



# THE POWER OF THE CHAIN

ANNUAL CSR REPORT 2021

# CONTENTS



<b>FOREWORD</b>	<b>3</b>
<b>KEY RESULTS IN 2021</b>	<b>7</b>
<b>VALUE CREATION MODEL</b>	<b>10</b>
<b>ABOUT VANDRIE GROUP</b>	<b>12</b>
<i>Who we are</i>	13
<i>Our mission and ambitions</i>	15
<i>Our strategy</i>	17
<i>Our dilemmas and lessons</i>	20
<b>THE WORLD AROUND US</b>	<b>22</b>
<i>Due diligence and risk management</i>	23
<i>Analysis of strengths</i>	33
<i>Exploiting our social role</i>	34
<b>PROGRESS OF CSR OBJECTIVES</b>	<b>40</b>
<i>Our results</i>	41
<i>Our market position</i>	46
<i>Sustainability</i>	55
<i>Animal health and welfare</i>	60
<i>Food safety</i>	67
<i>Good employment practices</i>	72
<b>SIX INTERVIEWS ON THE BASIS OF OUR SDGS</b>	<b>77</b>
<i>SDG 2: Zero Hunger</i>	78
<i>SDG 8: Decent work and economic growth</i>	83
<i>SDG 9: Industry, Innovation and Infrastructure</i>	89
<i>SDG 12: Responsible consumption and production</i>	96
<i>SDG 13: Climate action</i>	100
<i>SDG 17: Partnerships for the goals</i>	105
<b>APPENDIX</b>	<b>110</b>
<b>EVENTS AFTER BALANCE SHEET DATE UNTIL APRIL 2023</b>	<b>111</b>





# FOREWORD



**ALTHOUGH WE ARE NOT VERY  
AWARE OF IT, RESILIENCE  
FORMS AN INTEGRAL PART OF  
OUR IDENTITY.**



## FOREWORD

Although we had hoped that the effects of COVID-19 would remain confined to 2020, we saw that 2021 continued to be dominated by the global pandemic. That placed great demands on our subsidiaries and all our employees, as it was simply impossible to return to the 'old normal'. However we look at it, our world appears to be subject to major changes. In the Netherlands, we are firmly in the grip of the nitrogen crisis. We often say that the chain is our strength. However, we are well aware that the chain is vulnerable right now.

In spite of the challenges that we saw in 2021 and are still seeing now, we managed to remain loyal to our principles and do business in a responsible way; by being resilient. Anyone who walks into a bookshop or searches online for an appealing management book frequently comes across the word 'resilient'. Not only literature, but also daily practice, shows that any time we are faced with times of uncertainty, risk or loss, we are simultaneously presented with the opportunity to learn from it. We see that we can make use of adversity to apply new working methods, routines or behaviour, or to take it on board as wise lessons. Resilient people or organisations accept facts and situations that they cannot change and are simultaneously solution-oriented, can improvise and don't look back too often.

Although we are not very aware of it, resilience forms an integral part of our identity. In spite of setbacks, such as temporary closures of a few subsidiaries in 2021, lockdowns and major uncertainties in the market as a result of rising raw material, transport and energy prices, we have been able to take positive action. In 2021, the takeover of Van Dam Beheer b.v. was approved and there has been continuous investment in the quality improvement of the organisation. However, at the same time we are very worried about the prospects for the agricultural sector in the Netherlands. That is due to the nitrogen policy that was presented by the Rutte IV cabinet. In our view, the basic principles of this policy are not sound and we are seeing the major impact on agricultural entrepreneurs and the countryside. We will continue fighting for a sound and sustainable future for the farming sector in the Netherlands.

Such a sustainable sector does however mean that you have to continue developing. In this CSR report, we show our actions and results for our strategic pillars: our market position, food safety, animal health and welfare, sustainability and good employment practices.

At the same time, we seize the opportunity to look ahead, because how will we develop adaptive strategies as an organisation in order to rise to challenges and secure the continuity of our family business? At present, we are working hard to make our sustainability performance more transparent. That way, we want to account for our ecological contribution even better and more transparently, both in a positive and negative sense.



I want to thank our customers, suppliers and cooperation partners for their collaboration with the VanDrie Group in 2021. I also want to express my thanks to my colleagues for their tireless efforts and hard work in difficult circumstances. We will continue unabated with our strategic efforts and focus on improvement, quality and innovation at the VanDrie Group in the coming years. This ability, supported by the resilience and flexibility of the organisation, will help to make a valuable impact on sustainable livestock farming and the animal protein chain in which the VanDrie Group is active. In this way, we will continue adding value for customers, veal farmers, employees and the other stakeholders with which we collaborate.

If you have any questions or comments about this CSR report, please send them to us via [contact@vandriegrup.com](mailto:contact@vandriegrup.com).

I hope you enjoy reading this report.

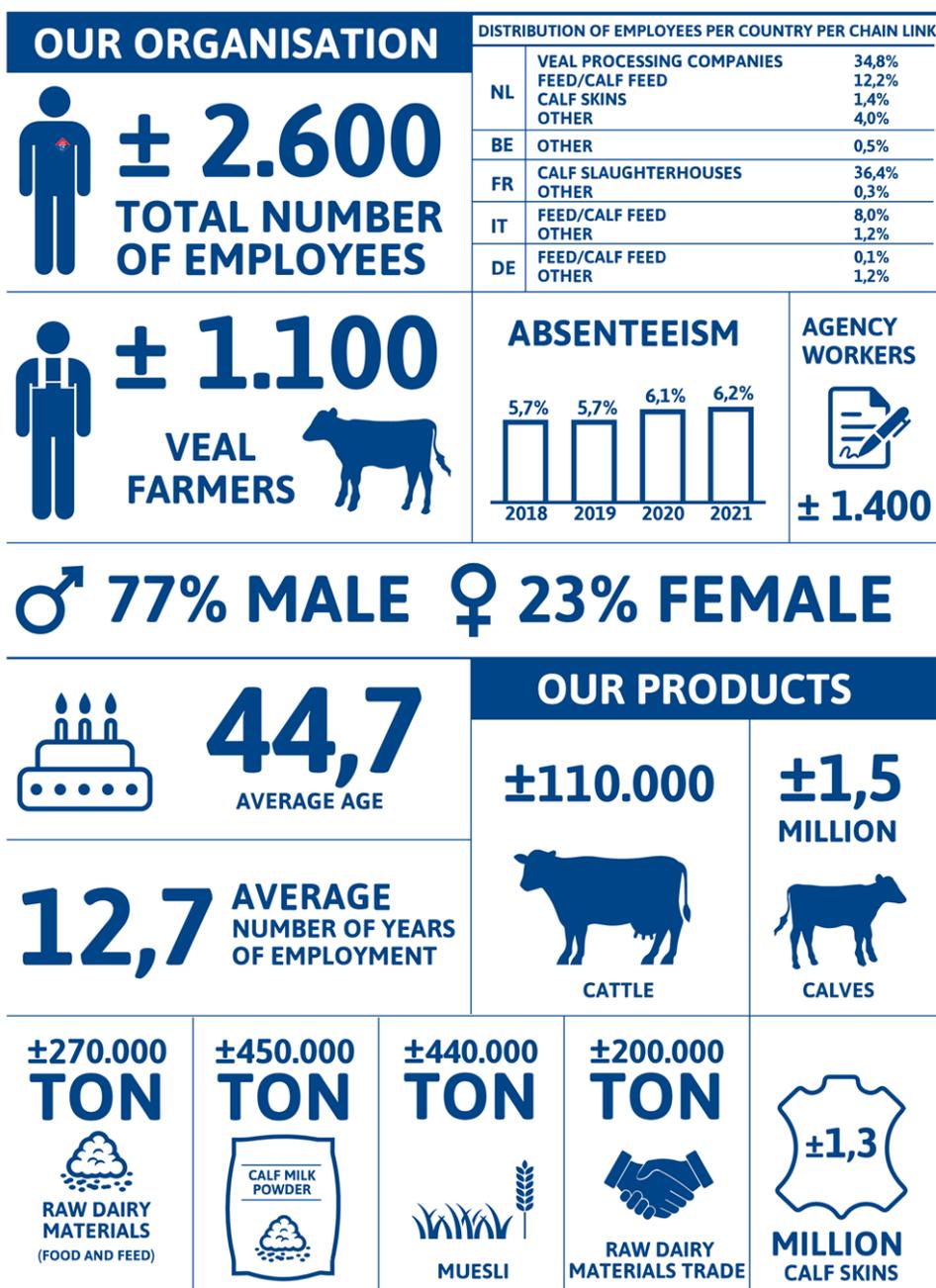
Marijke Everts  
Director Corporate Affairs  
30 June 2022





# KEY RESULTS IN 2021

## KEY RESULTS IN 2021



## BRANCHES



THE NETHERLANDS  
BELGIUM  
FRANCE  
ITALY  
GERMANY



**ORIGIN OF CALVES INTEGRATED INTO THE COMPANY:**  
63% FROM THE NETHERLANDS  
29% FROM GERMANY  
8% OTHER EU MEMBER STATES

**EUROPEAN MARKET SHARE OF THE VANDRIE GROUP ± 28%**



### VEAL SALES FROM THE NETHERLANDS

8% THE NETHERLANDS • 26% ITALY • 22% GERMANY •  
14% FRANCE • 26% REST OF EUROPE • 4% OUTSIDE EUROPE

**NUMBER OF EXTERNAL AUDITS: 148**  
**NUMBER OF RECALLS 2021: 2**

### 2020 FINANCIAL RESULTS\*

<b>TURNOVER</b>	<b>± 2,3 BILLION EURO</b>
<b>NET PROFIT</b>	<b>± 75 MILLION EURO</b>
<b>NET PROFIT MARGIN</b>	<b>± 3,4%</b>
<b>VEAL EXPORTS</b>	<b>92% TO MORE THAN 60 COUNTRIES</b>

\* THE SPECIFIED TURNOVER DATA AND DETAILS OF THE ASSETS AND OPERATIONAL COST TRENDS CAN BE FOUND IN THE VANDRIE GROUP'S ANNUAL FINANCIAL REPORT FOR 2020.

### CONSUMPTION\* 2019 2020 2021

#### ENERGY CONSUMPTION

KWH PER CALF SLAUGHTERED	33,90	47,86	47,59
KWH PER TONNE OF CALF FEED	26,5	27,3	27,09

#### WATER CONSUMPTION

M <sup>3</sup> PER CALF SLAUGHTERED	0,67	0,80	0,75
M <sup>3</sup> PER TONNE OF CALF FEED	0,05	0,20	0,18

#### GAS CONSUMPTION

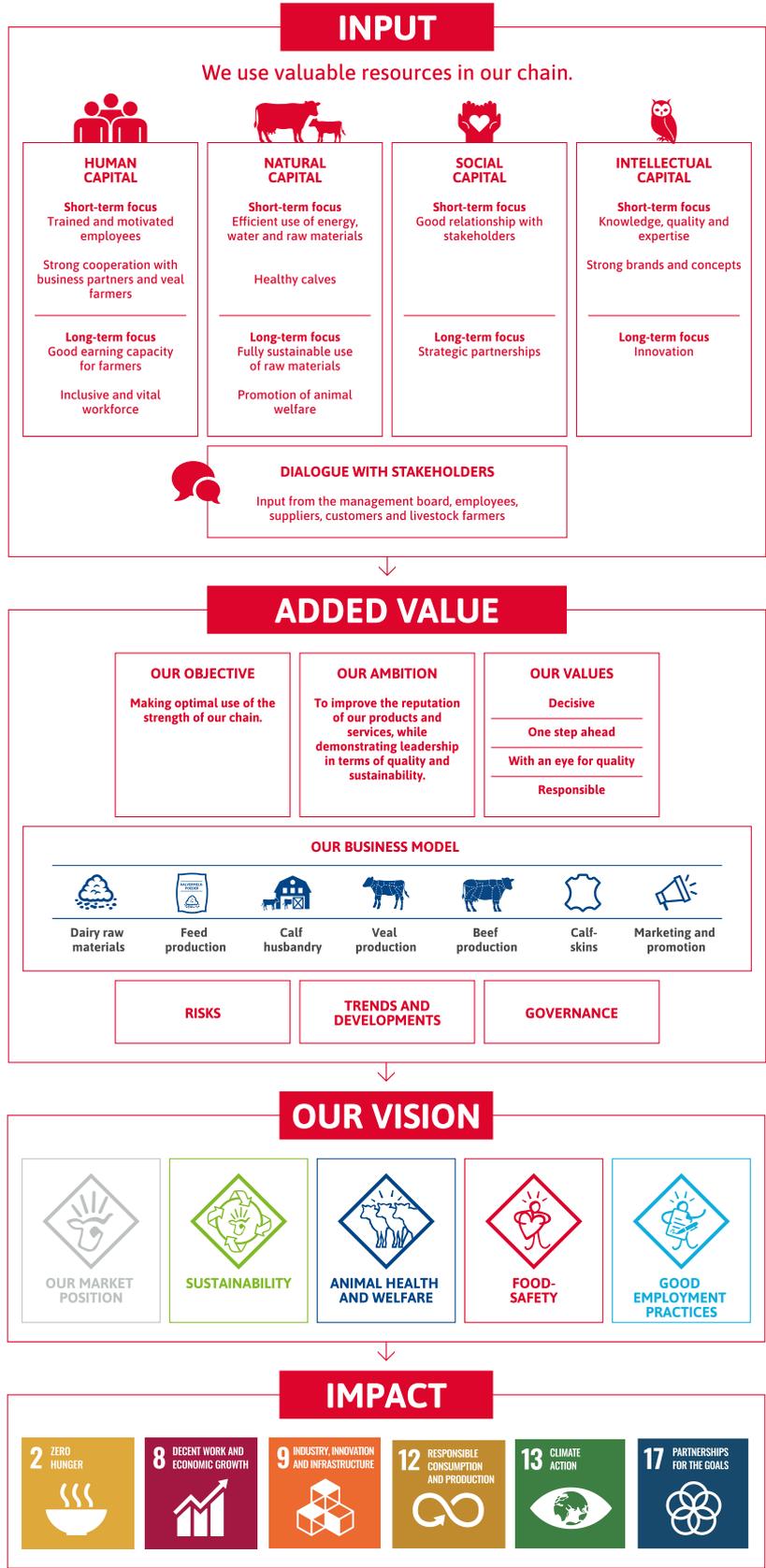
M <sup>3</sup> PER CALF SLAUGHTERED	1,55	1,72	1,82
M <sup>3</sup> PER TONNE OF CALF FEED	2,96	1,35	1,58

\* AS A RESULT OF BROADENING THE SCOPE IN 2020 AND 2021, WHICH INCLUDES NOT ONLY OUR DUTCH COMPANIES, BUT ALSO OUR FOREIGN COMPANIES, IT IS NOT POSSIBLE TO COMPARE THE DATA FROM 2020 AND 2021 WITH THE DATA FROM PREVIOUS YEARS. IN OUR SCOPE READ MORE ABOUT BROADENING THE SCOPE. CONSUMPTION WITHIN OUR MEAT PROCESSING PLANTS HAS RISEN DUE TO INCREASED DEMAND FOR CONSUMER PRODUCTS. THIS MEANS THAT WE HAVE TO PERFORM MORE ACTIONS.



# VALUE CREATION MODEL

**VALUE CREATION MODEL**





# ABOUT VANDRIE GROUP

## WHO WE ARE

The VanDrie Group is a Dutch family business. In the 1960s, our founder Jan van Drie sr. started rearing calves that dairy farmers couldn't use to replace their own dairy herd. It turned out to be a strategic choice: Jan's activities developed into the VanDrie Group. The company is still fully owned by the Van Drie family. The VanDrie Group now includes 29 subsidiaries located in the Netherlands, Belgium, France, Italy and Germany. The head office of the company is located in Mijdrecht (NL). The turnover of the VanDrie Group is 2.3 billion euros. Its European market share is approximately 28 percent. In 2021, the number of employees amounted to about 4,000; this is including agency employees.



The VanDrie Group is now characterised by chain integration: the company has control over all the links of the production. We produce veal and beef, animal feed, raw dairy materials and calf skins. In addition, we trade in dairy products for industrial use and provide dairy farmers with guidance on rearing their calves.

Our family-run company is driven by values such as committed, one step ahead and quality. We are practical and level-headed and take responsibility for our impact on humans, animals and the climate. Based on the principle of stewardship, we are committed to development and innovation as these enable us to be of value to society.



## FINANCIAL RESULTS

	2019	2020
<b>TURNOVER</b>	<b>± 2,4 BILLION EURO</b>	<b>± 2,3 BILLION EURO</b>
<b>NET PROFIT</b>	<b>± 77 MILLION EURO</b>	<b>± 75 MILLION EURO</b>
<b>NET PROFIT MARGIN</b>	<b>± 3,2%</b>	<b>± 3,4%</b>

## OUR MISSION AND AMBITIONS

### Our mission

The animal protein chain plays a crucial role in a sustainable world. Produced with attention and care and suitable for a varied diet, animal proteins remain of added value. We truly believe in that. At the same time, as a family business we are not blind to society's needs and our customers' demands. We adopt a proactive approach in that regard.

Our mission is to create maximum customer value through our unique chain, while at the same time taking responsibility for our people and our impact on animals and the climate.

It goes without saying that ambitions are part and parcel of that. These focus on three aspects: consolidating the family business, working on the sustainability position and entering into collaborations.

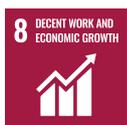
- To strengthen our market position and continue improving the reputation of our high-quality products worldwide.
- To innovate in order to make our chain more sustainable.
- To enter into long-term partnerships in order to drive change.

The Sustainable Development Goals (SDGs) of the United Nations help us to stay focused on the execution of our mission and ambitions. We have embraced the following SDGs.



#### *Zero Hunger*

We want to produce our food in a sustainable way. In order to feed the growing global population, food production must be carried out more efficiently without harming ecosystems. Development is therefore paramount in order to achieve that.



#### *Decent work and economic growth*

We play our part in ensuring good and decent work. We protect labour rights and offer a safe working environment. We strive for inclusive and sustainable economic prosperity. We want to be of added value in each country in which our companies are located.

## ABOUT VANDRIE GROUP



### *Industry, innovation and infrastructure*

We want to be a resilient company. We know that we need technological progress in order to achieve climate goals. We are investing in technological development, research and innovation. One of the ways we are doing this is by means of our R&D efforts.



### *Responsible production and consumption*

We make our products in line with the motto of 'producing better with less'. We are responsible for sustainable and efficient use of natural resources. In addition, we are committed to combating food waste and limiting waste production by means of recycling, reuse and prevention.



### *Climate action*

We are reducing our negative impact by reducing our CO<sub>2</sub> emissions. We want to raise awareness about climate action – in each link of our chain.



