



VanDrie Group

CONTROLLED QUALITY VEAL

POWER OF THE CHAIN



ANNUAL CSR REPORT 2022



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Change is the only constant”

Dear reader,

Change is the only constant. This is how we might interpret the words of the Greek philosopher Heraclitus, who believed that all phenomena are characterised by constant change. He described this using the words ‘Panta Rhei’, which can be translated as ‘everything flows’. The fact that the world around us is constantly changing, that these changes are happening more and more frequently and that they more and more often seem to be accompanied by crises will not have escaped anyone’s attention.

The year 2022 was also marked by many crises: asylum, energy, climate, nitrogen and a housing crisis; in fact too many to mention. A crisis can be defined as follows: extreme – partly unexpected – changes that could lead to emergency situations in which the functioning of a system is seriously disrupted. If you let this sink in properly, it looks like our safe world is about to collapse. Unfortunately, many of the crises mentioned are also affecting our wonderful agricultural sector.

As a link within a large food production chain, the VanDrie Group is noticing the impact that all these crises are having on people working in the agricultural sector. It is an uncertain time for many entrepreneurs. The government's policy is causing many livestock farmers to have doubts about the survival of their business which, of course, also has implications for all adjacent sectors. Plans for major changes and new policies will lead to restructuring in the sector in the future. But exactly what these changes will look like is still unclear.

With all these crises and the continuing stream of policy proposals for major systemic changes, we see a clear call for the government not to lose sight of the human behind the citizen (AND farmer). Once intended changes seem to become more of a reality that is ideological or that only exists on paper or that is actually ideological, you will rapidly lose the commitment of the stakeholders that count: people working in the sector who, if they feel heard, can and want to bring about change from within.

Like many agricultural businesses, we, as the VanDrie Group, are a wonderful family business. A characteristic of family businesses is that people are actually the main focus, be they customers, suppliers, employees or entrepreneurs. Together, they ensure success and only together can they work to bring about change to face crises. No vague policy visions or transition management reports, but rather all those people with their boots on the ground and the dedication of employees make it possible – even in times of crisis – to do business responsibly.

We are therefore continuing to lead the way, especially now, and are improving ourselves every day. In 2022, the dairy and veal farming sector's routeplan 'Goede zorg voor het kalf' ('Good care for the calf' road map) was launched, to which we made a significant contribution as a partner. Increased cooperation within the chain is helping improve animal health and welfare. For example,



a project has been launched in collaboration with professionals from across the chain in which the health status of the calf acts as a guide when determining what steps are taken at what time. This is expected to further reduce the burden of disease and use of antibiotics.

It is on this basis that I would like to thank our customers, suppliers and partners for the pleasant cooperation with the VanDrie Group in 2022. A special thanks goes to my colleagues who have contributed significantly to the success of the VanDrie Group. Together, we will continue to consolidate the presence of our wonderful family business based on a foundation of trust so that people can take responsibility and thereby contribute towards changes that matter. Change is common to all eras, but by working together, we can influence how change occurs.

Panta Rhei, everything flows.

I hope you enjoy reading this report!

Ruth Bouwstra

Director Corporate Quality

14 July 2023

***‘With all these crises
and the continuing
stream of policy
proposals for major
systemic changes,
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(and farmer).’***

Questions or comments can be sent to contact@vandriegrup.com.



KEY RESULTS 2022

OUR ORGANISATION



± 2.620
TOTAL NUMBER
OF EMPLOYEES

DISTRIBUTION OF EMPLOYEES PER COUNTRY PER CHAIN LINK

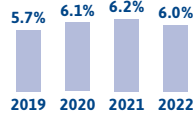
NL	Veal processing companies	34.5%
	Feed	12.6%
	Calf skins	1.3%
	Other	4.5%
BE	Other	0.5%
FR	Veal processing companies	34.8%
	Other	0.3%
IT	Feed	8.3%
	Other	1.9%
DE	Feed	0.04%
	Other	1.2%



± 1.100
VEAL
FARMERS



ABSENTEEISM



AGENCY WORKERS



± 1.730

♂ 76% MALE ♀ 24% FEMALE

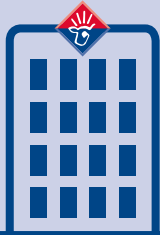


45,4
AVERAGE AGE

11,35

AVERAGE NUMBER OF
YEARS OF EMPLOYMENT

BRANCHES



THE NETHERLANDS
BELGIUM
FRANCE
ITALY
GERMANY



ORIGIN OF CALVES INTEGRATED INTO THE COMPANY:

60% FROM THE NETHERLANDS
28% FROM GERMANY
12% OTHER EU MEMBER STATES

EUROPEAN MARKET SHARE OF THE VANDRIE GROUP

±28%



VEAL SALES FROM THE NETHERLANDS

8% THE NETHERLANDS • 24% ITALY • 21% GERMANY •
15% FRANCE • 26% REST OF EUROPE • 6% OUTSIDE EUROPE

NUMBER OF EXTERNAL AUDITS: 152 NUMBER OF RECALLS 2022: 12

OUR PRODUCTS

± 120.000



CATTLE

**± 1,5
MILLION**



CALVES

**± 275.000
TONNES**



**RAW DAIRY
MATERIALS
(FOOD & FEED)**

**± 420.000
TONNES**



**CALF MILK
POWDER**

**± 480.000
TONNES**

MUESLI



**± 200.000
TONNES**



**RAW DAIRY
MATERIALS TRADE**



± 1,3

**MILLION
CALF SKINS**

FINANCIAL RESULTS

2021*

TURNOVER	± 2.75 BILLION EURO
NET PROFIT	± 130 MILLION EURO
NET PROFIT MARGIN	± 4.7 %
EQUITY CAPITAL	988.5 MILLION EURO

* 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 2021.

CONSUMPTION

	2020	2021	2022
ENERGY CONSUMPTION			
KWH PER CALF SLAUGHTERED	47,86	47,59	46,950
KWH PER TONNE OF CALF FEED	27,5	27,09	27,046
WATER CONSUMPTION			
M ³ PER CALF SLAUGHTERED	0,80	0,75	0,78
M ³ PER TONNE OF CALF FEED	0,20	0,18	0,18
GAS CONSUMPTION			
M ³ PER CALF SLAUGHTERED	1,72	1,82	1,51
M ³ PER TONNE OF CALF FEED	1,35	1,58	1,46

* You can read more about the scope of both indicators in our scope.



ABOUT VANDRIE GROUP

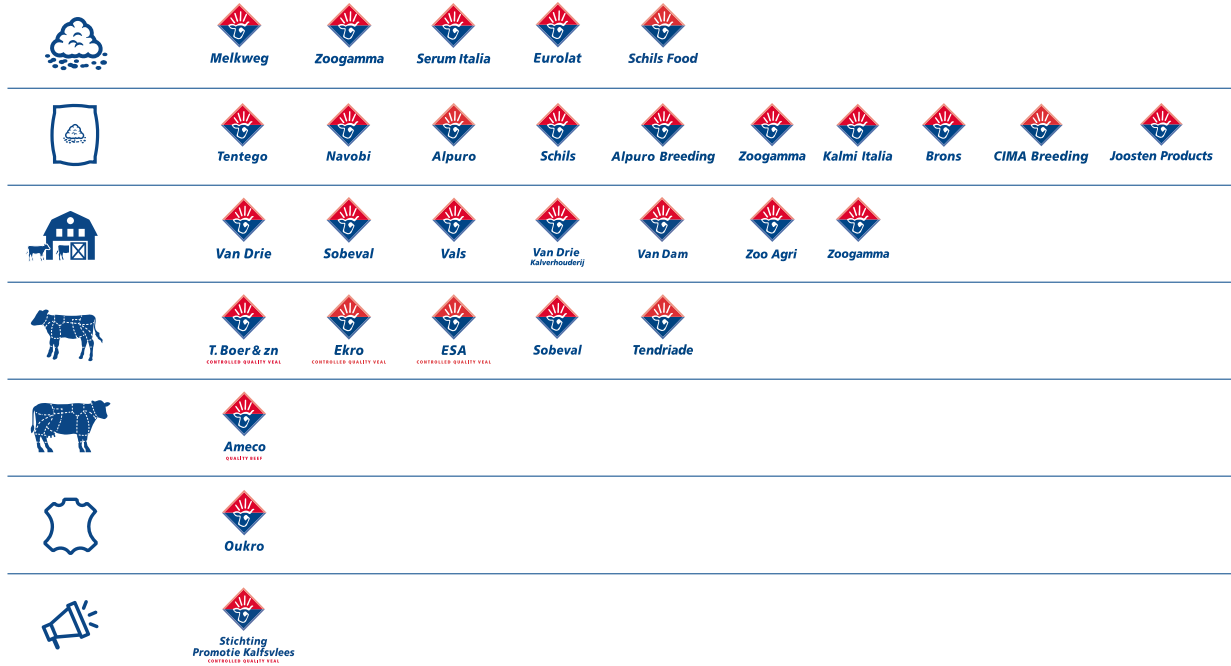
VanDrie Group
CONTROLLED QUALITY VEAL

WHO ARE WE?

The VanDrie Group is a Dutch family business with 60 years of history. In the early 1960s, Jan van Drie senior bought his first calf from a dairy farmer. His choice proved to be successful. Soon, it was joined by more calves that dairy farmers did not make use of as a replacement for their own dairy herd. In the years that followed, Jan van Drie senior's activities expanded to become the VanDrie Group as we know it today.

29 companies

The VanDrie Group's holding company currently includes 29 main subsidiaries with branches in the Netherlands, Belgium, France, Italy and Germany. Its head office is located in Mijdrecht (NL). The VanDrie Group turns over €2.754 billion annually. In 2022, around 4.350 employees were working for the VanDrie Group, some of whom were agency workers.



Chain integration

Raising calves is now no longer the VanDrie Group's only activity. Today, the work is characterised by chain integration: the VanDrie Group controls all links of production. Its subsidiaries produce veal and beef, animal feed, dairy raw materials and calf skins. Other key activities include trading in dairy products for industrial use and advising dairy farmers on rearing their calves.

'Raising calves is now no longer the VanDrie Group's only activity. Today, the work is characterised by chain integration.'



