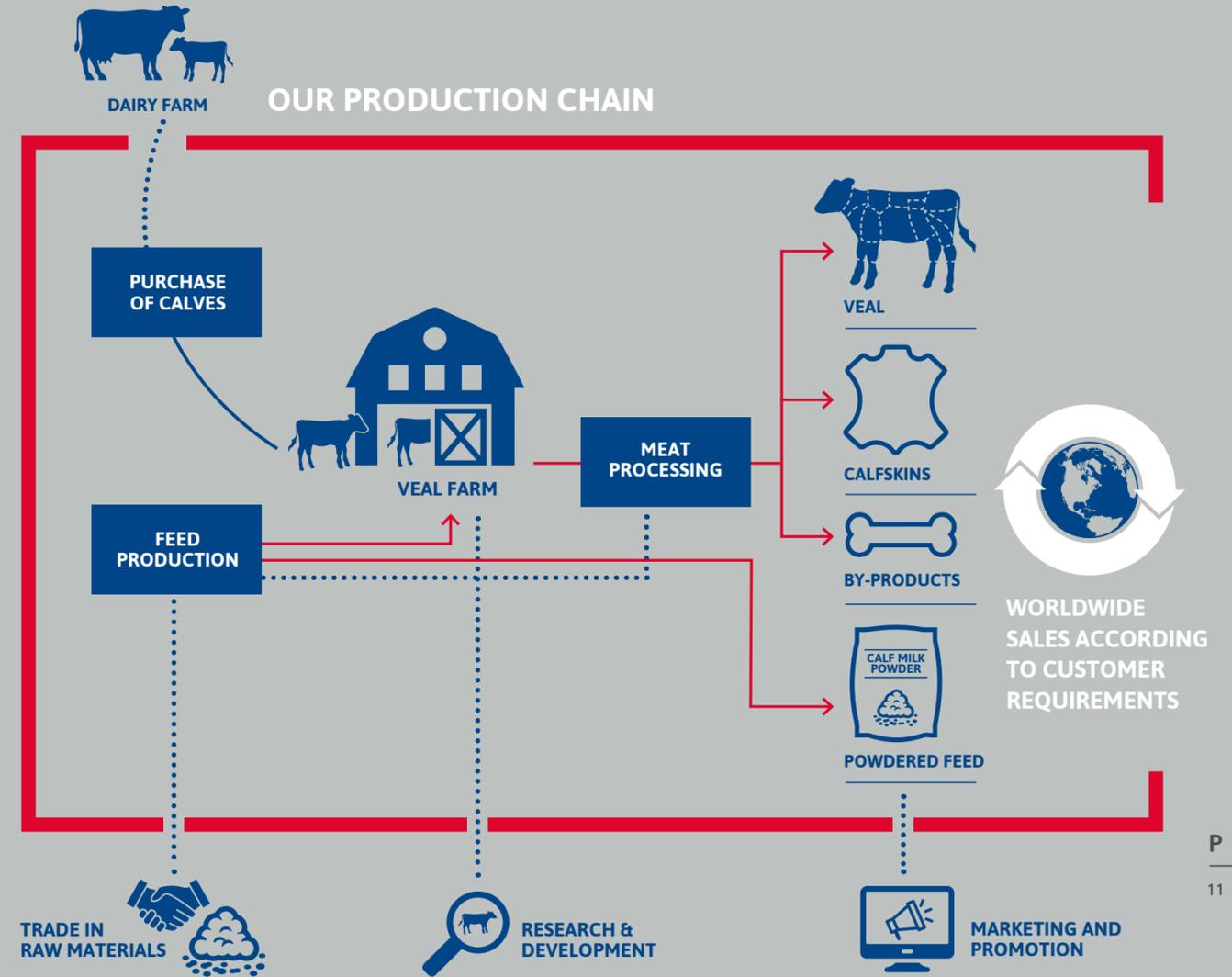
Mission, vision and strategy

As a leading veal producer, the VanDrie Group is very important for the well-being and culinary pleasure of many consumers. Our products are available in the retail and food service sectors worldwide. Our mission is to create maximum customer value with the aid of our unique chain and to simultaneously increase the well-being of all stakeholders and take responsibility for our impact on animals and the climate.

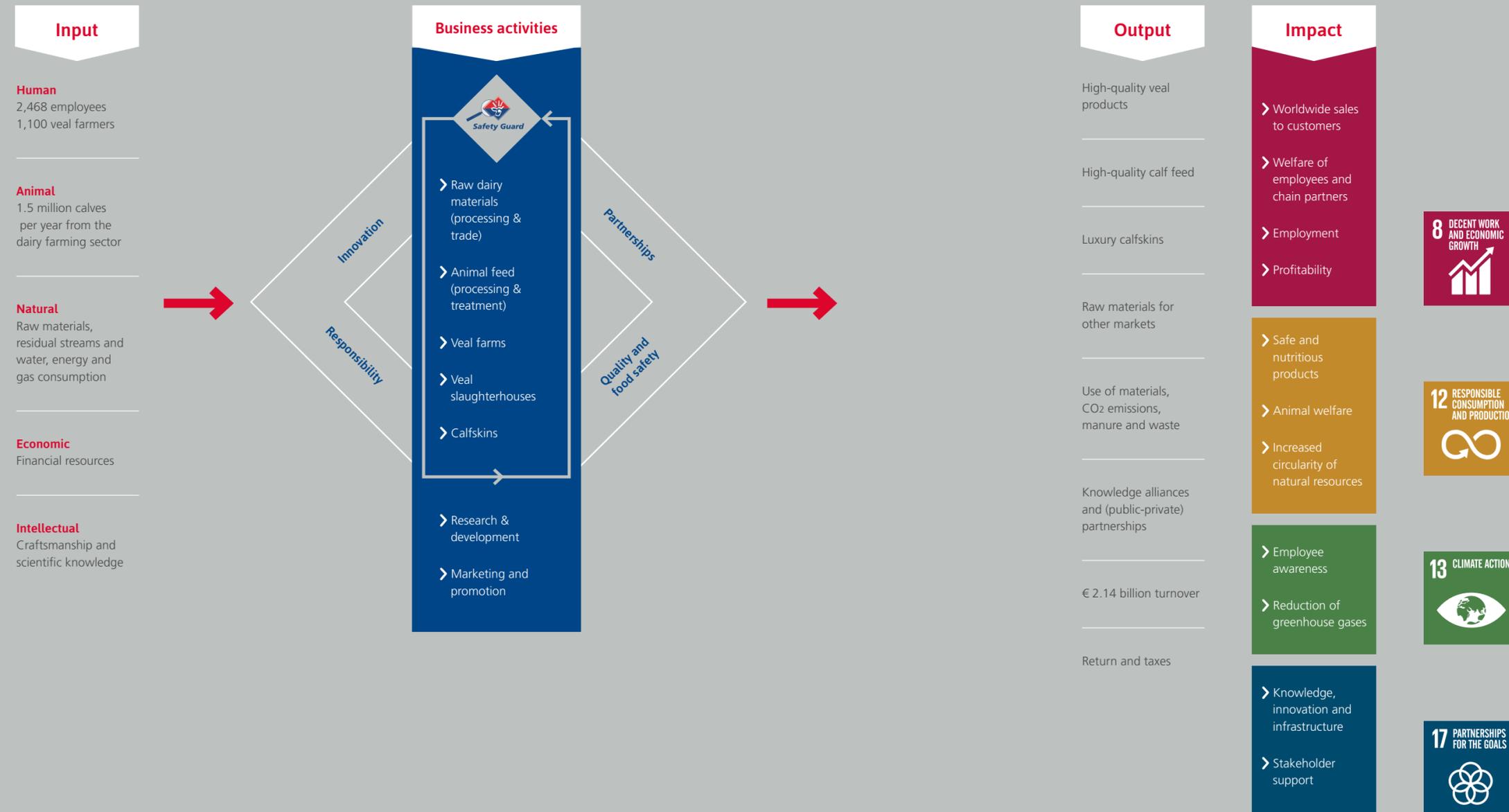
Our ambition is to strengthen the market position and improve the reputation of our high-quality products worldwide. Innovation is the heart of our organisation. This enables us to make the chain stronger and more sustainable. We believe in partnerships to strengthen and innovate the chain and make it more sustainable.



93%
OF THE VEAL PRODUCTION IS EXPORTED



VALUE CREATION MODEL



Input

On the basis of our DNA of a family company, we naturally look at the long-term position of our organisation. We ensure that we deal with our chain responsibly, from employees and veal farmers to calves, raw materials and knowledge development. In this way, we can guarantee a sustainable future for our company. Our value chain stretches all the way back to the dairy farm; we purchase calves that dairy farmers cannot use to replenish their dairy herd.

Activities

Our core activities describe the essence of what we do. We focus on the strength of our chain. This allows us to develop our company further with consideration for social, ecological and economic aspects. We view the health and welfare of humans and animals as our primary responsibility and think in terms of collaboration, both within and outside the chain. One important activity in the primary process is our Safety Guard system. In this way, we not only supply good products in the short term, but we are also assured of optimisation in the long term.

Output

Our activities generate turnover and results. This leads to material use, waste and CO₂ emissions but also to investments in products and locations. Our basic principle is to minimise the burden on the environment and maximise savings. We are committed to preventing waste by maximising the economic value of residual streams and limiting energy consumption and emissions in every link of the chain. We invest in healthy, competent, dedicated employees by offering career and development opportunities. Our products are state-of-the-art.

Impact

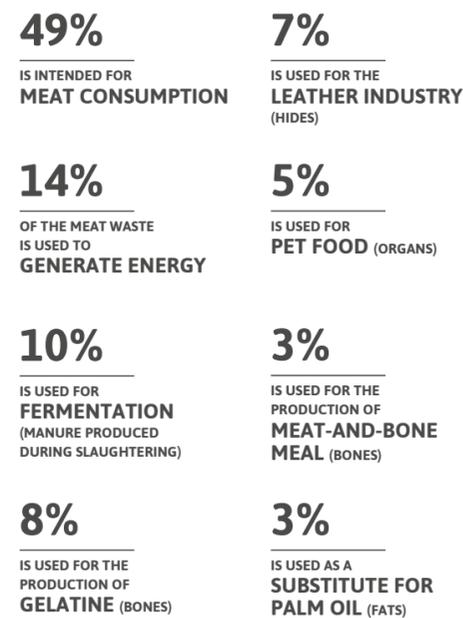
We want to be valuable to society. We want to play a pioneering role in corporate social responsibility, based on our position as market leader. By producing high-quality, safe and nutritious veal products, we are contributing to the worldwide demand for high-protein food, creating employment, supplying valuable raw materials for other sectors and contributing to Dutch exports. We are able to control our input through our chain management, and in doing so we can have a greater positive impact in both the short and the long term.

EVERYTHING IS VALUABLE, FROM HEAD TO TAIL

Our aim is to waste nothing and to extract value from every raw material, residual stream or by-product. We do that in numerous ways.

Maximising economic value begins with our basic activity: purchasing calves from the dairy farming sector that are not suitable for replenishing the dairy herd. We use all parts of the calf – meat, organs, manure, blood, skin and other by-products. About half of the animal is processed into a meat product. By-products such as organs, bones and fats can be found in animal feed, confectionery, sports drinks, cosmetics and personal care products. We collect the calf blood that is released during slaughter and sell it to the

pharmaceutical industry. The calfskins are used in the leather industry to make clothes and shoes. We process whey (a by-product from the cheese industry) into calf feed. We use waste products from grain processing and oil seeds in our feed. Approximately 70 to 80% of the raw materials from our calf milk consists of circular raw materials. The manure produced by our calves is processed into fertiliser for horticulture and viticulture, among other things.



VANDRIE GROUP IN SOCIETY

As a company, we are not isolated from the world around us. Changes in legislation and regulations as well as political and social developments force us to continuously anticipate developing situations. Only then can we remain successful and properly address the societal challenges we face as a company.

TRENDS AND DEVELOPMENTS

Labour and employment practices

Our employees are the foundation on which our products are based. Thanks to their knowledge and expertise, we are able to deliver the quality that is expected of us. We are experiencing increasing difficulty within our companies in finding sufficient and competent personnel. This is consistent with the general trends that are playing out in Europe: the labour market is tight and it is becoming more difficult to retain personnel and attract migrant workers. We therefore have to remain an attractive employer. It is essential to offer additional benefits, such as opportunities for education and training, an adequate work-life balance and other attractive employment conditions. This applies not only to the personnel in our employment but also to employees who work within our group via recruitment agencies.