### *Partnerships for the Goals*

A successful agenda for sustainable development requires partnerships. We therefore collaborate actively with our stakeholders on all kinds of levels. We want to make an impact via effective social partnerships.



## OUR STRATEGY

Our strategy is a fulfilment of our mission and helps to achieve our set ambitions. It takes into account the challenges both now and in the future. It determines the course our company will take from now until 2025. All our core activities are based on five strategic pillars.



### OUR MARKET POSITION

We want to supply our customers with quality products, with high added value and as little negative impact as possible. Working ethically and treating humans and animals with respect is an absolute requirement in everything we do. We are always looking for new markets or sales channels where we can be of added value with our products and can contribute to the demand for safe and nutritious animal proteins. In order to achieve this, we are making active connections with existing and potential customers and consumers. We are in dialogue, and are entering into dialogue, with a variety of stakeholders; locally, so we know which themes are important at a local level and can collaborate on this; nationally, in order to be able to address and actualise major themes like climate and animal health; and internationally, in order to be able to discuss and solve the European, but also global, issues in a multilateral context



### SUSTAINABILITY

As chain coordinator, we are driving the transition to a more sustainable sector. We do this by working within our production chain to maximise the use of (alternative) raw materials, by-products and residual waste flows. At the same time, we are also making production processes more sustainable. In this way, we are turning our ambitions for a circular agricultural system into reality. We apply smart technologies in our companies and are developing innovative solutions to reduce emissions on veal farms. This enables us to contribute to the national climate objectives.



### ANIMAL HEALTH AND WELFARE

We are listening to the increasing global attention in society being devoted to improving animal welfare in animal protein chains. It is also our responsibility to guarantee the intrinsic value and needs of calves in our chain. We remain critical of our own practices and are continuously improving ourselves. Not only on our own but also in collaboration with dairy and veal farmers and knowledge partners, we are searching for ways to improve animal health in general and reduce animal diseases. As a result of this, we can further reduce the use of antibiotics in our chain.



### FOOD SAFETY

Although it sometimes seems like a matter of course, feed and food safety is an extremely important strategic pillar for us as producer. We are continuing to invest in quality assurance to guarantee this safety. Our unique quality system known as Safety Guard helps to guarantee the highest standards in terms of food safety within all production links. One of the things it does is monitor both public and private standards, as well as tracking and tracing of raw materials and products. We can therefore deliver high-quality, safe and nutritious protein-rich products that customers expect from us. In this way, we mitigate the risks of food safety violations and we can proactively remain at the cutting edge of developments.



### GOOD EMPLOYMENT PRACTICES

Our employees are precious to us. We want to offer an inclusive workplace. We believe it is important that our employees are given opportunities to develop themselves and that they are proud of their contribution to our organisation. Every employee deserves recognition for this. Good employment practices are not therefore limited to the people who have a permanent employment contract with the VanDrie Group. We also want temporary employees to feel at home within our company.

## OUR DILEMMAS AND LESSONS

We want to carry out our core activities as well as possible. Furthermore, we encounter dilemmas that influence our choices or our way of working. Unexpected developments or events also ensure that the practical reality proves to be more less clear-cut than expected. We are aware of this and try to learn from it. A few of the key dilemmas and events from 2021 are described below.

### OUR DILEMMAS IN 2021

#### **The pressure to innovate versus the intractable reality.**

The Netherlands has been in a so-called 'nitrogen crisis' since 2019. In May of that year, the Council of State ruled that government policy to reduce nitrogen deposition in nature conservation areas was not sufficient. Since then, the Dutch government has been busy making new policy to reduce nitrogen deposition. This concerns both nitrogen oxides (NO<sub>x</sub>) that are primarily emitted by traffic and industry and ammonia (NH<sub>3</sub>) that is mainly produced by agriculture. Neither the elaboration of this government policy, nor the proven effectiveness thereof, is clear to farmers. This is creating uncertainty. Will it be necessary to invest in new stall systems that prevent nitrogen emissions or will the farm be purchased or relocated perhaps? The agricultural sector therefore finds itself in a kind of Catch-22 situation. It is difficult to make clear investment choices, because the rules and the impact of policy for the individual entrepreneur are unclear. We feel the pressure to drive innovation, but simultaneously realise that the reality is more intractable than ever.

#### **The desire to reduce the climate impact versus the dependencies in the value chain.**

The climate targets we are faced with as a company require considerable steps and investments. Two of the ways we are achieving this is by streamlining the energy supplies to our production companies or by reducing methane in calf husbandry. Although our ambitions in this regard are big, we notice how dependent we are on others if we are to significantly improve our performance. Looking at the value chain of the VanDrie Group, the indirect emissions of CO<sub>2</sub> will have to be included in policy in due course. Indirect emissions are caused by business activities of other organisations. This concerns emissions from sources that are not owned by the VanDrie Group and over which we are usually not able to exert any direct influence. The VanDrie Group collaborates with many organisations and entrepreneurs, such as veal farmers, suppliers or customers, which are included within the scope of indirect emissions. We are mapping out the barriers and will also share this with policymakers. At the same times, we want to work together with our cooperations partners to jointly tackle the climate targets.

## WHAT WE HAVE LEARNED IN 2021

### **The cost price under pressure**

In 2021, the costs of transportation, energy and raw materials increased considerably. For example, the price of whey powder in the indexes was around 75 euros in December 2020. This went up to 120 euros per 100 kilos in 2021. At the end of March 2022, the index price was already more than 146 euros. At the same time, the availability of raw materials decreased significantly. In the last months of 2021, inflation in Europe rose considerably. The prices rose to a historic record high in December 2021 since the introduction of the Euro in 2000. This means that the cost price in the entire production chain of the VanDrie Group were placed under considerable pressure. There was already an expectation in 2021 that this would not simply be over in 2022. Unfortunately, we are now seeing that this is the case. Inflation has risen further in 2022 and this has taught us that long-term agreements with suppliers will continue to be of major importance in the future in order to reduce the cost price and maintain profitability.

### **COVID impact**

2021 was an intense year for the VanDrie Group's meat processing companies in the Netherlands. Three companies had to close for a short time due to an outbreak of COVID-19 among the workforce. As a result of that, public-private collaboration took on a new dimension; lots of different government agencies examined and assessed the policy we were pursuing. We have experienced how important open communication and collaboration can therefore be. This enabled us to tackle problem areas promptly and to achieve external support for the chosen course, thereby guaranteeing safe working conditions.



# THE WORLD AROUND US

## DUE DILIGENCE AND RISK MANAGEMENT

The VanDrie Group wants to produce high-quality, safe and nutritious veal and beef products, calf feed, raw dairy materials and high-quality calf skins. Furthermore, we need to meet the standards that are expected of us and are in keeping with our social position and responsibility. We realise that we must set a good example and act ethically.

As a producer, however, we are confronted with a wide range of risks, from raw material to end product and with all activities in our value chain. These risks cannot be avoided completely. That is why we apply a Due Diligence approach. This is the process by which we identify actual and potential risks. It subsequently offers us the opportunity to make well-considered decisions about (managing) the identified risks. We carry out our Due Diligence in line with the Guidance on Corporate Social Responsibility (CSR) which is based on the OECD Guidelines for Multinational Enterprises. Below you will find a diagrammatic overview of the most important identified risks for our organisation and a non-exhaustive summary of control mechanisms that were implemented in 2021.

Strategic Risk as a theme: Human rights  
Observing fundamental rights in the value chain.

Identified risks	Results	Risk indicators	Management control mechanisms 2021
Discrimination, violence, sexual intimidation, transgressive behaviour	Breach of statutory and social standards	Reports whistle-blowing scheme and confidential advisers	The 'SpeakUp' whistle-blowers' scheme is made available to employees, customers and suppliers and enables abuses to be reported easily, anonymously and in one's own language. Companies have designated confidential advisers.
Child and/or forced labour	Loss of good reputation	Adverse media	Our practice for doing business fairly was developed.
Failure to involve local communities that may be affected by the company's activities.			<p>A Code of Conduct (in 11 languages) was shared with employees.</p> <p>Daily monitoring of adverse media.</p> <p>Internal audit of raw material suppliers has taken place.</p> <p>Various annual stakeholder meetings and local consultations with governments and interested parties were organised.</p>

**Information security**

Ensuring information security, preventing data breaches and complying with privacy regulations.

Identified risks	Results	Risk indicators	Management control mechanisms 2021
Data breaches	Undermining of confidential data and breach of internal operational processes	Stress tests of ICT systems	
Cybercrime (e.g. hacks or hijacking)		Reports under privacy regulations	Awareness training courses for employees carried out.
Breaches of privacy legislation			

**Environment**  
Protecting the ecosystem.

Identified risks	Results	Risk indicators	Management control mechanisms 2021
Exceeding biological, chemical or physical legal values when performing activities or services	Impairment of the ecosystem and biodiversity	Results of ISO-14001 audits (requirements for effective environmental management system) and/or environmental permits  Lab studies into biological and chemical risks from individual subsidiaries	Certification of all our production companies to the ISO 14001 standard.  Purchasing raw materials in accordance with sustainable sectoral agreement, such as the Soy Sourcing Guidelines of the European Feed Manufacturers' Federation (FEFAC).  Innovation processes to reduce emissions within the chain.

**Unlawful behaviour**  
Preventing corruption, bribery or competition breaches.

Identified risks	Results	Risk indicators	Management control mechanisms 2021
Bribery of government officials	Breach of statutory and social standards	Reports under the whistle-blowing scheme	Employees are regularly informed about our standards of conduct and rules governing competition and corruption policy.
Making prohibited market agreements	Loss of business trust	Active monitoring and regular checks by finance departments	Active monitoring of compliance themes (legislation and regulations, adverse media)  Regular screening of EU and OFAC sanction lists.
Tax evasion, fraud, corruption or otherwise		Audits by accountant	We regularly test our invoicing to ensure the correctness of payments in order to prevent money laundering.

Consumer interests  
Safeguarding food safety and providing honest production information and fair pricing.

Identified risks	Results	Risk indicators	Management control mechanisms 2021
Products that do not meet standards (food safety standards, health warnings or security information)	Breach of statutory and social standards	Results of permanent monitoring by national regulatory authorities	The Safety Guard quality system is active. Safety Guard is based on the ISO 22000 and 14001 standards, the Food Safety Supply Chain System and the BRC, IFS and GMP+ quality schemes.
Misleading representation of information	Damage to health in the event of consumption	Results of internal and external audits	Customers purchasing meat products are given Safe Handling Instructions.
Increasing chain cost price due to scarcity and rising prices of energy and raw materials	Loss of consumer trust  Earning capacity under pressure	Lab tests of food safety indicators	We work in line with the United Nations Guidelines for Consumer Protection.

Employment and industrial relations  
Rights of employees and guaranteeing good working conditions.

Identified risks	Results	Risk indicators	Management control mechanisms 2021
Undesirable physical/mental burdening of employees	Breach of statutory and social standards	Absence due to sickness and turnover within organisation	The companies have a risk inventory and evaluation (RI&E) and regularly carry out updates.

**Animal welfare**

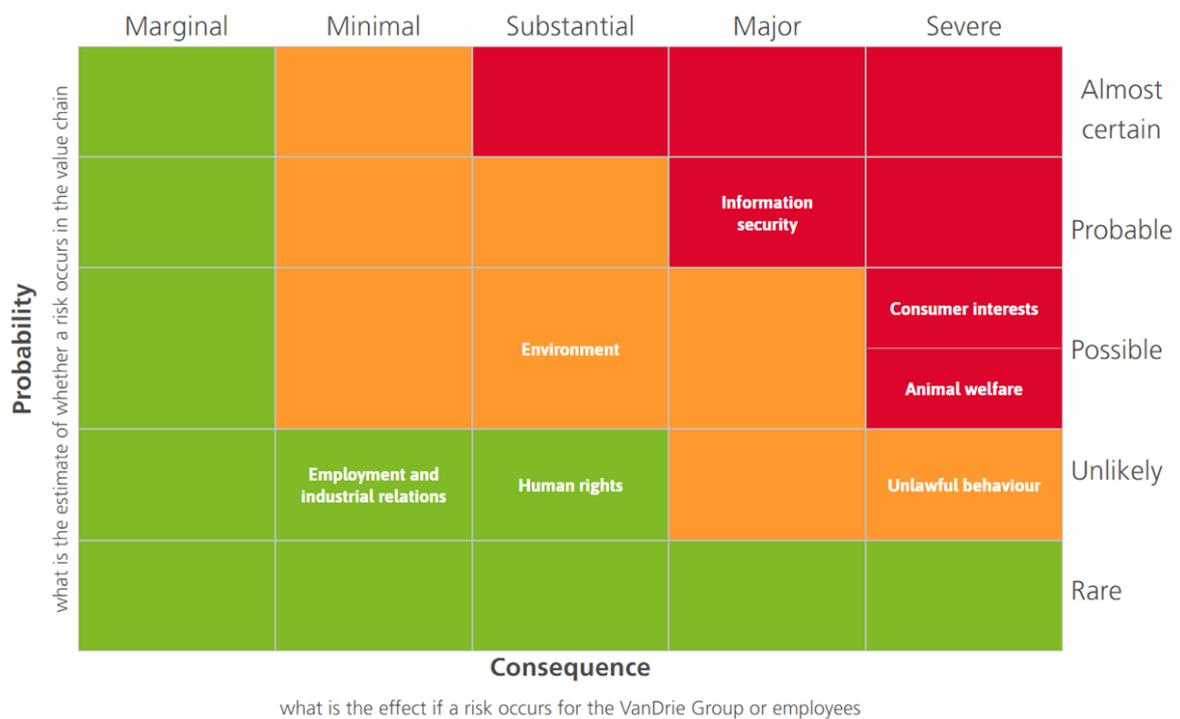
Preventing infringements of animal health and welfare.

Identified risks	Results	Risk indicators	Management control mechanisms 2021
Comply with absenteeism legislation and regulations regarding transport, husbandry, feed, medicines or otherwise	Non-compliance with the principles of humane husbandry	Inspections by the Independent Foundation for Quality Guarantee of the Veal Sector (SKV)	Animal Welfare Officers (AWO) carry out monitoring at meat processing companies at all times.
Violation of the intrinsic value of animals	Animal suffering	Use of antibiotics and dropout rates  Reports under the whistle-blowing scheme  Camera surveillance	Transporters and veal farmers are trained/informed about animal behaviour and the humane handling of animals.  SKV carries out monitoring of legislation with regard to animal welfare, transportation and the use of antibiotics. All of our veal farmers in the Netherlands are certified under the <i>Vitaal Kalf</i> (Fit Calf) quality scheme.

### Risk awareness

Managing risks is part of the control and decision-making process of the VanDrie Group. The Management Board discuss the risks on a regular basis. They assess what effects the risks may have on the external environment, the strategic objectives, the business operations and on our reputation. We know that we cannot completely remove risks. We weigh up the probability that the risk will occur against the consequence of the effect. Our guiding principles with risk management are:

- We don't want to take any risks when it comes to the safety of our employees and our products. We rule out all risks, in so far as that is possible and realistic.
- We must comply with legislation and regulations and want to act in accordance with our values and our code of conduct.
- We seek the right balance between financial and commercial risks and our objectives in the longer term.
- We want to have a healthy financial basis and meet the financial ratios that are important to us.



**Employment and industrial relations risk trend**

**Even**

Although the attention for this topic has increased substantially in recent years, this trend is now assessed as stable and the risk of violations as unlikely. The potential risk is assessed as small.

**Human rights risk trend**

**Increasing**

The justified attention for human rights and the role of companies therein is growing. The consequence of a breach is considerable and may have an even more serious impact per individual case.

**Environment risk trend**

**Increasing**

Attention for climate and biodiversity has grown considerably. The VanDrie Group has a responsibility to take in this regard. The assessment is that there are risks with regard to this topic, especially as far as the effective handling of nitrogen and CO2 is concerned. The impact of this is assessed to be considerable.

**Unlawful behaviour risk trend**

**Increasing**

Although we assess the probability of this risk as unlikely, the impact if it occurs is serious for the VanDrie Group or for individual employees.

**Breaches of information security**

**Even**

In an increasingly digital working and living environment, information security continues to demand attention. The impact in the event of a breach is great, such as production processes that come to a halt due to cyberattacks.

**Consumer interests risk trend**

**Even**

A food producer must do everything it can to make safe products and provide honest information about that. Violations of this lead to serious consequences: recalls, potential illnesses and the loss of trust and reputation.

**Animal welfare risk trend**

**Increasing**

The intrinsic value of animals must be protected. That is our duty. Violations of this lead to pain or harm to the animal. In addition, we see that the social focus on this is growing.

**Link to strategic themes**

	<b>Our market position</b>	<b>Sustainability</b>	<b>Food safety</b>	<b>Animal health and welfare</b>	<b>Good employment practices</b>
Human rights	x				x
Information security	x				
Environment		x			
Unlawful behaviour	x				
Consumer interests		x	x	x	
Employment and industrial relations					x
Animal welfare				x	

## ANALYSIS OF STRENGTHS

The VanDrie Group plays an important role in the European veal chain and food supply. In addition, we want to be a good, attractive employer and good cooperation partner for customers, suppliers and veal farmers. In our chain, we know that we must collaborate. We are dependent on so many different parties. When carrying out our regular activities and strategy, we encounter various challenges, such as the shortage of work capacity and the competitive labour market. Threats also arise: the effect of changing legislation or the scarcity of raw materials and high costs in the production chain.

It is important to identify the internal and external factors that affect our company, so that we can exploit opportunities and minimise threats. We have described how we deal with threats in our [Due Diligence](#) approach.

Strengths	Weaknesses	Opportunities	Threats
Integral chain management	Environmental impact still too high	Apply smart technology and innovation	Violation of human rights in the value chain
Financially strong organisation	Innovation takes time	Global demand for animal proteins is increasing	Breaches of information security
Spreading of risk across sales markets and channels	Recalls if products do not comply	Further increase circularity and eco-design within the chain (improving the sustainability of products)	Unlawful behaviour, such as corruption or fraud
Adaptive organisational culture	A relatively large number of agency employees	Commitment to use of alternative raw materials	Not managing to recruit enough well-trained staff
Collaborations with knowledge partners and stakeholders			Changing legislation with an impact on the form, organisation or size of the production chain (e.g. in the case of the tackling of nitrogen in the Netherlands)
			Rising chain cost price (due to inflation, energy and raw material prices)
			Incidents regarding animal welfare

## EXPLOITING OUR SOCIAL ROLE

Our companies are part of society and have an impact on our immediate surroundings. We see it as our duty not only to minimise the negative impact of our activities, but also to add value to our environment. For us, it is therefore essential to have good contact with stakeholders so that we understand them and know what they expect from us, but also so that we can explain why we do what we do.

