

# CSR REPORT



**VanDrie Group**  
CONTROLLED QUALITY VEAL



**VEAL** WITH VISION

**The VanDrie Group operates in a dynamic environment. Society keeps close tabs on us and is making ever higher demands on our industry. The VanDrie Group is rising to meet these requirements ahead of time by paying unceasing attention to quality and food security.**

Society continues to be more and more demanding with regard to how animals are treated and how meat is produced. At the same time, however, the world population is growing, and with it global meat consumption. By 2050, there will be nine billion mouths to feed. This is the tension within which the VanDrie Group operates. On the one hand, there is huge demand for meat products; on the other, we are being urged insistently to produce meat in a responsible fashion. The VanDrie Group is assuming this responsibility and is making a deliberate choice to exercise Corporate Social Responsibility.

The group can work to retain its social 'licence to produce' by treating the environment thoughtfully and being well aware of the key environmental developments. To retain social licence, producers will have to change their mindsets as to how they regard the farming world. The VanDrie Group takes this challenge seriously and is taking steps in product and service innovation, as well as in collaborations both within and beyond the production chain. The principle of gaining maximum yield - getting full



value out of each animal - is one that has to be further embedded in how we do business. Product optimisation is a key focus for us, a good example of which is how we extract greater value from manure. People have typically viewed manure as waste and as something that has to be carted away at considerable expense. The VanDrie Group, however, sees manure as nothing less than a potential fuel for the biobased economy. Such an attitude can make manure mountains a thing of the past.

We can extract very valuable substances from manure, including amino acids, potassium, proteins and phosphates - all of which are substances expected to become scarce in the near future. By taking this initiative, the VanDrie Group is making an innovative contribution to anticipating future developments. We have dubbed our Project Manure with Value (Mest vol Waarden). For this project, we have decided to partner with institutions outside the production chain. With partners including the researchers at Wageningen UR, we are working out a new way of processing manure.

The VanDrie Group is a Dutch family company, and we behave like one, too. We shoulder our responsibility, prize cooperation and prioritise our long-term vision with a focus on sustainability. Corporate Social Responsibility slots easily into this framework. Our CSR policy rests on four pillars: our organisation, food safety, animal welfare and the environment. The VanDrie Group is keen to make progress on all four of these pillars, out of responsibility towards the generations to come.

Our whole production chain - from the nursing of young calves, through feed production, to the sale of the veal products - remains in the group's own hands. By choosing not to outsource, the VanDrie Group is able to guarantee the quality, safety and traceability of its products. We deliver these qualities by applying an in-house quality system for the production chain, known as Safety Guard.

When it comes to CSR, to tread water is actually to fall behind, so we have taken further steps in each component of the production chain. You can read all about these in this CSR report.

The VanDrie Group took a major step forward in 2013 by joining the Global Roundtable for Sustainable Beef. The Roundtable's mission is to continually improve the sustainability of the global production chain in beef and veal by instituting cooperation between meat producers, scientists



*Henny Swinkels, Director Corporate Affairs VanDrie Group*

and other stakeholders. Consultation with partners including the WWF, Solidaridad, the Rainforest Alliance and McDonald's is of inestimable value to the VanDrie Group and helps us attain further steps in sustainability.

This CSR report sets out for you our key results from 2013 and our ambitions for 2014 and beyond. This year, for the first time, we have asked our auditors to have an external verification carried out for a selection of the indicators for our Dutch operations. The findings are in Appendices 15 and 16. The inclusion of this verification serves to underline how seriously the VanDrie Group takes its duty to report reliable data.

Should you have any queries or remarks for us about this CSR report, kindly send them to [info@vandriegrup.com](mailto:info@vandriegrup.com).

**Henny Swinkels**  
*Director Corporate Affairs*  
30 June 2014



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## Layar

This report has been produced using Layar, software that enables the reader to reveal digital layers of information beneath an image by scanning them with a smartphone. The various images you will find in this report give you access to an accompanying video clip. To scan the images, you will need the Layar app, which can be downloaded from [www.layar.com](http://www.layar.com).



The VanDrie Group, a Dutch family company, is a global market leader in veal. Jan van Drie bought his first young calf for fattening in the early 1960s. Today, with more than 25 companies, the group is the largest integrated veal producer in the world and thereby the global market leader in veal, calf feed and calfskins.

Veal as a product has its origin in dairy farming. A dairy cow will only lactate if she calves each year. Farmers keep a proportion of the female calves born on their farms, in order to expand and replenish their dairy herds. The rest of the calves are sent to calf husbandries. Thanks to its large dairy industry, the Netherlands is an important producer of veal.

The group's structure is organised in line with production chain management. To achieve this, we have developed a unique system of integral chain management: Safety Guard. This system safeguards food safety, animal welfare, responsible use of antibiotics and environmental management - across the entire production chain. The group's operating companies are clustered in six categories: calf husbandries, dairy raw materials (processing & trade), calf feed, calf slaughterhouses (handling & processing), calfskins and veal information provision. All the group's companies fall under the VanDrie Holding, which is the company that takes care of finances, among other aspects. The shares in the group are owned by its Managing Directors. The various directors of the VanDrie Group companies are represented in the directorate consultation, which takes place at least five times a year. The purpose of this consultation is to evaluate draft policy and policy implementation, and to initiate new operations. In addition, the group's various operating companies are managed from the forum of this consultation.

## Founder



Jan van Drie sr.

## Managing Directors of the VanDrie Group



Jan van Drie jr.



René van Drie



Herman van Drie



**Our CSR policy steers and guides the VanDrie Group's activities in the area of Corporate Social Responsibility.**

The group's CSR policy rests on four pillars: our organisation, food safety, animal welfare, and surroundings & the environment. This annual report is subdivided to reflect these pillars of our policy.



**Our Organisation**

As a family business and as global market leader, we shoulder our responsibility with regard to social developments in our industry. Where our people are concerned, we strive to have healthy employees in a safe workplace with plenty of scope for personal development.

**Food Safety**

Our most essential responsibility is to supply reliable and responsibly produced veal products. To that end, we have developed an in-house quality system, Safety Guard, to enable us to safeguard quality and safety from the very first link in our production chain onwards.

We have been providing accountability on these subjects since 2006, including by issuing these annual reports. The substance of each issue is evaluated once a year to ensure that our policy and its pillars still reflect the dynamic environment in which the VanDrie Group operates. Where necessary, the group will adjust these points as prompted by the evaluation.



**Animal Welfare**

Together with our farmers, we set everything in motion to ensure calves grow healthily. We achieve this aim through cooperation with the dairy cattle sector. Together, we ensure that our calves have a robust early life, which is in the interests both of the VanDrie Group and of dairy farmers.

**Surroundings & The Environment**

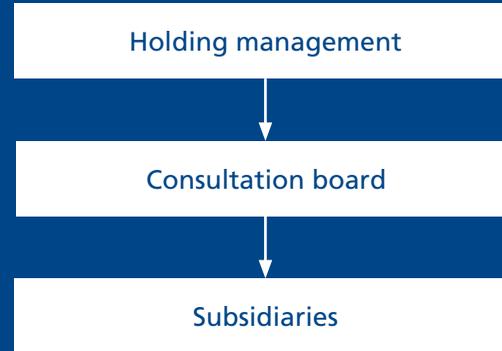
We want to influence environment as little as possible by our operations. Our policy focuses on two areas: Cradle to Cradle business operations and reducing the environmental influence. What that means in practice is that we strive to waste as little as possible, to reduce our CO<sub>2</sub> emissions and to wring maximum value out of waste flows.



## The VanDrie Group consultation mechanisms

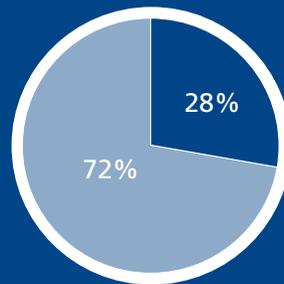
There are many formal consultations that take place within the VanDrie Group, including:

- Directorate consultation, where the various directors of the VanDrie Group companies are represented; this takes place at least five times a year;
- Monthly meetings of the operational managers of our Netherlands-based calf slaughterhouses;
- Biannual consultation of all quality officials and managers in the format of the SafetyGuard Platform: attendees include the Head of the VanDrie Group Quality Assurance, the VanDrie Group Quality Coordinator and a Directorate Consultation delegate;
- The management team for the VanDrie Group calf feed meets four times a year;
- A Quality, Occupational Health & Safety and Environment (Dutch acronym: KAM) Day is held annually, attended by quality managers and HRM managers.

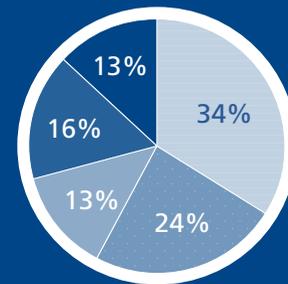


## VEAL DISTRIBUTION

European market share



Export of veal



## Facts and Figures

### Our employees:

- Approx. 2,350 employees;
- Approx. 45% of them work in the Netherlands;
- Approx. 4,000 indirect employees;
- Approx. 1,100 contract farmers.

### Our products:

- Approx. 1.5 million calves;
- Approx. 500,000 tonnes of powdered milk for calves;
- Approx. 125,000 tonnes of muesli/roughage;
- Approx. 250,000 tonnes of trade in basic dairy products;
- Approx. 1.4 million calfskins;
- Branches in the Netherlands, Belgium, Germany, France and Italy.

### Our results:

- 2012 turnover: approx. €1.9 billion;
- Net profit for 2012: approx. €35.4 million;
- Net profit margin for 2012: approx. 1.84%;
- Export of veal: 95% exported to over 60 countries;
- European market share: approx. 28%.

### Our customers:

Our veal products go to a range of outlets, including wholesalers and meat traders, retailers, supermarkets, butchers, hotels, restaurants, caterers, food service companies and the institutional market.

Our calfskins are bought by tanneries and by shoemakers, bag makers, clothiers and the car industry.

Our dairy raw materials largely go to dairy producers, food producers, animal feed producers and dairy product importers.

### The group's marketing concepts are:

VanDrie Controlled Quality Veal, Peter's Farm, Vitender, Friander.



In France, the VanDrie Group has two consumer brands: Finesse de Veau and Tendriade.



We express our family company values in the way that we treat each other, people and animals, and in the way we relate to society. Respect is the foundation of our family business. We strive to be good stewards and to build up capital for the following generations. Long-term cooperation with staff and partners within and outside of our chain is also central to our business operations. The dynamic nature of the environment in which we operate means we have to focus on thorough financial housekeeping and use raw materials as sensibly as possible.

### Setting an Example

Being the global market leader, we have a responsibility to set an example. We do not shirk that responsibility: we invest a considerable portion of our profits back into the group. This lets us develop further as a company and keep growing in a sustainable, social and economically responsible manner. The upshot is that we have skilled employees across the board who typically have been working for us for many years. Also, it means that we can arrange our working procedures innovatively and make more and more improvements to quality. Our cooperation with staff and partners and our cautious use of raw materials are the secrets of the VanDrie Group's success.

### Quality Seal

The VanDrie Group is a Dutch family business that makes its mark with high-quality, safe products. We care a great deal about respect for people, animals and the environment. We also care about what we will leave behind for the next generations. This is reflected in our logo, which is a representation of a hand holding a calf: an expression of care for humans and animals. The seal is our guarantee of quality and craftsmanship.



The VanDrie Group maintains a CSR policy in which relevant issues are flagged up in good time and where sustainable solutions to the challenges our industry faces are continually sought. We are making real efforts to make the whole production chain sustainable and are trying to take steps in that regard at each link of the chain. Within the group, there is a focus on anticipating future risks and opportunities, and on optimising the monetisation of all components of our production. Stakeholders with relevant knowledge acknowledge that our results are demonstrably good in areas including animal welfare, animal housing, manure processing, quality guarantees and new marketing concepts.

Corporate Social Responsibility is embedded in our day-to-day thinking and business. 2013 was the third year in a row that the VanDrie Group was the highest-ranking family company in the agribusiness sector in the Dutch Ministry of Economic Affairs' Transparency Benchmark exercise. The VanDrie Group scored 166 points, putting us in joint 51st place in the nation.

Driven by our intrinsic motivation and our ambition to set the pace, we are now focusing on the principle of creating shared value.

This involves identifying sustainable solutions to CSR dilemmas and issues by reinforcing our relationships with suppliers and customers in the chain. We are convinced that the solutions are to be found in sharing responsibility with other partners in the chain and that these will be powerful and sustainable answers to the social issues that we all face.

More information on the VanDrie Group's policy on creating shared value can be found in Appendix 3.

# KEY PRIORITIES

To keep abreast of developments in society, our CSR strategy for the coming years has several clear priorities, which go hand in glove with current economic, ecological and social developments. These priorities are:

- Achieving close cooperation with other players and partners in the production chain, such as dairy farmers and the dairy industry;
- Expanding relationships with animal health and welfare organisations and other NGO's;
- Continuing to optimise animal welfare;
- Prompting responsible use of antibiotics in calf husbandry by adopting a chain-led approach;
- A more efficient use of raw materials;
- Optimally monetising our waste products and by-products;
- Investigating new high-quality sources of proteins and fats for our animal feeds, ones that will not compete with human consumption;
- Helping feed the nine billion people on the planet in 2050 by going beyond just supplying our veal and sharing our knowledge and experience.



As a family business and as world market leader, we have the ambition of keeping ahead of the pack where social developments in our industry are concerned. Taking responsibility always begins at home. Our senior management bears responsibility for our whole CSR policy. Each business unit has its own aims and responsibilities set under that framework. Within each of our companies, we have an in-house think tank exploring the possibilities for innovation in animal feed and adjustments to management. Our research projects are expanded upon and implemented by seven of the VanDrie Group's staff. Outside of the industry, we collaborate with parties such as Wageningen UR and organisations for animal health and welfare. The VanDrie Group also regards it as a CSR task to operate in a responsible way internationally. We respect the various religions and philosophies in the world as fully as we can, for instance by slaughtering calves after stunning them and by not working on Sundays at some of our locations. We see it as one of our tasks to share our knowledge and skill with our business relations and to promote international partnerships. An overview of the partners and stakeholders with which the VanDrie Group collaborates can be found in Appendix 7.

## CSR and Our Staff

Where our staff are concerned, we strive to have healthy workers in a safe working environment.

## Facts and Figures

### 2013 Results

- A substantial number of our employees were awarded a Dutch Animal Welfare (Dierenwelzijn) certificate;
- Our Netherlands-based calf slaughterhouses have a total of seven certified Animal Welfare Officers;
- We introduced the Safety Guard Academy;
- 96% of eligible Ekro staff took part in health check-ups (PMO);
- Sickness absence unfortunately rose to 6.3%.

### Ambitions for 2014

- To pay continual attention to developing our employees' talents, including by building up the Safety Guard Academy;
- To bring absence levels back down by bringing in physiotherapists, giving thought to prevention and introducing measures under the collective labour agreement (CAO), such as the over-60s scheme;
- To be continually attentive to measures that will promote health and safety, and to make the effects of this measurable.