Climate agreement

The Paris Climate Conference in 2015 led to a climate agreement that was signed by 174 countries. The agreement placed limits

on the emission of greenhouse gases in order to counteract global warming. The agreement, which will come into effect in 2020, has now been followed up on a national level in many countries. The challenge to reduce the emission of greenhouse gases also affects our companies. We envisage opportunities in terms of a circular chain and the reduction of energy consumption. We are already hard at work making our chain more sustainable within the countries where we operate. The Paris Agreement encourages the further development of this approach.

Eating less meat

At the end of 2018, The Economist predicted that 2019 would be the year of the vegan. According to the magazine, a quarter of the millennials in the United States consider themselves to be vegan or vegetarian. We are also seeing an increasing number of vegans, vegetarians and flexitarians in Europe. At the same time, the total meat consumption in Europe showed no decrease or only a negligible decrease in the past year. We believe in a good future for veal. We see that people

who eat less meat often opt for better-quality meat. Veal can fulfil all societal requirements and we consequently believe it will remain the meat of the future.

Growing global population

The global population will have risen to 9.6 billion people by 2050. According to forecasts by the Food and Agriculture Organisation (FAO) of the United Nations, the demand for animal products is expected to grow by 70%. This growth will be primarily caused by increasing prosperity in the emerging economies of Latin America and Asia. The more intensive use of agricultural land and raw materials is inherent to the growing demand for food. Animal production plays an essential role in the food chain because it contributes to healthy cycles. In addition, animals have the capability to convert crops and raw materials that are not (or no longer) suitable for human consumption into valuable nutrients. We will continue our efforts to generate optimal economic value from residual streams and to utilise raw materials as efficiently as possible.

“ANIMAL PRODUCTION PLAYS AN ESSENTIAL ROLE IN THE FOOD CHAIN BECAUSE IT CONTRIBUTES TO HEALTHY CYCLES.”



IN CONVERSATION WITH... SANDRA SALERNO

Freelance food journalist, consultant and founder of Un Tocco di Zenzero

What are the food trends for 2019?

“A clear trend this year has been greater awareness with regard to meat eating. Consumers and stakeholders have a preference for producers who are prepared to conduct research and who devote themselves first and foremost to protecting the welfare of the animals.”

How are calf and veal products generally considered in Italy? How do you see this in the future? And how can the VanDrie Group cater for this?

“Interest in veal has declined substantially in recent years and consumers are increasingly avoiding it. Thanks to promotion and the use of veal by some chefs, this meat is now making a comeback. The consumption will definitely change because people are opting mainly for quality rather than quantity. Italians are putting less meat on the table, but the meat is of better quality. I think that the VanDrie Group must, above all, be clear to the end user about the way in which the animals are kept and about the welfare of the animals.”

Veganism and vegetarianism are becoming increasingly common in Europe. To what extent are you seeing this in Italy as well?

“An increasing number of people are adopting a vegetarian or vegan lifestyle in Italy. People are opting to eat less meat, sometimes only once or twice a week, and the emphasis is shifting to a diet based on vegetables and pulses, with less animal proteins.”

Animal welfare and sustainability are becoming increasingly important themes in Italy. Which groups are talking about this?

“In recent years, everybody has been talking about this, both in newspapers and in blogs, but also on important culinary and gastronomic websites. The views and opinions among Italians about livestock farming, especially intensive livestock breeding, are changing. It will still take some time, but change is underway. If companies want to continue selling their products, they will have to take these factors into account.”

Transparency and traceability are becoming increasingly important. How could the VanDrie Group improve communication to consumers?

“Nowadays, the consumer wants to know how the animals are kept and what their quality of life is before they are slaughtered. The knowledge that an important company like the VanDrie Group takes this into account can only be seen as positive.”

Which veal dishes are most commonly found on the menu in Italian restaurants? And which veal dish is your favourite?

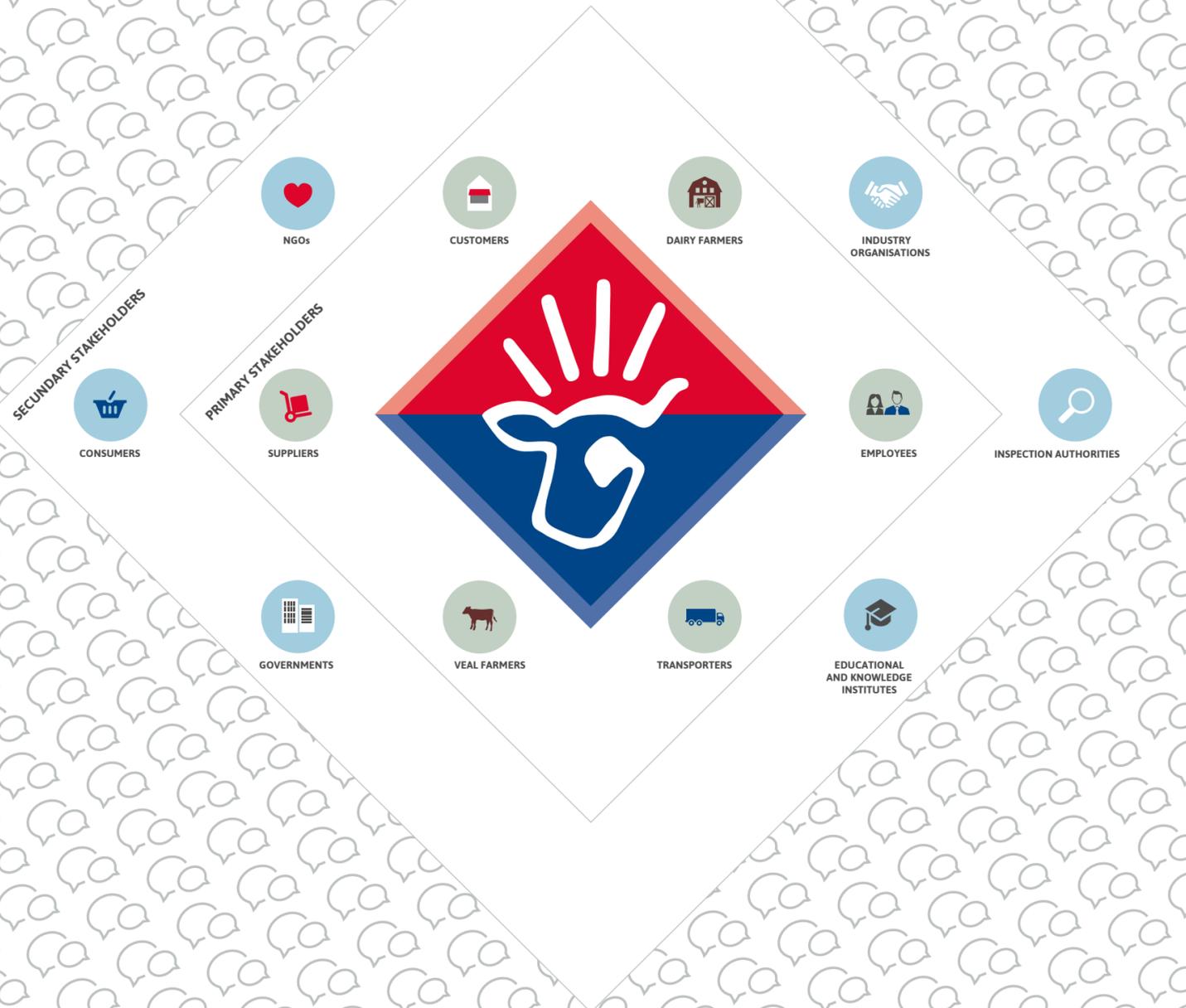
“There are many different veal dishes in Italy, such as vitello tonnato (veal slices with tuna sauce), saltimbocca alla romana (veal scallop with ham and sage, braised in white wine), veal strips with white wine and sage, and raw veal all'Albese (veal carpaccio with extra virgin olive oil and Parmigiano Reggiano cheese). I personally love vitello tonnato and here in Turin there are various restaurants that can make this exceptionally well.”

“Nowadays, the consumer wants to know how the animals are kept and what their quality of life is before they are slaughtered.”



DIALOGUE WITH OUR STAKEHOLDERS

The VanDrie Group collaborates with a range of stakeholders. Throughout the year we maintain close contact with our partners and we hold a VanDrie Dialogue every year. This entails active discussions with stakeholders aimed at involving them in issues that are of strategic importance for our company in the longer term. We believe input from stakeholders is important because it provides us with feedback on our policy and challenges us to continue developing.



THE VANDRIE DIALOGUE WITH DAIRY FARMERS

During the VanDrie Dialogue we invite important stakeholders to contribute ideas regarding our ambitions for the future and the steps needed to achieve them.

When:
12 and 20 December 2018

Where:
Alpuro Breeding in Uddel, the Netherlands

Central theme:
Strengthening collaboration with the goal of learning from each other and improving the health of calves.

In the winter of 2018, in collaboration with our subsidiary Alpuro Breeding, we invited a group of dairy farmers to share knowledge and insights regarding the relationship between dairy farming and veal husbandry, shared challenges and the preferred vision for the future. Alpuro Breeding provides guidance to dairy on the breeding of young animals. The dialogue with our collaboration partners is not without obligations as it influences our policy and therefore the choices we make as a company.

In light of our meeting, the following actions will be incorporated into our policy:

- Resumption of the 4BetterV project. The aim of this project is to reduce the number of calf deaths in the dairy farming and veal sectors. Dairy farmers receive intensive support with calf breeding from Alpuro Breeding. The company is screened to assess its current situation and highlight potential improvements. Subsequently, a record is made of how the bull calves are faring in the veal husbandry. Dairy farmers that have a low death rate will be rewarded by the VanDrie Group with a bonus on the number of calves supplied, depending on the death rate.
- We will communicate proactively with the dairy farming sector about the importance of a good start for young calves. We will explain how the veal industry works, the impact of dairy farming and the dilemmas we face.

MATERIAL THEMES

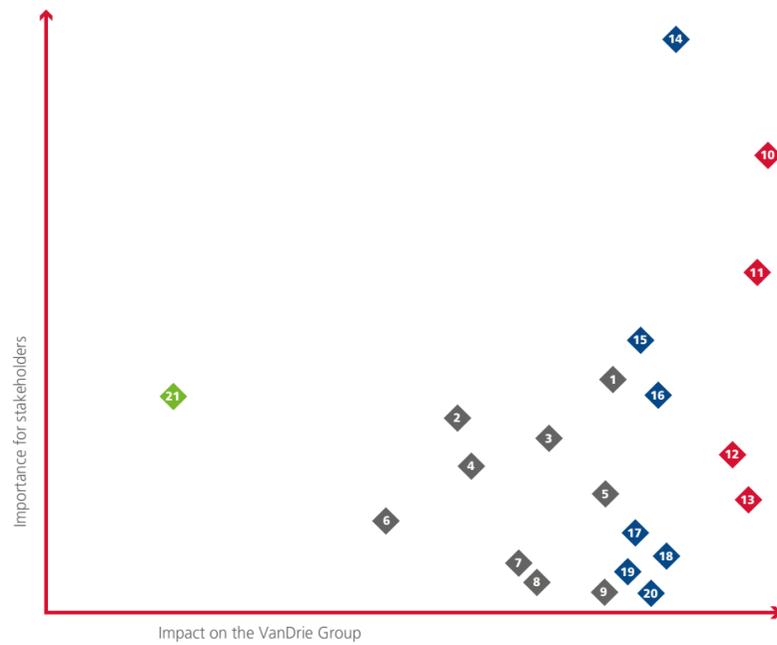
On the basis of extensive stakeholder analysis, we have clarified the most relevant subjects for our company and our collaboration partners. The materiality matrix tells us which themes are important to our stakeholders and therefore what we should cover in this report.

The positioning of themes in the matrix is determined by two dimensions: the importance that stakeholders attach to a particular theme for the VanDrie Group and the impact that a theme has on the organisation. Our stakeholders have indicated via a survey which themes they deem most important for the VanDrie Group. The frequency with which a particular theme was mentioned by the stakeholders determines how high up it has been placed in the matrix. The managing directors of the VanDrie Group have subsequently determined which themes have the greatest impact on the organisation.