	RAW DAIRY MATERIALS	ANIMAL FEED	HUSBANDRY	VEAL	BEEF	SKINS
PRODUCTS	Whey powder concentrates (WPC) and other whey derivatives suitable for food and feed, and trade therein.	Calf milk, muesli, feeds for piglets, lambs, sows, poultry and calves for rearing, whey fat cores	Specialist guidance for veal farmers	Meat and by-products	Meat and by-products	Calf skins
MAIN PARTICIPATING INTERESTS	Eurolat, Zoogamma, Serum Italia, Schils Food, Melkweg	Zoogamma, Schils, Bronze, Tentego, Alpuro, Navobi, Alpuro Breeding, Cima Breeding	Van Dam, Van Drie calf husbandry, Van Drie France, Van Drie	Tendriade, Sobeval, ESA, Ekro, T. Boer & zn	Ameco	Oukro
BUSINESS OPERATIONS IN COUNTRIES	Netherlands, Germany, Italy	Netherlands, Italy	Netherlands, Belgium, France, Italy	Netherlands, France	The Netherlands	The Netherlands
BRANDS	Under own brand name or private label	Under own brand name or private label	N/A	VanDrie Quality Veal, Vitender, Friander, Tendriade, Finesse de Veau, Joviander, Jan, Peter's Farm	Ameco, Premium select, Superior select	N/A
CUSTOMERS	Food manufacturers, dairy producers and importers of dairy products	Own integration, livestock farmers	Veal farmers	Wholesale, retail, supermarkets, butchers, hotels, restaurants, cruise liners, caterers, industry, pharmaceutical companies and the institutional market	Wholesale, retail, foodservice, processing	Tanneries, producers of leather goods
MAIN SALES REGIONS	Europe, Africa, Middle East	Europe	Netherlands, Belgium, Italy and France	Germany, France and Italy	Netherlands, Germany, Spain	Italy, France, China
EMPLOYEES (EXCL. AGENCY EMPLOYEES)	99	549	119	1744	73	33



	2021	2020	2019
TURNOVER	€ 2.754 BILLION	€ 2.316 BILLION	€ 2.397 BILLION
RESULT	€ 130.5 MILLION	€ 74.8 MILLION	€ 77.3 MILLION
MARGIN	4.7%	3.2%	3.2%
DISTRIBUTION OF TURNOVER	NL: 13.1% EU (EXCL. NL): 68% OUTSIDE THE EU: 18.1%		
EQUITY	€ 988.5 MILLION		

Management

The Van Drie family retains full ownership of the company to this day. The management board of the VanDrie Group is made up of ten people, consisting of the three shareholders supplemented by delegates from the various subsidiaries and the quality and corporate affairs departments. Chaired by the managing director, the management board develops the company's strategy and makes decisions on general group matters. The focus is on creating long-term value. Within the decision-making process, consideration is given to both the economic, as well as social and environmental, impacts of decisions. The management board is ultimately responsible for actions and decisions within the VanDrie Group and approves external reporting on the company's policies. All members of the management board were appointed for an indefinite period.

In addition to the management board, the VanDrie Group has several other executive committees including the management, operational and quality and assurance teams for each company or link within the chain. The company has no supervisory or advisory bodies. The GRI list contains more information on the role and interpretation of the VanDrie Group's management.

EUROPEAN MARKET SHARE

±28%

CONTRIBUTION TO WAGES, SALARIES AND SOCIAL INSURANCE CONTRIBUTIONS 2021

€ 229.7 MILLION

GENDER DIVERSITY

GENDER DIVERSITY WITHIN GENERAL MANAGEMENT

20%

GENDER DIVERSITY TOTAL ORGANISATION

28%

OUR MISSION AND AMBITIONS

The VanDrie Group is all about its unique chain. This is where we make our quality products: veal and beef, animal feed, dairy raw materials and calf skins. As a leading company in the Dutch animal protein chain, we believe we should contribute to making livestock farming more sustainable. We therefore strive to achieve long-term value for our customers, while acting responsibly towards our planet and society. In doing so, we seek cooperation with our stakeholders.

Our mission is as follows:

Creating maximum customer value through the chain while taking responsibility for our people and the impact on animals and climate.

Innovation is a key driver for us. We firmly believe that through innovations, the chain is improving sustainably and that by facilitating those improvements, we can still achieve a lot of value for our subsidiaries and the farmers we work with.

Our ambitions

We see that there are enough challenges when it comes to keeping our company and business model financially agile and greener. Our negative impact needs to be smaller. Based on our mission, we want to continue the VanDrie Group's operations in a responsible and sustainable way. Our ambitions are:

- ✦ to strengthen our market position and continue to raise awareness of our high-quality products worldwide;
- ✦ to innovate to make our supply chain more sustainable;
- ✦ to engage in long-term partnerships to drive change.

Our ambitions are in line with various Sustainable Development Goals (SDGs) of the United Nations.



ZERO HUNGER

We want to produce our food in a sustainable way. To feed the world's growing population, food must be produced more efficiently, without damaging ecosystems. We need to develop 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 add value in all countries in which our companies are located.



INDUSTRY, INNOVATION AND INFRASTRUCTURE

We want to be a resilient company. We need technological progress to achieve climate goals. We are investing in technological development, research and innovation. We do this partly through R&D investments and deployment.



RESPONSIBLE PRODUCTION AND CONSUMPTION

We make our products under the motto 'produce 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 CO₂ emissions. We want to raise awareness for climate action, in every link of our chain.



OUR VALUE CHAIN

The VanDrie Group adds value in its chain by using inputs to make high-quality products that add value for its stakeholders. In the long term, the VanDrie Group wants to contribute to the SDGs that are important to it. Important values, which are part of everything the VanDrie Group does, include commitment, responsibility, an eye for quality and staying one step ahead.

INPUT



HUMAN CAPITAL

There are 4,350 employees working at our company. This comprises 2,620 employees under contract and 1,730 agency employees.



PRODUCTION FACILITIES AND INFRASTRUCTURE

We have a total of 22 production sites and 31 office facilities. We collaborate with 1,100 veal farmers.



NATURAL RAW MATERIALS

We use 276 million kWh of electricity, 80 million m3 of gas and 4 million m3 of water in our production process.



ANIMALS

In producing meat, animals are the 'capital' used.



SCIENTIFIC KNOWLEDGE

Via R&D knowledge, craftsmanship and innovation are brought in..



SOCIAL CAPITAL

Suppliers, business partners and other stakeholders.



FINANCIAL CAPITAL



STRATEGIC THEMES



OUR MARKET POSITION



SUSTAINABILITY



ANIMAL HEALTH AND WELFARE



FOOD SAFETY



GOOD EMPLOYMENT PRACTICES



OUTPUT

[TAKE A LOOK AT OUR BUSINESS MODEL HERE](#)



DAIRY RAW MATERIALS

275,000 tonnes produced
230,000 tonnes traded



ANIMAL FEED PRODUCTION

420,000 tonnes of calf milk
480,000 tonnes of muesli



CALF HUSBANDRY

1.5 million calves included in our integration



VEAL PRODUCTION

230,000 tonnes of veal



BEEF PRODUCTION

39,000 tonnes of beef



CALF SKINS

1.3 million calf skins processed



MARKETING AND PROMOTION

+/- 450 million consumers reached



OUTCOMES

SHORT TERM

CUSTOMERS

High-quality products.

EMPLOYEES

Commitment, good training opportunities and working conditions.

FINANCIERS

Stable risk-return and development impact.

SUPPLIERS, BUSINESS PARTNERS

Turnover and other financial conditions.

LONG TERM



OUR VALUE CHAIN: BUSINESSMODEL



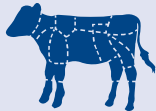
DAIRY RAW MATERIALS

We make dairy raw materials ourselves and trade in them. This is realised by Melkweg (NL), Zoogamma (IT), Serum Italia (IT), Eurolat (DE) and Schils Food (NL). These dairy raw materials (such as low-fat milk powder, whey fats and WPC) are used in all kinds of food and beverage applications. Examples include milk drinks, yoghurts, desserts, ice cream, confectionery, baked goods and sports food. The products largely go to dairy producers, food producers and importers of dairy products.



ANIMAL FEED PRODUCTION

Tentego (NL), Navobi (NL), Alpuro (NL), Schils (NL), Brons (NL), Alpuro Breeding (NL), Zoogamma (IT) and Kalmi Italia (IT) make and trade in animal feed. We make many different types: in addition to calf milk, muesli and concentrated feed, products are also made for lambs, sows, piglets and poultry. The products are sold under our brand name and private labels and go to both our own veal/livestock farmers within the VanDrie Group and third parties.



CALF HUSBANDRY

Van Drie B.V. (NL), Van Dam (NL), Sobeval (FR), Schils France (FR), Vals (FR) and Van Drie Calf Husbandry (BE) are responsible for the acquisition and selection of calves. The organisation provides veal farmers with support from our own specialists and regional managers in the areas of animal healthcare, feeding and management.



VEAL PRODUCTION

T. Boer & zn (NL), Ekro (NL), ESA (NL), Sobeval (FR) and Tendriade (FR) make veal. France, Italy and Germany are the largest sales markets for veal. We sell veal products to (meat) wholesalers, retailers, supermarkets, butchers, hotels, restaurants, cruise liners, caterers, industry, pharmaceutical companies and the institutional market. We use the following (brand) concepts for veal: VanDrie Controlled Quality Veal, Peter's Farm, Vitender and Friander. Finesse de Veau and Tendriade are the brands found on the shelves in France. In addition, we have two convenience lines: JAN and Gourmet.



BEEF PRODUCTION

Ameco (NL) produces beef. The company focuses on traditional Dutch dual-purpose dairy cattle. The beef products go to the retail, catering and food service industries.



CALF SKINS

Oukro (NL) processes calf skins. The majority of those calf skins go to Italy. The calf skins then make their way to tanneries and shoe, bag and clothing manufacturers.



MARKETING AND PROMOTION

We carry out the marketing and promotion of our products ourselves via the Veal Promotion Foundation (Stichting Promotie Kalfsvlees, SPK) (NL).



INTERVIEW SDG 12: ERIK VAN DRONKELAAR

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



IN CONVERSATION WITH...
ERIK VAN DRONKELAAR, VEAL FARMER

‘JUST LOOK AROUND, ALL SORTS OF THINGS ARE GROWING AND BLOOMING HERE. IT IS BEAUTIFUL HERE.’