## Safety

Safety at work is the top priority in everything we do. We continually train our staff on safety issues. Where possible, we also encourage them to work on their own physical and mental well-being.

## Medical Check-ups

Several of the companies within the VanDrie Group arrange regular check-ups (preventive medical examinations, or PMO in Dutch) which our staff can avail themselves of once every four years. The Fitness Test component of these check-ups provides a good view of the physical and mental health of each

employee. In 2013, 96% of invited staff at Ekro took part in the check-ups. The average age of employees at the VanDrie Group is 42.1 years. More than 21% of our staff have been with us for over 20 years.

## Sickness Absence

Keeping absenteeism as low as possible is important for the company, socially as well as economically. Sadly, we did see a growth in absence levels from 5.4% in 2012 to 6.3% in 2013. One of the causes of the higher figure in 2013 was the very long flu epidemic of 18 weeks, the longest in 42 years.



## **Animal Welfare Certificates and Animal Welfare Officers**

A large number of our staff were awarded a Dutch Animal Welfare certificate (Dierenwelzijn) in October 2013. They achieved the award through the professional training course in food run by the industry organisation SVO. Also, three of our staff became certified Animal Welfare Officers after studying in the UK. They now operate as independent supervisors in the slaughterhouses and guide our employees in the area of animal welfare.

## **Safety Guard Academy**

2013 saw the groundwork laid for the development of our Safety Guard Academy. The Academy is our response to the growing demand for training options within and outside our organisation. It is an e-learning portal that makes knowledge, instructions and training courses available to various target audiences within and outside our organisation.

We have brought all our existing Safety Guard structural training courses together under this one roof and are now eager to develop even more courses. Our aim is to make our training options available (in several languages) fully and efficiently for large groups of users.

*For tables, figures and detailed information about our personnel policy, see Appendix 5.*

“We have three Animal Welfare Officers at Ekro; I’m one of them. We took our Animal Welfare Officer course at Bristol in the UK. We went there because it’s the best course there is at the moment. As well as daily checks for animal welfare, which are carried out by the stall manager and the Netherlands Food and Consumer Product Safety Authority (NVWA) veterinarian on site, our Animal Welfare Officers do random tests when the calves are released, being herded, stunned and killed. We use a checklist for these tests, which is also used by two other calf slaughterhouses in the Netherlands within the VanDrie Group. Points for improvement that we find are notified to the slaughterhouse manager.”

*Laura Keijzer, Ekro Quality Service*



*Speaking at the Animal Welfare and Animal Welfare Officers certificates award, 3 October*



# OUR ORGANISATION

## Supporting Good Causes

We see supporting good causes as one of our responsibilities. Some of the causes we supported in 2013 were:

- Stichting Kinderen en Kansen (a foundation for children with the deadly metabolism condition Sanfilippo syndrome);
- 's Heeren Loo (an organisation that supports people in almost all parts of the Netherlands and of all ages who are living with a slight to serious learning difficulty, including compounded difficulties);
- Felua-groep (which helps people who are far removed from the workforce to get a regular job);
- The VanDrie Group had a corporate gift made at Abrona (which specialises in services for people with learning difficulties). This initiative will be followed up in 2014.

In addition, the group supports a large number of charities by supplying them with our veal products. These include the DNA Gala, Wilde Ganzen (cooperation for development), Kind & Ziekenhuis (to support children in hospital), Kiwanis in the towns of Uden and Veghel (Christmas dinner for children and adults with learning difficulties) and heart and vascular disease causes. The VanDrie Group also regularly employs people in a range of support tasks who are drawn from De Werkwijzer Paperasserie and Ambulante Hulpverlening charities.



*Felua-groep*



*Abrona*



*'s Heeren Loo*



## 2013 Results

Our ambition is to integrate CSR thinking more and more closely with our day-to-day thinking and business. We believe in having healthy, well-trained staff who have a safe environment to work in. Just some of the results we have attained in the social sphere in the past year are:

- Continuation of medical check-ups (PMO) for our staff;
- More than 400 training certificates awarded to workers at our Netherlands-based calf slaughterhouses, for skills including Apprenticeship (BBL), First Aid (EHBO/BHV), PEP, defibrillation (AED) and critical control points (HACCP);
- Implemented the bicycle plan at Ekro and Oukro (covering a total of 40 staff in 2013).

### **Ekro:**

- Carried out a risk inventory for the new premises;
- Replaced most of the fat removal trolleys in the slaughterhouse with an automatic suction installation in early 2013;
- Seven incoming work placements (most at vocational level MBO 3 and MBO 4; a couple at higher level HBO). Two BBL-2 qualified apprentices started work at the industry association SVO in Zwolle.

### **ESA:**

- Hearing protection measures were checked for all staff in production. Adjustments made to our production processes resulted in a lower burden on staff and a cleaner, more pleasant working environment.

### **Oukro:**

- The staff at Oukro have taken a complete in-house course in Good Housekeeping;
- Management has started attending a course in communication skills (to be completed in 2014).

### **Schils:**

- Training courses on safety have been run;
- Achieved the status of a recognised learning-at-work company (Erkend Leerbedrijf) for technical services, production and laboratory work.

### **T. Boer & zn:**

- Adapted the in-house rules (including for Good Housekeeping) and amended the safety manual;
- Four staff have taken animal welfare courses.

### **VanDrie België:**

- Published and officially registered amendments to our Belgian working regulations and collective labour agreement (CAO).

## Ambitions for 2014

- Intensify contact with stakeholders;
- Support good causes once again;
- Develop our Safety Guard Academy to run structured training courses;
- Have our new introduction course, based on Safety Guard, up and running in several languages in late 2014. The topics of this course will cover not only food safety and HACCP but also environmental and Occupational Health & Safety aspects;
- Be continually attentive to measures that will promote health and safety, and make the effects of this measurable.

### **Ekro:**

- The first robot will become operational in 2014: it will fully automate the transfer of hung livers from the slaughter line to the chilling line.

### **ESA:**

- Set up medical check-ups (PMO) with appropriate data;
- Four staff from the Technical Service to take a course on handling ammonia safely.

### **Ekro / ESA:**

- Ekro and ESA are jointly launching a class of BBL-2 apprentices in September 2014;
- In mid-2014, almost all staff and temporary staff at Ekro and ESA will be taking an HACCP course via the SVO's e-learning service.

### **Schils:**

- Laying out walkways and floor delineation at the Schils factory.



Our first responsibility as a veal producer is to ensure that reliable, responsible feed and food products are brought onto the market. There are strict regulations in the Netherlands governing how animals are to be kept and slaughtered, and also on packaging, labelling and transportation of animal products. The VanDrie Group works to the highest standards and its work is inspected by the Netherlands Food and Consumer Product Safety Authority (NVWA). Safety and quality are also the top priority and we strive to guarantee that completely. We are able to do so thanks to our in-house quality system, Safety Guard. The VanDrie Group concerns itself with guaranteeing quality from the very first link in the production chain - the health of the animal and the safety of our animal feed - so that we are able to deliver high-quality, safe veal to our customers at the end of the chain.



Gert van Dijk, Netherlands Veterinary Medicines Authority (Stichting Diergeneesmiddelenautoriteit)

## How We Guarantee Food Safety

The production of safe food is a priority for the VanDrie Group. We ensure food safety through the optimal implementation of a number of precautions:

- We use only safe feed producers, i.e. our own GMP+ certified production companies;
- We work exclusively with farmers who are certified participants in the veal calf quality control scheme IKB Vleeskalveren ([www.ikbkalveren.nl](http://www.ikbkalveren.nl));
- We do not deliver calves to slaughterhouses during medication withdrawal periods;
- We operate a restrictive policy in relation to antibiotics and we undertake various trials to improve the vitality of calves;
- We slaughter only calves approved by the Foundation for Quality Guarantee of the Veal Sector (Stichting Kwaliteitsgarantie Vleeskalversector, or SKV).

The key points to which we pay attention include safeguarding quality and safety throughout the production chain by means of Safety Guard; strict compliance with hygiene and quality requirements; Food Defense; bacteriological testing; and a focus on using antibiotics responsibly.

## Safety Guard

Safety Guard identifies, controls and registers each calf during the entire chain process by

means of the calves' individual identification numbers. With Safety Guard, we have an in-house quality programme that monitors the chain: from the intake of the calves up to and including the sale of the veal and calfskins. The basis of Safety Guard is provided by the guidelines of ISO 22000 and ISO 14001. We more than meet the requirements of the General Food Law, the EU's most stringent set of regulations on food safety, as our system provides complete traceability.

## Handling Complaints

Customers are always able to contact us with their remarks or any complaints they might have. All our calf slaughterhouses have a complaints handling procedure in place.

## Evaluating Our Vendors

Each of our companies carries out an evaluation of the vendors that supply it with goods and services. The results of these evaluations are documented and discussed within the individual company, and the companies identify and evaluate the most important factors that touch upon food security.

*More information about Safety Guard can be found in Appendix 6.*

*Information is also available at [www.vandriegrup.nl/garanties/safety-guard](http://www.vandriegrup.nl/garanties/safety-guard)*

## Strictly Meeting Requirements on Hygiene and Quality

Each slaughterhouse has two veterinarians from the NVWA on site every working day, who continually ensure that our business processes are carried out properly and within legal requirements. For instance, they take several random samples each day to check on slaughtering hygiene. The limiting values and prescribed measures to be taken are documented in EU regulations and are incorporated into Safety Guard. When the calves arrive at the slaughterhouse, there is always a veterinarian present to check them. Three NVWA inspectors are positioned at the end of the slaughtering line to check each slaughtered animal for any abnormalities.

## Food Defense

Food crime is a phenomenon of which the VanDrie Group will have to be increasingly aware in future. We define food crime as any deliberate attempt to undermine food safety. This might take the form of adulterating foodstuffs with forbidden substances, falsifying labels or sabotaging the production chain. As part of its contribution to the safety and security of our food provision, the VanDrie Group's management works to safeguard our production processes against deliberate attempts at damage. This serves to protect public health, our own staff and



our products. The measures we take are targeted at reducing the chances that someone could purposely pollute our food supply.

## Bacteriological Testing

To check hygiene in its processes, the VanDrie Group performs its own random tests at the end of the slaughtering line. In 2013, a total of over 20,000 tests were carried out at Ekro, T. Boer & zn and ESA. Some of the organisms tested for were salmonella, listeria, E. coli O157 EHEC, ESBL, MRSA, Staphylococcus aureus, Pseudomonas, moulds, yeasts, Campylobacter and pathogens. In addition, many checks are carried out on the line itself, including Legionella testing, cleansing and disinfection (i.e. hygiene) testing, and tests on the water used in production. Numerous tests on use-by dates are also conducted and the hygiene on the trucks is monitored.

## Animal Health Issues

The VanDrie Group works in many ways to promote the health of the calves and attention is paid above all to:

- Responsible use of antibiotics and awareness of antibiotic-resistant strains;
- Reducing the risk of animal sickness;
- Researching the best measures to take to be able to guarantee food safety.



*Bert Roetert, Chairman, Dutch Central Bureau of Food Retailers (Centraal Bureau Levensmiddelen)*



*Van van der Weg, Director, Foundation for Quality Guarantee of the Veal Sector (Stichting Kwaliteitsgarantie Vleeskalveren)*

## Raw Materials

The VanDrie Group uses raw materials only from checked and certified manufacturers/suppliers. The materials are monitored on arrival to verify their suitability to make calf milk and muesli. Manufacturers must be able to provide guarantees about how their product is created. Suppliers must provide specifications for each raw material. In particular, we pay attention to food safety and consumption (i.e. intake,

digestion and absorption by the calf of all the raw materials/feed). Only when the VanDrie Group has approved the production process and the raw materials can they be delivered.

## VealVision: Transparency Through the Internet

The VanDrie Group uses the Internet to provide customers, consumers and government bodies with an insight into its production methods. The dedicated website [www.vealvision.com](http://www.vealvision.com) has been launched to this end; it makes traceable all the information about a particular batch of veal delivered. With a password, the user can obtain the details for the veal received by quoting the calf's unique ear number. The user can also discover which farmer raised the calf in question. VealVision makes information on all the group's calves available anywhere in the world.

## Collaboration with Partners

The VanDrie Group believes it is important to collaborate well with vendors, customers, NGO's and advocacy groups. As such, the group is a member of, among others, the Dutch Meat Association (Centrale Organisatie Vleessector or COV) and the Foundation for Quality Guarantee of the Veal Sector (Stichting Kwaliteitsgarantie Vleeskalversector or SKV). The COV is an umbrella group that champions the collective interests of employers in the Dutch meat industry, both domestically and internationally.



The SKV is an independent foundation set up by the industry as a whole in 1990 with the aims of:

- promoting quality in veal and calf feed;
- guaranteeing that veal is produced free of growth promoters.

The SKV keeps tabs on the farmers that are its members by taking samples - including during unannounced visits - and undertaking visual checks.

### Informing the Public about Veal and the Veal Industry

The Veal Promotion Foundation (Stichting Promotie Kalfsvlees or SPK) informs consumers about the veal industry, calf welfare and veal quality. The Foundation also provides preparation tips, recipes and information about the labelling on the products. The SPK also regularly gives guest talks at schools and collaborates with a wide range of institutions, including Cas Spijkers Academie, Food Valley, Wageningen Universiteit, Diergeneeskunde Utrecht (veterinary association), Rundveefokkerij (beef cattle breeders' association), CAH Dronten (University of Applied Sciences), Studievereniging De Veetelers (WUR) (cattle breeders' study association), VVFC De Uithof (cattle breeders' association) and The European Mise en Place Cup (hotel management competition). As well as running its own competition, Glazen Kalf (The Glass Calf),

the SPK supports a range of Dutch and European competitions, including Bocuse d'Or, Euro-Toques, Koksgilde (Chefs' Guild), Jeunes Restaurateurs, Les Patrons Cuisiniers, Columbus Trophy and HotelloTOP. *More information can be found at [www.vealpromotion.com](http://www.vealpromotion.com).*

### Responsible Nutrition



Veal fits perfectly in a healthy diet. The VanDrie Group briefs its customers on how to market veal as a safe product suitable as part of a healthy

diet. Moreover, the group is affiliated with the Conscious Choice Foundation (Stichting Ik Kies Bewust). Approved products used to have a Dutch "Ik Kies Bewust" logo on the packaging, but now



approved veal products in the supermarkets have a check mark logo on the packaging. This logo for healthy food choices is the only one that is permitted in the Netherlands by both the national government and the European Commission.

### Task Force for Public Confidence in Food Safety

In March 2013, businesses in the animal industry (from farmers to supermarkets) agreed with Dutch Minister for Agriculture Dijkema and Dutch Minister of Health, Welfare and Sport Schippers to set up a Task Force for Public Confidence in Food Safety (Taskforce Voedselvertrouwen) to restore and maintain consumer confidence in food. As far as businesses are concerned, the consumer is king, and incidents in food safety have a direct impact on their own reputation and on the national and international market in which they operate. The primary responsibility for the safety and reliability of food lies with the production companies. The government bears responsibility for drawing up the norms, including legislation, and exercising public oversight of compliance. The Task Force's role is to continue honing the quality control systems in the production chain.