Our CSR pillars:



MATERIALITY MATRIX



OUR ORGANISATION

1. Management and policy
2. Encouraging the sustainability of chain partners
3. Collaboration and certification
4. Suppliers and distribution
5. Operating result and other forms of value creation
6. Tracking & tracing / blockchain
7. Better life label (*Beter Leven keurmerk*)
8. Quality certificates
9. Long-term strategy

FOOD SAFETY

10. Food safety and public health
11. Producing reliable and responsible veal
12. Zoonoses
13. Food defence

ANIMAL WELFARE

14. Animal welfare
15. Preventing animal diseases
16. Reducing the use of antibiotics
17. Stall development
18. Healthy calves
19. Responsible transportation of calves
20. Welfare in slaughterhouses

THE ENVIRONMENT

21. Ethical standards



IN CONVERSATION WITH... DAPHNE HAMEETEMAN

Sustainability Manager at Olenex

The VanDrie Group produces calf milk. One important raw material for the calf milk is palm oil, which is primarily produced in countries in Asia, Africa and Latin America. Theo Koster is responsible for purchasing raw materials at Van Drie Ingredients. Daphne Hameeteman is Sustainability Manager at palm oil supplier Olenex, a joint venture of global market leader Wilmar. She is in close contact with her customers in Europe, including the VanDrie Group. Both of them support more sustainable food production within their own field.

Koster and Hameeteman see each other at least once a year, including during the International Palm Oil Congress in Malaysia. "It is quite a close-knit crew. Everybody talks to one another and a lot of knowledge is exchanged," says Koster. It may seem rather odd that knowledge is also exchanged among competitors, but there is little competition in the field of sustainability, according to Hameeteman: "We face the same challenges as raw material suppliers."

What are those challenges?

Hameeteman: "Deforestation is a big problem in Asia because it threatens the natural habitat of animals like the orangutan. Violation of human rights is a bigger issue in Latin America, such as land expropriation and dangerous working conditions. I am responsible for ensuring that our suppliers comply with our sustainability criteria."

Which sustainability criteria do you apply?

Hameeteman: "Just as with coffee and cacao, there is a certification body for palm oil – the Roundtable for Sustainable Palm Oil (RSPO). This is a multi-stakeholder organisation with approximately 1,500 members, including banks, NGOs, oil palm farmers, retailers and product manufacturers. Wilmar and Olenex are also members of this organisation. Together, they determine the standard for sustainable palm oil, which is laid down in criteria which farmers must meet. These include not cutting down any areas of rain-

forest and complying with human rights. What is often forgotten, however, is that sustainability comes at a price. We demand that farmers invest heavily in, for example, protective clothing for all their employees, the separate storage of pesticides and the sustainable disposal of waste water. Not all farmers are able to become RSPO certified because not everyone can pay for this. At this moment, approximately 18% of all palm oil that is produced worldwide is RSPO certified."

Koster: "Fortunately, farmers are increasingly realising that those investments yield returns, due to positive feedback from not only their customers but also the communities in the vicinity of the palm plantations. I asked the owner of a plantation in Malaysia whether he would continue to produce sustainably if customers no longer asked for it. He replied that he couldn't do otherwise because it had become part of his management policy."

Hameeteman: "Because of this, the conversations I have with farmers are a lot easier than five years ago. In order to ensure that farmers who are not yet able to make the investment still comply with certain basic sustainability principles, Wilmar implemented its own sustainability policy in 2013, which all suppliers worldwide have to comply with. This policy includes no deforestation, no cultivation on peatlands and no violation of human rights."



“At this moment, approximately 18% of all palm oil that is produced worldwide is RSPO certified.”

“The goal of Mariposa appeals to us greatly and we also consider it our duty to help the farmers move towards RSPO certification.”

AND THEO KOSTER

Manager Food and Feed Ingredients at Van Drie Ingredients

The VanDrie Group buys palm oil from Olenex. Where does this palm oil come from?

Hameeteman: "Primarily from Asia; 40% comes from Malaysia and Indonesia. Another 40% comes from Latin America, mainly from Honduras, Guatemala and Colombia. The remaining 20% comes from Papua New Guinea and Africa."

And which sustainability criteria does this palm oil meet?

Koster: "Four of our five production locations for calf feed are located in the Netherlands. The Dutch animal feed industry organisation (Nevedi) is the only such organisation in Europe to have agreed in a covenant that all palm oil and palm-oil-related products that are purchased by its members and are intended for consumption in the Netherlands are RSPO certified. The companies pay a certain premium for that. The same has also been agreed for soy. As a result, we can guarantee sustainability as a sector."

Hameeteman: "I think this is a fantastic step by Nevedi. In addition to the fact that the companies don't have to sort it out themselves, they also add value by paying that premium. That money goes straight to the oil palm farmers."

There is considerable public criticism of the use of palm oil. There is a perceived danger of deforestation and violation of human rights. At the same time, the palm oil industry has the potential to contribute significantly to economic growth and poverty reduction in the production countries. Where do the opportunities lie for the VanDrie Group?

Hameeteman: "Sustainable production is the only way forward, otherwise we can never feed all the people in the world. Collaboration and exchanging knowledge about the production and purchase of sustainable raw materials can contribute to this. Companies can learn a lot from one another, such as how to stimulate the production of sustainable palm oil."

Koster: "Besides purchasing RSPO certified palm oil as part of the covenant, we are also collaborating with Olenex on the Mariposa project."

What does that collaboration involve?

Hameeteman: "Mariposa is a fund where companies donate money on the basis of the palm oil volumes that they buy. The Wilmar sustainability team, on behalf of Olenex, is going to set up projects in Latin America with that fund, aimed at helping oil palm farmers to become more sustainable, since a large proportion of our supply comes from that region. We see that the risk of deforestation and violation of human rights is increasing in those countries due to the growing global demand for palm oil. Olenex started the initiative this year because customers have indicated that they want to do more to support the oil palm farmers, in addition to purchasing RSPO-certified palm oil."

Koster: "The goal of Mariposa appeals to us greatly and we also consider it our duty to help the farmers move towards RSPO certification. The money goes directly towards educating small farmers in the field of sustainable palm oil production. It also funds the training of specific employees from the palm oil factories, so they can subsequently pass on the knowledge to the farmers who supply them."

Hameeteman: "The best case scenario is, of course, for the participating farmers to become RSPO certified and for the companies that have sponsored the project to be able to purchase sustainable palm oil."



RISKS AND MANAGEMENT

The VanDrie Group continuously endeavours to produce high-quality, safe and nourishing veal products and high-quality animal feed.

This involves certain risks such as in the field of food safety and animal health for example. These risks are unavoidable. We regularly analyse potential risks within our commercial chain. We look at internal and external circumstances and the possible financial, social or operational impact. This appraisal determines how we anticipate risks, how we manage processes and how we respond to opportunities such as market expansion.

Good risk management ensures that we have sufficient certainty to be able to continue our activities in a responsible manner. Risks are frequently discussed in various consultative bodies. The Safety Guard Platform is responsible for the execution of the quality policy. The identified dangers are monitored and evaluated within the platform. The measures to be taken are subsequently discussed in the VanDrie Group's board meeting. The management board team is ultimately responsible for controlling the risks.

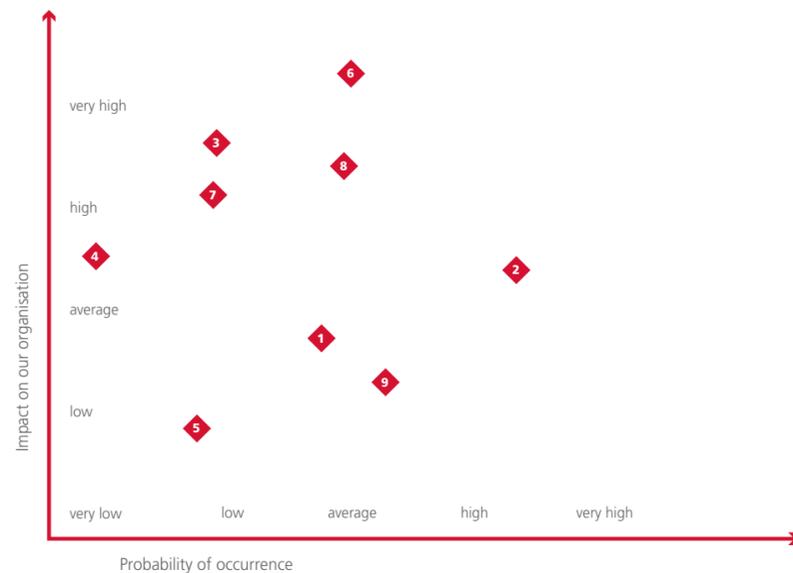
SAFETY GUARD

Safety Guard is the VanDrie Group's integrated quality system. Safety Guard is based on the ISO 22000 and 14001 standards, the Food Safety Supply Chain System and the international BRC, IFS and GMP+ quality schemes. In this way, we safeguard food safety, animal welfare, traceability, environmental management and good employment practices. The Safety Guard Platform monitors the functioning of the quality system within the companies of the VanDrie Group. Managers and quality managers from these companies are represented in the platform.

Risks can be divided into five categories: from very low to very high. The placement in the risk matrix is determined by the likelihood of a risk occurring and the risk's impact on the organisation.

Our risks are categorised on the basis of the four CSR pillars and are operational, strategic, social or financial in nature. The following risks score very highly in the risk matrix. We monitor these actively.

Our most important, topical risks:



- operational risk: working conditions
- strategic risk: market trends
- social risk: food safety
- financial risk: recalls
- strategic risk: innovation
- operational risk: animal diseases
- social risk: use of antibiotics
- social risk: climate and energy
- operational risk: raw materials



OUR ORGANISATION

1. Working conditions – Operational risk

Many of our employees carry out repetitive and physically demanding work, involving lifting and/or the use of potentially dangerous tools and machinery. This work entails risks, such as accidents and physical ailments. In addition, our companies hire in personnel with a different language background. This can hinder communication between employees in our production companies.

How is this managed?

The VanDrie Group continuously works on improving working conditions and increasing the safety awareness of employees. This approach includes the following measures:

- Agreements with recruitment agencies about working conditions, language courses and certified housing.
- Employees are continually trained in the fields of (food) safety, microbiology, animal welfare and safe working practices.
- Cooperation with educational institutions is actively sought. Together with SVO (a food sector vocational training organisation) and others, we arrange training for our employees relating to animal welfare, meat knowledge and management.

2. Market trends – Strategic risk

Our companies operate in a dynamic global market. Global economic and geopolitical developments are leading to more difficult sales and sometimes the closing of markets. Raw material prices are fluctuating due to market unrest.

How is this managed?

The VanDrie Group closely monitors global events and raw material prices. We know the global market well and have built up good and long-term relationships all over the world. With our purchasing organisation Van Drie Ingredients, we are able to respond quickly to developments. By anticipating supply and demand, we can purchase raw materials at the most favourable price.



FOOD SAFETY

3. Food safety – Social risk

Our products must be of impeccable quality. Incidents surrounding food products, including those outside our companies, are detrimental to consumer confidence.

How is this managed?

The VanDrie Group applies the following policy:

- our companies have implemented the Safety Guard quality system;
- our production locations are secured and we continually invest in our processes;
- we cooperate closely with governments and inspection bodies on this matter.

4. Recalls – Financial risk

Conducting a recall is a considerable expense and puts trade relations with customers under pressure. Stakeholders can also lose confidence in the event of a recall. This risk is increasing because customers apply different safety standards.

How is this managed?

A recall can be conducted proactively or reactively if a product does not meet the safety standards or if there are grounds to suspect such a situation. Our Safety Guard quality system incorporates a detailed protocol for conducting recalls. This protocol is regularly tested in practice.

5. Innovation – Strategic risk

Staying ahead in the field of food safety and feed safety requires innovation, development and investments. Insufficient effort will directly contribute to a deterioration in our company's market position.

How is this managed?

The VanDrie Group has its own Research & Development department. This team ensures that we remain informed of new developments and opportunities. Using our own research companies and via collaborations with universities and knowledge institutions, we are continuing to build on the innovative power of our company.



ANIMAL WELFARE

6. Animal diseases – Operational risk

Animal health is important. We work with animals, so the risk of an outbreak of an infectious disease is always present. Outbreaks of serious animal diseases such as FMD and BSE have a disruptive effect on the livestock sector.

How is this managed?

Tracing in all stages of transport is of the utmost importance in preventing an infectious animal disease or taking action if a disease is discovered. That is why we track all imported calves during transport via the SKV Veal Calf Tracing Guarantee System (GTSKV). If risks of animal diseases emerge in certain regions, we implement channelling regulations or suspend imports. We pay attention to hygiene in our stalls and we try to minimise the spread of pathogens.