In 2003, Erik van Dronkelaar and his wife Saskia took over his parents’ mixed farm with calves, laying hens and fattening pigs. After a tough start – the farm was hit by bird flu – Erik and Saskia decided to stop keeping chickens and pigs after two years and keep only calves.

There are now four stalls on the farm. A flock of merino sheep also roams the farmyard and the couple grows walnuts and elephant grass, among other things. We engage in conversation about responsible production.

Are you consciously engaged in responsible production?

“I certainly am. I believe in open and honest business operations. As a veal farmer, you have little direct contact with the consumer, but I try to achieve that. That is why I have set up a roadside farm vending machine with a neighbour. It contains the neighbours’ eggs and

our frozen veal. It’s a great way to come into contact with the general public. Veal is hardly sold here in the Netherlands, even though it is such a beautiful product. We should have much greater pride in our own Dutch products and by that, I don’t just mean veal. The supermarket shelves are full of products sourced from abroad. But what’s wrong with Dutch apples and pears? I sometimes miss that appreciation.”

“Veal is hardly sold here in the Netherlands, even though it is such a beautiful product.”

At the time of the interview, the farm is extremely quiet and no calf in sight. Why is that?

Erik: “We work according to the principle of ‘all in, all out’. This means all the calves we have are the same age. We get them when they are two weeks old and they subsequently stay here for 27 weeks. Then the entire herd leaves in one go for the VanDrie Group’s meat production plants. That happened just a short time ago, so the stalls are now completely empty. It actually gives me the opportunity to clean everything properly. During this time, I also always get the pest controller to come, because no matter how well you keep everything clean, there will always be mice. It is important not only to keep those rodents out because of the risk of barn fires, but also to prevent the transmission of diseases.”

How do you make sure the calves you deliver are healthy and of optimal quality?

“Hygienic and protocol-based work practices are very important. We pay close attention to that. This allows us to detect and tackle diseases at the earliest possible stage. If you only intervene even half a day later, the animal is already a lot sicker and the likelihood of the infection spreading is considerably higher. You want to avoid that.”

What method do you use to feed the calves?

“I work in a very structured way. The calves are given calf milk twice a day, always at the same time. In the morning, I switch on the dispenser at 05.30 and again at 15.30 in the afternoon. I check that the milk mixture is right and that the temperature is correct. If all that is in order, you are pretty much home and dry. I also keep track of how long the animals drink because you have to watch out for overfeeding. A calf will drink everything you put in front of it; only later will it suffer. For roughage, I have an automatic filling system. That works great and it takes a lot of work off my hands. It also produces hardly any mess, and the shed remains mess-free. We feed water into the trough through the milk pipes. That means that the nipples and so on don't then need to be cleaned. For me, that's the ideal solution.”

***“For roughage, I have
an automatic filling system.
That works great and it takes a lot
of work off my hands.”***

How do you approach the use of medication?

“In calf husbandry, there's a lot of discussion regarding the use of medication. We are constantly being urged to reduce the quantity of medication we administer. We are certainly trying to do that and we

have already reduced it considerably. Everything depends on what you start out with. In our case, the starting point is the calves supplied to us from the dairy farm. If the animals are given the right start there, it helps us as veal farmers to reduce the use of medication even further.”

What role does livestock shed ventilation play in calf health?

“Proper ventilation is essential for animal health. We have several ventilation systems in our stalls, but we still don't really know what works best. Our newest shed was built in 2018 and we consciously put a lot of thought into how it is ventilated. But remarkably, in the last round, the calves that were housed in the old 1970s shed actually did best. We receive over eighteen hundred calves per round, which in turn come from over a thousand different farmers. We always get to see the slaughter results, including the colour and the fat content, and it's still a surprise every time when we see which calves from which shed have done best.”

A few years ago, you and two fellow farmers founded Veal Solutions. What is that?

“Veal Solutions actually originated as a kind of joke. I had joined two other veal farmers – William Roemburg from Zwartebroek and Marco van Hamersveld from Nijkerk – on an excursion to a leather tannery. At the tannery, they had discovered a problem: after tanning, they found holes in the calf skins and had no idea what caused them. The only thing we could think was that the holes must be caused by biting stable flies. But that was actually far too simple, wasn't it? We

investigated this in our own stalls and it did in fact turn out to be due to those flies. The tanners were very happy with this answer and from then on we were used more often to provide practical solutions. We were jokingly called Team Veal Solutions.”



What else have you done as Team Veal Solutions?

“Among other things, we have been working on adding bacterial cultures to manure to reduce methane and ammonia emissions. An interesting topic, but in the meantime, the collaboration between the three of us has come to an end. On your own, it is unfortunately not possible to achieve solutions with regard to manure.”

Another topic: energy. How are electricity and heating regulated at your place?

“We are entirely self-sufficient and no longer use any gas whatsoever. Ten years ago, we bought our first solar panels and on the new barn we built in 2018, we also installed panels immediately. We have also had a biomass boiler for 15 years. With this, we heat everything, both the hot water needed for the milk and for our own home. For fuel, we partly use wood chips that I try to obtain nearby and partly elephant grass.”

Elephant grass?

Please would you explain that?

“In this region, the main crops that are grown are grass and maize. We also used to grow maize. First, we grew it as feed for our own calves and later on as commercial maize. However, the ground here is very low-lying, so it’s always wet. As a result, the land was almost impassable. I had had enough of that, so we started looking for other options. We ended up with elephant grass, a reed-like crop. We planted 3.25 hectares of it. It took three years for it to become a mature crop, but now



we hardly have to do anything with it. We cut it at the end of April and then we store it and use it as fuel. But elephant grass has other benefits. It absorbs much more CO₂ than grass, maize or forest, for example. Another nice aspect is that it attracts wildlife. Since we’ve cultivated elephant grass, I see a lot more deer and pheasants walking around. That’s very nice to see.”

“Elephant grass has other benefits.

It absorbs much more CO₂ than grass, maize or forest, for example.”

Growing elephant grass is not the only thing besides calf husbandry.

“That’s right. For example, we also have a flock of merino sheep roaming here. These provide beautiful, long wool from which clothes are made here in the Netherlands. We also have a large number of walnut trees, several fruit trees, a series of pollard willows and a plot of winter food plot for the birds. Around our land we have flower borders, totalling one hectare. You sometimes hear people say that farmland is so barren and monotonous. That’s really not the case here. Take a look around you. All sorts of things are growing and flourishing here. It’s an absolutely beautiful sight.”

OUR STRATEGY

The VanDrie Group is a Dutch family business that has grown into a unique chain with inspired innovation and a great sense of responsibility. As a chain coordinator, we want to meet the highest standards and lead the industry. We also want to create value, for our customers, the farmers we work with and society. We utilise the strength of our chain by focusing 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 constantly looking for new markets or sales channels where we can add 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. That 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 society's growing global focus on 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. We look for ways, both on our own and in cooperation with dairy and veal farmers and knowledge partners, to improve general animal health and to reduce animal diseases. As a result of this, we can further reduce the use of antibiotics in our chain.



FOOD SAFETY

Although it sometimes appears self-evident, feed and food safety form an extremely important strategic pillar for us as a producer. We are continuing to invest in quality assurance to guarantee that safety.



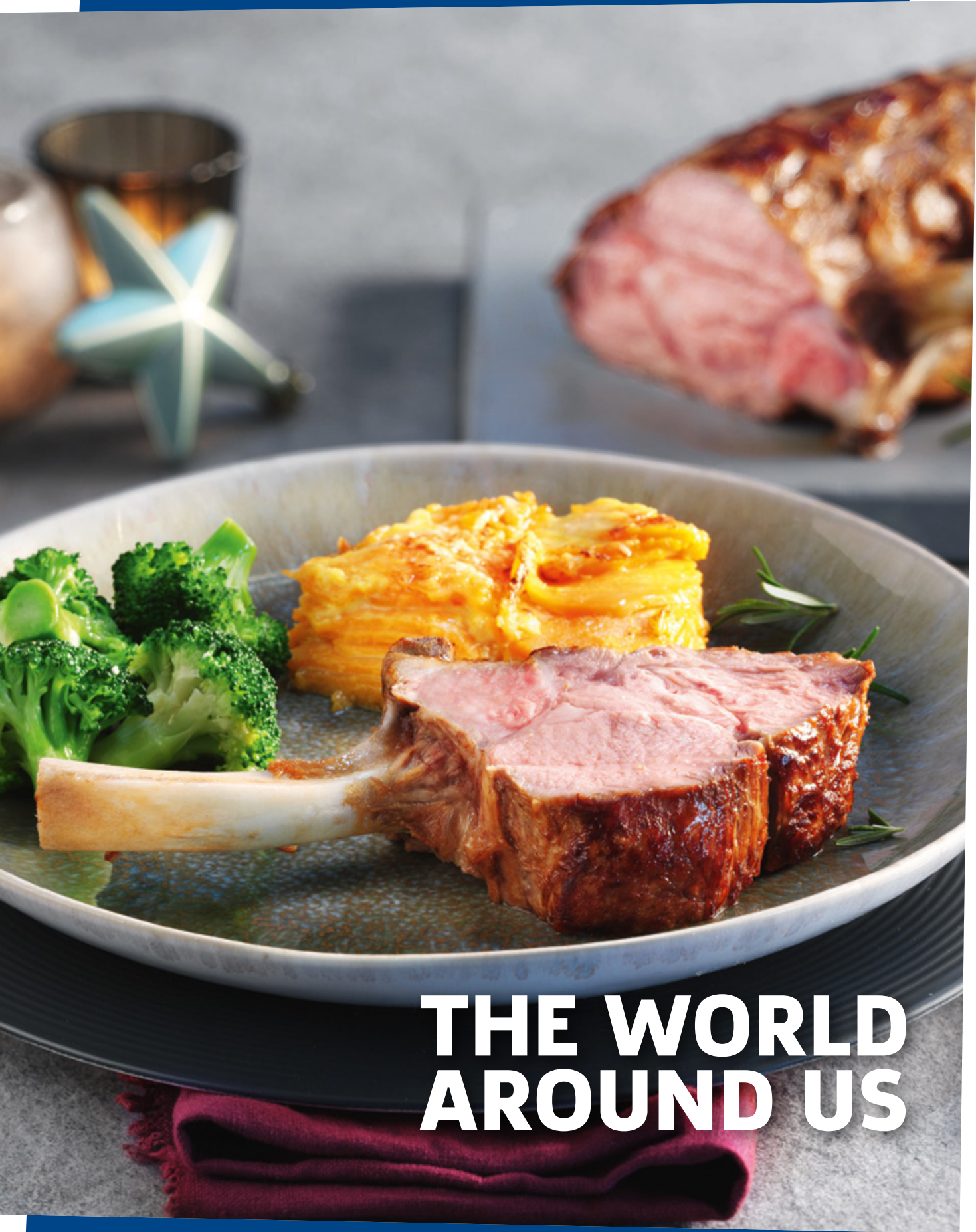
Our unique quality system known as Safety Guard helps to guarantee the highest standards in terms of food safety within all production links. For example, this system monitors public and private standards and the tracking & tracing of raw materials and products. We can therefore deliver high-quality, safe and nutritious protein-rich products that customers expect from us. This reduces risks of food safety violations and we proactively remain at the cutting edge of developments.