### Topsector Agri & Food

The Netherlands has a formal system for recognising the leading players in its key industries. The VanDrie Group is a member of

the relevant body for our industry: Topsector Agri & Food. This Topsector is keen to pay more attention to both sustainability and health in the coming years. Innovation is the keyword here.

### 1Health4Food

One of the projects emanating from Topsector Agri & Food is 1Health4Food, an ambitious research programme in the area of human and animal health that was launched in 2013. 1Health4Food is funded by the Board for Livestock and Meat (PVV). It is run by the Central Veterinary Institute (CVI), Utrecht University, the National Institute for Public Health and the Environment (RIVM) and GD Animal Health, in close partnership with businesses,



*Joop Atsma, Chairman of the Board, Product Board for Livestock and Meat (Productschap Vee en Vlees)*

including the VanDrie Group. The programme aims to achieve healthy and safe stock farming in future through joint efforts. The agricultural industry has determined where the priorities must lie here, namely on ESBLs (see below) and rapid diagnostics.



## ESBLs

Extended-spectrum beta-lactamases (ESBLs) are bacterially produced enzymes that are able to break down antibiotics.

More and more ESBL-producing bacteria are being found in people and in animals. The aims pursued within this specialist programme include:

- Ascertaining how ESBLs are being transferred from animals to people: directly (via animal or plant-derived foods) or indirectly (through contact with animals, their products or surroundings);
- Determining how many ESBLs are occurring at each of the links of the production chains (at farms, slaughterhouses and in onward processing);
- Assessing how these links are contributing to contamination of the end product or (as the case may be) to human vulnerability;
- Determining what other sources exist in the transfer of ESBLs to humans (person-to-person contact; pets; hospitals; travel);
- Assessing how reductions in ESBL levels in the various links of the chain are affecting the burden on the end product and hence humans' exposure to risk.

## Diagnostics, Development and Applications

Diagnostics is crucial if we are to make sound choices in treating and preventing disease. In the Diagnostics sub-project, we are working on a tool to measure susceptibility to antibiotics. A test is also being worked on that will be able to establish whether a bacterial pathogen is susceptible to the first-choice and/or second-choice antibiotic.

## Cater with Care

The VanDrie Group has teamed up with other food companies, care organisations and knowledge institutions to set up Cater with Care, a project that aims to develop a varied

range of tasty food - including enriched food - for older people at risk of or already suffering from undernourishment. The partners in this project hope it will be a contribution to the prevention and treatment of senior undernourishment. Healthy eating habits enhance quality of life and combat overweight, obesity and heart and vascular disease. It is up to the industry to persuade the consumer to trust this solution.



Undernourishment is a major problem among health patients and older people. Of seniors who live at home, 35% are undernourished; this proportion rises to between 40% and 50% at care homes and hospitals. The consequences of undernourishment can be grave: slower recoveries after illness, plummeting immunity and higher risks of health complications. These consequences can lead to a negative spiral in health: longer hospital stays, higher medicine dependency and greater complexity of care needed.



## Working with the WWF to Produce Meat Responsibly

The VanDrie Group has been a member of the Global Roundtable for Sustainable Beef (GRSB) since 2013. Partners in the GRSB include the World Wildlife Fund (WWF), the Rainforest Alliance and Solidaridad. As a member of the Roundtable, the VanDrie Group bears responsibility to continue making the production of veal more sustainable. Our membership of the GRSB also helps ensure the long-term viability of the veal industry. The GRSB's mission is to continually improve the sustainability of the global value chain in beef and veal through leadership, science, multi-stakeholder involvement and partnering.

*"The Global Roundtable for Sustainable Beef was delighted to be approached by the VanDrie Group in 2013 with a view to membership. Together with Cameron Bruett, the GRSB President, I visited several of their Dutch companies. We were very impressed. These companies are forward-looking and investing a great deal in sustainability. This is a business that sets an example to the meat industry. One way they do so, that is still very fresh in my mind, is how they exploit the power of traceability to the utmost. We were so pleased that the VanDrie Group decided to join the GRSB and are really happy with the added value they bring to our Roundtable."*

Ruaraidh Petre  
Executive Director GRSB



## 2013 Results

- Continued to optimise the observance of ISO 22000 (Food Safety) and ISO 14001 (Environment);
- Applied the check mark logo on consumer packaging;
- Membership of Global Roundtable for Sustainable Beef (GRSB);
- Participation in the Cater with Care project to prevent undernourishment in the elderly;
- Information provided via the Veal Promotion Foundation (SPK);
- Two quality certificates (IFS and ACS) awarded to VanDrie België.

## Ambitions for 2014

- Make food safety and consumer confidence more robust;
- Continue to develop Safety Guard, in partnership with the SKV and IKB;
- Quantify the Safety Guard objectives;
- Continue industry-wide research experiments;
- Further development and expansion of informational activities via check mark logo, Cater with Care and the SPK;
- Certification of International Food Standard (IFS) at ESA.



Animal welfare is a substantial component of our Corporate Social Responsibility and one of the VanDrie Group's express aims. For our enterprise, this ambition means that we do everything in order to allow the calves to grow healthily.

It is of great importance for our group to work well together with the dairy farmers. The VanDrie Group adds economic value to the calves that are not used in the dairy sector and also purchases calves from dairy companies in Northeast Europe. It is very important that these calves receive a good start. A healthy calf is in the common interest of the VanDrie Group and the dairy sector. Appendix 15: *General requirements of the IKB and Safety Guard for calf husbandry*

### Promoting Vitality in Calves

The VanDrie Group purchases only vigorous calves: animals that are strong and healthy, have sufficient antibodies and weighed at least 36kg at birth. To be able to guarantee that all the calves entering our calf husbandries meet these requirements, we strive to further intensify our cooperation with dairy farmers. This will enable us to help improve calf vitality, with each party using its own specialist knowledge.

From purchase to slaughter, the health of our

calves is closely monitored. We continuously ensure that the calves have a good weight and a good haemoglobin ratio. Our policy is aimed at increasing calf haemoglobin levels that are too low and could lead to health problems associated with anaemia to ideal levels of 6 millimolars per litre.

The health of the intestines of young calves is also of great importance, which is why we have started tests using probiotics - living microbiological nutritional supplements - instead of antibiotics.

### Improved diet

The VanDrie Group signed an agreement back in 2009 with the Netherlands Society for the Prevention of Cruelty to Animals, in which it was agreed that we should give calves at least twice as much roughage as is legally mandated. Muesli has a high nutritional content and ensures a stable environment in the rumen, through which the efficiency, health and welfare of the animal will be optimised. The VanDrie Group has been producing its own muesli and roughage for years.

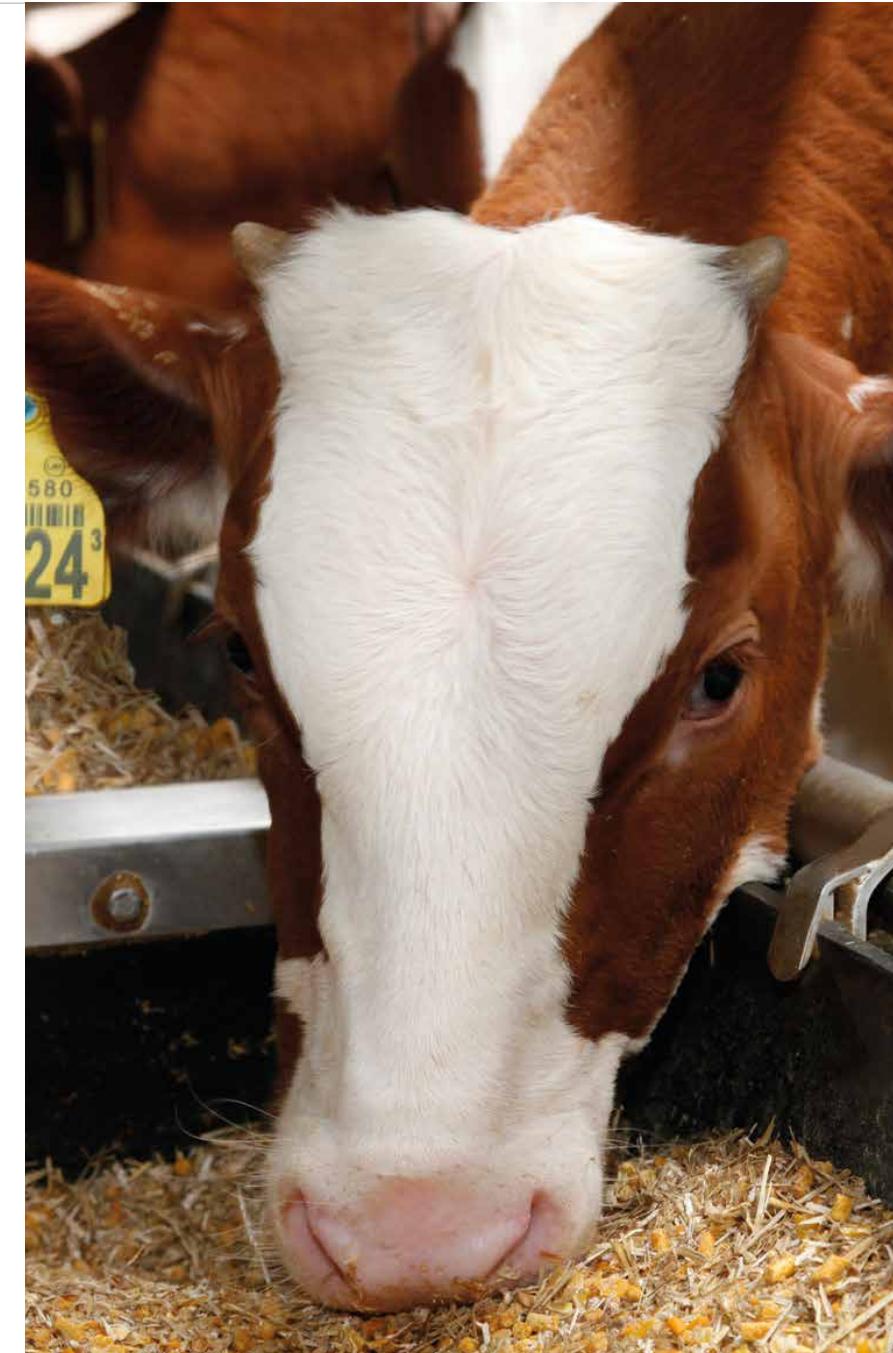
### Project to Reduce Deaths

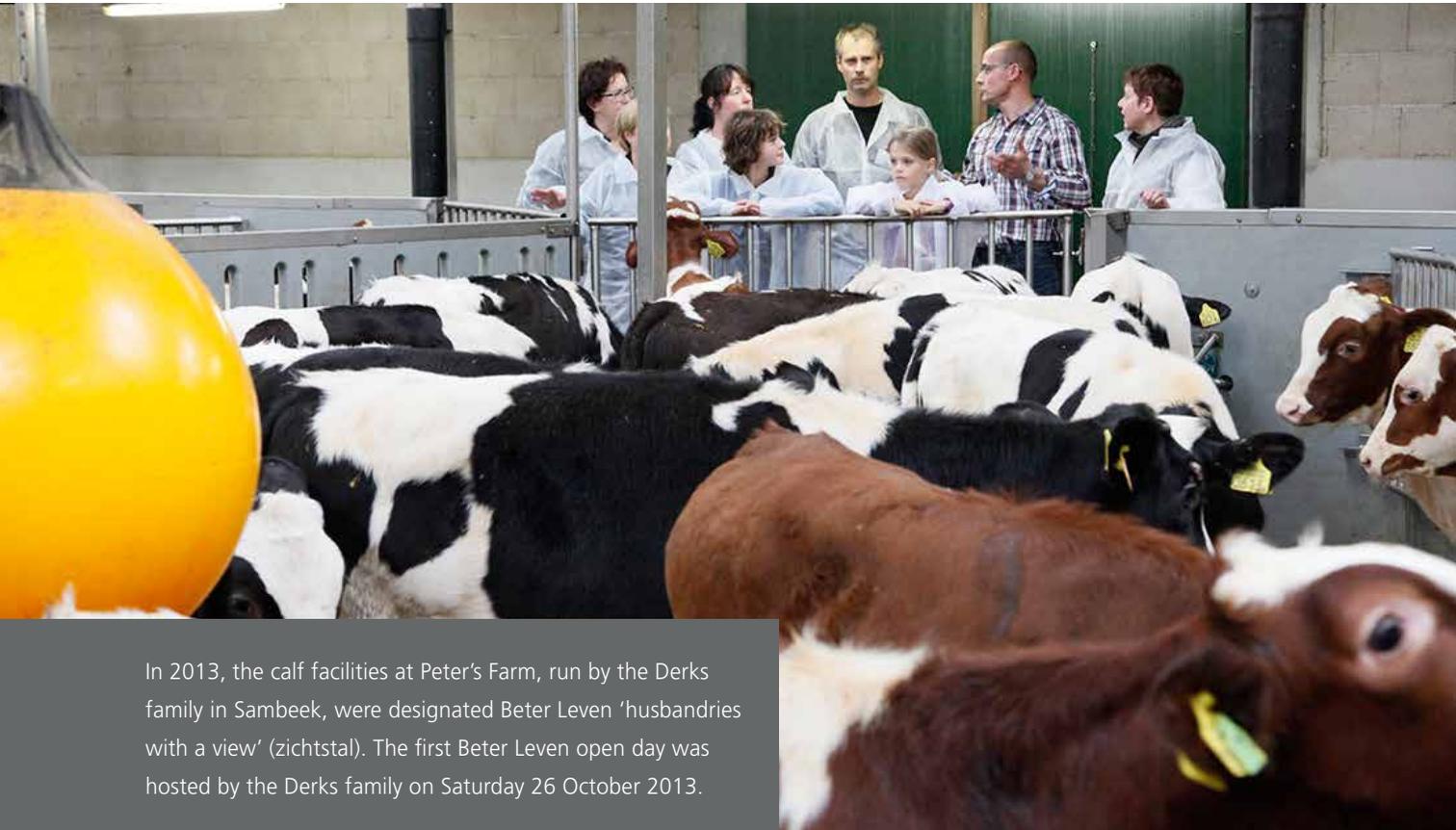
Alpuro Breeding launched a project together with the VanDrie Group in April 2013 to bring down the number of calf deaths. The project aims to bridge the gap between dairy and calf



Ger Koopmans, Chairman Veal Branche

farmers. Dairy farmers receive intensive assistance in breeding their calves, resulting in the cows being able to calve earlier and with fewer deaths. The calf farmer ends up with stronger calves being delivered to him, meaning fewer deaths. Antibiotics usage will also be reduced as a result of this initiative. Dairy farmers who manage to get their calf death rate below 3% receive a bonus price for each calf they deliver to the VanDrie Group. The initial results of this project for 2013 are very promising, which has prompted us to organise a project day for dairy farmers to have a glimpse of the world of calf husbandry. In addition, we jointly brainstormed on how to reduce calf deaths. The VanDrie Group heartily endorses this project. It began with approximately 60 participants, but thanks in part to the initial results and the enthusiasm of those participating, we have decided to increase its scale to approximately 200 participants in 2014.