### In conversation with stakeholders

The nature and frequency of these conversations or consultations with stakeholders vary. We are not only an employer or a cooperation partner of farmers; we also have intensive contact with local partners and international customers. We maintain close contact with our stakeholders, at all levels, about a multiplicity of material issues. We also regularly invite customers, livestock farmers and local governments to visit our company. In addition, we share information about strategic matters and long-term developments with stakeholders at policy level. The Management Board of VanDrie Group is actively involved in such consultations. We conduct an annual VanDrie dialogue, in order to discuss material themes in depth with a broad group of stakeholders.

### Revision of materiality analysis

Every three years, the VanDrie Group conducts an extensive materiality analysis. In doing so, it is essential to involve our most important internal and external stakeholders. On the one hand, as a means of validating our current strategy with them and map out themes on which we need to focus at a strategic level. On the other hand, as a means of determining which CSR themes we need to report on annually.

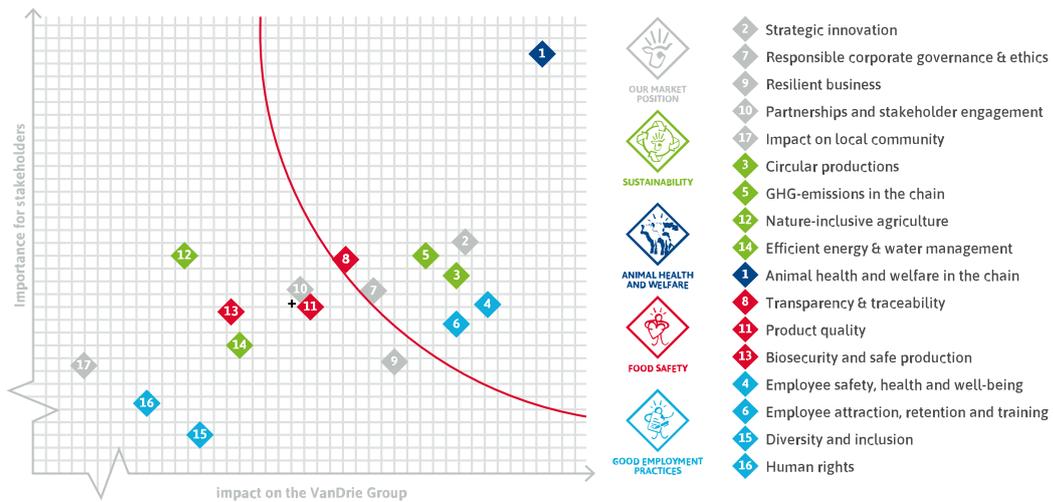
In 2021, we conducted a new materiality analysis. Pending forthcoming European legislation concerning reporting in the form of the Corporate Sustainability Directive (CSRD), double materiality was examined. That is to say that not only financial, but also environmental and social materialities have been incorporated into the analysis. For example, we examined the impact of the VanDrie Group on environmental and social issues, as well as the impact of environmental and social issues on the financial stability of the organisation.

We regard a theme to be of material importance if it has an effect on decision-making of stakeholders or has a significant impact on our organisation. On the basis of the analysis, we form the materiality matrix. This matrix is an important starting point for the way in which we report in this report. The number of double materialities on which we are reporting this year is still small. We will focus on this further in the coming year.

## THE WORLD AROUND US

In a survey, 62 stakeholders indicated which themes they deem most important for the VanDrie Group. The more frequently a particular theme was mentioned by the stakeholders, the 'higher' the theme in question was placed in the matrix. Sixteen Management Board and MT members of the VanDrie Group then determined which themes have the greatest impact on the organisation. The material themes are linked to our five strategic pillars and to our most important risks.

### Materiality matrix



Spotlight on stakeholders



PRIMARY STAKEHOLDERS



SECONDARY STAKEHOLDERS



**The VanDrie Group has a large number of stakeholders and that entails a variety of challenges and dilemmas. The VanDrie Group responds to this by proactively involving these stakeholders when determining the strategy and focus areas and it does not shy away from external dialogue. The materiality analysis conducted this year is an important part of this.**

*—Sustainalize*

## THE WORLD AROUND US

Stakeholder Group	Material aspect	Consultation via:	Impact on VanDrie Group policy
Employees	<ul style="list-style-type: none"> <li>• Animal welfare in the chain</li> <li>• Occupational health and safety</li> <li>• Education and training</li> </ul>	<ul style="list-style-type: none"> <li>- Work discussions</li> <li>- Coaching</li> <li>- Daily contact</li> <li>- Newsletters and social media</li> </ul>	<ul style="list-style-type: none"> <li>- A future-proof employer</li> <li>- Optimising working conditions</li> <li>- Guaranteeing food safety</li> <li>- Improving animal welfare</li> </ul>
Veal farmers	<ul style="list-style-type: none"> <li>• Prevention of animal diseases and reduction of antibiotics</li> <li>• Animal welfare in the chain</li> <li>• Circular agriculture and circular economy</li> </ul>	<ul style="list-style-type: none"> <li>- Visit by regional manager and veterinarian</li> <li>- Direct contact with employees</li> <li>- Knowledge sessions</li> <li>- Newsletters and social media</li> </ul>	<ul style="list-style-type: none"> <li>- Guaranteeing food safety</li> <li>- Improving animal welfare</li> <li>- Future-proof design of the chain</li> <li>- Efforts to reduce environmental impact</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>• Sustainable raw materials</li> <li>• Responsible and safe production</li> <li>• Safe and complete calf feeds</li> <li>• Traceability</li> <li>• Sound business operations</li> </ul>	<ul style="list-style-type: none"> <li>- Daily contact</li> <li>- Audits</li> <li>- Entry checks and purchasing requirements</li> </ul>	<ul style="list-style-type: none"> <li>- Guaranteeing food safety</li> <li>- Ensuring better valorisation</li> <li>- Future-proof design of the chain</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• Customer satisfaction</li> <li>• Operating result</li> <li>• Development, knowledge and innovation</li> </ul>	<ul style="list-style-type: none"> <li>- Customer visits</li> <li>- Company visits</li> <li>- Relationship management</li> <li>- Newsletters and social media</li> </ul>	<ul style="list-style-type: none"> <li>- Market penetration and retention of market share</li> <li>- Joint development of customer-focused concepts</li> <li>- Customer satisfaction</li> </ul>
Dairy farmers	<ul style="list-style-type: none"> <li>• Collaboration with the dairy farm</li> <li>• Maximising best value of calves</li> <li>• Animal welfare in the chain</li> <li>• Circular agriculture and circular economy</li> </ul>	<ul style="list-style-type: none"> <li>- Daily contact via Alpuro Breeding</li> <li>- Dairy farmer and study group visits</li> <li>- Newsletters and social media</li> </ul>	<ul style="list-style-type: none"> <li>- Improving partnership between the dairy farm and the veal sector</li> <li>- Improving animal health</li> <li>- Improving animal welfare</li> <li>- Reducing use of antibiotics</li> </ul>
Veterinary surgeons	<ul style="list-style-type: none"> <li>• Prevention of animal diseases and reduction of antibiotics</li> <li>• Collaboration with the dairy farm</li> <li>• Animal welfare in the chain</li> </ul>	<ul style="list-style-type: none"> <li>- Regular consultation between the veal farmer and the regional manager</li> <li>- Stakeholder meetings</li> <li>- Relationship management</li> </ul>	<ul style="list-style-type: none"> <li>- Improving animal welfare</li> <li>- Improving animal health</li> <li>- Reducing use of antibiotics</li> </ul>
Transporters	<ul style="list-style-type: none"> <li>• Animal welfare in the chain</li> <li>• Reduction of greenhouse gas emissions</li> </ul>	<ul style="list-style-type: none"> <li>- Daily contact</li> <li>- Training and consultation</li> </ul>	<ul style="list-style-type: none"> <li>- Improving animal welfare</li> </ul>
Governments	<ul style="list-style-type: none"> <li>• Sound business operations</li> <li>• Circular agriculture and circular economy</li> <li>• Animal welfare in the chain</li> </ul>	<ul style="list-style-type: none"> <li>- Regular consultations</li> <li>- Social media</li> <li>- Relationship management</li> </ul>	<ul style="list-style-type: none"> <li>- Future-proof design of the chain</li> <li>- Maintaining support</li> </ul>

## THE WORLD AROUND US

Local residents	<ul style="list-style-type: none"> <li>• Nuisance for local residents</li> </ul>	<ul style="list-style-type: none"> <li>- Information meetings at companies</li> <li>- Social media</li> </ul>	<ul style="list-style-type: none"> <li>- Efforts to reduce environmental impact</li> <li>- Maintaining support</li> </ul>
Consumers	<ul style="list-style-type: none"> <li>• Customer satisfaction</li> <li>• Development, knowledge and innovation</li> </ul>	<ul style="list-style-type: none"> <li>- Newsletters and social media</li> <li>- Tastings and trade fairs</li> </ul>	<ul style="list-style-type: none"> <li>- Input for innovation and new, customised market concepts</li> <li>- Customer satisfaction</li> <li>- Maintaining support</li> </ul>
NGOs	<ul style="list-style-type: none"> <li>• Circular agriculture and circular economy</li> <li>• Animal health and welfare</li> </ul>	<ul style="list-style-type: none"> <li>- Newsletters and social media</li> <li>- Stakeholder meetings</li> <li>- Consultations</li> </ul>	<ul style="list-style-type: none"> <li>- Maintaining support</li> <li>- Future-proof design of the chain</li> </ul>
Industry organisations	<ul style="list-style-type: none"> <li>• Responsible and safe production</li> <li>• Circular agriculture and circular economy</li> <li>• Reduction of greenhouse gas emissions</li> <li>• Animal welfare in the chain</li> <li>• Occupational health and safety</li> </ul>	<ul style="list-style-type: none"> <li>- Board meetings and other network meetings</li> <li>- Daily contact</li> </ul>	<ul style="list-style-type: none"> <li>- Guaranteeing food safety</li> <li>- Improving animal welfare</li> <li>- Efforts to reduce environmental impact</li> <li>- Maintaining support</li> </ul>
Inspection authorities	<ul style="list-style-type: none"> <li>• Animal health and welfare</li> <li>• Responsible and safe production</li> </ul>	<ul style="list-style-type: none"> <li>- Regular audits</li> <li>- Continuous inspection by the government in meat processing plants</li> </ul>	<ul style="list-style-type: none"> <li>- Guaranteeing food safety</li> <li>- Improving animal welfare</li> <li>- Market penetration and retention of market share</li> </ul>
Educational and knowledge institutes	<ul style="list-style-type: none"> <li>• Education and training</li> <li>• Development, knowledge and innovation</li> </ul>	<ul style="list-style-type: none"> <li>- Via trainees and graduates</li> <li>- Newsletters and social media</li> <li>- In public-private partnerships (research projects)</li> </ul>	<ul style="list-style-type: none"> <li>- A future-proof employer</li> <li>Input for innovation</li> </ul>
Banking and insurance companies	<ul style="list-style-type: none"> <li>• Operating result</li> </ul>	<ul style="list-style-type: none"> <li>- Regular consultations</li> </ul>	<ul style="list-style-type: none"> <li>- Market penetration and retention of market share</li> <li>Input for innovation</li> </ul>



# PROGRESS OF CSR OBJECTIVES

## OUR RESULTS

With our mission in mind, we know that we need to take action to make our company, and therefore society, more economically and socially sustainable. Although we do create value, our activities are also accompanied by negative impacts on energy, raw materials and the climate, for example. Within our companies, we are therefore looking closely at where our impact lies and how we can influence it favourably. We are at the start of a long journey. In fact, we are reviewing our processes and the way we report. For instance, we would like to make our sustainability data reliable, comparable and standardised. This will help us better manage our performance. In addition, we aim to align our CSR reporting with the obligations of the *Corporate Sustainability Reporting Directive*. The table below links our objectives to the most material themes. We note that the table is subject to change due to revision of processes and reporting method.

### Policy pillar: Our market position

Material theme	Quantitative result 2021	2022 reporting target and strategic	Status
Strategic innovation	Participation in various (public-private) research projects: 11	We want to make the impact of such public-private partnerships measurable and the format of R&D understandable.	●
Responsible corporate governance and ethics	Reported cases of discrimination: 0.  Number of reports to the Speak-Up Whistleblower tool: 1.	We are expanding the list of measurable indicators, such as the number of employees working under collective bargaining agreements, the number of confirmed corruption and data security incidents, and contributions to social initiatives.	●

## PROGRESS OF CSR OBJECTIVES

### Policy pillar: Sustainability

Material theme	Quantitative result 2021	2022 reporting target and strategic	Status
Circular production	We have no indicators for this material theme within our scope so far.	<p>We want to join the Roundtable for Sustainable Palm Oil (RSPO).</p> <p>Due to the introduction of heat recovery, the VanDrie meat-processing companies in the Netherlands will operate practically gas-free by 2025.</p> <p>Within Nevedi, we are pushing forward on the theme of sustainable animal feed.</p>	●
Greenhouse gas emissions in the chain	<p>Energy use per calf slaughtered or tonne of calf feed (kWh), respectively: 47.59 and 27.09</p> <p>Water consumption per calf slaughtered or tonne of calf feed (m<sup>3</sup>), respectively: 0.75 and 0.18</p> <p>Gas consumption per calf slaughtered or tonne of calf feed (m<sup>3</sup>) 1.82 and 1.58 respectively.</p>	<p>We are making our <i>Organisational Environmental Footprint</i> (OEF) transparent.</p> <p>We will be implementing emission-saving measures in our production plants in the coming years to achieve a 49% CO<sub>2</sub> reduction by 2030 compared to 1990</p> <p>We will enter into strategic partnerships to achieve emission reductions in calf husbandry through innovation.</p>	●

## PROGRESS OF CSR OBJECTIVES

### Policy pillar: Animal health and welfare

Material theme	Quantitative result 2021	2022 objectives and strategic	Status
Animal health and welfare in the chain	<p>61.6% reduction in use of antibiotics from 2007 - 2021.</p> <p>11.49% decrease of antibiotic use from 2017 -2021.</p> <p>Origin of calves in the chain: 61% Netherlands, 29% Germany, 10% other member states.</p> <p>51% decrease in average transport kilometres from 2009 - 2021.</p> <p>99.8% compliance rate following Netherlands Food and Consumer Product Safety Authority (NVWA) inspection results on animal welfare at the four Dutch meat processing companies.</p>	<p>By 2022, we want to achieve a generic reduction of antibiotics of 15% compared to 2017.</p> <p>We are working towards stopping the import of young calves from Eastern Europe and Ireland to the Netherlands.</p> <p>We will push for the information exchange between dairy farms and the veal sector to be improved.</p>	●

### Policy pillar: Food safety

Material theme	Quantitative result 2021	2022 objectives and strategic	Status
Transparency and traceability	<p>2021 recalls: 2.</p> <p>Number of external audits: 148</p> <p>98.9% compliance rate based on Netherlands Food and Consumer Product Safety Authority (NVWA) food safety inspection results at the four Dutch meat processing companies.</p>	<p>We are expanding the list of measurable indicators to increase the verifiability of our commitment to this material theme.</p>	●



## PROGRESS OF CSR OBJECTIVES

### Policy pillar: Good employment practices

Material theme	Quantitative result 2021	2022 objectives and strategic	Status
Safety, health and well-being of our employees	Sickness-related absences 2021: 6.2%	We are expanding the list of measurable indicators to increase the verifiability of our commitment to this material theme, such as number of internships, training places, and accident rates.	●
Recruiting, retaining and training our employees	Number of employees in 2021: 2,600.  Average number of years in service: 12.7	We are expanding the list of measurable indicators to increase the verifiability of our commitment to this material theme, such as the number of employees entering and leaving employment, and the number of employees working under collective bargaining agreements.  We are working on a strategic HRM approach in our meat processing companies.	●





# OUR MARKET POSITION



## OUR MARKET POSITION

**As a food producer, we have to meet social requirements. By investing in innovation and new technologies, we are continuing to develop and simultaneously contribute to solutions to the challenges which our sector is facing. We work with integrity and actively bring this theme to the attention of our employees and cooperation partners.**

### Strategic innovation

We develop and implement innovative solutions and new technologies in our activities and supply chain in order to improve our efficiency and sustainability efforts.

Innovation and the application of advanced technologies and knowledge play an essential role in the transition to a sustainable veal sector. Investing in research and development is logically an important part of the way we work. It offers us solutions for a future-proof sector and gives us the right to exist.

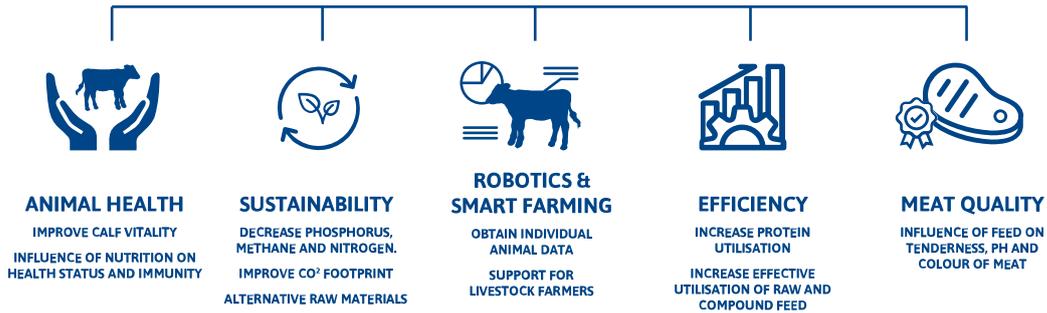
We have three of our own research centres within the VanDrie Group: Drieveld, De Haar and De Tweeling. The Research & Development (R&D) department conducts research there on a daily basis in the fields of animal health, sustainability, robotics & smart farming, efficiency and meat quality. We also collaborate often for this with external research and educational institutions. As a result of the outbreak of the coronavirus pandemic in March 2020, many research projects suffered delays. In spite of this, we worked on various multi-year research projects in 2021, started new research projects and made preparations for new research projects in 2022.



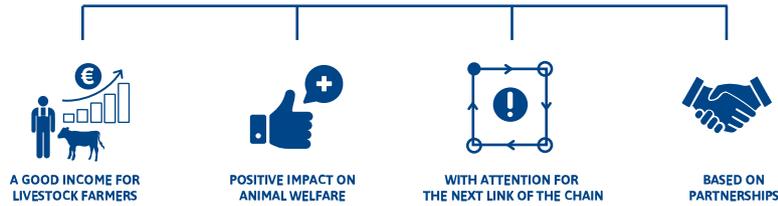
## THE DEPLOYMENT OF RESEARCH & DEVELOPMENT

WE ARE CONTINUOUSLY IMPROVING WITH PASSIONATE RESEARCH AND DEVELOPMENT.  
THIS WAY WE CONTINUE TO LEAD THE WAY, NOW AND IN THE FUTURE.