GOOD EMPLOYMENT PRACTICES

Our employees are very dear to us. We want to offer an inclusive workplace. We believe it is important that our employees have 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 limited to the people who have a permanent employment contract with the VanDrie Group. We also want temporary workers to feel at home within the VanDrie Group.



THE WORLD AROUND US

TRENDS AND DEVELOPMENTS

THE KEY TO FUTURE SUCCESS

As a company, we are at the heart of society. Developments in the food sector, in European livestock farming and in society require us to anticipate what is happening around us. That is the only way that we can remain successful and properly meet the social challenges we are faced with as a company. That is the key to future success.

We can see that the food system within which we operate is facing three challenges – ensuring food security for a growing global population, providing farmers and others working in the food chain with a decent livelihood and improving the environmental sustainability of the sector.



THE GLOBAL POPULATION IS GROWING. MORE FOOD IS NEEDED, BUT THE PRICE OF FOOD IS RISING.



A GOOD INCOME FOR FARMERS AND WORKERS IN THE FOOD CHAIN IS ESSENTIAL



FOOD PRODUCTION IS RUNNING INTO ENVIRONMENTAL USE LIMITS.



THE IMPACT FOR THE VANDRIE GROUP

THE GLOBAL POPULATION IS GROWING. MORE FOOD IS NEEDED, BUT THE PRICE OF FOOD IS RISING.

The global population is expected to reach 9.8 billion by 2050. This means that there will be many more mouths to feed in a relatively short time from now. Population growth is leading to a 1.4 per cent annual growth in global food consumption, according to the Organisation for Economic Cooperation and Development (OECD) and the Food and Agriculture Organization of the United Nations (FAO).

In 2022, food prices rose sharply worldwide, which was largely caused by the war in Ukraine. The price of food increased by nearly 16 per cent in the past year and an imminent price drop is far from certain, despite the declining prices of agricultural commodities. According to the World Bank, food prices will remain historically high until at least the end of 2024. Dairy and meat are high on the list of products with the steepest price increases. In addition to increased commodity prices, increased demand plays a role here, combined with effects of drought in various countries.

Major differences in use of animal products worldwide

If food turns out to be unaffordable and unattainable, food security is not a given. Price and accessibility have a reinforcing effect on the level of malnutrition in the world. There are major differences in the use of animal products worldwide, varying from overconsumption to considerable protein deficiencies. The FAO states that 828 million people suffer from hunger every day. In contrast, the number of people who are obese is over 670 million.

These major differences pose a challenge in terms of better distribution when it comes to the issue of food. On a global scale, we need to move towards a more circular, moderate animal protein consumption that is in keeping with a healthy lifestyle. This certainly applies to consumption in the West, where the vast majority of the VanDrie Group's sales take place.

The EU indicates in Agricultural Outlook 2022 - 2032 that meat consumption in the EU will decrease by 2.2 per cent in 2032 compared to 2022 and that this decrease is also accompanied by a change in the consumption pattern from red meat (beef, veal, pork) to white meat (poultry).

A GOOD INCOME FOR FARMERS AND WORKERS IN THE FOOD CHAIN IS ESSENTIAL.

Research shows that there a disproportionate profit is not being made anywhere in the chain: each link in the food chain, from farmer to supermarket, has a total net margin of around 3 per cent. Missing Reference The Netherlands has relatively high prices for land and labour and the agricultural sector here is capital-intensive. As in an increasing number of other sectors, more and more competition is coming from abroad, where production prices and/or environmental requirements are often lower.

Compared to their counterparts in other Member States, farmers in the Netherlands are more market-oriented. This results in an above-average income per year worked compared to the rest of Europe. However, fluctuations in income and profitability have traditionally been high on farms. This is partly due to the development of the level of revenues and costs.

There are also major differences in revenues between agricultural businesses. These depend on the chosen market strategy, contracts with customers, company size and set-up, professionalism and management qualities. External events can also have considerable impact. The war in Ukraine is having a major impact on costs such as energy, and the coronavirus outbreak in 2020 and 2021 caused a significant drop in occupancy levels and demand in the veal sector.

Pressure on the labour market

Pressure on the labour market is tangible at processing companies in the food chain. It is difficult to fill vacancies. The total number of employees in the meat processing and wholesale meat industry as a whole increased from 36,100 to 37,400 between 2006 and 2020. The proportion of migrant workers rose from an average of 27 per cent to 37 per cent over the same period. To remain attractive to employees compared to other sectors, employment conditions must move with the times.

A good income for farmers and workers in the food chain is essential, as the new generation of farmers and food producers must steer a course towards modernised production methods in order to meet new requirements regarding environmental sustainability and animal welfare. Without large-scale investment, endurance capacity and sufficient labour capacity, they do not succeed.

FOOD PRODUCTION IS RUNNING INTO ENVIRONMENTAL USE LIMITS.

With the growing demand for food, the demand for natural raw materials is also increasing. Land, water, phosphate and fossil resources are consequently becoming increasingly scarce. However, the impact of increasing food production is also significant: food production, for example, accounts for 26 per cent of global greenhouse gas emissions.

Half of the world's habitable land – land that is ice-free and desert-free – is used for agriculture. Food production must take place without causing irreparable damage to nature. To this end, concrete agreements and policies have been made on a global scale in recent years.

On course towards circular agriculture

In the 2015 Paris Agreement, 195 countries, including the countries in which the VanDrie Group operates, agreed to limit the rise in average global temperatures to well below 2 degrees Celsius by 2050, and 1.5 degrees Celsius where possible. In addition, the Glasgow Climate Change Conference (COP26) in 2021 made concrete commitments to slow down climate change. These include a decision to halt and reverse deforestation by 2030, and to reduce global methane emissions by 30 per cent compared to 2020 by 2030.

In the Netherlands, there are very specific initiatives have been enacted in order to reduce nitrogen emissions, improve biodiversity and restore water quality. The course towards circular agriculture is irreversible. Farmers and companies within the chain will therefore be obliged to make large-scale improvements. Making agriculture more sustainable, as well as making industry more sustainable, the housing and mobility target, and the energy transition are putting a strain on the scarce space in the Netherlands and the government's investment agenda. These important and sometimes conflicting themes and interests have a major impact on the VanDrie Group and its operations.

CONCLUSION / SUMMARY

THE IMPACT FOR THE VANDRIE GROUP

The three challenges when creating a sustainable food system – namely food security, a decent livelihood in the chain and improving environmental sustainability – include technological, political, social and economic elements that strongly influence the VanDrie Group's strategy.

Technology

The VanDrie Group needs to make great strides to make its operation and associated processes carbon neutral and minimise nitrogen emissions. The entire footprint of the value chain needs to be aligned with the global climate change mitigation goal.

- ✿ Short-term implications: there needs to be investment in innovation with regard to stall systems, circular animal feed and the supply chain
- ✿ Long-term implications: getting to zero emissions involves costs and requires continued commitment

Politics

In the coming years, the VanDrie Group is expecting to see significant political interventions in order to stimulate the protein transition, to tax activities that impose pressure on the environment and to improve the revenue model in the chain. Secure government regulation on these issues is seen as inevitable.

- ✿ Short-term implications: reduced margin across the value chain, as achieving a surplus value price from consumers is not expected
- ✿ Long-term implications: challenges for a fair distribution of costs across the chain and incorporating true cost-price principle into the VanDrie Group's business model

Social

The VanDrie Group sees a dilemma emerging, now that food prices and inflation are high, access to nutritious protein-rich products has become more difficult for various income groups and there is a desire to factor certain social costs of food production into the price of consumer products.

The VanDrie Group also expects further regulation on the employment of temporary workers.

- ✿ Short-term implications: higher costs not only in the case of contributions to social costs, but also with regard to wage and pension contributions. Less flexibility in hiring employees and an increased necessity to build accommodation for those employees
- ✿ Long-term implications: continued urgency to reduce chain cost price. Increasing need for robotisation to address labour shortages and ultimately reduce labour costs in a systematic way

Economic

As a result of declining animal protein consumption in Western markets, a transition to more white meat and in expectation of significant government measures, the production and sales market for the VanDrie Group will shrink.

- ✿ Short-term implications: elaboration of plans. The VanDrie Group estimates that in the short and medium term, a contraction of 12.5 to 15 per cent in the number of places for calves in the Netherlands is realistic. This will potentially put pressure on the company's bottom line if there is insufficient focus on creating value in the chain
- ✿ Long-term implications: due to an ageing population and government measures, further contraction cannot be ruled out

In the chapters entitled [Strategy](#) and [Our Results](#), you can read more about how we are responding to these influencing elements.

INTERVIEW SDG 13: ELTJO BETHLEHEM



IN CONVERSATION WITH... ELTJO BETHLEHEM,
BUSINESS MANAGER OF THE CALF EXPERTISE CENTRE

‘THE CALF EXPERTISE CENTRE IS COMMITTED TO MAKE A SUBSTANTIAL CONTRIBUTION TO INNOVATION IN CALF FARMING.’

In September 2022, the Calf Expertise Centre (CEC) was established on the initiative of the Dutch Veal Industry Association (SBK). Based in Barneveld, the CEC brings together industry organisations, business, government and various knowledge institutions from the veal sector. They pool their knowledge and expertise to facilitate and encourage projects around the themes of environment, manure and ammonia. Eltjo Bethlehem is business manager of the CEC.