In 2013, the calf facilities at Peter's Farm, run by the Derks family in Sambeek, were designated Beter Leven 'husbandries with a view' (zichtstal). The first Beter Leven open day was hosted by the Derks family on Saturday 26 October 2013.

## Animal Health

The health and welfare of our calves is central to our business operations. This is illustrated, for example, in the way employees and suppliers care for the calves. The VanDrie Group is on a continual quest for improvements in calves' housing and their circumstances when they are released into the reception area of a slaughterhouse.

## Implementation Agenda for Sustainable Stock Farming

The VanDrie Group is a participant in the Implementation Agenda for Sustainable Stock Farming (Duurzame Veehouderij). This partnership for sustainability focuses on two strands: modernisation and innovation in animal production chains on the one hand, and on the other hand increasing the tempo of sustainability initiatives by bringing new insights to bear on a

large scale. The prerequisite here is that making any aspect (such as in environmental terms) more sustainable must not be at the expense of sustainability in other aspects (such as animal welfare or public health). This is all about integral sustainability initiatives, expressed in ways such as new systems for stalls or husbandry systems, and in breeding and animal feeds. The VanDrie Group wishes to achieve results in systemic innovation, integrally sustainable stock farming systems, and in the area of sustainable transportation.

## Welfare Quality Project

The Dutch veal industry has implemented steps to make animal welfare measurable. Researchers from Wageningen University and the SKV began practical testing in 2013 of proposals and ideas generated by the Veal Calf Welfare Monitor (Welzijnsmoitor Vleeskalveren). They were commissioned to do so by the Dutch Ministry of Economic Affairs (EZ) and by the Board for Livestock and Meat (PVV). 70 farmers, including some who raise rosé veal calves, have been selected to take part in this study. Over three years, they will be assessing whether this method is reliable and whether it actually does provide an insight into the day-to-day welfare of veal calves. In addition, they will look at whether the information obtained would be suitable for providing targeted advice to farmers, as well as veterinarians and managers.

## Research on Alternative Flooring Materials - Stage 2

Following the completion of Stage 1 of the research on flooring materials for calf husbandry operations (including those raising rosé veal calves), we selected two types of flooring for further research in Stage 2. This stage is more large-scale in nature and is being carried out in daily practice at our husbandries. The research is intended to provide a definitive answer to the question of whether an alternative material would be better for the welfare of our calves than the current type of flooring. This study will run until 31 December 2015. It was commissioned by the then Ministry of Economy, Agriculture and Innovation (now Economic Affairs (EZ)) and by the Product Board for Livestock, Meat and Eggs (PVE). Partners include the Netherlands Society for the Prevention of Cruelty to Animals and the Wageningen UR Livestock Research and Central Veterinary Institute.



Gerda and Henk Kruithof, VanDrie Group farmers



## Responsible Use of Antibiotics

The use of antibiotics within and outside of stock farming is under close scrutiny, as is bacterial resistance to antibiotics. The VanDrie Group is doing its utmost to reduce the use of antibiotics and thereby to tackle the problem of resistance. All our farmers, together with their veterinarians, have set themselves the firm goal of reducing their use of antibiotics and have incorporated this into their business health plans. Regular heavy users of antibiotics are having additional requirements levied upon them by the IKB Veal Calves Scheme (IKB Vleeskalveren). In addition, the VanDrie Group is continually investigating alternative ways of boosting young calves' immune systems and preventing illness. These various projects continued to be carried out during 2013.

## Homeopathic Substances

For a few years now, over 40 of our farmers have been working with homeopathic substances to support efforts to use fewer antibiotics. This is unknown territory for the industry and this treatment has been developed by the VanDrie Group in-house. In 2013 as in previous years, the farms using homeopathic remedies were positively differentiated from the VanDrie Group's average results, and were also better in comparison with the results of these farms themselves before they joined our homeopathy working group. The participating farmers meet twice a year.

## Facts and Figures

### Reductions in Antibiotics Used in Comparison to 2007

Overview of dosages per animal per day\* at VanDrie Group calf husbandries

- 2007 100%
- 2008 98,5%
- 2009 91%
- 2010 82%
- 2011 70%
- 2012 57%
- 2013 54%

*\* Indicates the dosages of antibiotics received by each calf per day (DDD). The VanDrie Group has a much more accurate standard of measurement than this, however: we measure the actual weight of the calves at the time of administration, rather than using the standard weight. DDD values are calculated for calves supplied by the VanDrie Group. Unlike in our 2012 CSR report, these percentages are now exact. The statistical periods of the two reports also differ.*

*\* Source: report by the European Medicines Agency (EMA), 2011*

## Boosting Calves' Immune Systems Probiotically

Bacteria cultures are another alternative resource that is used in order to strengthen the immune system of the calves. At 20 of our farms, farmers carry out weekly sprayings of bacterial cultures into the air around the calves so that good bacteria can displace those that cause sickness in the animals. This project is being undertaken together with the NobleBio company and the LTO. It comprises three rounds and the results obtained at these farms will be compared with those of previous rounds, as well as with the VanDrie Group contracted farms that are not taking part in the tests.

To date, we have not detected any further reduction in the need for antibiotics to be administered at farms participating in the test, but calf deaths have been cut by approximately 1% at these farms as compared with those not taking part. The farmers carrying out the spraying of the cultures are finding it labour-intensive, and moreover they are telling us that they are not detecting any benefits. We are looking for ways to administer the spraying of these cultures without encumbering the farmers with it.

## Fewer Cases of MRSA

In collaboration with the Veterinary Medicine

Faculty of Utrecht University, 48 farmers, including 36 VanDrie Group farms, are working on an industry-wide study focused on developing new protocols to reduce both MRSA (Methicillin-resistant Staphylococcus aureus) and the development of resistance to antibiotics. They are looking into whether the employment of other rules and agreements can prevent diseases. Combined with the cleaning and disinfecting of companies in preparation for the arrival of the calves, this research could lead to fewer MRSA infections and a reduced chance of resistance to antibiotics.

## Amended Policy on Administering Veterinary Medicines

One of the changes to animal medicine regulations in the Netherlands introduced in 2013 was the drawing up of what is known as the UDD rule (Uitsluitend Door Dierenarts, or 'Only by a Veterinarian'). UDD came into force on 1 March 2014. The basic provisions of this measure are:

- Only veterinarians may now administer antibiotics;
- Antibiotics are no longer permitted to be held on farms.

Only if strict requirements in terms of animal health management and antibiotic usage are met is a farmer allowed to be exempted from this ban and to stock and administer his own antibiotics.





"Having healthy livestock is enormously important - for our image, for our income, but above all of course for our animals themselves. So it is a requirement that calls for great attention from the farmer, his veterinarian, partners in the chain and the government. And that means each of us being accountable to the others. The farmer is entitled to expect that he will receive healthy and vigorous calves, and in turn the calf industry is obliged to keep watch, in collaboration with all the other branches of stock farming, for any possible encroachments of sickness in the animals. To do this, we all need to shoulder the burden of taking a joint approach, and where necessary we need to pick each other up on our responsibilities. We all deserve that fair treatment from each other. So my motto is 'Not on our own but together', both nationally and internationally, because Dutch stock farming has interests that don't stop at the border."

*Toon van Hoof, dairy farmer and LTO portfolio holder for Animal Health & Welfare*

## Preventing Animal Diseases

It is vital that animal diseases be prevented. Young calves are sensitive to contracting diseases and if calves contract diarrhoea, for instance, their alimentary canal can be damaged, leaving them very vulnerable to other infections. Disease prevention is therefore crucial, certainly in the first weeks after birth. For the VanDrie Group, and the veal calf industry in general, the minimisation of risks is an essential part of our policy. Good shelter, care and food are important contributors to raising healthy calves. This begins right back at the dairy farm where the calf is born and where it stays for

a minimum of two weeks after birth. The VanDrie Group has the ambition to bring about an improvement in animal health, working together with the dairy industry, because the good health of the calf is of interest to both parties.

## SKV Veal Calf Tracing Guarantee System

The VanDrie Group also participates in the SKV Veal Calf Tracing Guarantee System (GTSKV), which can trace SKV calves at any time during international transportation. This capability is important should there be, for example, an outbreak of an animal disease. The VanDrie Group strives to work exclusively with qualified, recognised dealers and hauliers, maintaining weekly contact with calf dealers and daily to weekly contact with hauliers.

## Sustainable Transportation

Transportation of our animals needs to be carried out in as animal-friendly a way as possible, in trucks with the best possible climate arrangements. Transportation takes place using vehicles including Comfort Class trucks, which have full climate control and are equipped with cameras to enable drivers to monitor the welfare of calves. In the trucks, the calves stand or lie on straw, and they have water available to drink.

## Improving Ventilation

Safety Guard tracks the living environment of our calves. The system also ensures that the SKV can



carry out very transparent checks on the welfare of our animals without a hitch. A great deal of attention is also devoted to spacious, bright and properly ventilated housing for the calves. For example, the ventilation technology was also improved again last year.

## Beter Leven (Better Life) Seal of Approval

The VanDrie Group produces veal with the Beter Leven seal of approval, issued by the Dutch Society for the Protection of Animals. Veal that has received the Beter Leven seal of approval meets higher demands in terms of animal welfare. For instance, the Society requires that roughage provision be far above European standards so that higher haemoglobin values can be attained.

All calves held by the VanDrie Group meet these additional



Beter Leven requirements. Beter Leven has further requirements, such as limits on the distances that calves can be transported. The Society reserves the right to make unannounced inspections. Since 2009, the VanDrie Group has been selling products



that bear the Beter Leven seal of approval from the Dutch Society for the Protection of Animals.

## Calf Industry Association (SBK)

The Dutch calf industry (in the form of the LTO's working group on calf husbandry, Nevedi and the COV) set up the Calf Industry Association (Stichting Brancheorganisatie Kalvesector (SBK)) in 2013. The entire production chain for calves, including the VanDrie Group, is represented on the board of the SBK. This association serves as an inter-industry organisation (IBO) as envisaged in the new European Agricultural Policy (Gemeenschappelijk Landbouwbeleid). The SBK was set up with a view to winding up the product marketing boards and its aim is to promote the production, processing and sale of veal to stakeholders in the production chain, up to and including actual veal sales. In addition, the SBK is keen to boost both the transparency of the market and the quality, health and food safety of the production chain from feed through to veal. To achieve this, the Branche organization will be taking over several of the public roles of the current product marketing boards, including monitoring for critical substances, antibiotics, slaughtering and weighing, classification and the IKB Veal Calves Scheme.



*Frauke Ohl Ph.D., Professor of Animal Welfare & Laboratory Animal Science, Utrecht University*

The SBK will also be carrying out research on issues of animal health, food safety, animal welfare, quality and calf feed.

## Food4Livesolutions

Together with TNO, UMC and FrieslandCampina, we at the VanDrie Group are working on a project called Food4Livesolutions. This is a project in which knowledge and experience of human and animal feeding systems and health are brought together to help us arrive at new feeding concepts to boost calf health and reduce medicine usage.

## 2013 Results

- Initiative taken to test probiotics, and participation in that test;
- Boosted the percentage of roughage consumed by our calves by placing muesli on their standard menu;
- Took part in Veal Calf Welfare Monitor (Welzijnsmonitor Vleeskalveren);
- Improved ventilation techniques in the calf stalls;
- Experiments with new stall floors in order to optimise walking and lying behaviour;
- Animal Welfare Officers training course;
- Extended our in-house Kalverinfontet (allowing better-informed delivery planning for farmers);
- Reduced our antibiotic dosage per animal per day by nearly 50% since 2007;
- Positive findings in homeopathic tests;
- Reduced deaths following administration of bacterial cultures;
- Achieved reduction in antibiotics usage by means of vaccinations;
- Participation in industry-wide research programmes;

## Ambitions for 2014

- Continue to test probiotics and implement the recommendations;
- Participate in the Implementation Agenda for Sustainable Stock Farming;
- Initiate or support a range of research experiments in the area of animal welfare;
- Implement Stage 2 of the stall tests and then implement the recommendations;
- Continue training Animal Welfare Officers
- Investigate the possibility of taking part in the Business Benchmark on Farm Animal Welfare (BBFAW);
- Continue to lower the number of calf deaths;
- Increase the scale of the project to reduce calf deaths;
- Take further steps in the responsible use of antibiotics and look for ways to boost immunity;
- Optimise animal welfare monitoring methods at ESA.



# OUR SURROUNDINGS & THE ENVIRONMENT

Worldwide demand for food will increase by about two-thirds (65%) over the next 40 years. At the same time, resources of fossil-based raw materials are being exhausted. The challenge falls to the agricultural sector to produce more using fewer raw materials. The VanDrie Group strives to achieve minimal environmental impact and maximum savings. We set out to waste as little as possible, to reduce our CO<sub>2</sub> emissions and to wring maximum value out of waste flows. We also strive to carry out our commercial operations in harmony with the world around us. This means, in practice, that the environment should have as little as possible or no burden from our operations. In terms of the environment, our policy is split into two areas: a closed cycle in our business operations and the reduction of the environmental burden. *More information in Appendix 8.*

## Closed cycle

The closed-cycle ideal is based on the cradle-



Martin Scholten, Director, Animal Sciences group

to-cradle principle, which entails recycling, maximum use and thereby a bare minimum of actual waste production. In a broader sense, this principle is part of our desire to shrink the group's carbon footprint by reducing waste and by extracting greater value from manure and other output streams.

## Reducing Environmental Burden

Our efforts to reduce our operational burden on the environment takes many forms: saving energy; arranging transportation as efficiently as possible in terms of time and mileage; optimising our refrigeration processes; and commissioning a cogeneration facility. Central to these efforts is the great importance that the VanDrie Group attaches to collaboration and an industry-wide approach.

## Manure, a High-Quality Product

In the Netherlands, manure is viewed largely as a waste product, but the VanDrie Group has a completely different approach to manure. We regard it as a valuable raw material in the biobased economy, packed with minerals, organic materials and energy. It is anticipated that there will be a global shortage of the minerals that at present are still largely lost via manure. Therefore, we are campaigning for the political will to support the refining of manure for the distillation of its valuable components.

We would like to produce a high-quality product from it, at a profit, thus extracting added value from the so-called manure surplus. *Read more in Appendix 9.*

## Energy Efficiency - Multi-Year Energy Agreements (MJA-3)

A series of multi-year energy agreements known by the Dutch acronym MJA-3 has stated that the meat industry could achieve a 50% saving of energy used. Our animal feed companies and calf slaughterhouses conform to the MJA-3 Energy Efficiency Plan. A plan was submitted in 2013 that envisages an annual 2% energy saving in comparison to the 2011 levels, up to 2016. *Read more in Appendix 10.*

## Refrigeration and Freezing

The VanDrie Group wishes to further optimise its refrigeration process and by applying different refrigeration methods than previously the shelf life of the product will be extended and hygiene safeguarded. As a result, there will be less waste.