7. Use of antibiotics – Social risk

Care must be exercised regarding the use of antibiotics. There is immense social pressure to achieve further reductions in usage. At the same time, the importance of healthy calves and hence animal welfare must also be considered.

How is this managed?

Together with the sector and research institutions, we specifically work on strengthening animal health and reducing the use of antibiotics. The focus is on further reduction among companies that have a high use of antibiotics.



SURROUNDINGS & ENVIRONMENT

8. Climate and energy – Social risk

Producing veal, calf feed and calfskins generates considerable CO₂ emissions. Climate objectives have been determined at national and international level, with the reduction of greenhouse gas emissions playing a major role in this. Both society and the government have made it very clear that they expect the meat sector to acknowledge its responsibility in this respect. In order to make a relevant contribution to the achievement of the climate objectives, the VanDrie Group has to take measures throughout the entire production chain.

How is this managed?

The Dutch feed companies and slaughterhouses conform to the Long-Term Agreements on Energy (*Meerjaren Energie Afspraken, MJA-3*), which were reached between the Dutch government, businesses and institutions. The companies have included energy reduction in their company objectives and are implementing efficiency measures in their production process and services. These are set out in an Energy Efficiency Plan (EEP) and include:

- more energy-efficient process equipment, such as high-efficiency electric motors;
- replacing mixers;
- reducing compressed air leakages;
- heat recovery;
- using more efficient lighting, but also reducing transport kilometres.

The status and progress is reported to the government annually.

9. Raw materials – Operational risk

Raw materials are scarce and need to be used as efficiently as possible. An increasing amount of the raw materials that we use for the production of calf feed is also being used in food for human consumption. We must therefore look for alternatives.

How is this managed?

Our R&D department is conducting research into new raw materials that can be used in calf feed. This enables us to regularly come up with alternatives. In addition, our companies are investing in green energy and they are looking for opportunities to increase their circularity.

SWOT analysis

The SWOT analysis below identifies the internal and external factors that affect the VanDrie Group. The risks and opportunities for the VanDrie Group are briefly summarised in this analysis.

<ul style="list-style-type: none">› Highest standards in the field of food safety (Safety Guard)› Integral chain management› Maximising economic value of the calf› Long-term partnerships and collaboration› Worldwide sales in accordance with customer requirements› Dialogue with stakeholders› Focus on innovative power› Financially strong organisation	<ul style="list-style-type: none">› High environmental impact› Working with hired-in personnel› Risks of accidents and physical ailments› Recall if the product does not meet the safety standards› Strong dependence on global market	<ul style="list-style-type: none">› Opening up of new sales markets› Growing global demand for animal proteins› Continued attention for research and innovation› Expansion and/or differentiation of range› Transparent communication› Further increase in circularity› Commitment to alternative raw materials	<ul style="list-style-type: none">› Animal diseases› Use of antibiotics› Breach of (food) safety› Scarcity of raw materials› Reputation of the sector› Lack of qualified personnel
S strengths	W weaknesses	O opportunities	T threats

“WE EVALUATE HOW OUR STRENGTHS AND WEAKNESSES RELATE TO EXTERNAL OPPORTUNITIES AND THREATS.”



OUR ACTIVITIES IN 2018

We believe it is important to show what we did in 2018. You can read about the results achieved within our CSR policy in the following chapters, each of which is named after one of our policy pillars: our organisation, food safety, animal welfare and surroundings & environment.

CSR OBJECTIVES



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

RELEVANCE TO THE VANDRIE GROUP
We want to improve our economic productivity by focusing on technological development and innovation. We protect the rights of our employees and take measures to provide a safe working environment.

OBJECTIVE OF THE VANDRIE GROUP	MEASURABLE RESULT	PLANNED ACTION FOR 2019	IDENTIFIED RISKS	STATUS
Reduce absenteeism to 4.5%	2016 5.8% 2017 6.2% 2018 5.7%	Conduct preventive medical examinations at various companies	Working conditions	●
Tap into new markets to guarantee sales	2016 USA, Canada 2017 Chile, Thailand, Taiwan 2018 China, Vietnam	South Korea, Brazil, Mexico	Market trends	●



Ensure sustainable patterns of consumption and production.

RELEVANCE TO THE VANDRIE GROUP
We want to ensure a sustainable food production system. We are implementing resilient practices to keep our productivity and production at a high level while having consideration for the ecosystem and the climate.

OBJECTIVE OF THE VANDRIE GROUP	MEASURABLE RESULT	PLANNED ACTION FOR 2019	IDENTIFIED RISKS	STATUS
Reduce recalls to zero	2016 2 recalls 2017 2 recalls 2018 2 recalls	Evaluate recall system, conduct internal audits	Recalls, food safety	●
Responsible use of antibiotics	2016 56.8% reduction compared to 2007 2017 58% reduction compared to 2007 2018 58% reduction compared to 2007	Further commitment to reduction via BVD and IBR control, Eveal learning tool, Calf Tracking System	Use of antibiotics	●



Strengthen the implementation methods and revitalise the global partnership for sustainable development.

RELEVANCE TO THE VANDRIE GROUP
We participate in various collaborative partnerships and encourage cooperation between society and our organisation. In this way, we share knowledge and insights to realise the other objectives.

OBJECTIVE OF THE VANDRIE GROUP	MEASURABLE RESULT	PLANNED ACTION FOR 2019	IDENTIFIED RISKS	STATUS
Increase input in research	2016 Participation in 7 PPPs 2017 Participation in 3 PPPs 2018 Participation in 3 PPPs	Construction of knowledge centre and observation stall in Uddel, NL	Innovation	●



Take urgent action to combat climate change and its impact.

RELEVANCE TO THE VANDRIE GROUP
In each link of our business chain, we are taking active measures to reduce energy consumption. We are making our employees and collaborative partners aware of the actions that are required to achieve this.

OBJECTIVE OF THE VANDRIE GROUP	MEASURABLE RESULT	PLANNED ACTION FOR 2019	IDENTIFIED RISKS	STATUS
Reduce Dutch greenhouse gas emissions by 49% by 2030	Companies have included energy reduction in their company objectives and are working actively to reduce energy consumption	Follow up on energy agreements between companies and government (MJA-3)	Climate and energy	●
Increase internal awareness	Developed a plan for improving internal communication	Actively inform and involve employees in climate objectives	Climate and energy	●



OUR ORGANISATION

We want our employees to feel at home in our organisation and we want to share our family values broadly. We believe it is important to make a social impact as a company: in our chain, in the countries where we are active and towards our stakeholders.



CSR OBJECTIVES FOR OUR ORGANISATION

- An absenteeism rate of max. 4.5%
- Tap into new markets to guarantee sales
- Increase internal awareness relating to environmental impact reduction and climate change

“WE ARE COMMITTED TO SUPPORTING A LEVEL PLAYING FIELD FOR THE EUROPEAN VEAL FARMING INDUSTRY.”

Management and policy

The health of our employees is extremely important, which is why our companies regularly conduct preventive medical examinations in order to gain insight into their physical and psychological fitness. Employees can participate in these voluntarily. In 2018, Navobi developed an extensive lifestyle policy in response to the preventive medical examinations. Various workshops on nutrition, exercise and work-life balance are given to employees, together with a lifestyle coach. In addition, a fortnightly boot camp has been started in the company grounds. Tips on a healthy lifestyle are also given regularly on the information screens in the company, and free fruit is available in the staff canteen. In 2019, Navobi's focus is on mental health. In 2018, we started a plan of action in order to improve how we promote our CSR policy to the employees. By doing so, we hope to increase support for impact

reduction and climate change. In 2019, we are starting to develop communication tools that can be used for that purpose.

In May 2018, the General Data Protection Regulation (GDPR) entered into force. Among other things this privacy legislation regulates the use of personal data, which is primarily present in our Human Resources departments. 2018 was an important year in relation to complying with this legislation.

In 2018, there was a lot of talk about the revision of the European Common Agricultural Policy. The current policy runs until 2021, but the negotiations in the European Parliament and among the Member States are already in full swing. Member States will have more room for their own interpretation in the new policy. We do not yet know what this will mean for the financial support that our veal farmers receive in the Netherlands, Belgium,

France and Italy. In 2018, we kept a close eye on the developments and we will continue to do so in the coming years. We are committed to supporting a level playing field for the European veal farming industry.

Because safety, such as fire safety, ATEX (explosion safety) and occupational safety, will play an increasingly important role we systematically introduced working practices in accordance with ISO 45001 at our Dutch animal feed production locations in 2018. ISO 45001 is the management system for healthy and safe working practices. The basic elements of this system are the Risk Inventory and Evaluation (RI&E) of the work environment, in-depth investigations, and internal and external safety tours. This will give us a clear idea of the possibilities for improvement and we will be able to guarantee safety aspects within our organisations.



DILEMMA

In recent years, water and energy consumption within the slaughterhouses has increased. We have started making more consumer products and we are also better able to process by-products such as veal stock bones. This enables us to meet customer requirements even more successfully. In addition, we have improved climate control in the slaughterhouses, which has a favourable effect on the bacteriological and working conditions in the production areas.

We have a substantial responsibility in terms of food safety and the welfare of our employees. At present, this is incompatible with sustainable water and energy consumption in the slaughterhouses. We are therefore consciously opting for the modernisation of our slaughterhouses, even if this puts pressure on water and energy consumption. At the same time, we are investigating how we can achieve a better balance in this regard.

In 2018, the VanDrie Group acquired a majority interest in the Ameco cattle slaughterhouse in Apeldoorn. More and more customers are demanding luxury beef and luxury veal products. This collaboration will help both Ameco and the VanDrie Group to meet customer requirements in the luxury meat segment. Ameco will also be able to utilise the VanDrie Group's global sales structure, both within and outside Europe. Ameco moved to brand-new business premises in Apeldoorn in 2017 and has an annual turnover of approximately 90 million euros. The technical capacity is 2,500 animals per week. Ameco mainly slaughters Dutch cattle from the dairy farming sector.

In addition to this, we took over the Italian company Serum in 2018 in full, after having acquired a majority interest the previous year. Serum produces a wide range of dairy products, including whey protein concentrate (WPC). This is a highly concentrated soluble dairy protein that is used as an ingredient in foodstuffs, both for animal feed and for food. Whey is a by-product that is created during the production of cheese.

We are committed to providing good communication about the production of veal. That is why we launched a three-year communication campaign in the United States, Canada and Japan in 2018, in conjunction with the Dutch meat sector organisation COV. The campaign is called 'Trusted Veal from Europe: A Trusted Tradition'. The aim is to teach consumers and chefs about veal and its preparation methods. In 2019, we will launch a similar campaign with Dutch, Italian, French and Belgian industry and sector organisations.

Business strategy and other forms of value creation

We want to ensure the sales of our products remain as high as possible. We are therefore working strategically to open up new markets.

In 2018, approval was obtained to export Dutch veal to China. The market for veal also opened up in Vietnam, in addition to the market for powdered feed in India. As a result, we are gaining increasing opportunities for marketing our products in Asia.

Collaboration and certification

The VanDrie Group values close relationships with its partners. We want to know what is going on in the chain, so that action can be taken in good time and potential risks can be minimised. In 2018, we became a member of AgriNL, a network of large Dutch agricultural companies that want to participate in the national and international energy, climate and health transition. With its Vision 2030 action plan, AgriNL wants to ensure that Dutch agriculture is the greenest, healthiest and most respected agricultural sector in the world by 2030.

We also collaborated with a diverse group of national and international organisations in 2018, such as the International Meat Secretariat (IMS), Meat Importers Council of America (MICA), European Feed Manufacturers' Federation (FEFAC), European Livestock and Meat Trades Union (UECBV) and Global Roundtable for Sustainable Beef (GRSB). In the Netherlands, we work closely with *Centrale Organisatie voor de Vleessector* (Central Organisation for the Meat Industry, COV), the Foundation for Quality Guarantee of the Veal Sector (SKV), *Stichting Brancheorganisatie Kalvesector* (Dutch Veal Industry Association, SBK), *Nederlandse Vereniging Diervoederindustrie* (Dutch Feed Industry Association, Nevedi) and *Dierenbescherming* (Dutch Society for the Protection of Animals) In France, our companies collaborate within the industry organisation Interbev Veau. In Belgium, the VanDrie Group collaborates with the Flanders' Agricultural Marketing Board (VLAM), *Beroepsvereniging voor de Belgische Kalfvleessector* (Professional Association for the Belgian Veal Sector, BVK), *Vakvereniging voor Belgische kalverhouders* (Collective Industrial Organisation for Belgian veal farmers, VBK) and SGS (an agency specialising in inspection, monitoring, analysis and certification). In Italy, we collaborate in the industry organisation *Assocarni*.