### OUR RESEARCH TOPICS



### OUR GUIDING PRINCIPLES



**Using our own research companies and via collaborations with the sector and research and knowledge institutions, we are continuing to build on the innovative power of our company.**

In addition, we are taking part in sectoral research projects and public-private partnerships (PPP). We are doing this ourselves or via industry associations, such as the Dutch Veal Industry Association (SBK) and the Netherlands Feed Industry Association (Nevedi).

## PROGRESS OF CSR OBJECTIVES

### **Reduction of emissions and improvement of stall climate by tackling the source in calf stalls (year 2)**

Given that there are not (yet) many approved low-emission stall systems available for the veal sector, further research is being conducted within these public-private collaborations. The veal sector wants to avoid a one-sided focus on reducing emissions, while other themes such as animal health and welfare also need to be included in stall development. The objective of this project is to design several new technical concepts for low-emission solutions for calf husbandry, based on a source-oriented approach to emissions (especially ammonia, odour and methane) so as to also improve stall climate, animal health (antibiotic reduction) and animal welfare.

In 2020 and 2021, an inventory was made within the sector of available knowledge about existing stall systems and proven technologies that reduce methane and ammonia emissions. Designs that are almost ready for practical use were included in this. With the results of this inventory, the partners within the public-private partnerships started with the design for the calf stall of the future. An important part herein is mapping out the needs of the calf and all actors, and developing a holistic approach. In mid-2022, we expect to deliver this design of the stall of the future. This will subsequently be tested in practice with veal farmers, both in terms of feasibility and willingness among the veal farmers to make the required investments.

Collaboration partners: Wageningen University & Research, Wageningen Livestock Research, the Ministry of Agriculture, Nature and Food Quality and the Dutch Veal Industry Association (SBK). The VanDrie Group is involved via the SBK.

### **Better stall, better manure, better yield (year 2)**

An important cause of ammonia, methane and nitrous oxide emissions in livestock farming is the mixture of solid manure and urine in the stall. Within these public-private partnerships, research is being conducted into stall systems that separate these two components at an early stage in order to reduce emissions. This subsequently produces other manure products, which have valuable applications in agriculture due to their composition. That is why the research is looking at how arable farming, which is an end-user of manure, can better utilise these products. Examples include precision fertilisation and as a replacement for artificial fertiliser.

The starting point is looking for comprehensive solutions. That is why various working groups were launched in 2021 with literature and/or practical research. In 2022, conclusions from each working group will be shared during a partner day and the follow-up steps will be discussed and started.

Collaboration partners include: Wageningen University & Research, Wageningen Livestock Research, the Ministry of Agriculture, Nature and Food Quality, the Dutch Veal Industry Association (SBK), Topsector Agri & Food, ZLTO and various manufacturers of innovative technologies and stall systems. The VanDrie Group is involved via the SBK.



## PROGRESS OF CSR OBJECTIVES

### *Klimaatmonitor Nederlandse Agroproductie (Climate Monitor Dutch Agroproduction) (year 2)*

At this moment, the effect of Dutch agroproduction chains on our climate cannot easily be linked to Dutch climate policy. This is due to the difference in the orientation of the international chain approach that the business community applies and the national sectoral approach of the government. In the national approach, the (positive and negative) effects of the efforts of agrosectors, that fall outside the primary holding and the national borders, are not taken into account. The business community does take these into account, however, by basing itself on a Life Cycle Assessment (LCA) of its processes and products, in order to calculate its CO<sub>2</sub> footprint. The aim of this public-private partnership is to improve the monitoring of the Dutch agricultural production chains and to align the methods applied more effectively with one another.

In 2021, the most important impact categories were mapped out. The most important indicator is CO<sub>2</sub>, but are other factors were also identified. In 2021, a start was subsequently made on mapping out suitable models in order to measure this impact. This requires time. Various models exist, which differ in terms of the accuracy with which the impact can be measured. If we want to be able to simply measure our climate impact as a sector, a single methodology that applies sector-wide is therefore an essential condition. At the end of 2022, this public-private partnership will be completed. We will then have made clear which impact the Dutch veal sector is achieving (and reducing), both on a national scale and a global scale.

Collaboration partners: Wageningen University & Research, Wageningen Economic Research, Wageningen Livestock Research, Dutch Dairy Association (*Nederlandse Zuivel Organisatie*; NZO), Nevedi, SBK and COViVa. The VanDrie Group is involved in this via Nevedi and the SBK.

### Calf skins individually traceable

“Among our customers, the demand for transparency about the origin of their raw materials is only increasing. Companies do not want to be called to account for possible abuses at their suppliers, but even more they themselves – and their customers to an increasing extent – attach value to ethically correct and sustainable business practice, where the rights of both human and animal are respected. They ask for guarantees that the supplier is running a well-organised operation. Our customers want the certainty that the skins come from meat



processing companies in which animal welfare is at a high level and also other sustainability aspects are safeguarded. Due to the traceability of the calf skins purchased by them from Oukro, we can guarantee this and they can account for their actions. As a result of this, we continue to be a preferred supplier.

All calf skins originating from meat processors Ameco, Ekro, ESA and T. Boer & zn are processed at Oukro. That concerns about 1.1 million calf skins annually. The skins we receive from Ekro are directly delivered on a meat hook, as we are housed at the same location. The slaughter number of each skin is stored in a RFID chip in the meat hook. We read that as HexCode and apply that by means of a laser print on the calf skin. As a result of this, you can always trace the hide back the meat processor and the individual animal, as each calf has its own unique ear mark as identity code.

**“ Our customers want the certainty that the skins come from meat processing companies in which animal welfare is at a high level and also other sustainability aspects are safeguarded.”**

The other companies deliver their skins via a container, with the ear mark of the animal on each skin. We cut out the ear mark, scan it for storage on the RFID chip and ensure that each skin is given its own unique code.

There are still not any certificates for animal welfare in leather and skin processing, but due to our chain approach our customers can be given all guarantees with regard to animal welfare, as described in detail in the sectoral quality regulations '*Vitaal Kalf*' (Fit Calf).

### Responsible corporate governance and ethics

We want to do business in an open and responsible manner. That means that we provide insight into our results, work in an ethical way and deal with people, animals and the environment in respectful way.



## PROGRESS OF CSR OBJECTIVES

### Internal compliance policy

In 2021, we rolled out our tighter compliance policy further in the organisation. The way in which we want to do business ethically as the VanDrie Group and the standards which we apply in the fields of animal welfare, food safety and environment are laid down in this policy. In 2021, all employees within the purchasing and sales departments of the VanDrie Group were informed about developments in legislation and regulations, and our codes of conduct and internal rules that touch upon these themes and the accompanying risks, such as compliance with competition rules. We not only expect fair business practices from our employees, but also, for example, from our business partners, veal farmers and transporters. In order to communicate this to them clearly, we drew up 'Our practice for doing business fairly' in 2021. [This can be read here.](#)

In our companies, we want to have a culture in which we are open and transparent to each other. However, not everything is so black and white. Some situations are difficult to judge, whether it concerns fraudulent or unethical behaviour, or environmental, animal welfare and safety issues. Anyone who suspects an abuse is encouraged to report this to a supervisor or confidential adviser within the VanDrie Group. As from 2021, if someone thinks that this is not an option, he/she can contact SpeakUp. This is a tool with which employees (both permanent and temporary), but also chain partners, can report potential abuses anonymously. SpeakUp is hosted by an independent third party and is available in the language of the reporter of an abuse. In 2021, no reports about abuses were received. Every report that is made is treated confidentially. How the reporting procedure works can be read [here](#).

### The organisation

The VanDrie Group always looks how it can further strengthen the chain. In 2021, various steps were taken to that end. In December 2020, the takeover of the Dutch activities of A.J. Van Dam Beheer b.v. was announced. In August 2021, the Dutch competition authority (Netherlands Authority for Consumers & Markets) gave definitive approval for that. A.J. van Dam Beheer b.v. is active in various disciplines within the veal sector. Its activities include the trade in calves and keeping calves on contract. The activities of A.J. van Dam Beheer b.v. outside the Netherlands will be continued unabated and independently by the Van Dam family.

In addition, the company CIMA Breeding was acquired in Italy. The company provides guidance to Italian dairy farmers on rearing calves and sells feed and other types of products for these calves. The VanDrie Group is thus increasing its scope to the European dairy farm sector.

In May 2021, Melkweg, the trading house of the VanDrie Group, took ownership of a new office building in De Klomp in the Dutch province of Gelderland. Melkweg is active in the global trade of raw dairy materials for food and (animal) feed. Over the past few years, the company has grown in terms of both turnover and staff members. The new office building offers space for the growth ambitions of the trading house.



### COVID-19

**During the first year of the COVID-19 pandemic, in 2020, we took various measures to ensure that our employees could work under coronavirus-proof conditions. We continued these in 2021. In spite of that, we had to take additional measures on a few occasions in order to be able to guarantee the safety of our employees.**

ESA, veal processor in Apeldoorn, had to cease its slaughtering activities for a short time from 22 to 29 April 2021. As a result of the strict coronavirus health monitoring performed by the company, a significant number of employees tested positive. The production of ESA was temporarily transferred to Ekro and Ameco, two other VanDrie meat processing companies in Apeldoorn. However, the two sister companies soon had to deal with an increased number of cases of illness too. In order to be able to guarantee the safety of all employees, the slaughtering activities of these companies were cancelled as from 26 April 2021. On 29 April, the regular activities at the three companies could be resumed. That turned out to be short-lived in the case of ESA. On 5 May 2021, the company closed its doors again for one day. The company needed more time to adequately implement protective measures, such as training and directing coronavirus supervisors and making adjustments to the production. That is why the VanDrie Group decided of its own accord that closure was necessary to prevent unacceptable risks to the health of employees and third parties. From 4 to 9 August, ESA ceased slaughtering activities once again due to a number of positive tests among the persons working in the slaughterhouse. As a result of the ensuing number of quarantine orders, the company had to contend with understaffing. The staffing is already thin usually during this summer period, but it now passed a critical threshold. As a result of that, ESA could not adequately fill position that are essential for safeguarding food safety.

In collaboration with employment agencies and the municipal health services GGD Hollands Midden and GGD Noord Oost Gelderland, the VanDrie Group conducted various pilots to make it easier for employees to receive a Janssen vaccine. These employees, mainly foreign hired-in workers, are difficult to reach via regular appeals from the GGD, even though they are actually entitled to a vaccine. In the Hollands Middel region, they worked with a vaccine bus: a mobile unit came to the location of T. Boer & zn in Nieuwerkerk aan den IJssel. In Apeldoorn, the pilot was set up in such a way that employees of ESA, Ekro and Ameco could come to a GGD location for a vaccine where interpreters gave information and were available to answer questions.

### And furthermore

In September 2021, 80 members of the action group 269 Libération Animale broke into Ekro in Apeldoorn (NL) at night and occupied the location for a short time. The police had to be called in and put an end to the occupation in the early morning. Dozens of members of the action group were also arrested. Ekro has pressed charges.



## PROGRESS OF CSR OBJECTIVES

In 2019, Animal Rights lodged a complaint with civil proceedings before a Belgian investigating judge due to alleged animal welfare violations in 2018 at VanDrie Belgium in Hasselt (BE). In 2020, the investigation into the stated charges began, in spite of the closure of VanDrie Belgium. In 2021, this investigation was continued. We expect that the case will be brought before the court in 2022.

The agricultural sector is facing ever more and ever stricter requirements and demands from society. We agree with the need to make food production even more sustainable. Moreover, we attach importance to a policy that is based on such foundations. In December 2021, the VanDrie Group announced that it would be providing a three-year sponsorship contribution to Stichting Agrifacts (STAF) for the expansion of its research capacity. STAF assesses the substantiation of the agricultural and horticultural policy in the Netherlands and fact-checks publications and information about the agricultural sector.







## SUSTAINABILITY

The activities of our companies have an impact on the environment and climate. With innovation and collaboration through the entire chain, we are focusing on closing circles and making production processes more sustainable. In this way, we are reducing our ecological footprint and we are contributing to national climate goals.

### Circular production

We are working on increasing the share of sustainably extracted raw materials and restricting the waste flows in our supply chain to a minimum. In doing so, we are seeking to close cycles and increase biodiversity.

### Biogas

As part of the transition to a more climate-friendly and circular way of working, the VanDrie Group has been participating in Bio Energy Coevorden (BEC) since 2021. BEC has one of the Netherlands' largest biogas plants in Coevorden (NL). Biogas is produced at this plant by means of co-fermentation and all-purpose fermentation on the basis of manure and other organic residual waste flows. In this way, organic waste products that are released in the meat processing of the VanDrie Group serve once again as raw material for the production of biogas. The biogas is supplied to the local gas network of Rendo and the national gas network of Gasunie. In 2021, 45 million m<sup>3</sup> of biogas were produced at BEC. It is the ambition of BEC, together with the VanDrie Group, to continue to grow to 100 million m<sup>3</sup> of biogas and to build a Bio LNG plant, as Bio LNG is seen as a very promising transport fuel for the future. In this way, BEC and the VanDrie Group want to make a valuable contribution to achieving the national climate goals.

We are also working hard within our Dutch meat processing companies to achieve more efficient business operations and to reduce our climate impact. Scaling down the consumption of gas and utilising residual heat more effectively are also key areas. For example, the ESA location has been working on the restructuring of its cooling infrastructure since 2012. Over the course of the years, they have invested in heat pumps and when replacing cooling systems, they opted in each case for technology with which heat recovery is possible. These heat pumps run entirely on electricity. In 2021, various systems within the company were linked to heat pumps, such as the central heating of all offices, the sterilisation system in the slaughterhouse and the water that is used to clean the building. This has led to the gas use within ESA being reduced considerably. In 2021, concrete form was given to plans to apply the same technology for the climate control of the slaughterhouse and the purification of the wastewater. The expectation is that ESA will work almost completely gas-free within two years, in line with the group-wide ambition that all our Dutch meat processing companies will be practically gas-free and run completely on heat recovery by 2025. Some gas capacity will probably remain necessary in order to cope with emergencies or critical processes, such as the management of sterilisation water.



### Sustainable raw materials

The companies of the VanDrie Group are working in various ways on connecting chains. For example, the raw materials that we buy for our animal feed are to a considerable extent residual products and co-products from various dairy and food producers. About 80 percent of our calf milk consists of residual waste flows, such as whey, low fat milk powder and permeate (residual waste flows from the dairy and cheese industries). In addition, by-products make up a significant share of the muesli that calves eat. Approximately 70 percent of these products come from residual waste flows from arable farming (grain processing and oilseeds) and the food industry. When selecting the raw materials, we try to buy these locally as possible. With a share of 80 percent, we obtain the majority of our raw materials from Europe. More than a third of the raw materials come from within a 250-kilometre radius of our feed production sites.

Oil and fats are important energy sources in our feeds. They provide essential fatty acids (linoleic acid and linolenic acid) that cannot be created by an animal itself. These essential fatty acids subsequently help with the absorption of vitamins and are therefore indispensable as means of guaranteeing the calves' good health. Important raw materials that we use for this include palm oil and palm oil derivatives. For the Dutch production and sales, as well as the German sales and a few customer-driven requirements, we buy traceability certificates in accordance with the guidelines of the *Nevedi Convenant Duurzame Palmolie* (Nevedi Covenant on Sustainable Palm Oil) in the Netherlands. We buy these traceability certificates from a producer that has produced this palm oil and these palm oil derivatives in accordance with the principles and criteria of the Roundtable on Sustainable Palm Oil (RSPO). In 2022, we want to become a member of RSPO.

In Europe, we see that criticism of the import of raw materials from outside Europe is growing. The European Commission has announced stricter environmental rules for the importation of soya and palm oil, amongst other products. Customers are asking us more and more often for products manufactured using European raw materials. We want to source our raw materials from our immediate surroundings as much as possible. We already buy the majority of them from Europe. In the past years, we have looked to see whether good alternative fat sources are available in Europe. In 2021, the R&D department tested promising alternatives on a practical level at our research farms. Successful results were achieved with that, including with rapeseed oil.

### Calcium of Dutch origin

**Calcium is a mineral that people need for building and maintaining healthy bones. The human body does not create calcium itself. It therefore has to be obtained from food. This mineral is also sorely needed by calves. Calcium constitutes a valuable nutrient and component of the calf milk powder and muesli that the VanDrie Group produces for calves. "It has a positive effect on the intestines, the rumen and on animal health," says researcher Eelke van der Wal. The**

VanDrie Group has recently started adding calcium extracted from Dutch drinking water production in order to replace dairy components with plant-based or other raw materials. A totally new form of raw material extraction for the company. In conversation with Eelke and the new cooperation partner CA Minerals.

Eelke: “We are now using a product that is normally seen as a residual waste flow as a valuable raw material for our calf milk and our muesli. We got the idea from an article in the trade journal De Molenaar – a magazine for the animal feed sector. An article described that picking stones for chickens can contain, among other things, chalk from the drinking water purification. Together with an R&D colleague and someone from raw materials purchasing, we subsequently explored the possibilities. This is how we came into contact with Roel Bontrup and Eric de Bruin from CA Minerals.”

“We produce chalk that meets the strictest rules of the Drinking Water Act and of a very high purity. The chalk is bright white and has a calcium content of 99 percent”, says Erik de Bruin. The VanDrie Group previously added calcium in a premix, a mixture with various minerals from the mineral extraction. Adding now takes place separately and the compound feed silos have been modified for that. “It is a major advantage that we can supply our own calcium of this quality. We are achieving considerable environmental gains by avoiding mining and transport”, adds Roel Bontrup. “All samples are extensively analysed in Labora, the laboratory of the VanDrie Group, in connection with food safety and CA Minerals now supplies calcium to various livestock feed producers of the VanDrie Group.”

**“ In this way, sustainability goes hand in hand with animal health.”**

“This new raw material is in keeping with our ambition to avoid waste and to give residual waste flows the highest possible value. That is possible in this way from the drinking water purification, from which we can use this calcium source. It comes from nearby and does not involve many transport kilometres. It is simple and practical”, according to Eelke.

“An additional advantage is that we see that the calf absorbs the calcium in its body more quickly when it is dispensed using this new way of dispensing. A second advantage is that the product comes in the rumen via the muesli. Because it so finely ground, it can quickly have a buffering effect there. Normally, volatile fatty acids are released during the rumen fermentation of carbohydrates. Volatile fatty acids are partly absorbed and partly lead to a pH drop in the rumen. And if you have a buffering mineral like calcium, then the acid is bound. As a result of this, the pH drop is prevented and bacteria retain their proper function. In this way, sustainability goes hand in hand with animal health.”