## Continuing the Optimisation of Transport and Logistics

We are working on getting optimum use out of every kilometre that is driven within our business operations. This means that we not only examine the shortest routes in time and kilometres between companies and business units,

suppliers, customers and collaborating parties; we also aim to dispatch filled trucks for cattle feed back and forth, thereby avoiding 'empty' transport kilometres. *Read more in Appendix 11.*

## Efficient Use of Raw Materials

We make efficient use of raw materials and the volume and composition of livestock feeds are continually improved and modified to prevent waste. Our feed producers Alpuro, Navobi, Schils and Tentego adjust and to some extent determine the purchase of raw materials and the production of feed on the basis of the productivity figures achieved by the VanDrie Group calves. Our companies in France, Germany and Italy also have efficiency programmes.

## Sustainable Types of Packaging

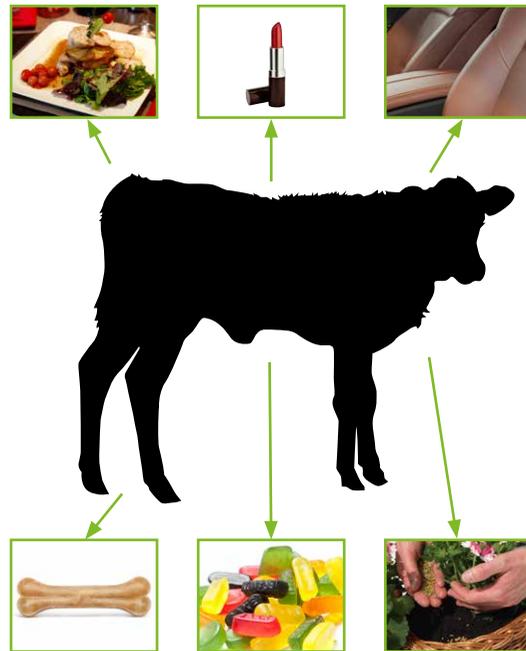
All cardboard meat boxes that our Dutch calf slaughterhouses use bear the FSC (Forest Stewardship Council) seal of approval. Our box supplier has set as its sustainability target the reduction of its fossil fuel CO<sub>2</sub> emissions from its factories by 20% by 2020 as compared to the 2005 levels. Translated into values per individual Eurobox of veal, these sustainability initiatives yield the following CO<sub>2</sub> savings: the emission values were 1.053 tonnes per CO<sub>2</sub>/tonne in 2010, but in 2012 they were down to 1.024 tonnes per CO<sub>2</sub>/tonne. *[Source: Smurfit Kappa]*



# OUR SURROUNDINGS & THE ENVIRONMENT

## Commissioning a Cogeneration Facility

Zoogamma in Italy specialises in calf milk powder, colostrum and the production of dairy raw materials. The company has a cogeneration facility in operation at Casalbuttano, Lombardy. This facility uses natural gas to generate electricity, producing approximately 75% of the energy that the plant needs. The residual heat is used largely to concentrate and dry the milk whey. The commissioning of this facility has reduced the plant's external electricity consumption by 76%.



## Using as Much of the Calf as Possible

We strive to derive value from all parts of the calf, including its organs and the by-products of the slaughtering process that have little or no market in the Netherlands. We export these by-products to Asian, southern European and Middle Eastern countries where they are greatly valued by consumers. In this way, practically everything from the calf has been increased in economic value. The little that still remains goes to a waste plant and is converted into green electricity. The following is an overview of what each calf is used for:

- The carcass is sold as meat, either whole or in cuts;
- Offal;
- Scalded products;
- Manure makes artificial fertiliser pellets;
- Rumen sold for human consumption;
- Blood separated for the plasma (cosmetics industry);
- Calfskin;
- Fat to a rendition plant;
- Waste products generate electricity;
- Bones turned into glue, gelatine, binding agents and the fixing agent for chewy sweets and licorice;
- Hooves turned into pet food and dogs' treats;
- Windpipe turned into pet food;
- Omasum (the third stomach) sold for human consumption and pet food;
- Abomasum sold to cheesemakers for rennet.



## Scalding

Since time immemorial, parts of the calf have been scalded; these include the head, hooves, rumen and omasum. There is particular demand in France for these parts of the animal. It is hard to imagine that demand for them will ever dry up. The VanDrie Group has regular customers in Arab and African countries for these products. It was around the year 2000 that T. Boer & zn decided it was best to redesignate their existing slaughterhouse as a basic products supplier and to make the scalded products a primary component of that process. At the same time as T. Boer & zn decided to concentrate on the basic products industry (slaughtering/scalding, refrigeration/transshipment, segmentation/deboning), they chose to set up a separate logistics centre. We now run the scalding of products as a regular, productive business unit that is integrally linked with our wider business operations.



# OUR SURROUNDINGS & THE ENVIRONMENT

## Preserving Calfskins

Our subsidiary Oukro specialises in the processing of the calfskins. Oukro has set itself the aim of reducing the number of kilograms of salt used per calfskin and from 2009 to 2013 the amount of salt used to process each skin was reduced from 6.7kg to just over 5.4kg. In addition, Oukro is seeking to deliver more and more of its skins fresh, eliminating the need to salt them. The proportion of non-salted calfskins delivered was 25% in 2013, and the aim is to raise this to 30% in 2014.

The brine left over after salting the skins is used to salt the head skins. Calfskins fetch about as much per kilogram as veal does; the quality of our calfskins is universally appreciated. It is upmarket producers of bags, shoes, etc., that buy them from us. At our husbandries, we strive to minimise the damage to our calves' skins that is inflicted by, for instance, ectoparasites, in addition to limiting damage to the grain and/or the damage to skins caused by slaughtering.

## Facts and Figures

### Number of calfskins per year

2007	1.1	million
2008	1.3	million
2009	1.2	million
2010	1.3	million
2011	1.25	million
2012	1.3	million
2013	1.4	million

### Proportion of non-salted calfskins each year

2009	6,7%
2010	13%
2011	18,3%
2012	14%
2013	25%

### Kilograms of salt per calfskin per year

2009	6,70 kg
2010	6,54 kg
2011	5,92 kg
2012	5,36 kg
2013	5,44 kg



## Feed4Foodure

Feed4Foodure is a public-private partnership between the Dutch Ministry of Economic Affairs and a consortium of various parties from the animal feed industry and animal production chain, including the VanDrie Group and Wageningen UR Livestock Research. As a project, Feed4Foodure runs from 1 January 2013 until 31 December 2016. Feed4Foodure aims to make a substantial contribution to the continuing development of sustainable, sound stock farming in the Netherlands and to safeguarding the Netherlands' competitiveness in the global market, in intensive collaboration with other research programmes. To achieve these aims, we will need breakthroughs in animal feed and feed systems. Three priorities have been identified in that regard in this multi-year research programme:

1. Achieving more with less by the efficient use of nutrients - to reduce the ecological footprint of stock farming;
2. Feed, gut health and immunity - to make a substantial contribution to reducing the use of veterinary medicines and the improvement of animal welfare;
3. Research into Socially Responsible Stock Farming - to be able to feed animals decently in new husbandry environments and to continue cutting emissions. The programme aims to make a substantial contribution to

the continuing development of sustainable, sound stock farming in the Netherlands and to safeguarding the Netherlands' competitiveness in the global market.

## Global Agenda for Sustainable Livestock

Together with other partners in the Global Agenda for Sustainable Livestock, the VanDrie Group is developing tools, agreements and frameworks to support good manure management and manure recycling.

## Livestock Environmental Assessment and Performance (LEAP) Partnership

The VanDrie Group is a participant in LEAP, a worldwide initiative of partners from animal industries. LEAP aims for all parties to arrive at an ambitious set of guidelines to improve environmental performance in animal production chains. The partnership was set up by the UN's Food and Agriculture Organisation (FAO) in 2012. Members include the WWF, IFIF and the International Meat Secretariat.

## Calf Footprint

To be able to measure the footprint of veal production properly and to be able to determine how to reduce it, we need uniform rules of conduct and calculation. The VanDrie Group started this project in 2009, in partnership with the cattle feed industry. This Dutch initiative has come up with a model for calculations that was accepted EU-wide in 2012 and was published by the FAO as a global guideline in April 2014. These rules of conduct have brought about a substantial reduction of the footprint of the industry's by-products, and particularly of dried whey. A similar initiative is under way for calves. As tasked by the industry, the agreements on methodology with regard to calves were finalised in December 2013 and have now been submitted to the FAO for approval.

## Responsibly Produced Animal Feed

Together with partners including the Dutch Feed Industry Association (Nevedi), the VanDrie Group is involved in making various components of animal feeds sustainable. The key concentrations in this programme are on soy, palm oil and alternative sources of protein.

Responsibly-produced soy is defined as soy that meets the environmental and social criteria of the Round Table on Responsible Soy (RTRS). It is envisaged that the Dutch market for the

production of meat, dairy, eggs and other foodstuffs will have switched completely to the use of responsibly or sustainably produced soy by 2015.

The Sustainable Palm Oil Task Force (Task Force Duurzame Palmolie) has set itself the goal that all palm oil purchased for use in the Dutch market will be sustainably or responsibly produced by the end of 2015 at the latest. "Sustainably produced palm oil" is defined as palm oil that is certified in accordance with the principles of the Roundtable on Sustainable Palm Oil (RSPO).

The VanDrie Group is working with Nevedi and with the Dutch environmental organisation Natuur & Milieu (Nature & Environment) on a project for alternative sources of protein. This project investigates the scope for feeding alternative protein-containing raw materials to calves in place of soy. The project is helping achieve sustainability objectives and a further reduction in the carbon footprint of the raw materials we use.

## Many Sustainability Initiatives Among Farmers

There are many sustainability initiatives in progress among farmers that were initiated by the farmers themselves. Just a few examples are solar power, wood stoves, manure conveyor belts and scrapers, air scrubbers, fire safety and manure processing initiatives.



# OUR SURROUNDINGS & THE ENVIRONMENT

## 2013 Results

Our ambition is to make the whole production chain sustainable and to take steps in that regard at each link of the chain. In 2013, we achieved results in environmental terms within all our production units:

- Participated in the implementation agenda for Sustainable Stock Farming/Meat Map (Duurzame Veehouderij/Routekaart Vlees);
- Replaced R22 with other refrigerants in all our refrigeration installations and air conditioning units;
- The VanDrie Group began partnering with two lease companies as of 1 January 2013.

Around 25% of the fleet of company cars is replaced each year. We are paying increasing attention to fuel efficiency in these cars, acquiring efficient diesel-powered cars and hybrids. Electric car charging stations have been installed at some of our companies.

### Ekro:

- Optimised the refrigeration unit and the refrigeration process (CO<sub>2</sub> emissions cut by 266 tonnes);
- Centralised the production of compressed air;
- Installed a central vacuum system;
- Extended the heat recapture scheme.

### ESA:

- Installed new energy-efficient, frequency-controlled refrigeration compressors;

- Redesigned refrigeration unit to be regulated by valves according to supply and demand;
- Responsible purification water by optimising organic purification processes.

### Ekro & Oukro:

- Captured and reused the heat released in our production processes;
- Replaced the R22-containing refrigeration unit.

### Eurolat:

- Achieved ISO 50001:2011-compliant energy management system;
- Energy usage per 100kg of product has been cut by nearly 8%.

### Navobi:

- LED lighting installed in production hall, with daylight used during daytime and motion sensors in place at night;
- Air compressors and air dryer now switched off at weekends;
- Mixers in the fat department now switched sequentially.

### Oukro:

- Further drop in salt usage;
- 25% of calfskins sold are now fresh (unsalted);
- 34.98% reduction in number of transportation movements;
- Fork lift truck fleet now entirely electric;
- ISO 9001 certification achieved.

### Schils:

- Various tests carried out with a dry chilled air system;
- Exploratory project for new refrigeration unit rollers;
- Project started to reduce packaging usage;
- Lighting plan optimised.

### T. Boer & zn:

- Environmental care system implemented;
- ISO 14001 compliance achieved;
- Building management system brought into use.

### Tentego:

- Storage capacity raised;
- More efficient air compressors acquired;
- Bulk loading now fitted with extractors;
- Automatic switch-off in place for compressed air;
- 4% less energy usage per tonne of product.



## Ambitions for 2014

- Implement Multi-Year Energy Agreements (MJA-3); reduce energy usage by 2% per year;
- Find supporters for vision on manure policy;
- Take part in IDS production chain arrangement for sustainable soy;
- Lower CO<sub>2</sub> emissions and more renewable energy;
- Tackle the increasing shortage of land, water and other natural resources;
- Localisation of raw materials: in 2015, 85% of our raw materials will come from within a radius of 2,000km; 75% from less than 1,000km away; 50% from within 500km; and 25% from within 250km. (For an overview of transport for 2013, please see Appendix 11);
- For the production of calf milk and roughage: use 2% less energy each year; use 30% greenhouse gases (GHG) in 2020 and 20% sustainable energy that same year;
- For refrigeration in the slaughterhouses, the VanDrie Group aims to save 30% of energy in 2030 through energy-efficient measures and innovations in the chain.

### Alpuro

- Reduce transport movements by increasing storage capacity for raw materials;
- Install wood stoves to generate heat;
- Replace compressed air engines with new energy-efficient IE3 engines.

### Ekro

- Extend the heat capture scheme (expected saving: 535 tonnes of CO<sub>2</sub> emissions);
- Reduce energy used by making more efficient use of lighting (expected saving: 2 tonnes of CO<sub>2</sub> emissions);
- Implement multi-year maintenance plan (MJOP).

### ESA

- Optimise manure output stream;
- Reduce use of water as a catalyst and extract greater value from manure by siphoning off valuable manure components to a biofermentation plant;
- Use nozzles to minimise water use without losing its cooling effect.

### Navobi

- Reduce pressure in the compressed air system;
- Install compressed air dryer with dewpoint gauge.

### Oukro

- Reduce number of transport movements by 5%;
- Transship 5% more unsalted calfskins as compared to 2013;
- Further optimise salt usage;
- Implement ISO 14001.

### Schils

- New refrigeration unit rollers;
- Reduce use of packaging materials;
- Start keeping an environmental logbook;
- Replace the cutting machine.

### T. Boer & zn

- Implement the reconfiguration of the central refrigeration installation to run on R134a instead of R22 refrigerant;
- Investigate and implement new-build refrigeration unit (including heat recapture); optimise waste streams; optimise compressed air system; analyse water usage; optimise lighting in the basement cells; optimise the lighting plan.

### Tentego

- Continue to lower the pressure of air in compressors, to reduce energy usage;
- Optimise the way energy usage is monitored;
- Cut instances of leakage from compressed air systems;
- Replace all HCFC-containing substances (in our case, especially R22);
- Reduce transportation costs by 5%;
- Introduce digital ordering for feeds.