KNOWLEDGE AND INNOVATION

We focus on knowledge development and innovation within our companies. In 2018, we created scope for various graduation and doctoral research projects and we also offered internship and work experience places. Our Research and Development (R&D) department conducted research within several links of our chain in 2018. At present, we are working on various public-private research projects, in addition to our own research. We collaborate with stakeholders, such as universities, research institutes and other companies. In 2018, this included *Vitaal en Gezond Kalf in een Duurzame Veehouderij* (Fit and Healthy Calves in a Sustainable Livestock Sector), *Salmonellosis Research, Food4Life and Next Level Mest Verwaarden* (Next Level Manure Monetisation). We safeguard quality in our chain via Labora, the VanDrie Group's independent laboratory. Labora is certified in accordance with ISO 17025, which means that Labora's quality systems, both administrative and technical, are structured and managed properly. Our feed companies, slaughterhouses and third parties make use of Labora's services.



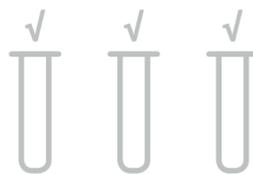
SOUND MANAGEMENT SYSTEM



FULL PROCESS CONTROL



TECHNICALLY VALID RESULTS



OUR PEOPLE



Andrea Zarantonello
Shift supervisor at Zoogamma
Has been working for the VanDrie Group for 4 years

“The high quality of the products that come from our factory makes me proud.”



Iskander van der Meulen
Trader at Melkweg
Has been working for the VanDrie Group for 7 years

“I get a lot of satisfaction from building and maintaining good relationships and from regular personal contact with our partners, including suppliers, customers and other market participants. This is our lifeblood.”



Erwin Kerkhof-Jonkman
Calf specialist with Alpuro Breeding
Has been working for the VanDrie Group for 16 years

“We form an important bridge between livestock farmer and veal farm, and we ensure greater understanding and less prejudice.”





Hans Verkoeijen
Network system administrator
at Schils
Has been working for the
VanDrie Group for 21 years

“The most enjoyable moments for me are when I come up with smart solutions and can help someone do his or her work.”



Bert van Middendorp
Veal farmer at Van Drie bv

“The best moment of the day changes according to the age of the animals - from a calf licking your hand to a group of satisfied animals stretched out asleep in the stall.”



Marco Versmissen
Transporter at Van Drie bv
Has been working for the
VanDrie Group for 2.5 years

“The best thing about my work is handling animals.”



Aniko Kover
Slaughterhouse employee at Ekro
Has been working for the
VanDrie Group for 3 years

“Food safety is the most important thing.”



Desiree Kamperman
Operator Coolstore
Warehouse at T. Boer & zn
Has been working for the
VanDrie Group for 10 years

“Traceability is the number one priority for us.”



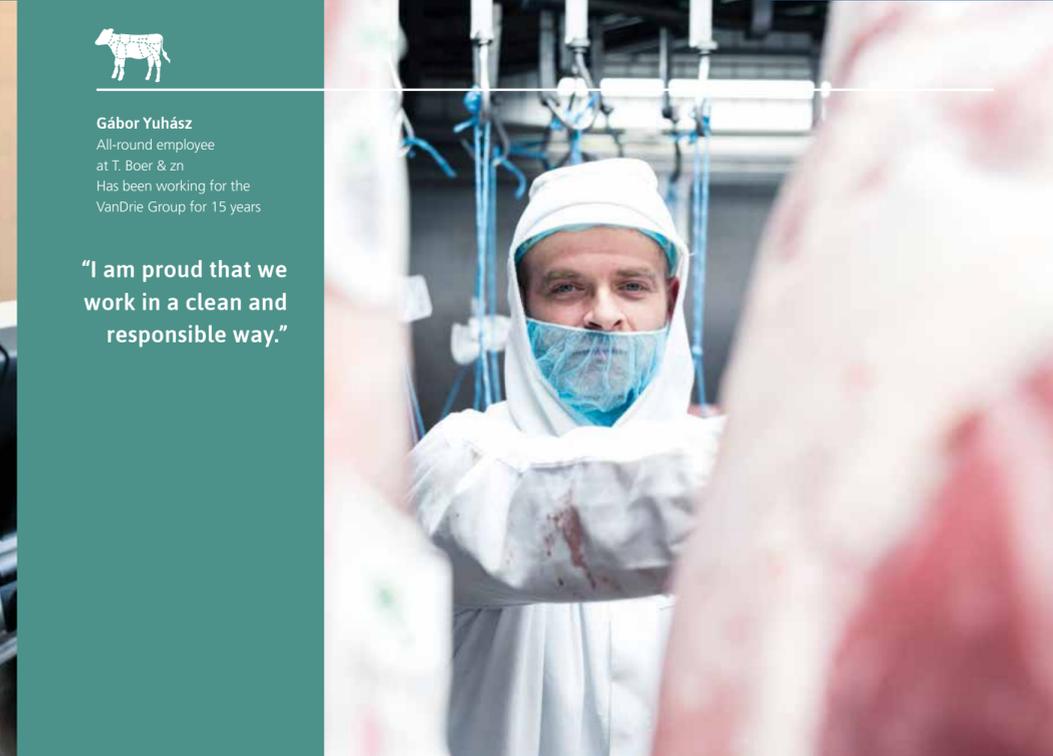
Džordana Šapranauškiene
Catering employee at Ekro
Has been working for the
VanDrie Group for 5 years

“Together with my team, I ensure that the staff canteen is accessible to everyone and the range consists of varied, fresh and tasty food. I work with passion and respect for colleagues and for all visitors to our canteen.”



Gábor Yuhász
All-round employee
at T. Boer & zn
Has been working for the
VanDrie Group for 15 years

“I am proud that we work in a clean and responsible way.”



Mickaël Melois
Manager at Tendriade
Has been working for the
VanDrie Group for 20 years

“Hygiene and quality are the most important aspects of my work. Every day, I remind my team that it is important to comply with the rules and at the same time to ensure the production of quality products.”



Marius Florea
Production worker at ESA
Has been working for the
VanDrie Group for 2 years

“I feel very much at home at the VanDrie Group. I feel appreciated here and am encouraged in my development.”



Yolanda Schotpoort
Sales Support at ESA / Peter's Farm
Has been working for the
VanDrie Group for 21 years

“We have fully traceable veal back to the farm via the farm code or the QR code on the packaging and we work with passionate veal farmers who tackle animal welfare issues in a responsible way. You can taste the quality.”



IN CONVERSATION WITH... AART JACOBI

Dutch ambassador to Japan

How are Dutch companies and products viewed in Japan?

“The Netherlands has a very positive image in Japan. Our products are considered to be high-quality, reliable and safe. I believe that the visit of Prime Minister Shinzo Abe to the Netherlands in 2015 was instrumental in that.”

How important is CSR in Japan? What are the differences compared to the Netherlands?

“I think that food safety is the most important issue to the Japanese, followed by transparency and traceability. If a company wants to export to Japan, it must satisfy requirements that are much stricter than elsewhere in the world. Unlike the Netherlands, animal welfare is not a major issue in Japan; although the government recognises the international trend and has introduced legislation and regulations with which companies have to comply, it is not a major concern among the general public. Sustainability, on the other hand, is important. Japan is dependent on imports for its raw materials, so the efficient handling of raw materials is very important. Japan is consequently very strong in the areas of recycling and combating food waste.”

One of the Sustainable Development Goals to which the VanDrie Group wants to contribute is No 8 'Decent work and economic growth'. Where do the opportunities lie for the VanDrie Group to generate more impact within this SDG in Asia? And how can the EU trade agreement with Japan play a role in this?

“The trade agreement offers the Netherlands opportunities to considerably expand its agricultural exports. The surface area of Japan is equal to the state of California in the United States, but 70% is uninhabitable due to the high, steep mountains. The country is far from self-sufficient in terms of food and is very heavily dependent on imports from abroad. I am hopeful that over the next three years we can export 10 to 20% more agri-

cultural products to Japan than before. That is where the opportunities lie for the VanDrie Group.

“Taking the local norms into consideration is very important in this regard, and I saw evidence of the VanDrie Group being able to do that during a visit to Eimu Watari, a sheltered workshop in the Sendai region where Ekro calf tongues are processed. Japanese employees with a physical or mental impairment clean the calf tongues in the factory and cut them into slices, after which they are delivered to local restaurants. With this initiative, the VanDrie Group demonstrates that it is a company that is integrated into society and has a sense of its social responsibility.”

What do Japanese people think of veal products?

“Veal is a relatively unknown product in Japan. There are two reasons for this, I think. Unlike the Netherlands, there is no dairy culture in Japan. Without a dairy culture, there is no continuous supply of veal. In addition to this, Japanese people love the fatty Wagyu beef, which is used in dishes such as Teppanyaki. However, they are always curious and looking for new products and new experiences. Japan is a country that likes to experiment in a culinary sense. The most famous veal dish is fond de veau, a veal stock.”

What is your advice to the VanDrie Group with regard to the Japanese market?

“The VanDrie Group has safety and quality down to a fine art. The only thing left to do, therefore, is to market veal more effectively in Japan, to find dishes and uses that appeal to Japanese consumers. That requires creativity, as well as contact with local restaurants and chefs. There is a great appreciation for and interest in food here. The VanDrie Group could cater to the curiosity of Japanese people by emphasising the exclusiveness, nutritional value and origin of the product.”



Donatas Struckinskas
Production worker at Oukro
Has been working for the
VanDrie Group for 3 years

“For me, working for the VanDrie Group means working for a modern company, in a team that is based on confidence and responsibility. I can develop as a person in this job and perfect my work.”



Mariëlle Hof
Microbiological analyst at Labora
Has been working for the
VanDrie Group for 3 years

“In our department, we conduct microbiological analyses on raw materials, calf milk powders, roughage and veal. Everyone matters here and that generates a good atmosphere in the laboratory. I'm proud of that.”



“I am hopeful that over the next three years we can export 10 to 20% more agricultural products to Japan than before. That is where the opportunities lie for the VanDrie Group.”







FOOD SAFETY

Our initial responsibility is to produce reliable, responsible (calf) feed and veal products. We work according to the highest standards.



CSR OBJECTIVES FOR FOOD SAFETY

- Increased input in research (public-private partnerships) and technology development
- No recalls

Food safety and public health

Safety and quality come first. In 2018, we extensively tested our recall procedures. A recall is conducted if animal feed or veal does not satisfy the legal standards or our quality standards. Our Safety Guard quality system plays a key role in terms of ensuring the tracking & tracing of our products and processes. The entire production chain is interwoven with quality checks that are carried out continuously, both by in-house quality services and external assessment and certification bodies. Safety Guard is certified with a Food Safety Supply Chain Certificate by Lloyd's Register. This unique standard provides the guarantee for optimal collaboration and safeguards between the companies of the VanDrie Group.

Producing reliable and responsible veal

The VanDrie Group works according to the highest standards. Our companies are inspected by the national governments on a daily basis. In the Netherlands, for example, this is done by the Netherlands Food and Consumer Product Safety Authority (NVWA). The slaughterhouses are under the permanent supervision of government vets. This means that supervisors are constantly present in our companies. We also have permanent camera surveillance in our slaughterhouses. After being anaesthetised, all calves are slaughtered in accordance with Islamic regulations, for which our slaughterhouses are certified.

Producing food-safe veal does not begin with the calf slaughterhouses, however, but with the feed production and the farm. We therefore take measures throughout the entire chain in order to safeguard food safety and guarantee product integrity. The following measures are taken:

- › We only use safe feed ingredients that come from GMP+ certified companies.
- › We only work with veal farmers that are certified members of the *Vitaal Kalf* (Fit Calf) quality system.
- › We do not deliver calves to slaughterhouses during the medicine withdrawal period. This withdrawal period is the period between the last dose of medicine administered to the animal and the slaughter of the animal for consumption. After the withdrawal period, the concentration of active substances from the medicine is nil and the meat of the calf can be considered safe.
- › We require calves to be delivered to the slaughterhouses with clean skins in order to prevent hygiene problems further along in the slaughter process.
- › We only slaughter calves that have been inspected by the Foundation for Quality Guarantee of the Veal Sector (SKV) from their intake at the veal farm up to and including slaughter. As a result, we can guarantee that the calves are free from undesirable growth hormones and other substances.