### Greenhouse emissions in the chain

Within our companies and together with partners, we are working in a focused way on reducing the greenhouse gas emissions from our activities and our supply chain in order to limit the environmental effects.

#### Reducing our carbon footprint

Methane is formed through fermentation in the rumen of the calf and in the manure in stalls, manure cellars and manure silos. In this way, methane ends up in the atmosphere via the animal (through burping) and via stall emissions. The VanDrie Group is playing an active role in searching for specific solutions that contribute to the reduction of methane emissions in veal farming. We are doing that in two ways.

On the one hand, our R&D department started conducting research into opportunities to improve the feed composition by means of additives. We are working closely together with suppliers of raw materials for that purpose. We are also exchanging knowledge with the dairy farming sector, where successful results have now been achieved in reducing emissions through altering feeds. This research will continue in 2022.

On the other hand, we are providing support via the Dutch Veal Industry Association (SBK) to various sector-based initiatives, which are conducting research into modifications in the stall that contribute to the reduction of emissions of both methane and ammonia. In 2021, preparations were made for various research projects and we applied for funding. One research project focuses on the effective application of manure scrapers and the modification of the stall floor, which should result in a better separation of the solid and liquid slurries. Another research project is looking at promising ways to dilute the manure with water. We hope to get started with both research projects in 2022.

Another specific focus point within our R&D department is reducing proteins in our feeds. Proteins are essential for the growth of the calf and the support of the general processes in the animal's body. Proteins contain nitrogen, however, as a result of which the calf emits nitrogen into the environment. In 2021 a new recipe with lower protein content was implemented for a number of our feeds for older calves. This is a result of multi-year research from our R&D department. In the practice stalls of our three research centres, various concepts were extensively tested for this. An important insight from this research is that there is much to be gained by aligning the feed composition to the needs of the specific age of the animal, in terms of nitrogen emission reduction, as well as animal welfare and health. The results of this research will be incorporated in the development of our feeds for calves in different life stages in the coming years.

In 2021, the VanDrie Group started mapping out the environmental effects of the production of veal and calf skins even better on the basis of a so-called 'Life Cycle Analysis' (LCA). We apply the methods of the Intergovernmental Panel on Climate Change (IPCC) of the United Nations and the Product Environmental Footprint (PEF) of the European Commission. We also started calculating our Organisational Environmental Footprint (OEF), so that we gain insight into the environmental performance of all our company activities. We received support for methodology and reference values from Blonk Consultants for both the LCA and the OEF. As a result of this assessment and standardisation of our data, we are able to focus effectively on our environmental impact. At the same time, we can offer transparency to chain partners who want more insight into our sustainability position.



# ANIMAL HEALTH AND WELFARE



## ANIMAL HEALTH AND WELFARE

We want to safeguard animal health and welfare in the entire chain by treating animals with care. In addition, we pay attention to acknowledging the intrinsic value of animals, responsible transport, good care and food and of course we want to encourage natural behaviour and a positive emotional state among calves.

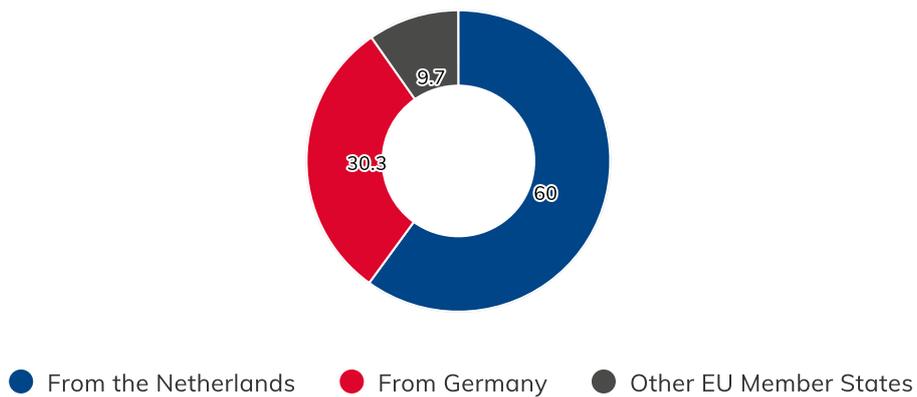
### Responsible transport

The VanDrie Group buys calves that become available in the dairy farming sector, because they are not being used or cannot be used to replace the cows of the dairy farmers. In 2021, the number of Dutch calves in our integration was 62 percent. That is 2 percent more than in 2020. The number of calves that we purchased from foreign dairy farmers therefore decreased. 28 percent came from our neighbouring country Germany. The number of calves from other EU Member States amounted to 10 percent. Compared to the reference year 2009, the average number of transport kilometres decreased by 51 percent in 2021.

2020

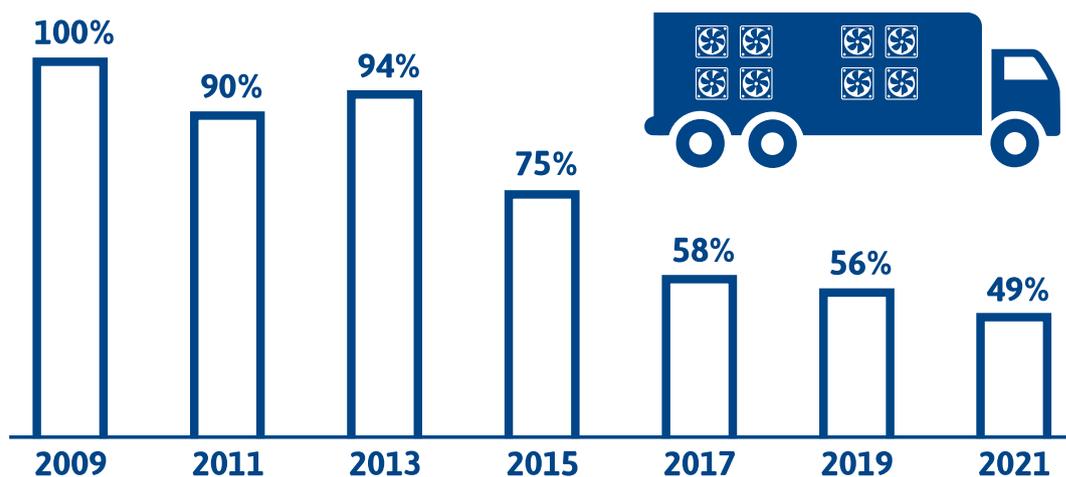
2020

Origin of calves in our integration in percentage



As a result of collaboration with veal farmers and transporters, knowledge about animal behaviour when loading, unloading and transporting is being exchanged on a continuous basis. In 2020 and 2021, we sent 16 newsletters to the contract veal farmers, which we used to share knowledge about this topic. In those newsletters, we dealt with topics including the auditory, visual and smell perception and sense of touch of calves. However, we also dealt with the facilities at the veal farmer, such as floors, walls and lighting, and how to use them properly when moving calves. There was also a specific newsletter dedicated to the driving of the calves. We believe it is our responsibility to continue discussing these topics. In this way, we can learn from each other and continue improving animal welfare.

**ANNUAL AVERAGES OF TRAVEL KILOMETERS OF YOUNG CALVES FROM COLLECTING CENTRE (IN THE NETHERLANDS / ABROAD) TO OUR CALF HUSBANDRIES IN THE NETHERLANDS (2009 = 100%)**



**Good care**

To safeguard the welfare of calves in our chain, an Animal Welfare Code has been included in Safety Guard, the quality system of the VanDrie Group. Compliance with this code is checked by the DWC monito in all links of our chain. It is a tool with which a reliable assessment can be made of the welfare of animals at the primary holding on the basis of animal-oriented indicators (behavioural and health characteristics). The basis of the monitor is the methodology of the European research project Welfare Quality®.

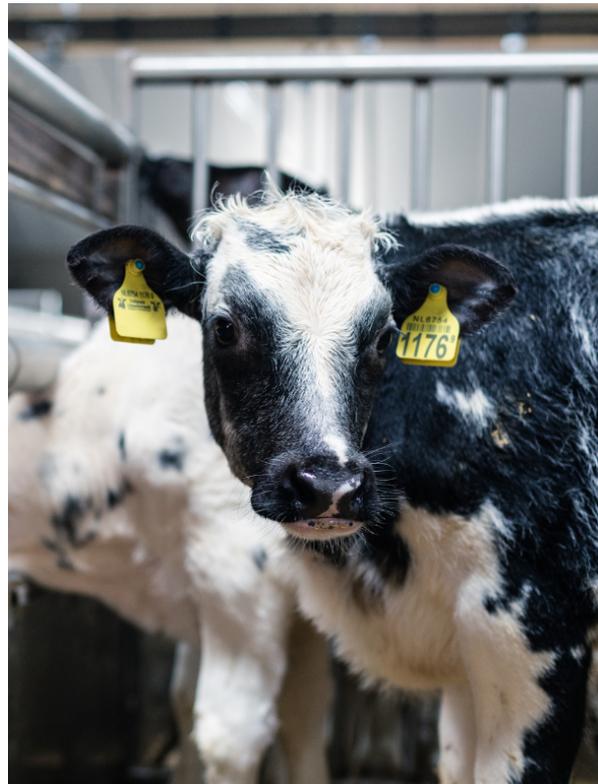
In 2021, the regional managers of the VanDrie Group were trained to conduct the assessments. Thanks to the training, the VanDrie Group can continue performing this monitoring uniformly and on a large scale. It helps to gain insight into the welfare of animals and provides support with the management of the farm.

In 2021, a survey was sent to veal farmers, regional managers, veterinary surgeons and Animal Welfare Officers in order to map out which events in the life of the calf they view as high-risk. Ninety people completed this survey. Although we think we know only too well where the risks lie, we wanted external validation from these professionals. It is our intention to translate the results of the survey into points for improvement with regard to animal welfare in our chain. In 2022, the project group will set to work on researching the feasibility of these points for improvement.

## PROGRESS OF CSR OBJECTIVES

In 2021, the reduction of antibiotic use in our chain was 61.6% compared to 2007. This is 1.7 percent higher than the result achieved for 2020 (at that time the reduction was 63.2 percent compared to 2007). This increase can be directly traced back to the outbreak of the coronavirus pandemic in March 2020. Countries throughout Europe went into lockdown. Catering establishments had to close, as a result of which an important sales channel for veal fell by the wayside for a long time; this even continued until the spring of 2022. As a result of this, we had to adjust our distribution patterns for calves. We could not continue applying the strict principle of *all in all out*; it took longer before we delivered calves to the farm. The batches of animals were also more diverse. This made care more difficult.

In 2021, we organised two themed days for regional managers of the VanDrie Group and veterinary surgeons employed in our chain. An important topic during these gatherings was the influence of human behaviour on the use of antibiotics. The study Critical Success Factor 2 (*Kritische Succes Factoren 2*, KSF 2) revealed that human actions are the most decisive factor in the use of antibiotics, more than technical interventions in the stall, such as ventilation or the quality of feed. This means that the veal farmer, but also the veterinary surgeon and the regional manager, play a crucial role in reducing the use of antibiotics in our chain. We are seeing that the veal farmers who clearly take the lead in wanting to reduce the use of antibiotics achieve the greatest success in that regard.



In 2021, sectoral agreements were given concrete form with the aim being that the Dutch cattle herd will become BVD and IBR free. BVD stands for Bovine Viral Diarrhoea, an annoying virus infection among calves. An acute BVD infection leads to serious respiratory problems and temporary general reduction in resistance, which can subsequently go hand in hand with other health problems. The sectoral agreements will lead to the banning of calves that are carriers of this illness and cause a lot of damage in the stalls of our veal farmers. In order to achieve this, we are working closely together with LTO Nederland and the Dutch Dairy Association, through the Dutch Veal Industry Association (SBK), in order to combat this animal disease. In 2022, further steps will be taken in that regard. As from 2024, only BVD-free calves will be supplied in our Dutch integration.

## PROGRESS OF CSR OBJECTIVES

The age at which calves from the dairy farm are allowed to be moved to the veal farm is a topic of discussion on a European level. According to the current European legislation, this is allowed from the age of 14 days. Given all the discussion about this topic, we estimate that this age will be changed to 28 days in the near future. As the VanDrie Group, we are open to this, because the resilience of the calves is likely to be higher. This will have a positive effect on animal health and also therefore on reducing animal medicine use. For dairy farmers, this decision will mean that they must keep calves for four weeks instead of two weeks. That will require considerable investments from them in order to properly adapt their business operations to that, such as more feed, stall space and labour. At the same time, we see an opportunity here for the calf to become stronger and more resilient. With the knowledge that we possess in-house as the VanDrie Group, we would like to support the dairy farmers with being able to keep and care for calves properly, among other ways via subsidiary Alpuro Breeding.

### Smarter camera surveillance

**As Director Corporate Quality at the VanDrie Group, Ruth Bouwstra is ultimately responsible for animal health and welfare in the entire chain. Although all meat companies of the VanDrie Group make use of camera surveillance, the ambition of the company was to improve this further. In 2021, Bouwstra launched a project aimed at using smart camera monitoring in the reception area of the slaughterhouse. Ekro in Apeldoorn was used as pilot company. According to Bouwstra, the project offers guidelines for the further improvement of animal welfare.**

**“Animal welfare is extremely important”, says Bouwstra. “If you can make it clear where you can demonstrably improve welfare, you have a win-win situation. Because if an animal feels good, that is better for everyone. It is therefore important that you organise this as well as possible.”**

**Bouwstra launched the Artificial Intelligence (AI) project together with Deloitte – which had already gained experience in this with another meat processor. “When new cameras with a higher resolution were placed at Ekro, we seized that moment. We conducted research first, because we wanted to know whether we could shed light on the interaction between human and animal by using camera monitoring. With our partner Deloitte, we subsequently developed computer models that are applicable to calves and their behaviour. Can the system start noticing that there too many animals in a space? Or that there is unnecessary physical contact between human and animal? We tested and validated this for a few days: is what the computer sees true and reliable? And is it feasible to improve it in practice?”**



In addition to registration of the processes, cameras reveal causes of certain behaviour. In this way, you can see what the consequences are, for example, if the loading of animals is hurried or what happens if the rearmost animal is urged to walk while the animal does not have room to do that. "That provides us with new insights and in this way we can give our people feedback on their performance. We are also focusing on the animal-friendly behaviour that we would like to see."

"As a result of the AI project, we have achieved major progress, and we have been able to demonstrably improve content and process", says Bouwstra. "Personally, I think that is more important than 'that the VanDrie Group does something with camera surveillance'."

## A CALF CONSUMES ROUGHLY



### Good feed

The right feed is essential for good animal health and welfare. Whereas calves received extremely uniform feed around the turn of the century, primarily calf milk, that has changed dramatically in the past decade. On average, a calf received 235 kg of veal milk powder in the form of milk, 325 kg of muesli and 35 kg of chopped straw in 2021. The shift from milk to more vegetable raw materials leads to a better-developed ruminant digestive system among the calves and also results in a more vital and healthier calf. The rumen creates more vitamin B and there is iron in the roughage. A larger amount of roughage contributes to species-specific behaviour, such as rumination, and at the same time it fosters health. It is partly because of that (clinical) anaemia barely occurs.

## PROGRESS OF CSR OBJECTIVES

In 2021, we completed a multi-year research project into the effect of carbohydrates on intestinal health and increasing the resilience of vulnerable groups. For this, we held joint discussions with various chain partners and sectoral colleagues within the Carbohydrate Competence Center Consortium, including Wageningen University & Research, the Veterinary Medicine Faculty of the Utrecht University, FrieslandCampina, Avebe and Agrifirm. The research was not only focused on calves, but also on piglets, babies and older people. The research shows that the intestinal flora can be positively influenced with carbohydrates and can therefore have a positive effect on the immunity and resilience of the calf. At the same time, we also know through the research that the intestinal flora of calves are extremely complex and work differently in every animal. These results offer reference points for follow-up research in 2022 and beyond, that will enable us to understand animal health better and better all the time and take increasingly targeted steps in order to improve it. Read more about the research [here](#)

### Inspection results NVWA

Our Dutch Meat Processing companies, Ameco, ESA, Ekro and T. Boer & zn are under permanent supervision of the Dutch Food and Consumer Product Safety Authority (NVWA). This means constant inspections on important issues such as animal welfare or hygienic work are in place. In addition to this permanent supervision, The NVWA carries out inspections (a total of 6,260 for the aforementioned companies) and publishes its data publicly on its own website. We see over 2021 that the four companies comply by as much as 99.4%. To a large degree the demands made upon us are met. Ensuring animal welfare in our meat processing plants is one of our top priorities. Nevertheless, in 2021, four deficiencies that were are finable under the Animals Act were found.





# FOOD SAFETY



## FOOD SAFETY

Whether it is feed or food, every product that leaves our chain must be of the same high quality level. All over the world, supplying safe products is the basic standard that customers and consumers expect from us as a food producer. Food safety therefore has our utmost attention every moment of production.

### Transparency and traceability

We are committed to guaranteeing chain transparency and traceable product information.

### Quality assurance

With Safety Guard, VanDrie Group's quality system, we can provide the guarantees that are required of us worldwide. In every link of the chain. Every aspect of our work is governed by the Safety Guard standards, whether that is on veal farms, during feed production or at meat processing companies. This quality system is based on ISO 22000. The VanDrie Group's various subsidiaries also hold certificates for GMP+, IFS, BRC and ISO14001, among others. *Vitaal Kalf* (Fit Calf) is the quality system of the Dutch veal sector. This quality system includes rules for hygiene, calf health, animal welfare, feed quality, medicine use and registration. Our veal farmers are inspected for compliance with these requirements by the independent Veal Calves Quality Guarantee Foundation (SKV). The SKV also carries out sampling and visual inspections of veal farmers and the meat-processing companies to guarantee that veal is produced without the use of undesirable growth-promoting substances. With Safety Guard and *Vitaal Kalf* together, we safeguard the quality in the entire calf production chain.

**A unique aspect of Safety Guard is its traceability system. With this system, we keep precise records of which raw materials are processed into animal feed, where they come from and which farms receive the batches of animal feed. The calves have unique ear tag numbers that are always linked to the animal. This enables us to know at which farm the animal was born or kept. In the meat processing companies, the unique code remains linked to the products. We are therefore able to trace an individual piece of meat, for example, back to an individual ingredient in the animal feed. You can read more .**

## PROGRESS OF CSR OBJECTIVES

Part of the VanDrie Group is Labora, an independent and service-oriented laboratory, which is ISO 17025 accredited and specialises in chemical and microbiological research. Labora conducts research for producers, suppliers and traders of raw materials and foods, and for the VanDrie Group production companies. This is how we make our guarantees truly demonstrable.