Below are the key results for 2013 for our four pillars of CSR, in summary form.

## Our Organisation

- Over 400 training certificates awarded;
- Rose in the Transparency Benchmark to joint 51st place;
- Obtained final approval from French competition authorities in September 2013 to acquire Tendriade;
- Supported good causes;
- Introduced the Safety Guard Academy;
- Animal Welfare Officers trained.

## Food Safety

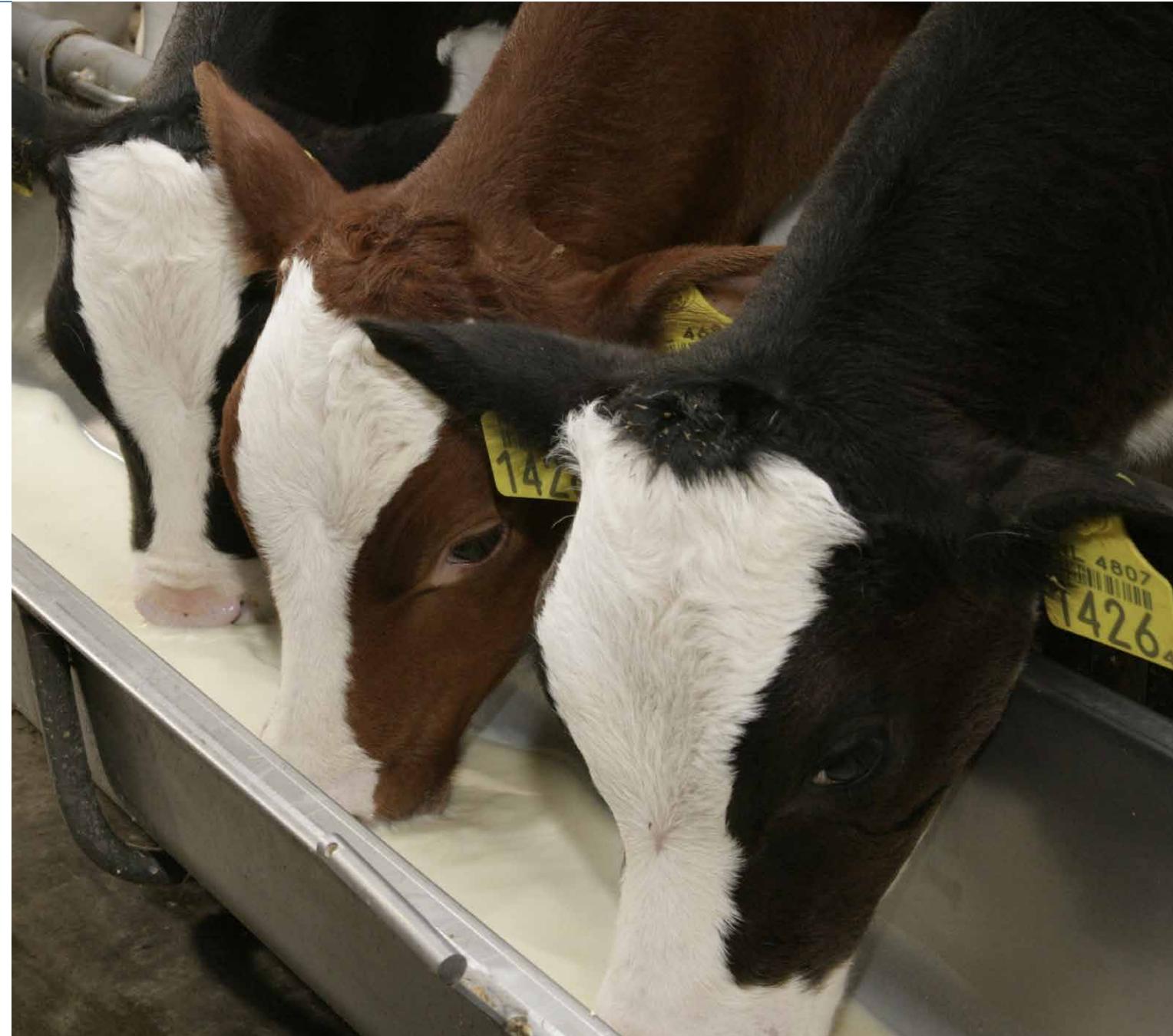
- Major reduction in antibiotics dosages per animal per day (DDD) from 2007 to 2013;
- Positive findings from homeopathic tests;
- Check mark logo now on consumer packaging;
- Took part in Cater with Care;
- Joined Global Roundtable for Sustainable Beef (GRSB);
- Food Defense strategy.

## Animal Welfare

- Took part in probiotics tests;
- Took part in Veal Calf Welfare Monitor (Welzijnsmonitor Vleeskalveren);
- Extended our intranet, Kalverinfontet;
- Worked in partnerships for vigorous calves;
- Investigated alternative flooring;
- Started using sustainable transport.

## Surroundings & The Environment

- Participated in the implementation agenda for Sustainable Stock Farming/Meat Map (Duurzame Veehouderij/Routekaart Vlees);
- Made company car fleet more fuel-efficient and less environmentally burdensome;
- Replaced refrigerants in all refrigeration and air conditioning units with a more sustainable substance;
- Continued “Mest vol Waarden” project.



The reporting period is 1 January 2013 to 31 December 2013 inclusive.

The criteria for the Ministry of Economic Affairs' (EZ) Transparency Benchmark and the Global Reporting Initiative's GRI-3.1 guidelines were incorporated into the writing of this report.

The Transparency Benchmark criteria have been amended since 2012: the new criteria make more of an issue of value creation and relevant non-financial information (materiality). Accordingly, we have included more details on value creation and materiality in this CSR report than in last years. We also briefly touch upon our acquisition of Tendriade, which was finalised in September 2013, in Appendix 1 of this year's report. This kind of information is important because the takeover entailed a major growth of business at the VanDrie Group.

In accordance with the GRI guidelines, we used a materiality analysis (see Appendix 13 for this Materiality Index) to segment and prioritise the various societal issues that are already current or that we expect to have to respond to in future. This grouping of issues is an important input into our CSR policy. The issues are addressed in the body of the report, as well as being published on the VanDrie Group website.

The quantitative data in this CSR report were collated from the group's financial, personnel management and management information databases, and also from Safety Guard's management report data on Quality, the Environment and Occupational Health & Safety (Arbo). We do not possess an automated information system for all the information provided here. We use a standardised reporting template to collect all this information on an annual basis. Most of the quantitative data in this report has been measured. The management reports were submitted to the executive team for approval.

Unless indicated otherwise, the data relate to all the companies in which Van Drie Holding B.V. has a majority interest. In the next few years, we are keen to further improve the completeness of our CSR report by collating data for the whole organisation on all the indicators. This CSR report was tested with various sounding-boards within the group for accuracy.

This year, for the first time, we have asked our auditors Mazars to carry out an evaluation of a selection of performance indicators for our Dutch operations. The assurance report and the data that were evaluated are provided in Appendices 15 and 16.

The annual CSR report is also provided on our website at [www.vandriegroup.nl/mvo](http://www.vandriegroup.nl/mvo) in PDF format and as a flipbook (with videos). Also uploaded there is the Global Reporting Initiative index with a glossary of terms.

The VanDrie Group also draws up an annual financial report. The financial report for 2012 was audited by Mazars Paardekoper Hoffman Accountants. This report can be viewed by appointment at our head office.



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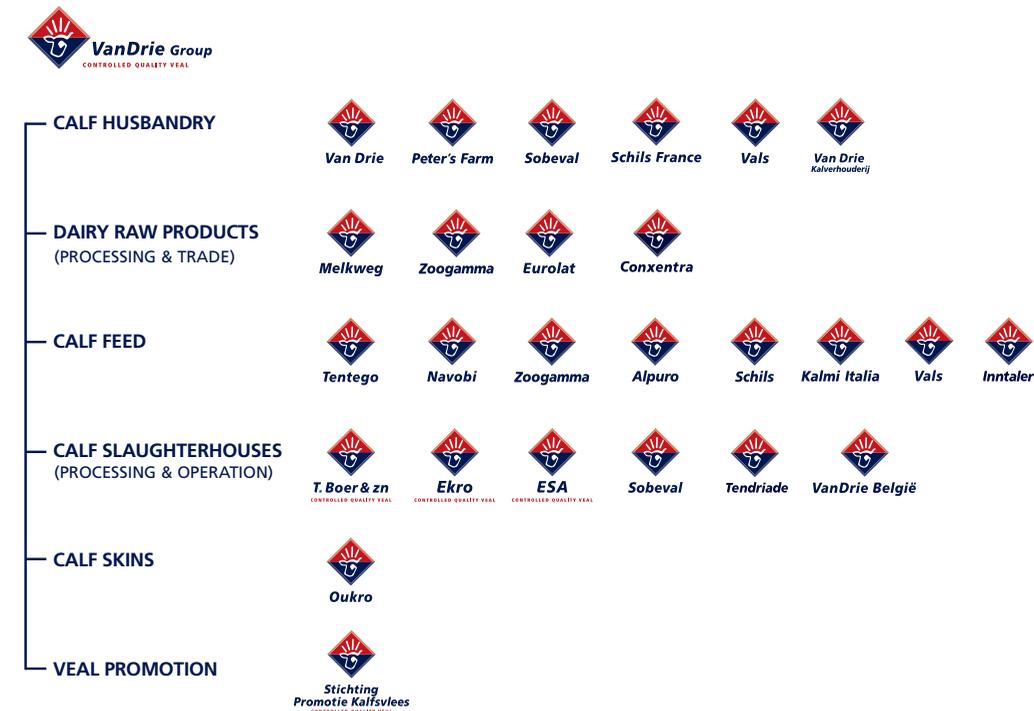
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## The VanDrie Group's Organisational Structure

The VanDrie Group is an integrated veal producer and sees it as its core task to supply veal of the highest quality. We have fixed contract arrangements with around 1,100 dedicated farmers. The group consists of feed companies for the production of calf milk and muesli/roug-hage in the Netherlands, Germany and Italy; calf slaughterhouses in the Netherlands, Belgium and France; and a Dutch company for the high-end processing of calfskins. We also have companies that process and trade in dairy raw materials in the Netherlands, Italy and France. The Veal Promotion Foundation (SPK) deals with public information provision and the promotion of veal.

## Developments in 2013

VanDrie France acquired a local company, Tendriade, in September 2013. This step reinforced the VanDrie Group's position in the European veal market and further increased the size of our sales region. Tendriade specialises in the production and processing of both fresh and frozen consumer products. Annually, Tendriade slaughters approximately 190,000 calves and its turnover is around €230 million. The acquisition led to considerable growth in the VanDrie Group's employee numbers in 2013.



## NETHERLANDS

- A. The VanDrie Group  
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- B. Alpuro
- C. Ekro  
ESA  
Peter's Farm  
Oukro  
Veal Promotion Foundation
- D. T. Boer & zn
- E. Navobi  
Labora
- F. Schils
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- N. Eurolat
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Vals  
Schils France
- I. Tendriade
- J. Tendriade

## ITALY

- K. Zoogamma
- L. Kalmi Italia
- M. Conxentra



## The VanDrie Group, Dairy Farming and the Dairy Industry

The calf husbandry sector, dairy farming and the dairy industry are closely connected. If a cow is to give milk, she must bear a calf once a year. In the past, calves were often slaughtered immediately after birth. The VanDrie Group acquires calves that cannot be utilised in dairy farming (approximately 75% of calves). These animals are brought from the dairy farm to the calf husbandry two weeks after birth via calf traders, where they remain for around seven months.

The VanDrie Group utilises many by-products from the cheesemaking industry in its production of calf milk powder. Whey, which cannot be used on a large scale, is used by the VanDrie Group as a source of protein in calf milk and in this way we optimise the value of residual products of dairy farming and the dairy industry and use them to produce high-quality feed. We use all parts of the carcass and give value to animals that cannot be utilised in dairy farming in a respectful manner. Given this close association, the VanDrie Group seeks to work in partnership with dairy farms and the dairy industry to offer solutions to CSR issues.

## The Links in Our Chain Are:

### Collection Points

When received from dairy farms, our calves are marshalled at collection points where their health and welfare is monitored. They are then placed in homogeneous groups and brought to the husbandry.

### Dairy Raw Materials

A number of companies process and trade in dairy raw materials in the Netherlands, Italy and France. Their core tasks are the purchase and sale of dairy raw materials for the VanDrie Group. These companies operate worldwide and process substances including powdered whey, whey derivatives and skimmed milk powder. Every day, our specialists bring supply and demand together. As well as trading

in dairy raw materials, the VanDrie Group produces powdered calf milk, colostrum and dairy raw materials at its own factories. These materials are for the group's own use as well as for onward sale. Naturally, our in-house production meets the integral requirements of production chain quality that the group itself has set.

### Calf Husbandry

We work in collaboration with approximately 1,100 farmers in total. These are family businesses dedicated to caring for the calves owned by the VanDrie Group. We offer intensive support to the farmers: since our business bears the financial risk, we attach great importance to the expertise of the farmers.

The VanDrie Group district managers visit the farmers at least once a week to carry out

## Dairy Farming



## The Veal Production Chain



Collection points



Calf husbandry



Feed production



Slaughterhouses



Customers



Consumers



on-the-spot audits, answer queries and share experience and new insights they have gained into calf husbandry management. The calves receive the attention that they deserve in the area of animal health and welfare. Our district managers visit all their farmers several times a year and conclude the contracts with them. Once a year, the VanDrie Group arranges a themed day with veterinarians or even at their individual practices. We promote contacts between the farmer, our advisor and the veterinarian. We also take part in agricultural trade fairs where we meet up with many of our farmers.

### **Feed Production**

Our calves are fed calf milk and muesli/roughage that has been produced under optimally controlled circumstances in our own state-of-the-art facilities. The composition of this feed is so finely balanced that the calves derive from it all the energy, protein, vitamins and minerals they need - a solid basis for a sound, healthily growing calf.

### **Slaughterhouses**

Approximately 1.5 million calves are slaughtered and processed annually at one of six VanDrie Group slaughterhouses.

### **Calfskin Processing**

The VanDrie Group's integration concept also includes calfskin processing, which is performed in the VanDrie Group's modern production unit at Oukro in Apeldoorn. High-quality calf leather is used in the footwear, clothing, furniture and automotive industries, among others.

### **Customers**

Our customers are now located in over 60 countries. They include companies from the wholesale segment (including meat wholesalers), retail, supermarkets, butchers, hotels, restaurants, catering and the food service and institutional markets. In addition, we are always seeking new markets and Customers. The VanDrie Group has a presence at many trade fairs in the Netherlands and abroad. The trade fair calendar is published on our website.

### **Consumers**

The VanDrie Group makes direct contact with consumers via information provided by the Veal Promotion Foundation (SPK) and via Peter's Farm. Peter's Farm offers consumers the opportunity to view the calves via live webcam. Peter's Farm farms also regularly hold open days where everyone is welcome to come and take a look in the stalls.