Eltjo, what prompted the creation of the CEC?

Eltjo: “During the coronavirus period, calf husbandry was hit quite hard, veal sales stagnated and revenues for the veal farmer dropped. There was no scheme to compensate veal farmers, however. The municipality of Barneveld home to a significant number of veal farmers, wanted to do something for these veal farmers. Several representatives from the veal sector put their heads together in 2021 and discussed how to help veal farmers. One of the proposals was to set up an independent knowledge centre to carry out research into reducing emissions and address environmental issues. That culminated a year later in the Calf Expertise Centre.”

What does the CEC do?

“The CEC broadly consists of two parts. First, we provide permanent support to veal farmers. Among other things, we have a phone number that anyone can call with their questions. An innovation broker helps companies that want to innovate and supports them in applying for subsidies or finding the right parties to put ideas into practice. We are also involved in several projects. These are projects we are launching ourselves, as well as ongoing cases. The substantive focus is on the environment, manure and ammonia. Three quarters of the projects are related to these focus areas. The rest, for example, relate to the transfer of calves from dairy farmers to veal farmers.”

One of your ongoing projects is the KISS project. What does that entail?

‘KISS’ stands for Keep It Simple & Smart. Collecting manure and urine in low ammonia liquid returned from calf digesters reduces ammonia emissions from the barn by 50 per

cent or more. This needs to be proven in practice. As CEC, we have a committed, central role in this project. We update the plan if necessary and ensure that the various parties, such as veal farmers, industry and government, remain involved.”

‘Collecting manure and urine in low ammonia liquid reduces ammonia emissions from the barn by 50 per cent or more.’



What other projects concerning ammonia emissions are you involved in?

“We are also involved in some projects around separating manure and urine to prevent ammonia formation that way. The manure granulation system is one example. In pig farming, this system, which can also be applied by converting existing stalls, has already been extensively tested. It actually works well in that sector and offers a lot of

potential, but it cannot be adopted one-to-one in calf husbandry. While the basic principles are the same, the practical implementation is not. The livestock housing differs too much for that.

The VanDrie Group is one of the parties involved in both projects. After the measuring and testing phase comes the accreditation process and it is necessary to demonstrate that the systems are widely applicable and also affordable. If you are very optimistic, this can be achieved in a year and a half, but in practice you always run into unexpected things. Three years may therefore be a more realistic timeframe.”

The CEC’s projects all follow a certain pattern.

What does that look like?

“It always starts with signalling developments, including through the SBK. Next, it’s about listening carefully: what exactly is the problem? We then look at whether a similar problem already exists elsewhere in the Netherlands or abroad and how it is dealt with there. Can we adopt or combine things? So, we don’t do things twice if we can avoid it. If there is still no solution, we will start bringing together the parties needed in order to achieve

“The first step always involves identifying developments.

Next, it’s about listening carefully: what exactly is the problem?”

the goal. The action plan then consists of three steps. First, we will look for a suitable testing environment, a livestock shed in which we are able to test and measure. To do this, we approach not just one, but usually several veal farmers. The second step involves the research institute or organisation that will work with the measurements and the measurement results. Finally, we report to the TAP, the Technical Advisory Pool of the Netherlands Enterprise Agency (RVO), to arrange the accreditation.”

What do you think needs to be done to achieve sustainable calf husbandry and what is the CEC’s role in this?

“Reducing emissions is now way up there in terms of topicality. As far as I am concerned, the ultimate goal is for calf husbandry to make its contribution towards reducing emissions. As the CEC, we are trying to motivate others to also pursue this goal. We do this by organising

“Everyone knows something has to be done. There is a lot of uncertainty, though, because we don’t know where we are all going.”

showcases: examples of certain solutions already successfully implemented elsewhere, such as in other sectors. We share successes, and not unimportantly, we also accept setbacks. Veal farmers are generally very willing to cooperate. There is no resistance; everyone knows that something has to be done. There is a lot of uncertainty, though, because we don’t know where all of us are heading.”

What is the VanDrie Group’s role within the CEC?

fulfil a role model function and they are tackling that well. They also exude ambition and are actively involved in projects such as those relating to emission reduction.”

“The VanDrie Group plays a major role within the themes we are working on. VanDrie is active within in the entire chain and can therefore organise a lot itself, more than an individual entrepreneur can. As a chain partner, they

What are your expectations for the future?

“A lot is going to change in the veal sector, especially in view of the nitrogen issue. In the veal sector, manure and ammonia are the priorities. Within the CEC, we are also fully occupied with



those matters. Of course, there are also other issues at play, mainly relating to animal health and welfare, such as use of antibiotics and zoonosis. Those topics are also very important, but for now we are focusing on the issues relating to manure and ammonia. Education in the field of calf husbandry, both at senior secondary vocational education (MBO) and higher professional education (HBO) level, is already well organised. As the CEC, we should especially encourage and utilise that so that we can devote our energy mainly to the other things, such as practical research. What is going well should continue to go well. We are therefore focusing on the things that need extra attention and need to be implemented more quickly. That way, we hope to provide prospects for veal farmers at what is an uncertain time for them.”

***“That way, we hope
to provide prospects
for veal farmers
at what is an uncertain
time for them.”***



DUE DILIGENCE AND RISK MANAGEMENT

APPROPRIATE CARE

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

As a producer, we are facing a variety of risks, from raw material to finished product, and with all activities in our value chain. These risks cannot be avoided completely. We therefore apply a Due Diligence approach. We clarify actual and potential risks through this process. This then allows us to make informed decisions on identified risks and their control. 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.

The table below shows the strategic risk themes and under which category they fall (compliance, operational, strategic or financial). For each risk theme, the identified impact of the risk is described and the VanDrie Group's response to it is stated. This makes it clear what the VanDrie Group is doing to prevent, mitigate or eliminate risks. The overview shows that chain responsibility for these risks is embedded in our policy and in the management systems available for this purpose.



COMPLIANCE RISK

STRATEGIC RISK THEME	IDENTIFIED RISK IMPACT	RISK RESPONSE
Human rights Respect for fundamental rights in the value chain	Breach of legal and social standards Damage caused to individual persons Loss of good name and reputation	We monitor adverse media on this topic. SpeakUp, a whistleblowing scheme, has been made available to employees, customers and suppliers and enables abuses to be reported easily, anonymously and in one's own language. All companies also have a confidential adviser. The VanDrie Group has a Code for Doing Business Fairly (Code voor Eerlijk Zakendoen) and proactively shares this within its value chain. In addition, a compass on culture and desirable behaviour and manners is available in 11 languages and is received by every new employee. Regular audits of raw material suppliers are carried out, in which human rights are assessed as a theme.
Unlawful behaviour Preventing the violation of legal standards, corruption, bribery or competition violations	Punitive sanctions, lawsuits, product recalls, more intensive supervision Damage to financial position and operating result, reputation, brand, market share Breach of relationship with customers and other stakeholders	The VanDrie Group is committed to making the highest quality products and operating in line with legislation and regulations. As part of our Quality approach, we keep a close eye on regulatory developments regarding food safety and animal welfare. We make our employees aware of what doing business fairly means and what they should do to prevent unlawful behaviour, such as corruption or bribery. We actively monitor compliance themes and regularly screen EU and OFAC sanction lists. We regularly audit our invoicing to ensure the correctness of payments in order to prevent money laundering.

FINANCIAL RISK

STRATEGIC RISK THEME	IDENTIFIED RISK IMPACT	RISK RESPONSE
Financial resilience Meeting financial obligations	Unstable financial position, reduced investment power Increased dependency on financiers and insurers	As a family-run business, the VanDrie Group believes that stability is important. The group is primarily based in the European Union, so invoicing is mainly carried out in euros. Currency risks are therefore limited or hedged by means of forward contracts. Risks on stocks and receivables are partly mitigated by credit insurance. A sectoral animal health fund (diergezondheidsfonds, DGF) has been established. The DGF is a budgetary fund from which costs related to combating, monitoring and preventing infectious animal diseases and zoonoses are paid. Fifty per cent of these costs are funded by the central government and 50 per cent by the business community. The DGF is, as it were, a provision against risks in the fight against contagious animal diseases.



OPERATIONAL RISK

STRATEGIC RISK THEME	IDENTIFIED RISK IMPACT	RISK RESPONSE
<p>Employment and industrial relations</p> <p>Guaranteeing employees' rights and good working conditions</p>	<p>Labour shortages</p> <p>Substantial production interruptions</p> <p>Negative operating results</p>	<p>Production companies conduct a risk inventory and evaluation (RI&E) annually. A RI&E identifies occupational risks and requires an approach to eliminate or reduce them. This minimises the risk of potential health complaints, absenteeism and accidents. This also means that preventive and protective measures have been implemented within these companies, so that the use of machinery, equipment and chemical products takes place in a safe way. Employees are trained in areas such as work safety and HACCP, and receive instructions in their mother tongue. Through the Central Organisation for the Meat Sector (COV), we cooperate with SNA, whose aim is to prevent fraud and illegal practices in the temporary employment sector. The VanDrie Group's HRM policy has been delegated to the individual main subsidiaries. In 2023, the company intends to develop a corporate strategic HRM plan on themes such as recruitment and selection, assessment and remuneration and professionalisation to ensure an overarching HRM approach.</p>
<p>Information security</p> <p>Ensuring information security, preventing data breaches and complying with privacy regulations</p>	<p>Damaging and taking down information systems</p> <p>Occurrence of data breaches</p> <p>Cessation of production</p> <p>Loss of revenue, reputational damage, liability claims from customers and other stakeholders</p>	<p>The VanDrie Group regularly conducts stress tests on its information systems to reduce the risk of security breaches. Continued investment in IT solutions that are used for operational processes. In addition, employees are trained on IT awareness annually.</p>