Our chain has to deal with changing and more stringent requirements and legislation. That requires the organisation to be adaptive. In 2021, quality organisation within the VanDrie Group was revised in order to achieve improved interconnection between all links in the chain. All links of the chain are represented in a new body – the chain management team: feed, farm and food. In this team, there is scope to exchange best practices, to share ideas with each other about issues and to explore opportunities for further improvements of processes and products. In 2022, the approach regarding internal audits was updated in order to make it more demonstrable that quality is embedded in all operational processes.



Within the chain management team, various projects were carried out that should further improve food safety. One of the projects is based on Whole Genome Sequencing (WGS). In 2020, Labora – the laboratory of the VanDrie Group – was thoroughly renovated and expanded with more space to apply innovative research techniques including WGS. This is a technique with which the genomes (the collection of all genes) of microorganisms can be mapped out. This makes it possible, for example, to demonstrate the relationship between disease-causing agents in order to detect possible sources of infection and exposure pathways. The new technique can provide a lot of data. It is therefore important to have a solid plan on how and in which way we want to apply WGS in the chain. In 2021 a project group was launched that will give a recommendation about the way in which WGS can be effectively applied within the VanDrie Group. It is using scientific literature, as well as its own knowledge and experience for this, but also recommendations from external experts, including Erasmus Medical Center in Rotterdam.

### Coat hygiene

Richard Vonk has been working for ESA, one of four meat processing companies of the VanDrie Group in the Netherlands, for eight years, currently as Director of Operations. He is therefore responsible for the entire range of primary processes in the meat processing. One of his challenges is coat hygiene, a theme that receives a lot of attention within the context of food safety. Skin dirt is a constant factor, says Vonk, and has direct consequences for the slaughtering process. “Because if an animal is heavily soiled on the outside, the slaughtering process must be adjusted.”

The coat composition of an animal is seasonal. “In the winter, the coat is thicker, as a result of which the build-up of dirt is greater. The legislation and regulations stipulate that the animals must be delivered clean, because that has a direct link with the slaughtering process and food safety. Those factors make the relationship with the end product quite complex. Because every carcass at the end of the slaughtering process must be supplied with a health stamp and must be visibly 100 percent contamination-free.

A cow is not house-trained and mainly ruminates. “The animal excretes and urinates everywhere, therefore it is important that the discharge of urine and manure is well organised in the stall, because otherwise the ground becomes dirty so quickly that the coat subsequently absorbs that. Therefore, the quality of the stall has an impact.” However, factors such as humidity, age, or if the animals are too warm or sick, affect skin dirt, states Vonk. “That changes the faeces and in turn affects coat hygiene. We are therefore conducting fieldwork in the chain, for example by collaborating on the feed composition, so that the faeces are firmer, or by entering into discussion with veal farmers about a good stall climate. Everyone in the chain contributes to clean animals.”

“As a result of our policy, we are seeing more and more clean animals,” says Vonk. “For example, due to the clearer and also slightly stricter regulations of the Veal Calves Quality Guarantee Foundation (SKV), but also due to Kalverinonet (KIN), a platform of the VanDrie Group that provides veal farmers with insight into the slaughter results of the calves supplied by them, because if the slaughterhouse has recorded and registered a deviation, then that is relayed back via KIN to the veal farmer. An improvement cycle starts then with a visit to the veal farmer, during which he or she receives advice on how he or she can do better the next time around.”

In order to foster awareness, ESA invited various groups of veal farmers in 2021 in order to see the process up-close and to explain how coat hygiene affects the process and food safety. There is also a project running within the VanDrie Group the aim of which is to improve the uniformity in assessment by regional managers, so that veal farmers always receive identical feedback. "By zooming in on seasonal factors, the policy of the veal farmers, the feed and uniform processes, we are well on the way in our improvement curve."

---

## NUMBER OF EXTERNAL AUDITS: 148

## NUMBER OF RECALLS 2021: 2

---

### Recalls

An indicator to determine whether veal products and animal feed have been produced responsibly and safely is the number of recalls (the recall of products by a supplier). Two recalls took place in our chain in 2021, only with our animal feed products. In this instance, a product did not meet the requirements set for the product from a food safety or quality perspective. As a result of our properly functioning tracking and tracing system and short supply lines with customer, it was possible to respond quickly and the products were recalled.

### Inspection results NVWA

Our Dutch Meat Processing companies, Ameco, ESA, Ekro and T. Boer & zn are under permanent supervision of the Dutch Food and Consumer Product Safety Authority (NVWA). This means constant inspections on important issues such as animal welfare or hygienic work are in place. In addition to this permanent supervision, The NVWA carries out inspections (a total of 6,260 for the aforementioned companies) and publishes its data publicly on its own website. We see over 2021 that the four companies comply by as much as 99.4%. To a large degree the demands made upon us are met. Nevertheless, in 2021, four deficiencies that were are finable under the Animals Act were found. This mainly looks at hygiene issues such as failure to ensure the supply of clean animals from primary farms. Additional measures such as shearing the contaminated animals on the farm. One company faced condensation problems for a considerable time. In the meantime, a major renovation has taken place to remedy the situation. We remain committed to continuous quality improvement, both in the companies and in our chain. The assurance of safe and good production is one of our top priorities.



# GOOD EMPLOYMENT

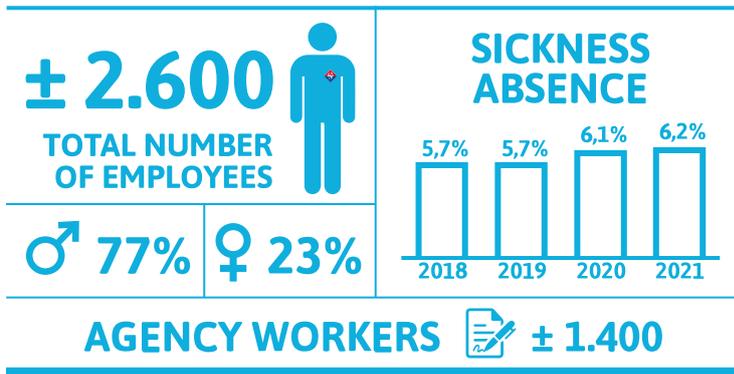


## GOOD EMPLOYMENT PRACTICES

Our employees are our most important capital. Without them, we would not be able to make our wonderful products. It is therefore important that we manage to attract, retain and train employees. As an employer, we also have the responsibility to guarantee the safety, health and welfare of all our employees.

### Safety, health and welfare of our employees

By continually improving safety, welfare and working conditions, we want to create a healthy and safe working environment for all our employees.



### Working conditions

A considerable part of the work in our production environments involves heavy labour. We are therefore investing in robots and automation that takes over routine tasks. As a result of this, we can reduce the physical burden on our employees. In 2021, for example, the calf skin processor Oukro equipped an important, but also physically strenuous, part of the production with a robotic arm. This robotic arm weighs and places the calf skins on the correct pallets. As a result of this, it is no longer necessary to do this manually. In total, this concerns about 900,000 calf skins per year. The development of this robotic arm took about two years and is an initiative of the VanDrie Group in collaboration with Robotize and is unique in Europe.

A lot of work is performed manually, especially in our meat processing companies. We believe we can make this work easier by using automation. In 2021, we created two PhD research places, in cooperation with the University of Twente, in order to map out the opportunities and possibilities in our meat production.

## PROGRESS OF CSR OBJECTIVES

Social partners in the Netherlands, the Central Organisation for the Meat Sector (COV) and trade unions FNV and CNV drew up the *Zwaar Werk Regeling voor de Vleessector* (Heavy Labour Scheme for the Meat Sector) in 2020. This scheme gives substance to the joint protocol agreement from the collective labour agreement for the Dutch meat sector. The scheme is meant to ensure that employees who have performed heavy labour for a long time are actually able to stop working earlier. From 1 January 2021, employees in the meat sector can take part in the scheme. In 2021, nine employees made use of the scheme at four Dutch meat processing companies. In addition, a new collective labour agreement for the Dutch meat sector took effect as from 7 May 2021. This collective labour agreement will run until 1 March 2022. The actual wages will be increased by 1.5 percent with retroactive effect from 1 March 2021 and by 1 percent from January 2022.

A good working environment is not only characterised by good primary working conditions, but also by working together with committed colleagues, who enjoy going to their work. You should also feel safe in the workplace and be treated with respect. In 2021, we introduced a compass for how we want to act, in every link and every company of the VanDrie Group. This was shared in 11 different languages with all employees within the VanDrie Group. The compass describes who the VanDrie Group is and what we do, but it also says something about the rules of conduct that we want to apply with each other. We expect all our employees to act in accordance with our values: committed, one step ahead, with an eye for quality and responsible. Moreover, there is no room for bullying, discrimination or sexual intimidation.

### SpeakUp

It is a topical theme: breaches of integrity in organisations. However, what should you do if you have any questions about the behaviour of a supervisor or you see that the law has been contravened? Many companies wonder how they should deal with this topic. People Intouch seized on this a few years ago and developed the 'SpeakUp' integrity tool. In October 2021, the VanDrie Group added this tool to its compliance policy. Employees, suppliers and veal farmers can report wrongdoings here completely anonymously.

"SpeakUp is called a whistle-blowing tool, but that's not what it is actually", says Leanne Valom, adviser at People Intouch. "It is not a whistle-blower to the external media. It is a reporting procedure that should actually foster dialogue and an open culture in an organisation. It is a last resort when all other options have been tried or if you, as the person making the report, don't feel comfortable reporting matters openly."



## PROGRESS OF CSR OBJECTIVES

‘A report can be made anonymously and in your own language’, explains Leanne. “The fact that this is possible in everyone’s own language is of major importance to the VanDrie Group, where many nationalities work together. That is possibly via telephone or the website. When you call, you record your report. That report is given a code number in order to guarantee anonymity. The report is then sent to the translation agency that transcribes it. That transcription ends up with the person who is handling the report. That person subsequently draws up a response that is linked to the code of the person making the report via the translation agency. The person making the report can respond to that. In this way, it remains accessible and people don’t have to fill in endless lists. It is important that through communication, the trust of the person making the report can be rebuilt.”

Seeking openness on this theme is quite sensitive. However, if you don’t do that, it has potentially major ethical and financial consequences, and you quickly face the risk of reputational damage. “If you don’t want to turn compliance into a paper tiger, you have to be sure to continue to invite your people to make reports. That means that you have to acknowledge that something could be going wrong in your company and that you communicate honestly about where you stand.

### Attracting, retaining and training our employees

By offering attractive terms and conditions of employment and sufficient training opportunities, we want to attract, retain and train professional employees.

In 2021, 4,000 employees worked for us, both permanent staff and hired employees. We are strongly dependent on the input of temporary employment agencies in our Dutch meat processing companies. Our ambition is to change this in the coming years. In 2021, we started working in a focused way on a plan to employ more permanent employees. In the period from 1 July 2021 to 1 January 2022, we offered a permanent contract to five percent of the employees who had been working two years or longer for a temporary employment agency. We will continue these efforts in the coming years. That is a challenge. Accommodation must be available to hired employees from abroad. That is not sufficiently available at present. People also have to want a permanent contract; many agency employees from abroad indicate that they only want to enter into a short-term employment relationship.



## PROGRESS OF CSR OBJECTIVES



There is a lot of knowledge and expertise within our companies, but that is also needed on a permanent basis. We are encouraging this, by offering custom-made courses and training programmes to employees or by supervising young people in training and employment schemes, in collaboration with vocational training organisations, such as SVO vakopleiding food. The Adult and Vocational Education Act requires upper secondary vocational students to do the practical component of their training course at an approved work placement company. The four meat processing companies in the Netherlands are recognised as official work placement companies, as well as Labora, Navobi, Alpuro, Alpuro Breeding and Schils. We find training students to be an enjoyable and rewarding way to bring in staff who are eager to learn and motivated. Many students remain connected to our organisation after their training programme. Students bring a fresh outlook to the company, as well as up-to-date knowledge and new insights. That is why we offer plenty of work placements. In 2021, we offered placed to 43 trainees.



# SIX INTERVIEWS ON THE BASIS OF OUR SDGS



# SDG 2: ZERO HUNGER

## IN CONVERSATION WITH... KAREL VAN WESTREENEN, OPERATIONAL DIRECTOR AT AMECO



**Ameco has been processing cattle into high-quality beef products for many years, and in recent years, the company has been developing the concept of pasture-raised beef. Ameco has been able to offer this outdoor grazing guarantee on a larger scale since 2021, as a result of changes in the production process and quality assurance system. In this way, they are meeting the increasing consumer demand**

**for local and animal-friendly meat. However, the company is also working actively to bolster dairy farmers' income. Dairy farmers receive a supplement if they deliver cattle with an outdoor grazing certificate. According to operations director Karel van Westreenen, this is a wonderful development for the farmer, the customer and Ameco alike. We sit down to talk to him.**

### **Ameco and the VanDrie Group, that appears to be a close cooperation doesn't it?**

'My father founded Ameco (Amsterdam Meat Company) in 2003. By merging a number of smaller meat companies, the volume and management capacity was created that made it possible to respond effectively to customers' needs and to keep pace with the rapid increase in scale within the sector. Following the construction of new premises in Apeldoorn in 2017, this subsequently led to the VanDrie Group taking up a shareholding in 2018. That participation has helped Ameco to flourish in several respects – it has made us financially stronger, more effective in trade, but it has especially helped us in terms of knowledge sharing in the fields of quality, animal welfare, safety and HR. In fact, there is an enormous amount of synergy.

## PROGRESS OF CSR OBJECTIVES

At Ameco, we mainly process cattle from the Netherlands and at the present time, this accounts for about 2,800 head of cattle per week. In addition, we process about 600 calves every week. The meat is made suitable as semi-finished product for the Dutch cold meat industry, retail, hotel and catering industry and the convenience industry. Approximately 300 people are currently employed by Ameco on a daily basis.

Its shareholding in Ameco fits perfectly within the VanDrie Group's circular sustainability strategy and chain integration. Both the calf and the dairy cow at the end of her milk production period come from the dairy farmer. Between 20 and 30 per cent of Dutch dairy cows are taken out of milk production each year. We acquire a portion of these animals for processing. Close cooperation with the dairy farmer is of paramount importance. We know that dairy farmers take good care of the welfare and health of the dairy cows. It is up to us to ultimately make beautiful, tasty products for the retail, catering and food service sectors. We do this with craftsmanship, respect for the animal and with great attention to all the applicable standards and values in the meat processing industry. And if you add the calf husbandry, the dairy activities and the animal feed production of the VanDrie Group to that, you can see that the company is maximising the value of the animal protein chain.'



Karel van Westreenen

### Which trends are you seeing in the beef market?

'The importance of sustainable production chains is increasing throughout the world. Companies are increasingly being held to account, but many companies also want to become more sustainable themselves. That certainly applies to us. As long as the global population continues growing, the demand for animal protein will only increase. What we can see is that 'Dutch pasture-raised beef' is in a position to help satisfy that growing demand.'

The dairy cow is used for her milk production, but the animal can also, in the second instance, end up on a plate as a nutritious piece of meat. After slaughter, 70 percent of meat is transformed into a minced meat product. For example, it may end up in a kromesky, a minced meat schnitzel or in a hamburger. It is very tasty and nicely aged meat. The other 30 percent concerns the so-called 'technical parts', such as entrecote and ribeye. My father has actually been saying for 20 years already: "You have that dairy cow and it's wonderful that you can make a piece of high-quality beef from that." In my view, the fact that we can now supply Dutch pasture-raised beef is the crowning glory of his life's work.'

**As long as the global population continues growing, the demand for animal protein will only increase. What we can see is that ‘Dutch pasture-raised beef’ is in a position to help satisfy that growing demand.**

—Karel van Westreenen

**How does the registration of pasture-raised beef work and what’s the benefit of that to the dairy farmer?**

‘The animal must be registered with us by the dairy farmer, who must hold an outdoor grazing certificate for the relevant livestock location (UBN). That can be done online, but also via a simple app. In that way, we can trace each animal upon supply and it is clear to us whether it is an ordinary cow or a pasture-raised cow. Pasture-raised cows are animals that have been in the pasture on the dairy farm of origin for at least 120 days per year, 6 hours per day. They can receive an outdoor grazing certificate, which is issued by the Dutch Grazing Foundation (*Stichting Weidegang*). We have asked Kiwa, an independent certification organisation, to guarantee this procedure for us.

Dairy farmers’ income is improving. We pay a standard supplement of 10 cents per kilo for animals with an outdoor grazing certificate, and that is now working. We currently have about 800 to 900 cattle on average every week that are supplied to us with such a certificate.’

**You are creating a new standard in the form of this dual-purpose cow. Why?**

‘The price of meat has risen sharply in recent times. That is primarily due to rising raw material prices. In addition, the increasing demand for South American meat in China is playing a role, as a result of which less beef is available for the European market. At the same time, we are seeing milk prices rise, which means that dairy farmers are parting with their cows less quickly. Even if a cow only produces eight to nine litres of milk per day, that still provides a return. As a result of this, the supply of cattle is continuing to decrease and that scarcity is then reflected in the prices. The Dutch pasture-raised beef therefore forms a welcome addition to the shrinking supply of beef. In addition, by rewarding dairy farmers for grazing their cattle outdoors, we are contributing to their income *and* improving animal welfare at the same.’

## PROGRESS OF CSR OBJECTIVES

### **What kinds of ambitions do you have for the future with this concept?**

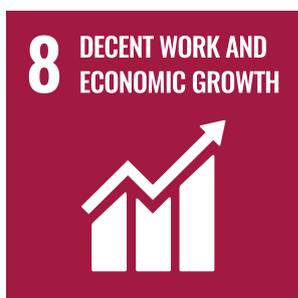
'At present, we are primarily supplying our Dutch pasture-raised beef to the retail sector, but not yet to the cold meat industry or the hotel and catering industry, though we expect to start doing so shortly. The demand for local and animal-friendly meat will continue to grow and because we have the knowledge and innovative capacity in-house, we want to seize that opportunity with both hands. This will help to ensure that livestock are optimally utilised in order to secure our food supply here in the Netherlands.'





# SDG 8: DECENT WORK AND ECONOMIC GROWTH

In conversation with... Jan Snijders, a subject teacher at SVO, Sem Pieper, a production worker at Ekro and Bert Bosveld, a dispatcher at ESA.