## Creating Shared Value

The VanDrie Group defines Corporate Social Responsibility (CSR) as an awareness of the world around us. The key focus within Creating Shared Value is on investing in our surroundings and in society so that we can ultimately ensure that the business can be continued and expanded. We know where our responsibilities lie and we shoulder them wholeheartedly: whether they be in relation to our staff, consumers, calves or the environment.

Driven by our intrinsic motivation and our ambition to set the pace, we are taking the next step in our CSR policy. We are adopting the principle of creating shared value: identifying sustainable solutions for CSR dilemmas and issues by reinforcing our relationships with suppliers and Customers in the chain. We are confident that the solutions we find in our shared responsibility with other chain partners hold the key to compelling and lasting answers to the social challenges we jointly face.



## Training Opportunities at the VanDrie Group

We regard it as our responsibility to develop and train our staff. For instance, we work in close partnership with the industry organisation SVO's professional training in food, whose organisers provide various courses at our production sites.

To keep our employees' knowledge fresh for the performance of their own jobs and tasks, we offer them a broad range of courses.

These include:

- BBL training (level 1; assistant food and environmental officer/NT2);
- HACCP/food safety training;
- HACCP course for mechanics;
- HACCP/food safety e-learning module;
- Animal Welfare and Animal Welfare Officer training;
- First Aid (BHV) courses and supplementary training;
- First Aid (and AED) courses;
- Language courses;
- Technical courses;
- IT courses;
- Individually-tailored courses;
- Environmental training course;
- PEP courses;
- OR courses;
- Course on the prevention of and recovery from back and shoulder injuries;
- Internal audit training.



## Employability

The call for refresher courses and retraining among our staff is growing due to the increasing average age of our staff and the raised pensionable age in the Netherlands. Increasingly, we are seeing that after 20 to 25 years of intensive service at one of our slaughterhouses, employees need to slow down - yet they still have 15 to 20 years of service before reaching pensionable age. Within the VanDrie Group, we offer a range of ways to retrain, including a VAPRO course to become an operator.

## Statistics

Number of employees		Approx. 2,350
Employees in the Netherlands (distance to work)	<15km	40%
	>15km <25 km	32%
	>25km	28%
Sickness absence		6.3%
Gender split	Male	76%
	Female	24%
Average time in service		Approx. 12.7 years
More than 20 years in service		Approx. 21%
Permanent staff		90% permanent
Average age		Approx. 42.1 years old
Employee turnover	Employees hired	8.0%,
	Employees departing	7.7%
Number of hours' training per slaughtering-line employee (excl. Ekro and Sobeval) per year		Approx. 6 hours
Number of nationalities		Average 5 per site

Almost all the employees of our companies in the Netherlands are covered by a collective labour agreement (CAO).

## Corporate Policies

Our policies reflect the values of society as well as those of our business. The VanDrie Group expects all employees to act with integrity, since they work with live animals and foodstuffs of animal origin. It goes without saying that our behaviour towards one another and external partners conforms to widely held principles and values. We endorse the UN's Universal Declaration of Human Rights.

## Undesirable Behaviour - Statement of Intent

The VanDrie Group will not tolerate undesirable behaviour. It is the duty of every employee to report any incident that conflicts with that principle - even if mere suspicions are involved. Every site has an independent confidential point of contact with which queries or issues can be raised on a confidential basis. We define undesirable behaviour as verbal or physical aggression or violence; discrimination; bullying; sexual intimidation; vandalism; criminality; abuse of power; stalking; and extremism.

## Commission for Complaints Regarding Security Policy

Each of our companies has a complaints commission that deals with security policy complaints. The commission consists of one member appointed by the works council and one appointed by the director. If problems arise with regard to a procedure, or where there is a complaint about a particular employee's behaviour (allegation of undesirable behaviour), he or she can request the involvement of this commission. The commission will meet as rapidly as possible after receiving a complaint.

## Risk Inventory and Evaluation

Companies are obliged to have a Risk Inventory & Evaluation (RI&E) in place and to draw up a plan to tackle choke points in their Occupational Health & Safety (Arbo) policy. Data relating to our employees' safety and working conditions are held at each individual site.

## First Aid Organisation

Our companies have arranged and documented the organisation of their First Aid at Work (BHV) in site-specific company emergency plans. Drills and courses are carried out regularly.



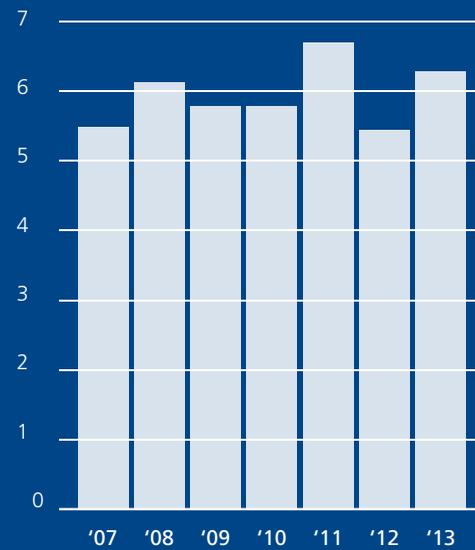
## Reintegration

Working together with the individual employee, the VanDrie Group does its utmost to get anyone on sick leave back to health and to enable a return to work. One of the ways we do this is by setting up places where employees receiving therapy can fill positions that require minimal physical effort before returning to their original positions. Workplaces that require minimal physical exertion are utilised as much as possible, in line with social welfare legislation and return-to-work programmes as agreed with the Occupational Health & Safety (Arbo) doctor.

A number of companies in the VanDrie Group have a dedicated company doctor who holds sickness absence surgeries and provides advice and guidance to employees and the employer. We assist employees who are unable to return to their original roles in finding more appropriate roles, even if this is outside the VanDrie Group.



SICKNESS ABSENCE FROM 2007 TO 2013



## Safety Guard

The VanDrie Group has standardised the information stream through the whole production chain and has safeguarded it in its Safety Guard system. The VanDrie Group directorate consultation is ultimately accountable for the Safety Guard System; it is the body that determines quality control policy for the group. At least once per quarter, it is itemised on the agenda for directorate consultation. The Safety Guard Platform is responsible for executing quality control policy and senior managers and quality control managers from all sites are represented on the Platform.

Safety Guard is based on national and international legislation and regulations and complies with the following standards and external codes of conduct: Food Safety Supply Chain System, HACCP, ISO 22000, ISO 14001, GMP+, BRC, IFS, IKB Veal Calves Scheme. Internationally recognised independent certification institutions test systems regularly to ensure the continuous improvement of the process. If suppliers fall short of Safety Guard's criteria, we assist them in raising standards. However, if they fail to improve, collaboration is terminated.

## Integral Chain Management (IKB)

The use of Safety Guard also means that the VanDrie Group meets the requirements of Integral Chain Management (IKB). This independently guaranteed chain quality system maintains standards, including those for medication administration and registration of medications given. By participating in IKB, a farmer also satisfies the official EU hygiene regulations. This is checked by the Foundation for Quality Guarantee of the Veal Sector (SKV), which verifies that IKB requirements have been met and carries out intensive checks to ensure that prohibited growth promoters have not been used. IKB Vleeskalveren is the quality management system used by Dutch calf husbandry operations. With effect from 2014, the owner of this scheme is the Foundation Branche Organization Calf Sector (SBK).



## **The Environment: Minimal Impact, Maximum Yield**

Environmental Corporate Social Responsibility is integrated across all the VanDrie Group's companies. In our business operations, environmental considerations are just as important as economic, legislative and health and safety considerations. Ideally, these considerations should go hand-in-hand. We strive to achieve minimal impact and maximum yield.

Our environmental policy is aimed at recognising all possible harmful environmental effects arising from past and present activities and carefully investigating and limiting these. It is concerned with:

- Prevention of air and water pollution;
- Prevention and/or remediation of soil pollution;
- Reduction of noise and odour nuisances;
- Conservation of energy and the use of renewable energy where possible;
- Prevention of waste: where the creation of waste is unavoidable, we look for ways to reuse it in some way;
- Avoiding the use of substances and materials proven to pose an unacceptable risk to the environment or to the health and safety of staff, customers and/or neighbours of our sites.

## **Examples of Closed-cycle Economy**

We endeavour to monetise our residual streams as much as possible. Examples include our ideas - as mentioned elsewhere - to process manure, and our sales abroad of organs and residual products of calves for which there is not such a valuable market in the Netherlands.

At all our Dutch companies, we operate an Environmental Management System, based on the principles of ISO 14001. This system requires attention to be devoted to noise pollution, the reduction of odours, water usage and pollution, waste production and energy usage.

We are committed to water purification, especially at Oukro, where salts are not allowed to contaminate the water. Our slaughterhouses and Eurolat have their own water sources and water purification installations.

We make efficient use of use raw materials. The volume and composition of our livestock feed is continually improved and modified to prevent waste. Our feed producers Alpuro, Navobi, Schils and Tentego adjust and to some extent determine purchases of raw materials and the production of feed on the basis of the productivity figures achieved by the VanDrie Group calves.

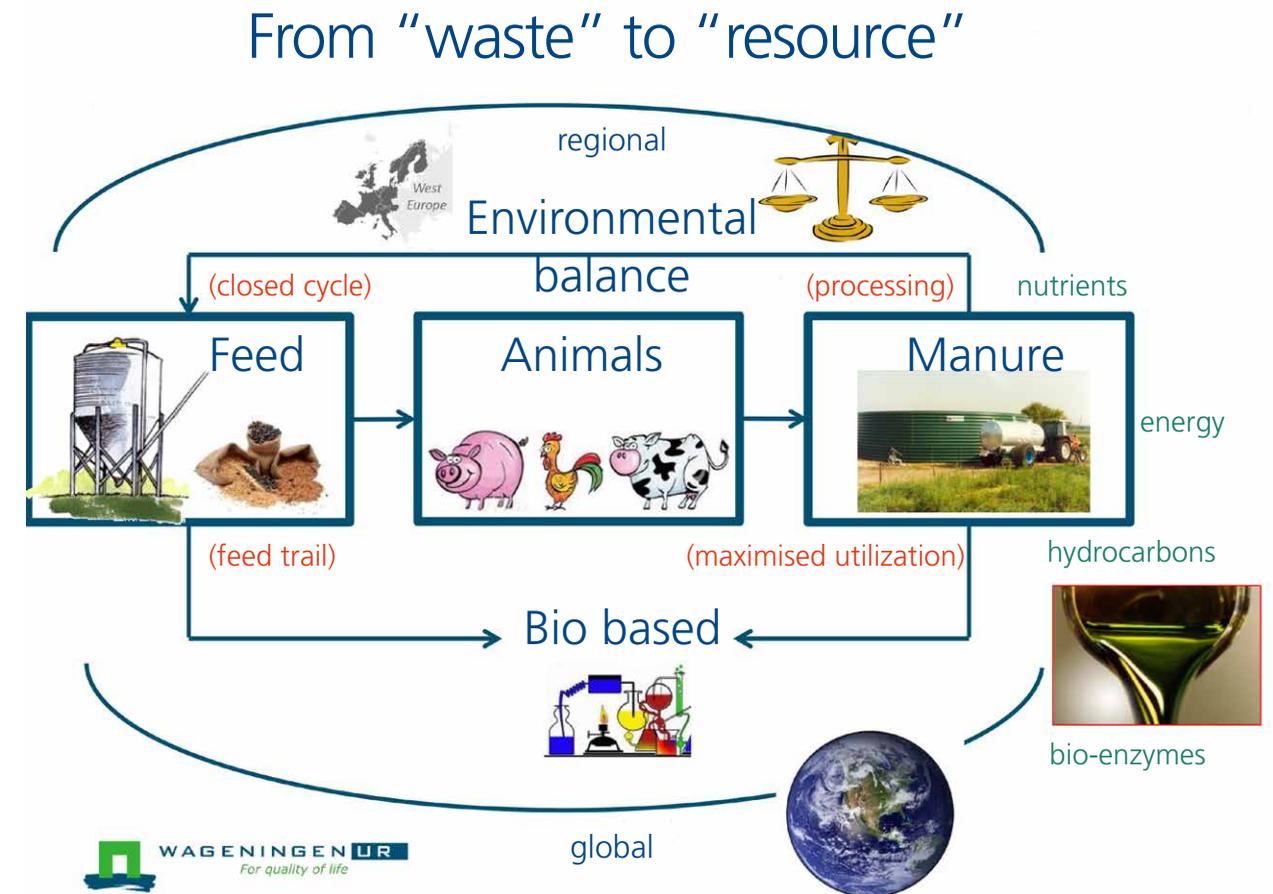
We use special packaging materials that keep meat fresher for longer, which means less waste, less transportation and fewer losses - beneficial both in terms of the environment and lower costs.



## Manure with Value - Turning Waste into a Resource

A shortage of essential minerals is expected to arise all over the world, which is why we are going to have to take a fresh look at what we do with manure. Manure is not waste. Rather, it is a raw material in the biobased economy. The trend away from waste disposal and towards treating it as a raw material will lead to a circular economy and make a positive contribution to economic growth and employment. Space has to be made available for manure to be refined so that its valuable ingredients can be distilled out; these include nitrogen, phosphates, potassium, proteins, amino acids, fatty acids and other chemical compounds. The Mest vol Waarden project is an initiative of the VanDrie Group and Wageningen UR. The purpose of this project is to achieve economic growth that is in balance with nature and our living environment, under the guidance of private initiative-takers.

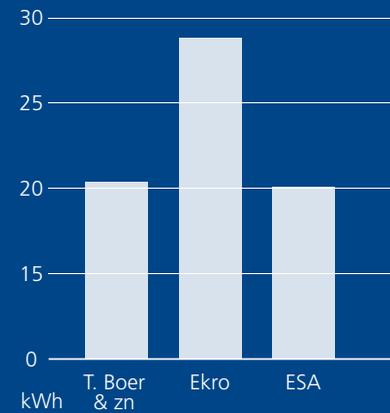
The VanDrie Group regards manure as a raw material in the biobased economy; this will allow us to extract added value from the so-called manure surplus. By this means, the Netherlands can play a significant role in the world's biobased economy, which is a good thing for the nation's trade balance and offers job opportunities.



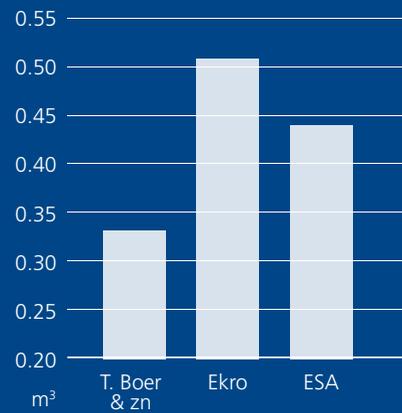
## Taking a Critical Look at Energy Usage

Ekro built a new offal processing department in 2012. Its refrigeration unit is being used to the full. Although this new build meant more business space and more equipment that would all need energy to run, Ekro still managed to consume less energy per calf in 2013 than in 2012. Since 2012, Oukro has been using Ekro's ammonia as a refrigerant for the CO<sub>2</sub> used to chill the calfskins.