In 2018, we started communicating instructions relating to safe storage and preparation of veal products on the product

packaging. Safe steps in food processing, cooking and storage are essential in order to prevent the transmission of diseases through food.



DILEMMA

Some of our meat products are packed in black plastic trays. This material prolongs the shelf life of the products, enabling consumers to store them for longer and reducing food wastage. However, the black plastic is difficult for infrared detectors to detect in recycling centres. We are investigating whether the plastic trays can be replaced with cardboard under-trays. While this investigation into alternatives is ongoing, we will continue to use the plastic trays for the time being. Our mission is to produce high-quality, safe, nourishing veal products. Food safety therefore takes precedence.

Zoonoses

The calves we purchase from dairy farms bring all kinds of infections with them from the farm where they were born. A small number of infectious animal diseases are also infectious to humans and vice versa. These are known as zoonoses. A zoonosis can be transmitted through the air or through direct contact with animals, but also via food. We therefore carry out strict checks at the farm and in the slaughterhouse for zoonoses,

including E. coli, salmonella, MRSA and ringworm. Good (hygiene) management, feeding measures and other resistance-increasing measures are aimed at preventing infections from occurring or spreading. Every employee who works with calves is expressly required to follow good personal hygiene procedures, such as washing their hands after coming into contact with calves and/or manure, as well as wearing clean industrial clothing. In 2018, our slaughterhouses worked on improving the prevention and detection of the zoonosis called Stec. This is a bacteria that can cause gastrointestinal complaints, with symptoms ranging from diarrhoea to haemorrhagic colitis and hemolytic-uremic syndrome (HUS).

Food defence

Food defence is the protection of our production chain against deliberate contamination or the deliberate infliction of damage to our product or image. A good food defence policy is essential for a food producer. It therefore forms an integral part of the Safety Guard quality system. We signed the Code of Conduct for the Meat Sector (*Gedragscode Vleessector*) in 2018. This code is a guide for appropriate behaviour and proper action, especially in relation to the product integrity of animal products. An important component is that employees are able to report any abuses to a confidential counsellor or animal welfare officer.

KNOWLEDGE AND INNOVATION

In collaboration with the *Gezondheidsdienst voor Dieren* (Animal Health Service, GD) and the *Stichting Brancheorganisatie Kalvesector* (Dutch Veal Industry Association, SBK), we worked on the effective control of clinical salmonellosis in 2018. Salmonellosis is caused by the salmonella bacteria and can be transmitted to humans through incorrect meat preparation. The aim was to provide veal farmers with a practical recommendation that they could immediately translate into measures to manage salmonella at their company more effectively. Twenty veal farmers who have faced repeated salmonella outbreaks at their company were selected for this project. In collaboration with vets, we investigated the causes and drew up a company-specific approach.



“THE ENTIRE PRODUCTION CHAIN IS INTERWOVEN WITH QUALITY CHECKS.”





ANIMAL WELFARE

We do everything we can to ensure that the calves develop healthily. The question of whether calves are being handled correctly must be the prime consideration governing every action taken by employees, veal farmers, vets and transporters.



CSR OBJECTIVES FOR ANIMAL WELFARE

- Increased input in research (public-private partnerships) and technology development
- Commitment to responsible use of antibiotics

Reducing the use of antibiotics

We see that our long-term commitment to reduce the use of antibiotics is increasingly visible in the statistics. In total, a 58% reduction in the use of antibiotics was achieved in the period from 2007 up to and including 2018. The reduction was small compared to 2017, but calf losses declined significantly once again. One important reason is that the calves that are supplied to our chain by the Dutch dairy farming sector are increasingly strong.

level prior to 2007. We believe it is important for our veal farmers to possess all the necessary knowledge. That is why we reimburse the expenses that they incur for Eveal, an e-learning programme that educates veal farmers in issues relating to calf health.

source only sprightly calves from the dairy farming sector. This means that the calves are healthy, have received sufficient beestings at the dairy farm and weigh at least 36 kilos.

Calves have no antibodies when born and their natural immunity is limited. The first milk produced by a cow after having calved, called beestings, is essential for young calves. Beestings contain many antibodies (immunoglobulins), iron and vitamin A. In addition, proper hygiene such as clean stalls and drinking buckets is key to preventing animal disease. Optimal immunity development contributes to the good health of the calves that we bring into our veal farms. In 2019, we want to further improve our cooperation with the dairy farming sector in order to achieve better results in our own chain.

Sprightly calves

Good housing, feed and care are determining factors for healthy calves and animal welfare. The first weeks of the calves' lives are crucial to their later growth performance and health. Giving calves a good start on the dairy farms has a significant effect on their subsequent health at the veal farms, which is why we

DILEMMA

The use of antibiotics has an impact on animal health and animal welfare. As in previous years, it continues to be an important theme for our veal farms. There is considerable social pressure and we are intrinsically motivated to achieve further reductions. At the same time, the importance of healthy calves and the associated animal welfare is another consideration. It is therefore impossible to completely rule out antibiotic use. Since 2007, we have pursued an active policy aimed at reducing antibiotics. In the first few years, we saw a strong negative effect with an increase in calf deaths. As a result of more intensive collaboration with the dairy farming sector and knowledge exchange with veal farmers, veal farm losses have now almost returned to the more favourable

CALF PURCHASING REQUIREMENTS



MINIMUM AGE: 14 DAYS OLD



HEALTHY



MINIMUM WEIGHT: 36 KILOS

A CALF CONSUMES ROUGHLY



Stall development

It is important that our calves have proper housing. The roaming and lying comfort of the calves and the stall climate are all elements that improve calf welfare. In our veal farms, our calves are free to walk around in groups, the stalls are ventilated and there is sufficient daylight. In 2018, the Dutch Ministry of Agriculture, Nature and Food Quality (LNV) launched a subsidy scheme allowing veal farmers to apply for subsidies for investments in welfare-friendly floors and measures that reduce ammonia emissions in calf stalls. The subsidy scheme for the floors and the ammonia reduction amounts to a total of 15 million euros. The VanDrie Group was actively involved in the establishment of this scheme.

Preventing animal disease

To safeguard the health of our calves, we do what we can to prevent anaemia, which can be caused by the haemoglobin level in the blood becoming too low. We therefore monitor and maintain the haemoglobin levels of our calves at all farms through blood tests, iron

supplements and suitable food. In addition to calf milk, we provide the calves with fibrous concentrates. They receive at least 200 grams per day up to the age of 15 weeks, and at least 500 grams per day from 15 weeks onwards. At least 10% of this fibre-rich feed consists of long-fibre straw, which requires calves to chew and ruminate for a long time. This stimulates digestion in the rumen, contributes to the development of species-typical behaviour and helps prevent anaemia.

Responsible transportation of calves

For responsible calf transportation, we need to consider the quality of the vehicle, the experience of the driver, climate control, and the possibilities for the calves to drink and lie down during transport. That is why we transport many calves in climate-controlled trucks, some of which are Comfort Class vehicles.

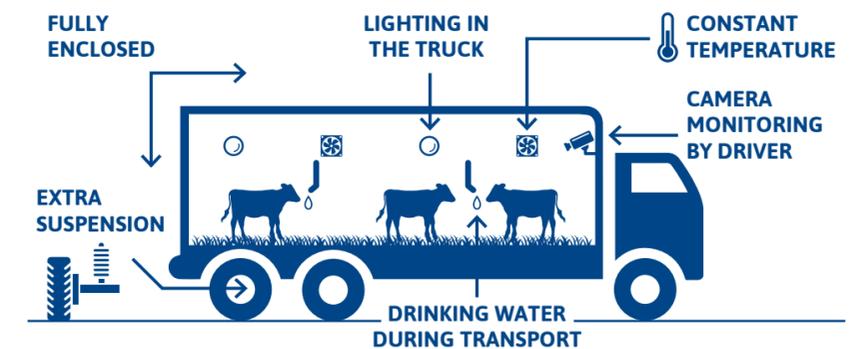
In 2018, we had the hottest summer in more than three centuries and the animal transport heat protocol came into force several times. This protocol ensures that all animal transport in the Netherlands adheres to strict conditions in order to guarantee the welfare of animals in the event of extreme temperatures. If the temperature reaches 35 degrees Celsius or higher, no domestic transport may take place. Action also has to be taken in the event of a tropical period, which is when the forecast indicates temperatures of 27 degrees or higher for four consecutive days. In that case, for example, the animals have to be loaded earlier, and the number of animals per truck has to be 10% lower than the statutory loading level.

We buy calves not only from Dutch, French, Belgian and Italian dairy farms, but also from dairy farmers in other European countries. Calves must be at least fourteen days old and healthy. Calves from outside the Netherlands must be declared healthy by a veterinary surgeon before they may be transported over a prolonged distance. In 2019, we are going to review the procedures for transport and the loading and unloading of calves. These are moments that can cause stress to calves, so calm, careful handling is very important. We are therefore joining forces with transporters and veal farmers to examine how the procedures can be improved.

DILEMMA

Within the context of animal welfare and sustainability we are often asked why our production chain does not have a more regional structure, since the calves would not have to be transported as far and we could make more use of local resources. Our production locations are situated in the Netherlands, Belgium, Germany, France and Italy. Thanks to the extensive knowledge and good infrastructure in these countries, our business processes are organised efficiently and sustainably. At the same time, our most important sales markets can also be found in the countries in which our companies are located. Moreover, we can guarantee our customers superior quality due to the strict welfare and food safety requirements in these countries. For these reasons, we choose not to structure our production chain more regionally.

COMFORT CLASS



Welfare in slaughterhouses

We demand that our veal farmers, suppliers and employees treat the calves with respect, whether this be during transport, on the farm or in the slaughterhouse. For example, our slaughterhouses have trained animal welfare officers who ensure that the processes in and around the slaughterhouses are carried out in an animal-friendly manner. The officers receive training at Bristol University in the fields of animal behaviour, animal welfare and the slaughter process. There is also camera surveillance in all our slaughterhouses. We believe it is important to show our results in the field of animal welfare. In 2018, we therefore decided to publish monitoring and inspection data from our Dutch slaughterhouses online. This makes our scores available to everyone.

At the end of 2018, VanDrie Belgium was confronted with undercover footage that was recorded in the slaughterhouse in Hasselt. That footage showed animal welfare violations. We insist that our companies and all our employees safeguard animal welfare at all times. These principles are clearly not reflected in the undercover footage. Animal suffering is harrowing and we understand the social outrage that arose; we were very distressed, too. VanDrie Belgium launched an immediate internal investigation into the footage and sent an improvement plan to the Flemish Minister for Animal Welfare. Following intensive testing and monitoring of this improvement plan, VanDrie Belgium was allowed to produce again.

Veal with a quality mark

Since 2009, the VanDrie Group veal has had the Better Life label, issued by the Better Life Label Foundation (*Stichting Beter Leven keurmerk*, SBLk) of the Dutch Society for the Protection of Animals (*Dierenbescherming*). Veal that falls under this quality mark satisfies additional requirements, including those relating to transport duration and SBLk has the right to conduct unannounced inspections. The veal bearing this quality mark is sold in Dutch supermarkets. Our veal farming organisation Van Drie bv was certified as chain director by the Better Life label in 2018. Van Drie bv monitors the farms affiliated with our chain and the purchase of Better Life calves via third parties. By linking farms and slaughterhouses with each other, Van Drie bv ensures proper coordination within the chain in relation to the label.



KNOWLEDGE AND INNOVATION

In 2018, we introduced a new feed additive: Vita Start. This feed leads to healthier calves and improved immunity. Vita Start has been proved to contribute to health during the crucial early phase of a calf's life. Our R&D department has developed the feed and tested it extensively at research companies.

In 2016, we began our study called Fit and Healthy Calves in a Sustainable Livestock Sector (*Vitaal en Gezond Kalf in een Duurzame Veehouderij*). We are collaborating on this with organisations including Wageningen University & Research, *Stichting Brancheorganisatie Kalvesector* (Dutch Veal Industry Association, SBK), *LTO vakgroep Melkveehouderij* (Dutch Federation of Agriculture and Horticulture, Dairy farming department), MSD Animal Health and *Gezondheidsdienst voor Dieren* (Animal Health Service, GD). The aim of the study is to alleviate animal disease issues and reduce the associated use of antibiotics. In 2018, a subsidiary investigation was carried out into the effect of various transport conditions and what this means for calves. Various tests were performed for this to examine the different types of feed that calves can drink during transport, the impact of transport duration and the mode of transport. In 2019, we will start a sub-project conducting research into the relationship between the performance of a calf at a dairy farm and at a veal farm. The calf will be followed at both companies in order to gather information about the breeding system, beestings ingestion, rationing, health, birth weight and technical results. Through Fit and Healthy Calves in a Sustainable Livestock Sector, we want to develop improvements, based on scientific insights, for our policy relating to feed, transport and animal disease management.