The four meat processing companies of the VanDrie Group (ESA, Ekro, T. Boer & zn and Ameco) together provide employment to about 900 people (excluding agency workers). The companies are official approved work placement companies. A work placement company is officially responsible for the implementation of the practical occupational training that forms part of a senior secondary

vocational education course (*mbo-opleiding*). In a work placement company, students are introduced to the practical working environment and learn what is expected of them. The work within the meat processing companies is partly automated, but at certain points is still labour-intensive and requires skilled workmanship. In addition, the requirements with regard to traceability and food safety place high demands on employees. That is why the VanDrie Group develops tailor-made senior secondary vocational education courses and training programmes for its employees in collaboration with vocational training organisations, such as *SVO vakopleiding food*. Sem Pieper, a production worker at Ekro and Bert Bosveld, a dispatcher at ESA, are currently completing a number of levels of the senior secondary vocational training course '*medewerker versindustrie*' (fresh produce industry employee) with Jan Snijders from SVO, the Dutch training organisation for professionals in the food sector. They are doing this within the context of the Dutch block or day-release programme (*beroepsbegeleidende leerweg, BBL*), in which working is combined with learning. The three of them talk about their motives.

**Working at a meat processing company is unknown territory for many people. How did you end up in this sector?**

**Jan:** 'I had already had a holiday job in a slaughterhouse when I was 13 and I was able to go to the professional college for butchery when I was 16. If you are open to it and seize your opportunities, it is a wonderful profession in which to develop. I helped with emergency slaughters at the weekends. These are slaughters of healthy animals that cannot be transported to the slaughterhouse for welfare reasons. You didn't receive anything for that, but you did learn a lot from it.'

## PROGRESS OF CSR OBJECTIVES

Following a period of working as an artisan butcher and inspector and after various other jobs in the business sector, I started working at SVO in 2007. It is really nice to share all the experience I have gained with students. It is important that the knowledge in our profession is safeguarded.'

**Bert:** I wanted to work in slaughterhouses from an early age, because my father worked there. In the early 1990s, it was still fairly easy to leave school without any qualifications and you could still get a job in the slaughterhouse and receive a good wage straight away. I'm now 45 and I wouldn't want to do anything else. I just really like it. My colleagues and my work at ESA.'

**I'm now 45 and I wouldn't want to do anything else. I just really like it. My colleagues and my work at ESA.'**

*—Bert Bosveld*



Bert Bosveld

**Sem:** 'I also followed my father's footsteps just like Bert. My father currently works for ESA. I became interested in the profession through a holiday job and was able to start working at Ekro in June 2020. At that time, I was only 16 and still of school age. The senior secondary vocational training course seemed like a fun thing to do and that's how I met Jan Snijders from the SVO.'

**VanDrie Group is always looking for skilled workers, just like many other companies in the meat sector. Do you see your work as a skilled trade?**



Sem Pieper

craft. At present, I'm mainly deployed at Ekro for processing the meat and there's actually a lot to learn in that job.'

**Bert:** 'Where I'm currently working, you don't really need the strict skills of the trade. The meat has already been processed by the time it reaches dispatch and we get it ready for transportation. A lot is done digitally and no longer involves any heavy labour. It may not be the most skilled work, therefore, but it must be done meticulously. We check the products carefully to ensure they meet the quality requirements set. In addition, we devote attention to preventing condensation in the shipments. We constantly fill in checklists for that. It involves a very broad range of tasks.'

**Sem:** 'I think it's a great feeling to make a beautiful piece of high-quality product from a piece of meat that was part of a calf. If we have to make schnitzels from the topside and there is still some flank attached, for example, then we trim that neatly. And if there is still a sinew or a bit of fat, that also has to be removed. We then freeze the topside and portion them by machine. You are preparing real meat for customers. You have to remove the membranes and cut neatly. That is a

**I think it's a great feeling to make a beautiful piece of high-quality product from a piece of meat that was part of a calf.**

*—Sem Pieper*

**Jan:** 'Yes, I see our work as a skilled trade. Killing in an animal must be done in a respectful, skilful way. Animal welfare is one of the important topics in our profession and within the training course. Treating the animals in an animal-friendly way is something which the consumer expects of us. Moreover, good animal welfare has a positive effect on the quality of the meat. My opinion is that you always have to closely monitor the welfare of the animals that you slaughter. That's why you have to continue providing employees with training in animal welfare.'

### **Why did you choose to pick up your education once again?**

**Bert:** 'First of all, because of my children. I always impress on them, 'get your school diplomas'. However, they rightly said: Yes but Dad, you don't have a diploma do you?'. There is, of course, some truth to that. Secondly, I want to develop myself further now in my role at ESA, but also as a professional. If I keep doing the same thing too long, I start getting bored. I want to continue expanding my knowledge and would prefer to be all over the place in the production location and be able to do everything. At the moment, I mainly work in front of a computer and that's simply not for me in the long term. And if anything ever happens with the company, I will then have those certificates in my pocket.'

**Sem:** 'I am still very young and therefore find learning easy. This training course actually provides you with useful knowledge about the profession and it makes you aware of your responsibility in areas such as food safety, for example. You learn about the risks and gain a better insight into the process. So, should something go wrong in spite of everything, you are also able to take action if there is no supervisor. It is also about leadership and about how that works.'

### **What do you learn in this training course?**

**Bert:** 'I have gained more respect for the company and for all the types of processes you have to work with. I have also gained an insight into how the chain works and into all the things you need to do before you're allowed to start processing meat. You may think, 'they're just going to slaughter', but there are so many other things involved. Everything is done with respect here and if you don't treat animals respectfully, you can immediately pack your bags. The company is not for you in that case. That was already my view before this training course actually. As a matter of fact, I was a volunteer at the Dutch Society for the Protection of Animals for a while and if I saw abuses at the ESA, I wouldn't mince my words.'

**Sem:** 'I'm currently doing Level 3 of the vocational training course. As a result of that, I am increasing my financial understanding and knowledge about logistics. You learn about care systems and you have to write an improvement plan.'

**We provide training in the profession, but we also show what happens both upstream and downstream within the chain.**

—Jan Snijders



Jan Snijders

**Jan:** We provide training in the profession, but we also show what happens both upstream and downstream within the chain. We went deboning ourselves. It was a case of learning what can be found where. We visited the guys at DrieVeld, the research centre of the VanDrie Group, in order to learn more about calf husbandry and to take part in a cooking workshop. The lessons in deboning came in handy there, as it's important to know what can be found where in the carcass, because that is partly determines the preparation method. Preparing the veal was, of course, followed by the tasting. There are a lot of differences between the technical elements of texture, taste, mouthfeel and bite. For me, it's about sharing experiences. Ultimately, you see a professional in front of you. If my students are successful, I enjoy that.'

**Will you continue studying?**

**Bert:** 'Absolutely. I want to continue developing myself as much as possible. And by working at VanDrie Group, I'm fortunate to be given the opportunity to do so. By doing Level 3, I can become a working supervisor. I'm currently a deputy supervisor whenever my boss is not there, but I can fulfil that role officially by obtaining my diploma.'

**Sem:** 'I want to continue developing and studying. I would also like to do Level 4. It's not yet certain I can do that, but I believe that it's possible at the VanDrie Group.'



# SDG 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE

In conversation with... Emma Teuling (NIZO food research), Derk van Manen (Duynie Group) and Eelke van der Wal (VanDrie Group)



**Animal feed has a major role to play in circular agriculture. Research into the role of animal feed is becoming increasingly relevant from the perspective of nutrient efficiency, reusing raw materials and reducing impact in the production chain. Of all the raw materials that go into animal feed, the vast majority aren't fit for human consumption. Due to improved production processes, however, various**

**residual waste flows are being made suitable for human consumption and these raw materials are finding their way onto the food market, such as whey. As a result of this, the availability of residual waste flows as raw material for feed is decreasing. This was the reason for the VanDrie Group, as member of the Protein Competence Centre (PCC) and cofinanced by the Top Consortium for Knowledge and Innovation (*Topconsortium voor Kennis en Innovatie*, TKI), to take the initiative to conduct research into making alternative plant-based residual waste flows suitable for calf milk. Eelke van der Wal, researcher at the VanDrie Group, talks with two other members of the research team, Emma Teuling, project manager protein technology at NIZO food research lector in '*Eiwittransitie in Voeding*' (Protein Transition in Food) at HAS University of Applied Science and Derk van Manen, manager Quality, Nutrition and Research at Duynie Group, about this public-private partnership.**

**What were the considerations for the VanDrie Group with regard to this research?**

**Eelke:** 'There were various considerations. For example, we want to reduce the share of raw materials, such as whey powder or low fat milk powder, which is suitable for human food, but is currently used for animal feed. In addition, we want to upgrade the plant-based residual waste flows that are still unsuitable for consumption at present, so that they are made suitable for our applications. In this way, we hope to tap into an attractive alternative raw material source. Of course, we also want to reduce our CO<sub>2</sub> footprint further.'

**How did you set to work?**

**Eelke:** 'We started with a long list of plant-based, protein-containing raw materials that offer the potential to be made suitable as an ingredient for calf milk powder. For each raw material, we also looked at the digestibility of the product and at its degree of solubility, so that no sediment arises in the calf milk when diluting it with water. Digestibility and solubility contribute to the preservation of nutrients in the feed.'

## PROGRESS OF CSR OBJECTIVES

**Emma:** 'At the beginning during the selection process, we also examined how much of the plant-based residual waste flows are actually available at present. Can we find them in sufficient quantities in Western Europe, are they in stock during the entire year and to what extent will we find ourselves competing with other applications?'



**It is our ambition to create as much possible value from these flows; to utilise them as effectively as possible.**

*—Derk van Manen*

Derk van Manen

**Derk:** 'It is our ambition to create as much possible value from these flows; to utilise them as effectively as possible. When carrying out this research, we looked at products that are easily digestible for cattle, but whose protein fraction is not fully utilised in cattle feed. We try to process the proteins in such a way that they can be given a higher-quality application in the young animal feed.'

### **What opportunities do you see?**

**Emma:** 'Within the research team, we have pooled knowledge of proteins, process technology and digestibility among animals. In addition, the collaboration between various companies, knowledge institutions and contract research organisations – where competing parties can work together in this kind of pre-competitive research – is unique in the world. That does happen more often in the Netherlands, but we sometime forget how special such a collaboration actually is. The integration of all these scientific fields and our holistic approach are what makes this a success. That is partly the reason also why the Netherlands is a world leader in protein technology.'

## PROGRESS OF CSR OBJECTIVES

**Elke:** 'We benefit a lot from this form of collaboration. I always describe it as a triangle, with a knowledge institution, in this case NIZO, a supplier, such as Duynie Group, and ourselves, as a producer. All three of us have both a common *and* a personal interest. The VanDrie Group is especially interested in finding an answer to a question. We want a solution to the question of how we can further increase the circularity of our feeds. NIZO helps with the knowledge. A supplier wants to supply a product, preferably continuously. And continuity is very much in line with the VanDrie Group.'

**Derk:** 'This research ties in seamlessly with the strategy of the Duynie Group to use raw materials as efficiently as possible and to maximise the value of residual waste flows. Above all, our primary need is to ensure that food that is suitable for humans is available and ensure it remains available. Plant-based residual waste flows that are unsuitable for human food can still contribute to food for humans indirectly via animal feed. In order to feed the growing global population, it is a case of ensuring that livestock will gradually compete less with humans for food. That is also why this research initiated by the VanDrie Group with the aim of reducing the use of foods as raw materials is so relevant.'

### **Does this research tie in with a trend, or is it quite unique?**

**Emma:** 'In the Netherlands, we are working on a National Protein Strategy with a broad agenda. Our research forms part of an important theme, namely the complete valorisation of plant-based side streams to replace animal proteins. That is precisely what we all of us want to work on, in addition to the points that Derk and Elke mentioned. It has a broader benefit.'

**Our research forms part of an important theme,  
namely the complete valorisation of plant-based  
side streams to replace animal proteins.**

*—Emma Teuling*





Emma Teuling

cost to make those proteins available? I also believe it is important to find out how digestible the products will ultimately be and whether the calves will start performing better. However, this collaboration is answering those questions.'

**Eelke:** 'My most important dilemma is the added value of the energy consumption versus the improved usability of the nutrients. That fact that products are suitable from a nutritional perspective is one thing, but, in order to subsequently use it as a sustainable raw material, proteins from these products must be available in return for minimal energy consumption. That can be quite a challenge if you still have to take processing steps.'

**What dilemmas are you coming up against in this research?**

**Emma:** 'In my role as protein technology project leader, I mainly see technical dilemmas. The proteins in the residual waste flows we have studied are a bit more difficult to work with. That may be because the protein is confined within a cell. That is a physical problem and is not so complicated to solve – you simply open up the cell. It becomes complicated, however, when the protein forms part of a cell component, such as a cell wall. In that case, you really have to take it apart and then there is a significant risk that the protein will also be damaged by that and become unsuitable as a nutrient.'

And finally, you can increase the protein availability with the perfect technologies, but if the product has an unpleasant taste, it will not be accepted by the animals and you still will not have achieved your goal.'

**Derk:** 'My most important dilemma is the cost aspect. In other words, what does it

**Does this research also help to combat food waste?**

**Derk:** 'We need to make our production chains more sustainable. One of the reasons for this is the fact that an increasing number of mouths need to be fed. We have a certain amount of biomass and we should be aiming to use it more and more effectively and efficiently. I wouldn't say that our research is aimed directly at reducing food waste, but it does play a part in ensuring that the resources that the Earth offers us are utilised more efficiently.'



Eelke van der Wal

**We will continue working on this type of research into maximising residual waste flows and therefore on combating waste.**

*—Eelke van der Wal*

**Eelke:** 'It may well be the case that we learn a lot, but do not yet find a solution to our problem. That can happen. However, we will continue working on this type of research into maximising residual waste flows and therefore on combating waste. Each project brings us one step closer to achieving this objective.'

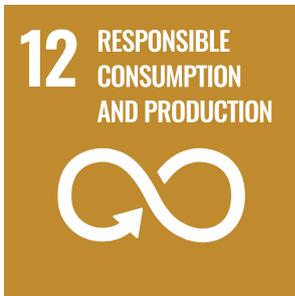
## PROGRESS OF CSR OBJECTIVES

The research under discussion, entitled '*Mild processing of protein-containing, plant-based side streams for feed applications*', is being conducted by the VanDrie Group, Duynie Group, NIZO food research, Wageningen University & Research, Van Hall Larenstein and Hanze University of Applied Sciences, Groningen.



# SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION

In conversation with... **Henk Flipsen, Director of Nevedi**



**By 2050, the global population will have increased to at least nine billion people. In less than 40 years, there will therefore be a further 2 billion people who will need to live, work and eat. This means that food production will have to increase, without further harming the ecosystems. Animal protein producers can play an important role in that regard. However, that brings with it a more deep-seated**

**responsibility, such as producing animal feed more sustainably. As director of the Netherlands Feed Industry Association, or NEVEDI, Henk Flipsen witnesses the developments up close. He speaks with us about the role of the animal feed sector in the context of responsible food production.**

**Nevedi fulfils an important agenda-setting and coordinating role within the European animal feed sector. How did that arise?**

'As an employers' organisation, Nevedi focuses on several substantive key areas. Those include labour, animal feed legislation, quality & safety, and sustainability & innovation. The last of those key areas is primarily focused on raw material certification, climate and origin, and has become increasingly important in recent years. Soya and palm oil are prominent raw materials in discussions about sustainability. The attention paid to those raw materials started about 15 years ago when a number of NGOs drew attention to the large-scale deforestation of the Amazon region for soya production. This rightly resulted in large-scale public indignation. Our sector accepted its responsibility at that time. Since then, we and our members have been working intensively to ensure raw material certification. For example, we were a co-founder of the Round Table on Responsible Soy (RTRS).

**What outcomes have resulted from that?**

'An important milestone was reached in 2015. The Netherlands held the Presidency of the Council of the European Union and following on from the Paris Agreement, the Amsterdam Declarations Partnership was adopted in order to combat deforestation. The Netherlands is now collaborating within that organisation, together with eight other countries and a large number of NGOs. At the same time, all soya that is used for animal feed in the Netherlands meets the FEFAC-soy sourcing guidelines (FSSG). This is a reference system which 19 schemes that are used in Europe and which meet these guidelines, are brought together. This is independently assessed by the International Trade Centre (ITC), an organisation affiliated to the United Nations. For example, RTRS is also one of the schemes that are subject to the FSSG. The FSSG are based on criteria, such as responsible working conditions, respect for land rights, the protection of communities and, of course, sustainable farming practices, as a means of combating deforestation.'

**Nevertheless, the discussion regarding the certification and traceability of raw materials continues to take place. How is Nevedi working on this and which role do your stakeholders play in that?**



Henk Flipsen

‘What we want is a watertight system of sustainable production, – for the planet, for indigenous people, for farmers and, of course, for ourselves. We want to take further steps in that regard. In the now widely used ‘book and claim’ system, the trader buys soya from producers who work according to one of the schemes that is compliant with the FSSG. This soya is mixed with non-certified soya for cost-related reasons. In physical terms, the buyer does not receive any, or only a small portion of, the certified soya it has ordered, but is nevertheless ensuring that anything it purchases somewhere has been grown according to our guidelines. At Nevedi, we want to guarantee that the soya that our members process in their animal feed is also actually produced in accordance with our sustainable standards. In other words, there is therefore a physical link. That was the reason why we launched the so-called ‘area mass balance’ certificates. What those certificates do is to guarantee that the soya supplies come from regions which we know for certain have not been deforested in the recent past. When this physically separated

flow subsequently arrives at a port in Europe, the sustainable origin of soya used can therefore be guaranteed.

As a result of this, we are working as a business community on a system that we are able to work with on a practical level. This in turn ensures the right cultivation conditions and is something we can use as a means of getting not only our stakeholders in the business community and governments, but also NGOs such as Greenpeace or the WWF on board.

**How do you view European policy with regard to deforestation?**

‘In the context of the European Green Deal, the European Commissioner Frans Timmermans has issued a new draft regulation to curb deforestation and forest degradation. The Ministry of Agriculture, Nature and Food Quality in the Netherlands has also launched an impact study into the effects of the various certification systems on deforestation. Instead of saying that we no longer want to have raw materials from certain producer countries, we would like to remain in discussion with them in order to combat deforestation. We are very curious about the results and recommendations. We are also happy to contribute to this if it actually works in reality.’