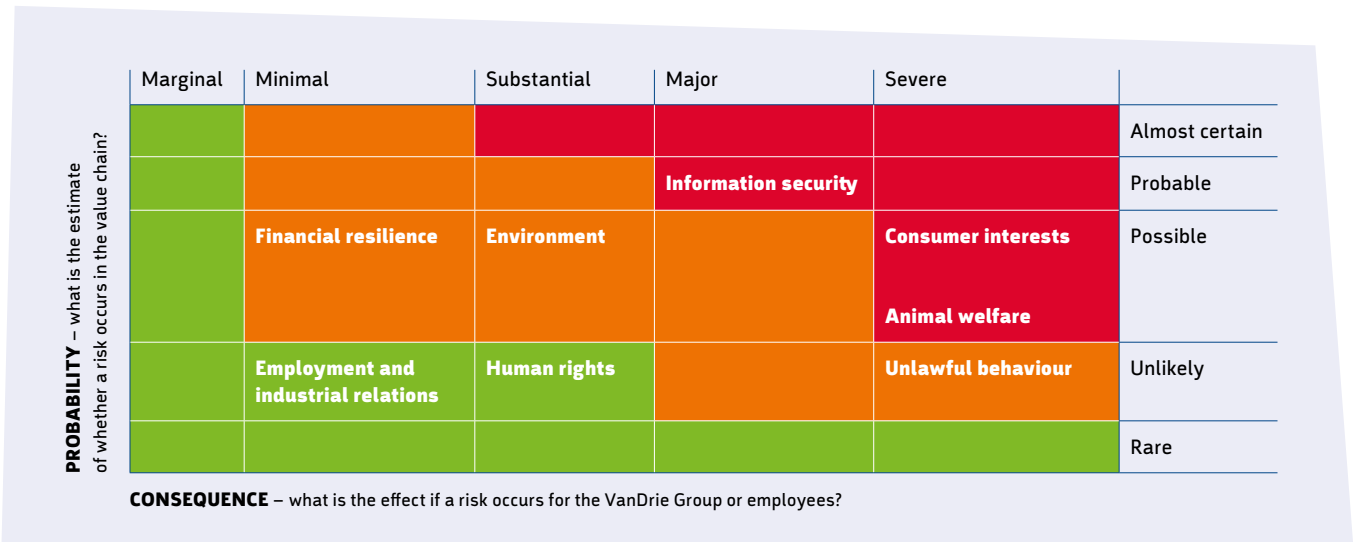
STRATEGIC RISK

STRATEGIC RISK THEME	IDENTIFIED RISK IMPACT	RISK RESPONSE
Environment Protecting the ecosystem	Impairment of the ecosystem and biodiversity Loss of customer relevance and opportunity for further development Loss of market share and support	The VanDrie Group is committed to transforming its business model. This includes mapping the Organisational Environmental Footprint and developing a specific investment policy to start impactfully reducing the company's CO2 emissions. In collaboration with farmers and other stakeholders, the VanDrie Group is working on concrete objectives regarding sustainable animal feed and improving the living environment in rural areas. All production companies are certified to ISO14001. This is the internationally accepted standard for an environmental management system and is used to develop an environmental policy appropriate to the organisation and ensure the implementation thereof.
Consumer interests Ensuring food safety and providing fair product information and fair pricing	Damage causes to consumers Recalls, financial claims and liabilities Damage to brand and reputation, loss of market access and market share, reduced sales and operational results	The VanDrie Group aims to provide high-quality products and services made to the highest standards. Food safety is not a marginal theme, but a prerequisite for every operation within the production process. That is why the VanDrie Group has its own active quality system Safety Guard. Safety Guard is based on the ISO22000 and 14001 standards, the Food Safety Supply Chain System and the BRC, IFS and GMP+ quality schemes. In doing so, the VanDrie Group mitigates food safety risks. Buyers of meat products are given Safe Handling Instructions on how to store and handle meat. We work in line with the United Nations Guidelines for Consumer Protection. Fair pricing is an emerging social debate and we monitor this dialogue very closely.
Animal welfare Prevention of animal health and animal welfare violations	Damage and pain inflicted on the animal Reduced stakeholder confidence in the VanDrie Group's behaviour and socially concerned reactions	Animal Welfare Officers (AWOs) monitor meat processing companies at all times. All meat production plants have camera surveillance (partly with Artificial Intelligence programmes). Transporters and veal farmers are trained/informed about animal behaviour and the humane handling of animals. The Foundation for Quality Guarantee of the Veal Sector carries out independent monitoring of regulations on animal welfare, transport and antibiotic use within the VanDrie chain. All VanDrie veal farmers in the Netherlands are certified under the Vitaal Kalf (Fit Calf) quality scheme and are regularly audited.

Should risks arise, the relevant, affected stakeholders will be informed in an appropriate manner. In the case of risks that are of greater social importance, we communicate to the public via the VanDrie Group's corporate website. In principle, the VanDrie Group contributes to remedial procedures when abuses or malpractice occur.

RISK ASSESSMENT

The diagram below displays the risk assessment of the risk themes. It includes an estimation of the probability of a risk occurring within the value chain and what the impact will be if such a risk occurs.



Human rights

Neutral →

This risk trend is assessed as neutral. The VanDrie Group may be exposed to risks of human rights violations when implementing its strategy. This risk is present in the value chain, such as with the extraction of raw materials in overseas territories in order to produce animal feed. Cases of discrimination, violence, harassment or transgressive behaviour may also occur in the workplace, on an occasional or structural basis. Not only does this violate legal and social standards, but it also harms individuals and causes loss of trust and damages the good name of the VanDrie Group.

Information security

Increasing ↗

This risk trend is assessed as increasing. The VanDrie Group relies on information technology for the operational control of business processes and to store a multitude of data. The VanDrie Group checks and processes confidential information. The impression that exists at present is that cybercrime is increasing on a global scale. This means the risk of digital breaches is growing. The result may be that information systems are attacked, damaged or taken down,

or data breaches occur. This will result in substantial costs and other negative consequences, such as production stoppages, loss of revenue, reputational damage and liabilities from customers and other stakeholders.

Consumer interests

Neutral →

This risk trend is assessed as neutral. The products that are produced within the VanDrie chain may not meet required quality standards, resulting in customer dissatisfaction or damage to consumers' health. The VanDrie Group may experience food safety issues due to certain product designs, certain production conditions, or the raw materials, packaging or transport facilities used. Besides harm caused to consumers, this could potentially lead to recalls, financial claims and liabilities, damage to the company's brand and reputation, loss of market access and market share and reduced revenue and operating results.

Animal welfare

Increasing ↗

The societal focus on animal welfare is growing. The intrinsic value of animals must be protected. The VanDrie Group may not be able to ensure animal welfare in every link of the value chain (birth, trade, transportation, husbandry, slaughter) at all times. This would lead to damage and pain to the animal, reduced stakeholder confidence in the VanDrie Group's behaviour and socially concerned reactions.

Employment and industrial relations

Neutral →

This risk trend is assessed as neutral. Attracting and retaining employees is critical to the VanDrie Group's success. Insufficient employees can result in labour shortages and significant production stoppages. There is a lot of competition in the labour market from other employers and there is a high dependence on agency workers from abroad. Fraud and illegality in the employment agency industry are still issues to this day. An increase in personnel costs (due to higher collective labour agreements, increases in minimum wages, higher pension contributions, turnover costs) is having a negative impact on operating results. In addition, more difficult working conditions in production sites (working in the cold, early starts) can lead to physical and mental discomfort among employees.

Environment

Increasing ↗

Requirements for production that meet climate and biodiversity needs are becoming increasingly stringent. The VanDrie Group may not be able to align its business model with those. The VanDrie Group's business model needs to change from product output on its own to a system in which environmental, social and governance factors are balanced with the production model. If this change is too slow or unsuccessful, the VanDrie Group will lose customer relevance, the opportunity for further development, market share and support. If that happens, the company would also be furthering the degradation of the ecosystem and of biodiversity.

Unlawful behaviour

Even →

The development of this risk trend is assessed as neutral. The VanDrie Group operates in a highly regulated environment in terms of checks on food safety and animal welfare. Any non-compliance or observed violation of legislation and regulations may result in punitive sanctions, lawsuits, product recalls, intensive supervision and reduced confidence, which would have tangible adverse consequences for the VanDrie Group. For example, issues could negatively affect the VanDrie Group's financial position and operational results, as well as harm its reputation, brand, market share and relationship with customers and other stakeholders.

Financial resilience

Low ↓

This risk trend is rated as low. Potentially significant market shocks could occur, such as a global pandemic, war or closure of borders/markets due to other geopolitical reasons. From a historical perspective, the outbreak of an animal disease has a negative impact on the equity capital and on the profitability of livestock farming. These risks would result in a less stable financial position for the VanDrie Group, with less investment power and more dependencies on financiers and insurers.



RISK APPETITE

Managing risks is part of the control and decision-making process of the VanDrie Group. The management board discusses the risks on a regular basis. It assesses what effects the risks may have on the external environment, strategic objectives, business operations and 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. We weigh up whose interests come first and when difficult compromises have to be made.

Our guiding principles in the case of risk management are:

⌘ *Strategic risks*

The VanDrie Group takes a clear position: no risks can be taken with regard to animal welfare and food safety. This potentially harms animals, buyers, consumers and ultimately confidence in the company.

⌘ *Operating risks*

The VanDrie Group does not want to take any risks when it comes to the safety of employees. It also avoids risks that could harm the implementation of the business processes.

⌘ *Compliance risks*

Our fundamental belief is that we must adhere to legislation and regulations and that our own codes of conduct must be observed.

⌘ *Financial risks*

The VanDrie Group strives to maintain its solid financial position and aims to meet the relevant financial ratios. This means seeking the right balance between financial and commercial risks and longer-term objectives.



LINK TO STRATEGIC THEMES

In the chapter [Our Results](#) you can read more about our approach and our policies to mitigate risks in the chain.

STRATEGIC PILLARS →	OUR MARKET POSITION	SUSTAINABILITY	FOOD SAFETY	ANIMAL HEALTH AND WELFARE	GOOD EMPLOYMENT PRACTICES
RISK THEMES ↓					
HUMAN RIGHTS	X				X
INFORMATION SECURITY	X				
ENVIRONMENT		X			
UNLAWFUL BEHAVIOUR	X				
CONSUMER INTERESTS		X	X		
EMPLOYMENT AND INDUSTRIAL RELATIONS					X
ANIMAL WELFARE				X	
FINANCIAL RESILIENCE	X				



EXPLOITING OUR SOCIAL ROLE



MATERIAL TOPICS

Our companies are part of society and have an impact on their immediate surroundings. We see it as our duty not only to minimise the negative impact of our activities, but also to add value to society. It is therefore essential for us to have good contact with stakeholders in order to find common ground to address societal challenges and establish long-term, effective partnerships.