In 2018, the Food4Live project was completed. We collaborated with the TNO research institute on this project. The research focuses on feed and the relationship between intestinal health and lungs. The results of this project will be incorporated in the development of our calf feed in the coming years.

“WE ARE JOINING FORCES WITH TRANSPORTERS AND VEAL FARMERS TO EXAMINE HOW THE TRANSPORT PROCEDURE CAN BE IMPROVED.”



IN CONVERSATION WITH... ROZENN LEFÈVRE

Quality Manager at subsidiary Tendriade in France



“All companies in the group need to collaborate with each other for a future-proof veal sector.”

What do French people think of veal products?

“People eat more veal in France than anywhere else in the world. The average consumption is 3.5 kilos per inhabitant per year, which represents 35% of the total volume consumed in Europe. Veal is part of the French culinary heritage and is considered to be a premium product that is renowned for its quality. The French consumer therefore has a great appreciation for veal due to the mild flavour, tenderness and nutritional value.”

How significant is the veal sector for French food production and foreign trade?

“France is the second largest producer of veal in the world. The total number of veal farmers in France is estimated to be 6,000, half of which keep more than 50 calves per year. Tendriade exports about 10% of its products abroad.”

How important is CSR in France? And what do stakeholders expect from the VanDrie Group in this regard?

“Corporate social responsibility has only really been a topic of discussion in France for the past three years. We notice that there is a growing demand for improvements in animal welfare, reduced environmental impact and greater transparency. The future of our company and our position as market leader depend on our ability to respond to this. We need to offer the consumer transparency about our production methods and at the same time to work vigorously on sustainable development. In addition, we will have to market veal differently in order to appeal to new generations, for example by developing products that are easy to prepare. It is important for the VanDrie Group to continue to communicate properly about its promises in the field of CSR on the one hand, and for all companies within the group to address these objectives on the other. From raw material suppliers and veal farmers to transporters and slaughterhouses, everyone has to collaborate for a future-proof veal sector.”

How do you implement the VanDrie Group’s CSR policy at Tendriade?

“As a subsidiary, Tendriade shares the same values as the VanDrie Group. Our priority is to produce safe, high-quality veal. As Quality Manager, I am responsible for the food safety of our products and I ensure the quality management of the production chain. I ensure that good hygiene management is observed at our locations and that the wishes and requirements of our customers are respected. In addition, it is a major challenge in my job to ensure that all departments within our company – from R&D to marketing – are aware of our CSR objectives. I keep an eye on the social developments that are relevant to us and share these with my colleagues so that we can collectively consider points for improvement. At the same time, I report on this to the management team in order to support them in strategic decisions.”

What does the power of the chain mean to you?

“We are lucky to have a proactive and mature sector that is aware of the necessity to integrate social expectations in our production methods. Our chain is small, which enables proper management of the activities and obligations within the various links. In France, we have trade unions that organise work meetings about subjects such as food safety, legislation and regulations. Each link in the chain, from livestock farmer to processor, is represented during those meetings.”



SURROUNDINGS & ENVIRONMENT

Within our companies we are continuously focussing on minimising our impact on the surroundings and the environment. This starts with handling raw materials and nutrients as efficiently as possible. We make optimal use of residual streams within our chain.



CSR OBJECTIVES FOR SURROUNDINGS & ENVIRONMENT

- Reduce greenhouse gas emissions from Dutch (calf) feed companies and slaughterhouses by 49% by 2030



DILEMMA

In order to create a good feed package for the calves, we have to procure some of the feed ingredients from outside Europe, since the feed efficiency of ingredients such as soy is very favourable and the CO₂ footprint is relatively small. Feed efficiency refers to the relationship between the input of raw materials and the output in calf growth. Replacing soy with other, more local protein sources would lead to a larger CO₂ footprint and lower feed efficiency. We therefore choose to use soy from outside Europe. When purchasing soy and other raw materials, however, we ensure that they are produced in a sustainable and responsible way.

manure, blood, skin and other by-products. Unborn manure is collected within our slaughterhouses, and together with the sludge from the slaughterhouses this residual stream is sent to a processing plant and converted into a high-quality manure product. The ESA and Tendriade slaughterhouses collect the blood that is released during the slaughtering process. This blood is used in the pharmaceutical industry for the production of heart medication.

Responsible/sustainable purchasing

We buy our supplies (such as printed matter, coffee cups and customer gifts) and raw materials in a sustainable way, paying attention to the producer’s ISO 14001 certificates. All the cardboard meat boxes and sleeves that our Dutch and Belgian calf slaughterhouses use comply with the FSC label (Forest Stewardship Council). In order to extend the shelf life of products, we are increasingly using skin packs in which the

Use of raw materials and fair trade

We want to source our raw materials locally as much as possible and we buy most of our raw materials from Europe. When purchasing raw materials, we look at sustainability requirements. For example, the VanDrie Group purchases all palm oil intended for the Dutch market according to sustainability principles. Sustainably produced palm oil is defined as palm oil that has been certified in accordance with the principles of the Roundtable on Sustainable Palm Oil (RSPO).

When purchasing soy, we observe the Soy Sourcing Guidelines of the European Feed Manufacturers’ Federation (FEFAC). These guidelines guarantee that soy is produced in a sustainable and responsible way. In 2018, the animal feed companies Alpuro, Navobi, Tentego and Schils took further measures in line with the ISO 14001 standard relating to the environment. Efforts are being made to conserve energy by ensuring processes are run more efficiently. As a result of this, we have been able to reduce CO₂ emissions. The animal feed companies are also committed to reducing waste and hence CO₂ emissions, such as by reusing residual streams as raw materials or for producing green energy.

Maximising economic value

We aim for maximum value creation in order to combat waste. In practice, this means that we use all parts of the calf – meat, organs,

AMBITION



REDUCE GREENHOUSE GAS EMISSIONS FROM DUTCH FEED/CALF FEED COMPANIES AND SLAUGHTERHOUSES BY 49% BY 2030



SOURCE MORE RAW MATERIALS LOCALLY

meat is vacuum packed. All trays in which our meat is packaged are made from 100% recycled material. On our packaging line, we have switched to thinner shrink wrap film, so that less material is required. We are also investigating possibilities for replacing plastic trays with cardboard under-trays.



DILEMMA

The processing of calf skins is an important activity within our company. The usability of these skins depends entirely on them being preserved, which we do by using salt as it extracts moisture from the skins, enabling them to be kept for longer. This is how we are combating waste. However, some of the salt ends up in the waste water and that has an impact on the level of contamination. Due to agreements with customers, we can supply an increasing number of unsalted calf skins. Fast processing and logistics are essential in this regard. In 2018, we supplied 125,466 more unsalted calf skins than in 2015. At present, however, we are still dependent on salt in order to be able to guarantee the quality of the skins for customers who are located further afield.

“WE ARE INVESTIGATING POSSIBILITIES FOR REPLACING PLASTIC TRAYS WITH CARDBOARD UNDER-TRAYS.”



KNOWLEDGE AND INNOVATION

The VanDrie Group is a member of the international Global Roundtable for Sustainable Beef (GRSB) alliance. The aim of GRSB is to promote sustainability in the global beef and veal chain. We exchange knowledge with partners such as Solidaridad, the World Wide Fund for Nature, Rabobank and McDonald's about our chain and about the challenges that we envisage, such as optimising the economic value of manure, use of antibiotics and animal welfare. In 2018, the VanDrie Group became a partner of the *Next Level Mest Verwaarden* (Next Level Manure Monetisation) consortium, which comprises Agrifirm, Darling Ingredients International, De Heus, FrieslandCampina, ForFarmers and Wageningen University & Research. The aim of the consortium is to develop a sustainable chain that optimises the economic value of manure. We are researching how we can recover and reuse valuable components such as phosphates from manure.

Ethical standards

The VanDrie Group places great importance on ethical behaviour by all employees, veal farmers, transporters and other partners. We work with live animals and food products of animal origin. We believe it is important to operate in a respectful manner throughout our entire chain. For example, we ask suppliers of raw feed materials how they observe human rights and how they ensure no use is made of child labour. We comply with the OESO Guidelines for Multinational Enterprises with respect to chain responsibility. In addition, we endorse the United Nation's Universal Declaration of Human Rights. We have drawn up rules of conduct for our employees. They must refrain from undesirable behaviour, such as sexual intimidation, discrimination and bullying. The rules of conduct also include regulations for personal hygiene and hygienic working practices.



SCOPE

This is the twelfth year in which we have published an account of our activities. This CSR report is one of the vehicles by which we do so. Since 2012, the subjects covered in this annual report have been categorised under the following pillars: our organisation, food safety, animal welfare and the environment.

The content of each pillar is evaluated once a year to guarantee that our policy and its pillars still reflect the dynamic environment in which the VanDrie Group operates. Where necessary, the VanDrie Group will adjust these points on the basis of the evaluation.

DEFINITION AND SCOPE

This year, the VanDrie Group is focusing primarily on the Dutch operational performance in 2018. This annual report is intended mainly for our Dutch stakeholders. The report is based on the Core GRI Standards, and has also been drawn up in line with the criteria of the Dutch Ministry of Economic Affairs and Climate Policy's Transparency Benchmark.

The report further contains the updated materiality matrix. This matrix was not revised in 2018. The materiality matrix provides insight into what our stakeholders find important, and we report on this.

Given that we operate in a competitively sensitive market, we have consciously opted to restrict the provision of information relating to our financial results and internal structure. We devote considerable attention to the subjects that our stakeholders have indicated as highly relevant.

MANAGEMENT AND CONTROL

The Corporate Affairs department is involved in determining the content of the report and manages the entire report process and implementation of material issues inside and outside of the company. The content of the report is determined according to internal and external interviews, as well as management reports made by all companies.

The VanDrie Group's entire management team supervises the aforementioned developments. Every year, the material aspects of the business are discussed in the management meeting. The approval of the publication of the CSR results is also decided.

The data in this report relates to the performance and material issues of the VanDrie Group (i.e. companies in which VanDrie Group Holding bv has a majority interest) and not to the performance of suppliers, customers, consumers etc. The quantitative details in this report have been collected from financial systems, the personnel management system and Safety Guard. We do not possess an automated information system that covers all the information.

A standardised reporting template is used to collect all information on an annual basis. Where possible, the data for this report has been measured. We have had to make estimates for several indicators for which no reliable, measured data was available, although these estimates are based on measured data. Most of the quantitative information in this report has been measured. The data is evaluated internally before it is reported. No uncertainties or inherent limitations have been identified as a result of measurements, estimates or calculations of data. The reporting period runs from 1 January 2018 to 31 December 2018. The publication date is 28 June 2019.

See pages 52 and 53 of the report for the assurance report and the evaluated data. For an overview of the GRI index and glossary, please go to our website: www.vandriegrup.com/csr/csr.

Any changes to the definitions and measurement methods compared to previous years are stated in the report, together with the corresponding data.

ASSURANCE REPORT

We have received instructions from the management of Van Drie Holding (hereinafter the VanDrie Group) to evaluate the CSR indicators included on this page. We provide a limited degree of assurance regarding the selected CSR indicators included in the table on this page.

EVALUATION: LIMITED DEGREE OF ASSURANCE

Evaluation tasks focus on obtaining a limited degree of assurance and do not include such in-depth work as would be conducted for an audit. A review engagement consequently provides less assurance than an audit engagement. Our evaluation is restricted to the figures given in the table on this page; accordingly, we do not seek to offer assurance regarding the assumptions and feasibility of the future-oriented information in the report that relates to CSR issues, such as the VanDrie Group's aims, expectations and ambitions. It is our responsibility to provide an assurance report on the selected CSR indicators.

REPORT CRITERIA

The VanDrie Group compiled its CSR report based on the Core GRI Standards. Application of the GRI guidelines requires specific activities. A major part of this is to determine the material subjects and the scope of reporting for the report. The VanDrie Group has conducted a materiality analysis, making use of the materiality matrix found on page 22.