**The basic principle is that we are aiming to ensure that there is as much circularity in our production process as possible. If we want to treat our planet well, we must be circular, in other words efficient and functional.**

*—Henk Flipsen*

**What is your vision on sustainable food production?**

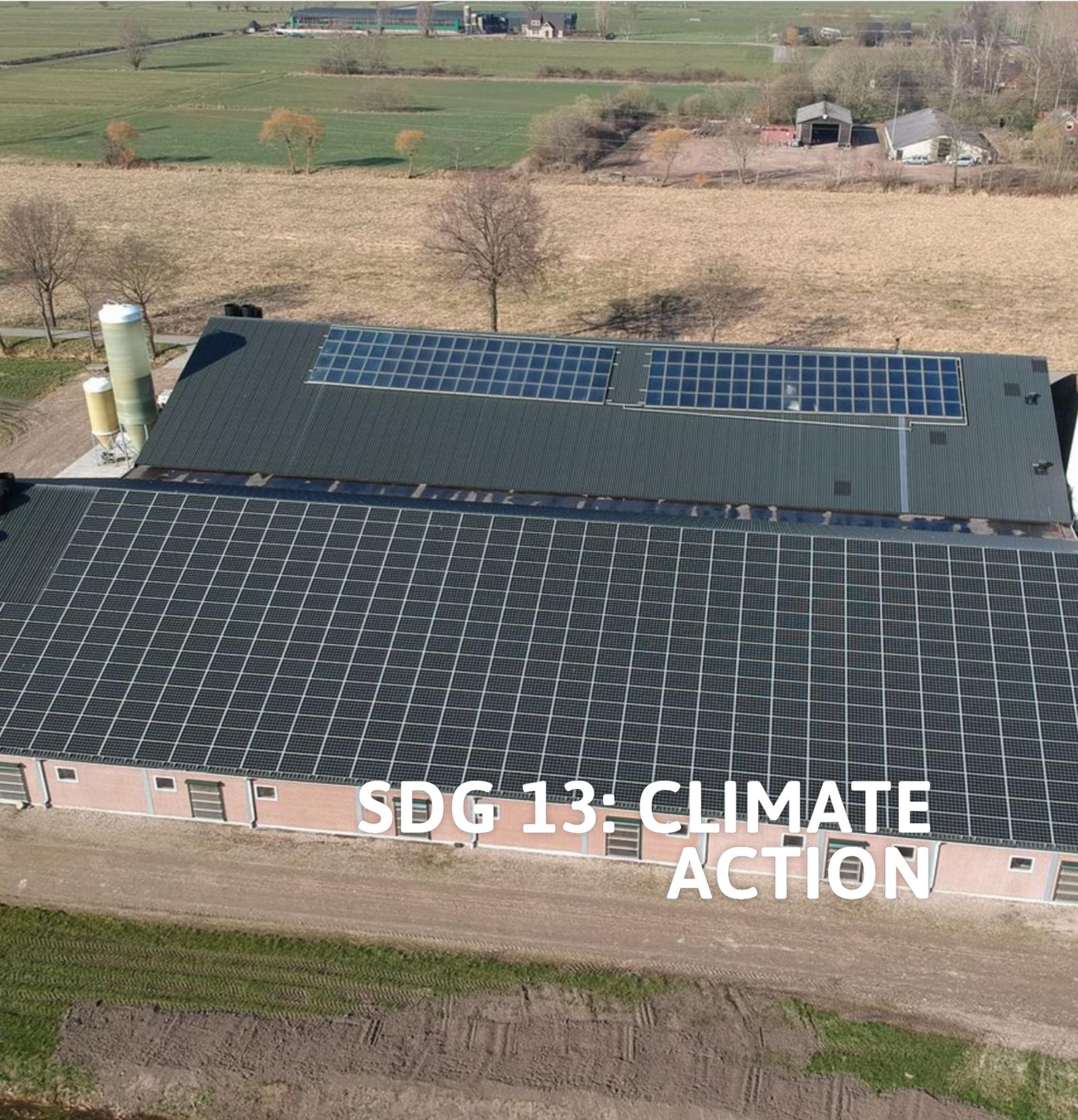
‘The basic principle is that we are aiming to ensure that there is as much circularity in our production process as possible. If we want to treat our planet well, we must be circular, in other words efficient and functional. Producing food efficiently is one of the inherent characteristics of a farmer. In my opinion, you can optimise the entire process in the Netherlands. That is the reason why the Netherlands is so unique from an agricultural perspective.’

**Everyone in the animal feed sector knows how important soya is, for example, for a ration. So, can you omit it?**

Yes, calves, poultry and pigs will still grow without soya, but doing without it would make the whole process a lot less efficient. The amino acid composition of soya is unique and very well suited as animal feed and therefore for the development of the animal.

Let me put the use of soya in perspective. If you take the Netherlands itself and the consumption of soya as a whole, then that country’s consumption accounts for about 0.5% of the total global production. And if we look at the use of soya bean meal for the European animal feed industry, then that equates to just 10% of the entire global production. That is still a considerable volume, but still a limited quantity in global terms. As far as the EU is concerned, the challenge lies in getting everyone on the same page at a global level. Otherwise, it’s a waste of time and effort.

The greater goal is that an animal must have a good life during the phase in which it is producing food, that it is healthy and that it produces food efficiently by using raw materials that cause the least harm to the environment as possible. As a sector, we also need to ensure this all ties in as effectively as possible with the climate objectives, for example by replacing the soya imported from South America with responsibly produced soya or other high-protein raw materials from Europe, such as peas, field beans and rapeseed meal, or by using co-products from other industries.’



# SDG 13: CLIMATE ACTION

## IN CONVERSATION WITH... HANS BLONK, MANAGING DIRECTOR AT BLONK CONSULTANTS



During the twenty-first climate conference (COP21) of the United Nations in Paris, at the end of 2015, almost 200 participating countries reached agreement about a binding climate agreement. The aim of this was to ensure that emissions of greenhouse gases, such as CO<sub>2</sub>, are reduced and global warming is limited to a maximum of 2 degrees Celsius, with 1.5 degrees Celsius as the target. The agreements from the Paris Agreement of the UN entered into force in 2020. Although the primary responsibility appears to lie with the countries, the business sector in Europe, including the VanDrie Group, set to work on adequately implementing the agreements. In 2021, the company started mapping out the environmental effects of its business activities and products even better on the basis of a so-called 'Life Cycle Analysis' (LCA). In addition, the Van Drie Group wants to gain a grip on its Organisational Environmental Footprint (OEF), in which the environmental impact of the entire company is calculated. It enlisted the help of Blonk Consultants, which specialises in this. Managing Director Hans Blonk observes that the importance of 'footprinting' has grown rapidly in recent years and that companies are being helped to reduce their environmental impact by standardising the data – a short conversation.

**There's skill involved in calculating your sustainability position. Can you explain what a Life Cycle Analysis (LCA) is?**

'When carrying out an LCA, you calculate the effect that making products or supplying services has on the environment. It's about the entire life cycle, therefore from the extraction of raw materials and production and (re)use up to and including the waste processing. An LCA lists all those impacts of all those links in the chain and adds them all together. We can therefore think of it as a calculation from 'the cradle to the grave.'

### What does an LCA for the VanDrie Group look like?

'In the case of the VanDrie Group, we started by drawing up the methodology for the production of veal and calf skins. If we look at veal, the LCA begins with the veal farmer. He or she feeds the animals, deploys production capital, uses energy and water, and so on and so forth. Subsequently, the calf is transported to the meat processing companies. People work there, energy is consumed and cleaning agents and packaging materials are used. In short, everything that is necessary for the production process. Finally, a piece of packaged veal rolls off the conveyor belt. Or in the case of calf skins, a skin goes to the tanner. We calculate the environmental effects of all these links and activities. You then have an overview of the footprint of a product at the point of sale, or in the cold storage.'

However, you can also look a step further with an LCA and continue the calculation until the veal is on your plate. In that case, you have to include the retail phase and what happens in the consumer's home, before and during the preparation. And in the case of calf skins, you look at the processing that takes place at the leather processor for the production of shoes, clothing and a host of other applications.'

### Which calculation methods do you use?

'We apply the scientifically accepted methods of the Intergovernmental Panel on Climate Change (IPCC) of the United Nations and the Product Environmental Footprint (PEF) of the European Commission. In the case of the LCA for the VanDrie Group, we list which gases are released during the production of veal and their relative contribution to the greenhouse effect. Examples of this include, in particular, methane, CO<sub>2</sub> and nitrous oxide. We subsequently calculate how long a gas will remain in the air. We call that 'radiative forcing', a complex method for determining the impacts of environmental degradation. After these two steps, namely the greenhouse gas effect and degradation, we determine how many times a gas counts. We subsequently apply such a method to determine other environmental impacts too.'

In the case of eutrophication, we count, for example, phosphate, ammonia and nitrate emissions. After this, we can assign values on the basis of external factors, such as where the emissions occur. Is that in the city or, for example, next to a nature conservation area? This final step is carried out by means of additional research.'



Hans Blonk

**The VanDrie Group wants to make the climate impact of the organisation transparent. How does this work?**

'We help the VanDrie Group calculate its Organisational Environmental Footprint (OEF) and also look at all their business activities. In doing that, we differentiate between three scopes or areas of application. Scope 1 consists of the company's own business activities and maps out the impact of the direct CO<sub>2</sub> emissions caused by the organisation's own sources. In Scope 2, you are already looking further; you also calculate the indirect effect of electricity consumption and heat production. Scope 3 maps out the impact of activities that are not under the ownership of the VanDrie Group and that are also not managed by the organisation. In the case of scope 3, we help the VanDrie Group, as much as possible, to calculate the environmental impact of its suppliers. The VanDrie Group asks its suppliers for that information itself. We supply reference values about production from our databases and literature.'

**Why is important for the VanDrie Group to makes its impact transparent?**

'The VanDrie Group is very quality-oriented and intrinsically motivated to reduce its environmental impact. The data collected enables it to gain an insight into how it is performing as a company and where further improvements can be made. It can also demonstrate its relevance to its own employees and its stakeholders. Moreover, a need also arises within the market. Customers increasingly want to know what the footprint is of the products to be processed and sold by them in order to demonstrate their own achievements. An increasing number of supermarkets are approaching Blonk in order to arrange this in their supply chain. It's all about organising information in a way that allows you to provide transparency.'

**The VanDrie Group is very quality-oriented and intrinsically motivated to reduce its environmental impact. The data collected enables it to gain an insight into how it is performing as a company and where further improvements can be made.**

*—Hans Blonk*

And then there are the demands from within society at a higher system level. Is the calf husbandry sector working smartly in terms of its environmental footprint? I can be clear about that; it is pretty smart. The dairy farming sector has a surplus of calves. By rearing the animals, you avoid part of the beef production that is more intensive from an environmental point of view. Therefore, as long as people continue consuming dairy, calf husbandry forms a good link in the agricultural production system.'

## PROGRESS OF CSR OBJECTIVES

### **What challenges do companies experience with their calculations?**

'The challenges lie in the things you don't know and in most cases, this involves the information that is located outside your own sphere of influence. It does need to be included though, in order to make the complete footprint complete. In the case of the veal sector, this mainly relates to the raw feed materials. Fortunately, more and more information is becoming available and that will only improve in the future. The task is to work towards an integrated dashboard as part of the annual report cycle, so that the VanDrie Group can determine and manage the footprint in all locations and for all its company activities.'





# SDG 17: PARTNERSHIPS FOR THE GOALS

In conversation with... Gerjan van Drie



**In 1994, the VanDrie Group took its first major step on the French market with the takeover of French integrated veal producer Sobeval. Now, 25 years later, following the addition of the young animal feed producer Schils, the veal producer Tendriade and strong organic growth to 150,000 places for calves, the company has managed to secure an enviable position in the French market. The French**

**market differs in fundamental ways from that in the Netherlands. Not only is the French consumer traditionally a veal eater, but the agricultural sector in France is also relatively smaller in scale and the supplying veal farmers have organised their operations in a different way. With the experience and knowledge from the Netherlands, the VanDrie Group is investing in sustainable integration in France. Gerjan van Drie, one of the grandsons of the founder of the VanDrie Group and co-representative of the third generation of the family business, has been responsible for the husbandry of Van Drie France since 2018. He talks about this market and his objectives there.**

**What are the most important characteristics of the French market for the VanDrie Group?**

'That is already evident with the consumer straight away. French people spend a lot more time and money on their food than Dutch people. If I go the market here at the weekend, I see a clear difference between how the French people walk around the market and how a Dutch consumer does that. More value is attached to origin and quality in France. Traditionally, the Frenchman is a veal eater and many French consumers have a preference for a specific breed, such as Limousin. That experience doesn't exist with the Dutch consumer.

In addition, France is the largest country in Europe after Russia and Ukraine, and that requires an organisation set up for that. The 500 veal farmers who are under contract with us are supplied from four collection centres that are well distributed across the country. About 5,000 calves from dairy farms come together at those collection centres every week, and we subsequently transport them to the veal farms in the most efficient way possible. This concerns a broad range of breeds and species in different weight categories. That has been the case traditionally and is typical of the French market. We therefore select them carefully. So, one stall is intended for black and white Holstein calves and the other stall for a mixture of French cross of meat breeds. In this way, you try to get the best possible result from a technical and economic perspective with the most uniform possible herd.

**Which opportunities are there for husbandry?**

'French calf husbandry is a shrinking market, and the current generation of veal farmers is growing older relatively speaking. Nevertheless, we added 50,000 places for calves in the period from 2016 to 2021 by actively focusing on attracting, supporting and guiding new veal farmers.



Gerjan van Drie

In the Netherlands, a new veal farmer usually has a calf shed built himself/herself and subsequently opts for an integration to collaborate

with. In France, young, starting entrepreneurs can turn to the VanDrie Group for the choice of calf shed. They can choose between two calf shed concepts, which have already been tried and tested for about eight years. We offer the veal farmer a contract and work according to agreements, as a result of which the calf shed can be written off in 15 years. The banks know our company, the contract, our types of calf sheds and if the potential new veal farmer has a good profile, the banks will provide the necessary financing. In addition, we guide the veal farmers intensively.

Our team of about 35 field staff members know the two calf shed concepts well and can therefore provide optimal support to veal farmers. Because the basis is the same at all companies, they now dream about milk preparation and ventilation protocols. This contributes towards constant improvement of the results.'

**What are your important sustainability themes in France?**

'The most important theme in France is animal welfare, followed by environment, surroundings and food safety. With our experience, we can really make a difference in France as the VanDrie Group. Our staff receive training in proper treatment of animals, of course, and our collection centres are regularly audited for compliance with all legislation and regulations.

We have a team of technical people who provide guidance at the calf sheds and fulfil a key role with regard to animal welfare. They are aware of the importance and constantly given further training.

## PROGRESS OF CSR OBJECTIVES

The two calf shed concepts are continually evaluated and adjusted. In 2021, we launched a premium concept. As a result of this, the cows in the shed, which have been built since January last year, are always on rubber grilles, softer floors. That is a major investment. We also ensure there is sufficient natural light in the shed. Though no relevant standard exists for this in French calf husbandry, our own concepts dictate that the window area must equal at least five percent of the shed's surface area. We are therefore above the national standard of three percent that applies to other animals in intensive livestock farming. At the same time, that is a focus point for existing sheds: how can we transform them sustainably without it becoming unaffordable? We are continuously in dialogue with our veal farmers about that.

I am endeavouring to bring the best ideas from the Netherlands and to make them fit and practicable in France too. For example, we follow the Dutch objectives with regard to antibiotics. France does not yet have any statutory objectives that need to be achieved. As Van Drie France, we only use antibiotics curatively and if strictly necessary. We register the use of antibiotics for each farm and each calf. As a Dutch company, we are trying to be in the vanguard in France and to organise our affairs properly. As a company, you have to lead the way there and also be insistent sometimes. That doesn't always happen automatically.'

### **How is the cooperation with your veal farmers arranged?**

'Our 500 veal farmers have joined forces as a trade union of VanDrie veal farmers in France. That is a typically French solution and strengthens mutual contact. Each region in France has its own representative and I meet with them three times a year. There is also a sector meeting in each region annually, where I present the results, new developments and objectives, including the performance on the basis of our quality system. Those meetings are instructive and constructive. We discuss what they expect from us and vice versa. And, of course, I also attend the annual general members' meeting organised by the union.'

**'The most important theme in France is animal welfare. With our experience, we can really make a difference in France as the VanDrie Group.'**

**—Gerjan van Drie**

### **How you handle the feed composition and supply?**

'The calf milk and the roughage are made by the VanDrie Group itself. The other raw materials, especially corn, are blended locally per region. That work is carried out by companies with which we have worked together well for many years. We have been purchasing our straw from our own straw factory since 2017. As a result of this, we are able to guarantee the availability and quality.'



## PROGRESS OF CSR OBJECTIVES

Traditionally, the veal farms in France are usually mixed farms. Smaller farms with 100 or 200 calves. They mainly receive their feed as bagged goods, but we are trying to switch all of the larger companies to bulk. That is a transformation. The number of smaller farms is shrinking and they are being replaced by larger operations with an average of about 400 calves. We support the veal farmers that decide to do this by paying for the required animal feed silos.

### **You are also working on animal-friendly transport, aren't you?**

'Yes, we have been working in France with the transport company Gargaud for many years and by working together with them, we came up with the idea to purchase a climate-controlled, closed truck for the transport of primarily young calves. Gargaud purchased that vehicle and we pay them a rate per calf for that. That is something new in France and is comparable to the vehicles that the VanDrie Group uses in the Netherlands. You sometimes have considerable transport distances in France and it is also often warmer. We want to set a new standard with these trucks.



I had an instruction book, which was recently developed by the VanDrie Group in the Netherlands, about animal-friendly loading, unloading and transporting translated into French. We use that now in our French organisation and with our French veal farmers. This is one of the examples how our Dutch and French organisations are strengthening each other. Conversely, if something is developed in France, this is also made available to our branches in the Netherlands.

It is genuinely important for our company to continue becoming more sustainable and continue cooperating with veal farmers. That way, you can deliver optimal performance.'



APPENDIX

### Events after balance sheet date until April 2023

Following the publication date of this report in July 2022, an announcement was made in January 2023 that the VanDrie Group had signed a declaration of intent with Exportslachterij J. Gosschalk en Zn. B.V. in Epe to acquire a majority stake. However, this agreement was dissolved in February.

Although both companies saw promising benefits in terms of synergy and opportunities to jointly shape the necessary development of Exportslachterij J. Gosschalk en Zn. B.V., recent developments have disrupted the prospects of this undertaking. An acute liquidity problem arose as a result of the bankruptcy of a Danish customer. The VanDrie Group expressed its unwillingness to provide additional financial resources prior to the approval of the competition authority and completion of due diligence around the acquisition. Exportslachterij J. Gosschalk en Zn. B.V. has subsequently taken the step of cancelling the declaration of intent.

In addition, after the publication date in July 2022, a number of important external processes, which will ultimately have an effect on the VanDrie Group's strategy and policies, were initiated. For example, in October 2022, Johan Remkes' report was published on the talks between the government, local authorities, the agricultural sector and other stakeholder organisations to re-establish an understanding, with the content and discussions about a sustainable future for agricultural entrepreneurs and rural areas being central. This report made several recommendations, such as the recommendation for an Agriculture Agreement. At the time of writing, negotiations around the Agriculture Agreement are still taking place. As part of the Stichting Brancheorganisatie Kalversector (SBK), the VanDrie Group is actively participating in the dairy farming - veal farming talks to shape the perspective for these sectors for 2040.