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 authorities to visit our company and share information on strategic issues and long-term developments with stakeholders at a policy level.

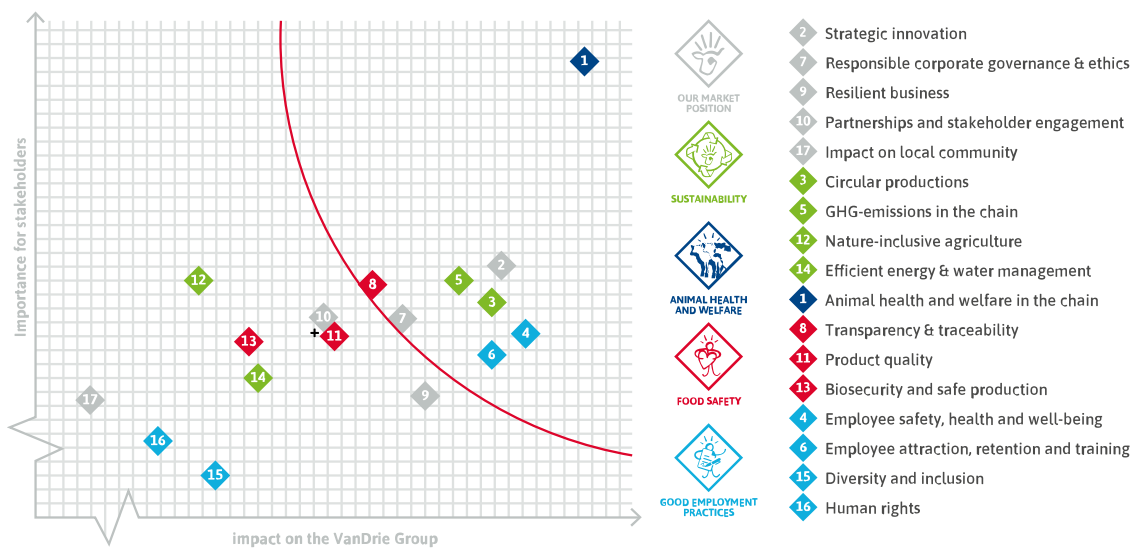
We are also members of or involved in various organisations such as the Dutch Veal Industry Association (SBK), the Central Organisation for the Meat Sector (COV), the Netherlands Feed Industry Association (Nevedi), Regio Foodvalley Agricultural Network, Roundtable on Sustainable Palm Oil (RSPO) and employers' organisation VNO-NCW. The VanDrie Group management board is actively involved in consultations with these organisations. Elaboration of the dialogues mostly takes place at other levels within the organisation. We conduct an annual VanDrie dialogue to discuss material issues in depth with a broad group of stakeholders.

Materiality analysis and matrix

The VanDrie Group conducts an extensive materiality analysis every three years. This enables us to maintain a keen focus on what the important policy themes are both internally and externally. On the one hand, it helps to validate our current strategy and to identify the themes we need to focus on at the strategic level; while on the other hand, it helps to identify which CSR themes we need to report on.

We last conducted a materiality analysis in 2021. We regard a theme to be of material importance if it has an effect on the decision-making of stakeholders or if it 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.

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 VanDrie Group management board and management team members then determined which themes had the most impact on the organisation on a financial, social and environmental level. The material themes are linked to our five strategic pillars and to our most important risks.





The materiality matrix clarifies which material themes we report on in the chapter [Our Results](#). These are: strategic innovation; responsible corporate governance and ethics; circular production; greenhouse gas emissions in the supply chain; transparency and traceability; animal health and welfare in the supply chain; safety, health and welfare of our employees; and attracting, retaining and training our employees.

Spotlight on stakeholders

We have categorised our stakeholders into two levels: primary and secondary. Primary stakeholders are persons or organisations with whom we work closely in the chain on a daily basis and with which the mutual dependencies are very clear. Secondary stakeholders are persons or organisations who are not as important to us on a strategic level, but are important on a day-to-day, operational level.

PRIMAIRE STAKEHOLDERS

Customers

Our company has a multiplicity of customers for the various groups of products that we make. Examples include retailers, the wholesale sector, wholesalers, leather goods manufacturers or food manufacturers. Contacts with these customers are very frequent and take place via daily customer contact, largely at the individual VanDrie companies. We regularly invite buyers to our companies. This allows us to maintain a good dialogue and respond quickly to our customers' requirements. It also helps us guarantee product sales and maintain our market position.



Dairy farms

Dairy farmers are crucial to our organisation. Some of their calves enter the VanDrie chain via trade. These are calves that the dairy farmer cannot use to replace his dairy herd, such as bull calves. We are in active contact with them, through Alpuro Breeding, we take part in afternoon seminars at farmers (and farmers' organisations), we organise meetings with dairy farmers and are involved in administrative consultations with bodies such as the Dutch Dairy Organisation (NZO) or ZuivelNL via industry organisations.



Suppliers

We depend on various suppliers, such as for the raw materials we use in the animal feed to be produced. Our relationship with suppliers is not just commercially driven; first and foremost, it ensures quality. We engage in active dialogue about quality standards and about improving the sustainability of raw materials. We do this through direct contact and performing audits.



Employees

Without our employees, we cannot deliver our products and services. There is frequent contact in the workplace directly, but we also provide regular updates on our activities through newsletters, social media and broadcasting. We conduct development interviews and have active works councils or focus groups for the purpose of employee participation. Each company has a confidential adviser and we have established a general whistle-blower scheme.



Veal farmers

The veal farmers we work with in the Netherlands, Belgium, France and Italy are self-employed professionals. In addition to the veal farmers who keep animals for us on a contract basis, we work with, as the jargon goes, 'free veal farmers'. These are farmers who keep animals at their own expense and risk. Contacts with those veal farmers are very frequent. District managers and employees who provide technical support, visit each affiliated veal farmer at least once every fortnight. During those visits, the health status and feeding of the animals and optimising the technical outcomes are discussed.



Transporters

We cooperate with several carriers for the transportation of raw materials, finished products and calves. Contacts with the transporters and their drivers are frequent and primarily ensure the practical process. We also regularly take time to hold more in-depth conversations on topics such as sustainability, food safety and animal welfare. This makes it possible for us to organise our transport flows in a future-oriented manner.



SECONDARY STAKEHOLDERS

Local residents

Our companies are located in various municipalities in the Netherlands, Belgium, Italy and France. Our production locations create transport flows, emissions or activity, which may affect people living nearby. Having support from the immediate surroundings is important for the VanDrie Group. We therefore organise regular discussions with local residents, local entrepreneurs or representatives from local communities.



NGOs

Non-governmental organisations (NGOs) are parties that focus on a supposedly social interest, such as sustainability or animal welfare. We want to engage with NGOs on the basis of respect and a mutual, constructive attitude. An example of one of those organisations is the Dutch Society for the Prevention of Cruelty to Animals. We provide information to this stakeholder group via social media or we invite them to take part in VanDrie dialogues. The dialogue we have with them plays a very concrete role in improving our policies on specific themes. It was partly due to the agenda setting of NGOs that we decided to stop importing calves from Estonia and Latvia in 2023.



Governments

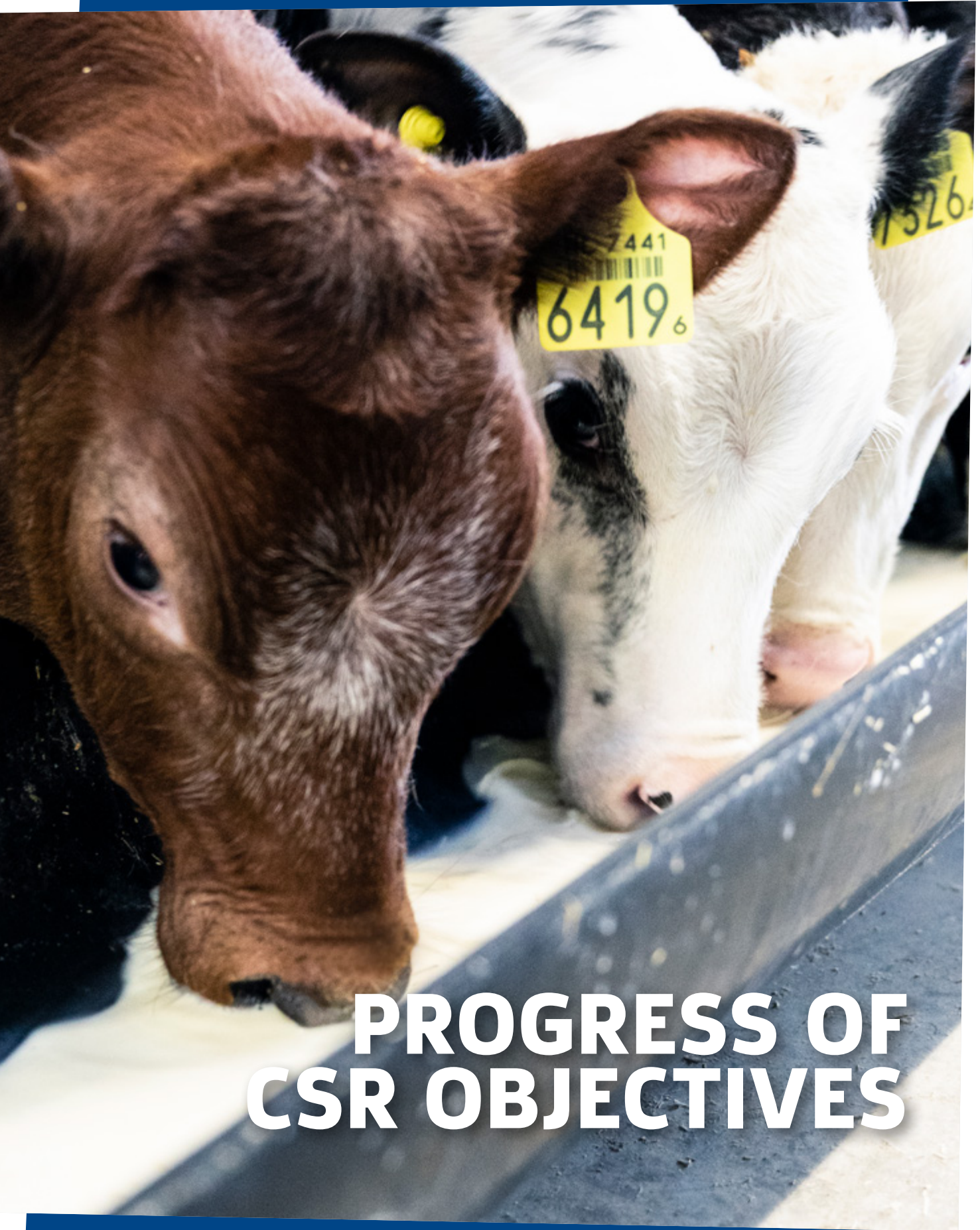
Governments are influential and of importance on a variety of levels: local, regional, national and European. The themes that we discuss vary. Sometimes it is about the licences of our companies, the specifics regarding how visions or plans are implemented in the areas where we are active, while at other times the discussions are about generic agricultural policy. We therefore enter into dialogue in a targeted manner depending on the level.