Our evaluation of the data is limited to the selected CSR indicators in the table on this page. A detailed description of the scope of the figures in the table can be found in the explanatory notes beside the table. We believe that the data included in the table is relevant and appropriate to our evaluation.

RESPONSIBILITY OF THE BOARD

The board of the VanDrie Group is responsible for drawing up the sustainability information in the report in accordance with the reporting criteria of the organisation, including the identification of the intended users and the applicability of the criteria adopted for the objectives of the intended users. The board of the VanDrie Group is responsible for the drafting of this report and the table according to the Global Reporting

Initiative (GRI) indicators. The board is also responsible for such internal control as deemed necessary to enable compilation of the sustainability information in the report without deviations of material importance as a result of fraud or errors.

RESPONSIBILITY OF THE ACCOUNTANT

Our responsibility is to plan and execute an assurance task in such a way that we obtain sufficient and suitable assurance information to reach the conclusion that we are to deliver. This assurance task focuses on obtaining limited assurance. The activities that are performed in obtaining limited assurance focus on determining the plausibility of information and are less in-depth than for an assurance task focused on obtaining reasonable assurance. The activities carried out within this framework primarily consisted of obtaining information from officials of the entity and carrying out analytical procedures relating to the information included in the sustainability information in the report. The degree of assurance that is obtained from assurance tasks focused on obtaining limited assurance is therefore also considerably lower than the assurance that is obtained from assurance tasks focused on obtaining reasonable assurance. Deviations may arise as a result of fraud or errors, and are considered material if it can be reasonably expected that such deviations, separately or jointly, may influence the decisions that users take on the basis of the sustainability information in the report. The materiality influences the nature, timing and scope of our activities and the evaluation of the effect of recognised deviations on our conclusion.

TASKS

As regards the selected CSR data included in the table, we performed our evaluation in accordance with Dutch law, including ISAE 3000: "Assurance engagements other than audits or reviews of historical financial information".

OUR KEY EVALUATION TASKS FOR THE SELECTED CSR INDICATORS WERE:

- › To conduct an environmental analysis and obtain insight into the sector in question, relevant social trends and issues, relevant legislation and regulations, and the organisation's characteristics;
- › To evaluate the suitability of the reporting criteria and the consistency of their application, such as by evaluating the reasonableness of the estimates made by management;
- › To evaluate the process employed for collecting the selected CSR data and

used to aggregate this data as found in the table on this page of the VanDrie Group's annual CSR report 2018;

- › To conduct an evaluation based on coordination with the underlying documentation for the data collected for each individual company;
- › To conduct numerical evaluations and analysis into the correlation between the data.

We believe that the evaluation information obtained by us was sufficient and suitable to substantiate our judgement.

CONCLUSION

Based on the evaluation tasks that we performed, we have not seen anything to suggest that the selected data found in the table has not been presented in accordance with the VanDrie Group's reporting criteria in all material respects.

USE OF THIS ASSURANCE REPORT

This assurance report only relates to the evaluation of the performance of the selected CSR indicators for the VanDrie Group as found in the table on this page. This assurance report is therefore of limited scope and does not provide any assurance of the VanDrie Group's overall CSR performance for the year in question.

Drs R.C.H.M. Horsmans RA RV
MAZARS N.V.

Amsterdam, 28 June 2019

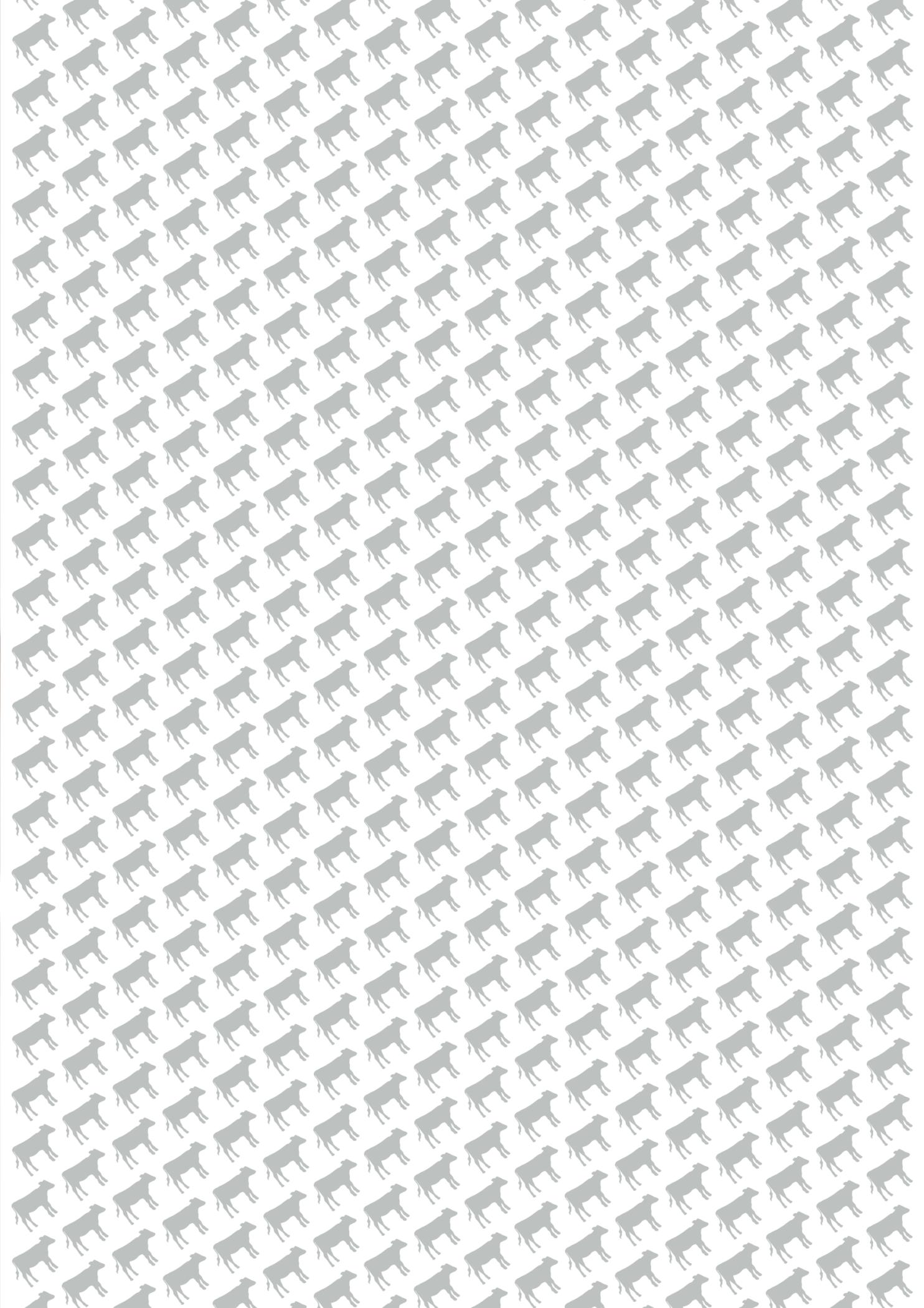
INDICATOR DATA FOR THE NETHERLANDS	UNIT	2018	2017	FLUX
NUMBER OF EMPLOYEES	Headcount	1,208	1,149	5.1%
FULL-TIME EMPLOYEES	FTEs	1,093	1,050	4.1%
PROPORTION OF MALE EMPLOYEES	% of headcounts	84%	84%	0.1%
PROPORTION OF FEMALE EMPLOYEES	% of headcounts	16%	16%	-0.7%
ABSENTEEISM	Percentage	6.1%	5.9%	3.6%
ELECTRICITY CONSUMPTION	kWh per tonne of calf feed (1)	27.3	25	9.2%
	kWh per calf slaughtered (2)	31.3	30.4	2.8%
WATER CONSUMPTION	m ³ per tonne of calf feed (1)	0.057	0.044	28.1%
	m ³ per calf slaughtered (2)	0.601	0.552	8.9%
GAS CONSUMPTION	m ³ per tonne of calf feed (1)	1.88	1.88	0.1%
	m ³ per calf slaughtered (2)	1.15	1.18	-2.4%
ANTIBIOTICS DOSAGES PER ANIMAL PER DAY	Decrease in % compared to 2007	58%	58%	-0.4%
NUMBER OF RECALLS	Number	1	1	0%
NUMBER OF AUDITS	Number (3)	182	131	38.9%

(1) Calf feed producers in the Netherlands: Tentego, Navobi, Schils, Alpuro

(2) Slaughterhouses in the Netherlands: T. Boer & zn, Ekro, ESA

(3) Internal and external audits at calf feed producers and slaughterhouses in the Netherlands

Scope: the scope for the activities for the CSR report for the VanDrie Group only relates to the Dutch entities.



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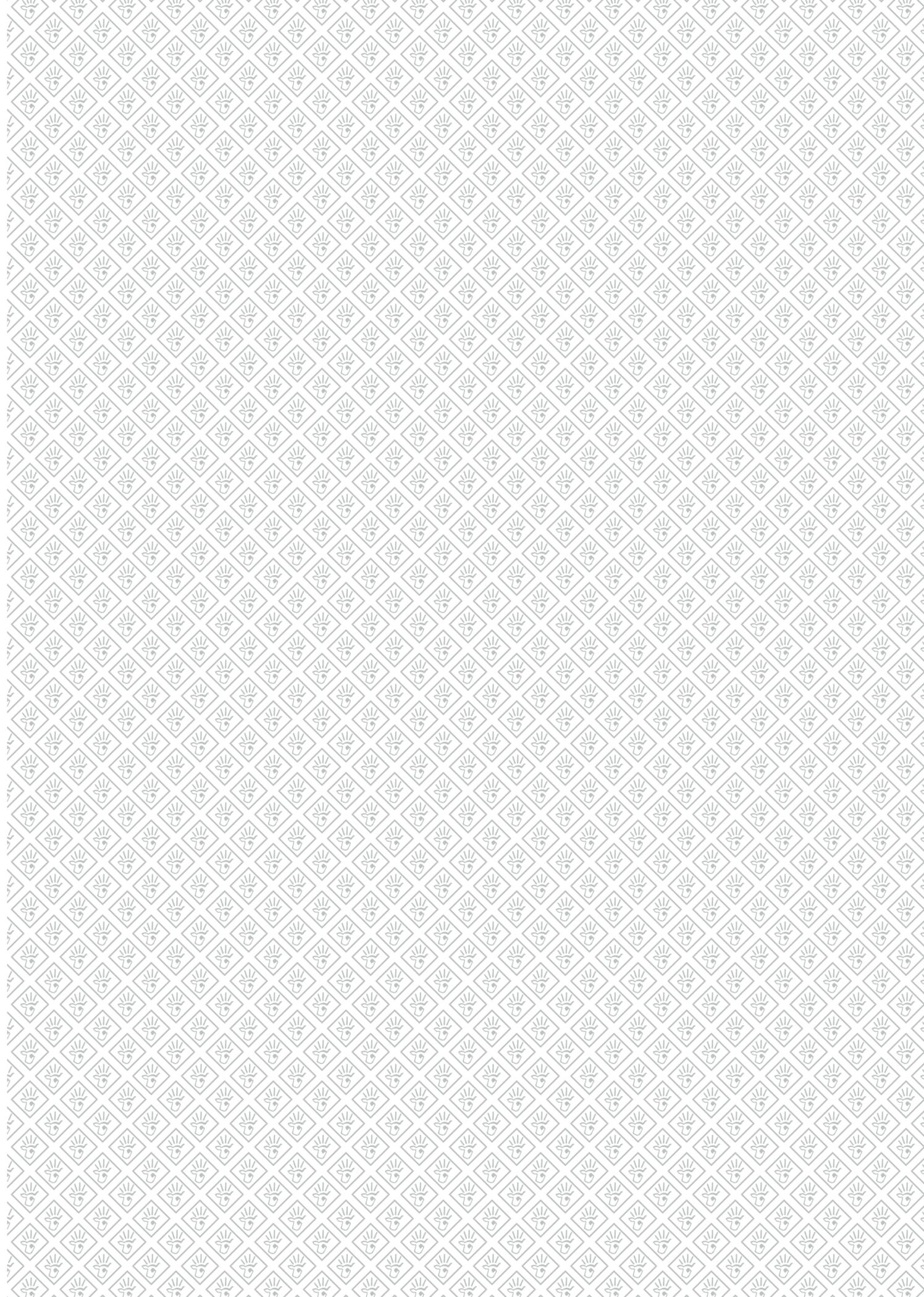
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