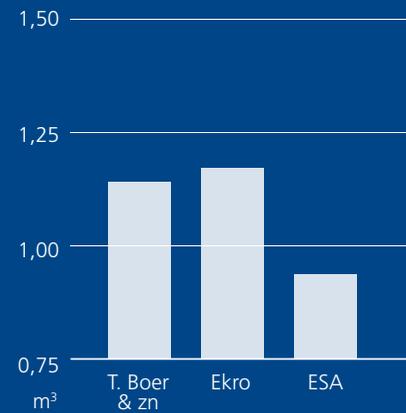
ENERGY CONSUMPTION PER CALF



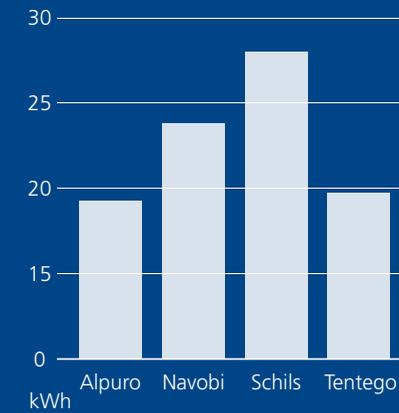
WATER CONSUMPTION PER CALF



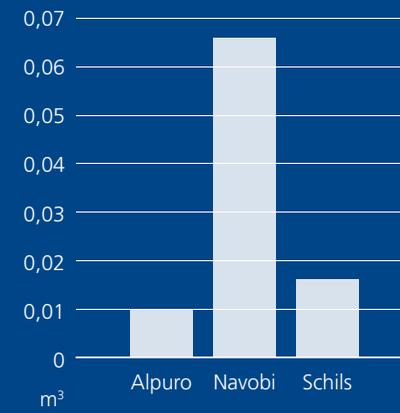
GAS CONSUMPTION PER CALF



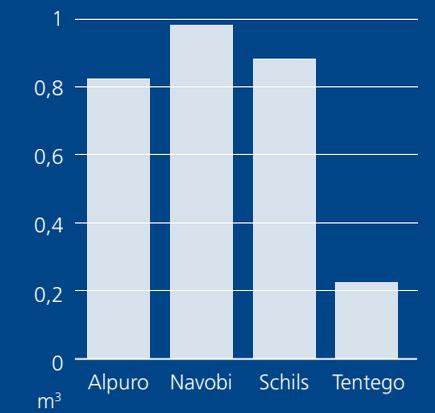
ENERGY CONSUMPTION PER TONNE OF FEED



WATER CONSUMPTION PER TONNE OF FEED



GAS CONSUMPTION PER TONNE OF FEED



## Reducing Logistics Traffic

We seek to plan the transportation of our calves to husbandries and slaughterhouses as optimally as we can, in the interests of animal welfare and reducing the burden on the environment. We also strive to transport our raw materials

as efficiently as possible. Below is an overview of the transportation distances that our raw materials travel, in terms of percentages of all trips.

	2013	2012	2011
>2,000 km	2%	3%	4%
1,000 - 2,000 km	15%	12%	9%
500 - 1,000 km	7%	14%	18%
250 - 500 km	9%	11%	8%
< 250 km	67%	60%	61%



## Major Prizes, Awards and Milestones for the VanDrie Group

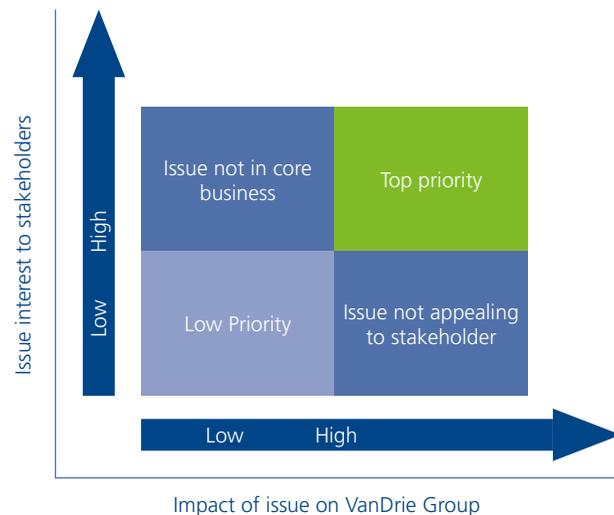
- 2013** Acquisition of Tendriade
- 2013** Introduced Vitender rosé veal concept
- 2013** The VanDrie Group joined the Global Roundtable for Sustainable Beef (GRSB)
- 2013** ESA and Alpuro obtained ISO 22000 certification and came under the certification of Supply Chain requirements
- 2013** The VanDrie Group obtained joint 51st place in the Ministry of Economic Affairs' Transparency Benchmark rankings
- 2012/2013** Ekro and T. Boer & zn obtained ISO 14001 certification
- 2011** Acquisition of Conxentra
- 2011** Acquisition of Inntaler
- 2011** Acquisition of Alpuro group (Alpuro, Alpuro Breeding, ESA, Peter's Farm)
- 2011** Became a partner in GMP+ International
- 2010** Nominated for Food Valley Award 2010
- 2010** Commencement of Meat Map (Routekaart Vlees) to save energy\*
- 2009** Awarded Beter Leven recognition by Netherlands Society for the Prevention of Cruelty to Animals
- 2009** The VanDrie Group won the Vers Top 100 fresh food competition with MAQSfood
- 2009** Became a partner of the MVO Nederland (Dutch CSR) initiative
- 2008** All VanDrie Group companies certified to ISO22000
- 2008** Covenant signed on prevention of antibiotic resistance in stock farming\*
- 2008** First ever Comfort Class cattle trucks began to be used
- 2007** Ekro won the Smaakmakerstroofe awarded by industry association SVO's training course organisation for the north-eastern Netherlands
- 2007** The VanDrie Group was awarded the right to display the Ik Kies Bewust logo (now the check mark logo)
- 2007** Ekro won the SVO's award for Best Learning-at-Work Company (Leerbedrijf) of the Year
- 2006** The VanDrie Group issued its first annual CSR report
- 2006** Navobi, Tentego and Ekro were the first companies to be ISO 22000 certified
- 2005** Won the Dutch Logistics Prize via the Logistics Management Association (vLm)
- 2005** T. Boer & zn won the SVO's award for Best Learning-at-Work Company (Leerbedrijf) of the Year
- 2005** Safety Guard won the Innovation Award at National Food Week
- 2004** Acquisition of Melkweg
- 2004** Acquisition of Schils Groep (owner of companies including Schils, Schils France, VanDrie België (Theys), Zoogamma, Eurolat and Vals)
- 2002** Safety Guard became the first quality system to be certified by Lloyds Quality Assurance Register Ltd., with the Food Safety Supply Chain Certificate
- 1998** EU legislation on calves: all calves older than eight weeks must be housed in groups. Obligatory as of 2004.\*
- 1996** Van Drie Holding B.V. established
- 1996** Veal Promotion Foundation (Stichting Promotie Kalfsvlees (SPK)) established
- 1994** Acquisition of Ekro (with Oukro), Navobi (with Labora) and Sobeval
- 1994** Acquisition of T. Boer & zn
- 1993** Acquisition of KSA, Sloten Vleesvee
- 1991** Acquisition of Tentego
- 1990** Foundation for Quality Guarantee of the Veal Sector (Stichting Kwaliteitsgarantie Vleeskalversector (SKV)) established\*
- 1989** Introduced Friander rosé veal concept
- 1988** Ekro was overall champion and gold medal winner at the Royal Smithfield Show
- 1986** Ekro Group introduced a premium system for group-housed calves by launching the group Grown veal concept
- 1963** Van Drie established
- Early 1960s** Jan Van Drie senior bought his first calf

\* Calf industry in the Netherlands or in the EU



**Materiality Index**

The Materiality Index is used to divide up and prioritise the various topical issues for our company and/or for stakeholders that are of value to us, now or for the future. The Materiality Index allows us to closely follow progress on these issues.



The key issues are described on our website at [www.vandriegrup.nl/mvo](http://www.vandriegrup.nl/mvo) - where you can also see what position they currently occupy on our Materiality Index.



**General Requirements of the IKB and Safety Guard for Calf Husbandries**

- Transportation of calves must include the use of Comfort Class trucks with full climate control. \*\*
- Calves must be at least 14 days old before arriving at the husbandry. \*
- Calves are housed in groups of 6-8 on average, as provided for by EU legislation on calves.
- To give them a good start in life, the calves can be kept in individual hutches up to a maximum of the first eight weeks. \*
- Housing - calves up to 150kg: 1.5m<sup>2</sup>, calves up to 220kg: 1.7m<sup>2</sup>, calves over 220kg: 1.8m<sup>2</sup>. \*
- Calves are given a predominance of calf milk with sufficient roughage. \*
- Rosé veal calves are largely given roughage, maize and other solids. \*
- All the feed is transported by hauliers accredited by our GMP scheme (except when we use our own fleet). \*
- The stalls are ventilated. \*
- The calves have sufficient daylight. \*
- The calves are able to walk around freely. \*
- The VanDrie Group district manager visits the husbandry approximately once a week. \*\*
- Antibiotics are not used preventively. \*
- Medicines are administered exclusively by the practising veterinarian. \*
- All visitors must sign the visitors' register. \*
- Safety Guard enables the VanDrie Group to meet IKB. IKB is the Dutch acronym for Integral Chain Management. In this independently guaranteed chain quality system, norms are maintained, including those for medication administration and registration of medications given. \*\*
- All calves slaughtered by the VanDrie Group meet the strict requirements of the Foundation for Quality Guarantee of the Veal Sector (SKV). \*\*
- The SKV carries out extensive inspections at all the VanDrie Group's calf husbandries in order to ensure the health of the calves and monitor the quality of the calves' feed. The basis for these inspections is drawn up in the IKB guarantee system. \*\*
- By participating in IKB, a farmer also satisfies the official EU hygiene regulations. \*

Source: \* IKB Vleeskalveren General Terms & Conditions - Stipulations for Calf Husbandry

\*\*Safety Guard

## Assurance Report

We were tasked by the Board of VanDrie Holding B.V. (hereinafter 'the VanDrie Group') to evaluate nine of the CSR indicators for 2013 included in this report (hereinafter: 'the selected CSR indicators'). We provide a limited degree of certainty regarding the selected CSR indicators included in the table on page 90.

## Evaluation: Limited Degree of Certainty

Evaluation tasks focus upon obtaining a limited degree of certainty; they do not encompass such thoroughgoing research as would be conducted for an audit. Consequently, an evaluation offers less certainty than an audit.

Our evaluation is restricted to the figures included in the table on page 90; accordingly, we do not seek to offer certainty regarding the assumptions and achievability of the forward-looking information in the report that relates to CSR issues, such as the VanDrie Group's aims, expectations and ambitions. As this is the first year that we have evaluated the CSR indicators included in the table, no comparators have been given.

The Board of the VanDrie Group is responsible for the composition of this report and its table

according to the Global Reporting Initiative ('GRI') indicators. It is our responsibility to provide an assurance report on the selected CSR indicators.

## Reporting Criteria

The VanDrie Group compiled its CSR report on the basis of the G3.1 guidelines supplied by the GRI. To apply GRI guidelines, the performance of particular tasks is required. A major component of this is to determine what the material subjects and the scope of reporting will be for the report. The VanDrie Group carried out a materiality analysis, availing itself of the materiality index provided in Appendix 16. Our evaluation of the data is restricted to the figures included in the table on page 90. A detailed account of the extent of applicability of the figures provided in the table is found in the explanatory notes beside the table.

We are of the opinion that the data included in the table are relevant and appropriate to our evaluation.

## Tasks

With regard to the selected CSR data included in the table, we carried out our evaluation in accordance with Dutch law, including Standard 3000, Assurance Tasks other than Audit Tasks or the Evaluation of Historical Financial Information.

## Our Key Evaluation Tasks for the Selected CSR Indicators Were to:

- Carry out an environmental analysis and obtain insight into the sector in question, relevant social trends and issues, relevant legislation and regulation and pertinent characteristics of the organisation;
- Evaluate the suitability of the reporting criteria and the consistency of their application, for example by evaluating the reasonableness of the estimates made by the management;
- Evaluate the procedure employed to collate the selected CSR data and used to aggregate these data as included in the table on page 90 of the VanDrie Group's annual CSR report for 2013;
- Carry out verification, on the basis of partial scrutiny of the underlying documentation for the data collected in respect of each individual company;
- Carry out an evaluation of the figures and analyse the internal congruence of the data.

We are of the opinion that the evaluation information provided to us was sufficient and suitable to underpin the judgements that we reached.

## Conclusion

On the basis of the evaluation tasks that we have performed, we have not found that any of the selected data included in the table on page 90 were presented other than in conformity with the VanDrie Group's reporting criteria in all material respects.

## Use of this Assurance Report

This assurance report relates only to the evaluation of the performance of the selected CSR indicators for the VanDrie Group as included in the table on page 90. Hence, this assurance report is of limited scope and does not purport to offer assurance with regard to the overall CSR performance of the VanDrie Group for the year in question.

Amsterdam, 30 June 2014

**MAZARS PAARDEKOOPEL HOFFMAN N.V.**

drs R.C.H.M. Horsmans RA RV



This is the first year that we have asked our auditors Mazars to carry out an evaluation of a selection of performance indicators for our Dutch operations. The Netherlands is a crucial country for the VanDrie Group, accounting for around 45% of our staff and hosting many of our production sites. From next year onwards, we also intend to include comparative figures to provide a better guide to how our performance is developing.

It is our ambition to further extend our reporting in the coming years by reporting supplementary quantitative data for the whole organisation within all our strategic pillars of business.

We took the guidelines (G3.1) of the Global Reporting Initiative as our template for reporting criteria and performance indicators.

Mazars' findings and conclusions arising from the evaluation of the table below are included in Appendix 15.

Indicator	Unit	Total for Netherlands
Number of employees	Headcount	1,089
No. of full-time employees	FTEs	992
Proportion of male staff	% of headcount	87%
Proportion of female staff	% of headcount	13%
Sickness absence	Percentage	6.4%
Electricity usage	kWh per tonne of calf feed <sup>(1)</sup>	23.0
	kWh per calf slaughtered <sup>(2)</sup>	23.7
Water usage	m <sup>3</sup> per tonne of calf feed <sup>(1)</sup>	0.04
	m <sup>3</sup> per calf slaughtered <sup>(2)</sup>	0.42
Gas consumption	m <sup>3</sup> per tonne of calf feed <sup>(1)</sup>	0.79
	m <sup>3</sup> per calf slaughtered <sup>(2)</sup>	1.09
Antibiotics dosages per day per animal (DDD)	% drop as against 2007	46%

<sup>(1)</sup> Calf feed companies in the Netherlands: Tentego, Navobi, Schils, Alpuro

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





ORGANISATION



FOOD SAFETY



ANIMAL WELFARE



OUR SURROUNDINGS & THE ENVIRONMENT

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**VanDrie Group**  
CONTROLLED QUALITY VEAL