Industry organisations

We are members of various industry and sector organisations to promote cooperation and exchange knowledge. Often we are also administratively active in these kinds of organisations. Examples in the Netherlands are: the Central Organisation for the Meat Sector (COV), the Dutch Veal Industry Association (SBK) and the Netherlands Feed Industry Association (Nevedi). Contacts within these organisations are frequent through board meetings, working groups and informal contacts. We commit to the sectoral objectives and agreements made in these organisations. This therefore has a direct effect on our policies.





PROGRESS OF CSR OBJECTIVES



OUR RESULTS 2022

PROGRESS OF CSR OBJECTIVES

We think it is important to show what we did in 2022. You can read our results in the table below and in the following chapters, named after our strategic policy pillars.

Knowing that we have to start reporting in line with the Corporate Sustainability Reporting Directive, we are reviewing our processes and how we report. In 2022, priority was placed on tightening up and adding indicators, thus the number of new indicators has increased to a limited extent. Through this consideration, we aim to make our sustainability data reliable, comparable and standardised.



Strategic pillar: **Our market position**

MATERIAL THEME	QUANTITATIVE RESULT 2022	2023 REPORTING TARGET AND STRATEGIC	STATUS
Strategic innovation	<p>Participation in various (public-private) research projects: 9</p> <p>Participation in the 'Kijk op het kalf' (View of the calf) project submitted by the Dutch Veal Industry Association (SBK) and Vereniging Kernpraktijken Rundvee (Association of Core Practices for Cattle) for the Netherlands Enterprise Agency (RVO) healthy calf chain scheme.</p> <p>Number of research centres: 3</p>	We want to make the impact of such public-private partnerships measurable and the format of R&D transparent.	●
Responsible Corporate Governance and Ethics	Number of reports to confidential advisers and SpeakUp whistleblower tool: 4	We are expanding the list of measurable indicators, such as the number of employees working under collective labour agreements, the number of confirmed corruption and data security incidents and contributions towards social initiatives.	●



Strategic pillar: **Sustainability**

MATERIAL THEME	QUANTITATIVE RESULT 2022	2023 REPORTING TARGET AND STRATEGIC	STATUS
Circular production	Became a member of the Roundtable on Sustainable Palm Oil (RSPO).	Due to the introduction of heat recovery, the VanDrie meat processing companies in the Netherlands will operate practically gas-free by 2025. Within Nevedi, we are driving advances on the theme of sustainable animal feed.	●
Greenhouse gas emissions in the chain	Energy use per calf slaughtered or tonne of calf feed (kWh), respectively: 46.95 and 27.05 respectively. Water consumption per calf slaughtered or tonne of calf feed (m3), respectively: 0.782 and 0.176, respectively. Gas consumption per calf slaughtered and tonne of calf feed (m3) 1.51 and 1.46 respectively.	We make our Organisational Environmental Footprint (OEF) transparent. We will implement emission-saving measures in our production companies in the coming years to achieve a 49% reduction in CO2 emissions by 2030 compared to 1990. We enter into strategic partnerships to achieve emission reductions in calf husbandry through innovation	●



Strategic pillar: **Animal health and welfare**

MATERIAL THEME	QUANTITATIVE RESULT 2022	2023 REPORTING TARGET AND STRATEGIC	STATUS
Animal health and welfare in the chain	62.6% decrease in antibiotic use from 2007 – 2022. 14.02% decrease in antibiotic use from 2017 -2022. Our sectoral target of a reduction of 15% was therefore not achieved. For further interpretation, please read the animal health and animal welfare section.	By 2023, we aim to achieve a generic reduction in antibiotics of 15% compared to 2017. This is equivalent to 63.3% in 2023 compared to 2007. We are working towards ceasing imports of young calves from Eastern Europe and Ireland to the Netherlands. We are pushing for the information exchange between dairy farms and the veal sector to be improved.	●
	60.4% Netherlands 27.4% Germany 12.2% other EU Member States.		●
	100% compliance rate following animal welfare inspections by the Netherlands Food and Consumer Product Safety Authority (NVWA) at the four Dutch meat processing companies.		●



Strategic pillar: **Food safety**

MATERIAL THEME	QUANTITATIVE RESULT 2022	2023 REPORTING TARGET AND STRATEGIC	STATUS
Transparency and traceability	Recalls 2022: 12.	We are expanding the list of measurable indicators to increase the verifiability of our commitment to this material topic.	●
	Number of external audits: 152.		
	99.9% compliance rate based on Netherlands Food and Consumer Product Safety Authority (NVWA) food safety inspection results at the four Dutch meat processing companies.		



Strategic pillar: **Good employment practices**

MATERIAL THEME	QUANTITATIVE RESULT 2022	2023 REPORTING TARGET AND STRATEGIC	STATUS
Safety, health and well-being of our employees	Sickness absence for 2022: 6%	We are expanding the list of measurable indicators to increase the verifiability of our commitment to this material topic.	●
	Number of employees 2022: 2,620		
Attracting, retaining and training our employees	Average number of years' service: 11.35	We are expanding the list of measurable indicators to increase the verifiability of our commitment to this material topic, such as the inflow and outflow, and the number of employees who are working under a collective labour agreement (CLA). We are working on a strategic HRM approach in our meat processing companies.	●
	Number of internships and training places: 77		

INTERVIEW SDG 2: ELINE VEDDER



IN CONVERSATION WITH...
DAIRY FARMER ELINE VEDDER

**'WE NEED TO CONSIDER
FOOD SECURITY IN
ADDITION TO FOOD
SAFETY.'**

Dairy farmers Eline (43) and Alben (51) run a family farm together, which has 75 dairy cows with accompanying young cattle in Ruinerwold in the Dutch province of Drenthe. Eline is a member of parliament for the Dutch political party CDA. Before this, she was a board member of the Netherlands Agricultural and Horticultural Association (LTO Nederland), and as chair of the animal health and welfare theme group, she actively contributed to the routeplan '*Goede zorg voor het kalf*' ('Good care for the calf' road map), which was launched in 2022. This road map is the first joint plan of the dairy and veal sectors; two sectors that are inextricably linked within the food production system when it comes to milk and meat.

As a dairy farmer, how do you view calf husbandry?

Eline: “As a dairy sector, we cannot do without calf husbandry. These sectors are linked and complement each other. Therefore, it is only natural that we should work together more as sectors. As a dairy farmer, it is important that we can continue to market our calves responsibly in the future. Without calves, there is no milk. In doing so, we should certainly not forget that Dutch calf husbandry cannot do without the supply of healthy and strong calves from the region.”

What does your own dairy farm look like?

“Our business is located on a land consolidation farm in an open agricultural landscape. My parents-in-law settled here from Meppel in 1991. Our farm is surrounded by 42 hectares of land, mostly grassland.

With our 75 dairy cows, our business operations are extensive. Our livestock spend a lot of time grazing outdoors. We have been supplying the milk to FrieslandCampina for years. We don't have any big future plans at the moment. We will continue farming here with pleasure in the coming years, taking our environment into account as much as possible. Animal health and welfare are also of paramount importance to our business operations.”

“As a dairy sector, we cannot do without calf husbandry. These sectors are linked and complement each other.”

Besides having a dairy farm together with your husband, you were also involved in administrative roles?

“Yes, that's right. In recent years, I have taken up various board positions. For instance, I served on the district council of FrieslandCampina and was a member of the vakgroep Melkveehouderij (Dairy Farming section) of LTO Nederland and a member of the provincial council in Drenthe. And since May 2023, I have been in the Dutch House of Representatives as a member of parliament for the CDA. We are all facing major issues when it comes to the future of agriculture in the Netherlands. Personally, I think it is a wonderful sector, which I am happy to contribute to in whatever form.”

Which topics appeal to you as a dairy farmer and board member?

“Within the LTO section, I was responsible for climate and animal welfare. It is important that all

ongoing issues in agriculture are integrated into the decision-making process. There is increasing pressure from society when it comes to keeping animals and producing food responsibly. The livestock farming sector is under a magnifying glass. Therefore, it is more than desirable that we, as a dairy farming and calf husbandry sector, demonstrate together that we produce sufficient, tasty, nutritious dairy and meat products in a responsible manner every day.”

What role can the routeplan ‘Goede zorg voor het kalf’ (‘Good care for the calf’ road map) you worked on at LTO play in that?

“The road map is unique. In fact, it is the first road map drawn up jointly by the dairy and veal sectors. As dairy and veal sectors, we are facing various issues in the fields of animal health, animal welfare, circularity, soil quality, climate, water and biodiversity. Both sectors feel a responsibility to ensure calves are well cared for throughout the chain. With this plan, we are trying to flesh that out with all the chain parties together.”

“In fact, it is the first road map drawn up jointly by the dairy and veal sectors.”

What was the trigger and which (chain) parties play a role in this?

“The plan is actually the start of a dialogue with the LTO membership, government and society. There are many issues, such as animal welfare, use of antibiotics, transport and food safety, which everyone has an opinion about. This road map was drawn up with all chain parties – the dairy farming sector, veal sector, cattle trade and transport – to achieve further improvements in calf care. The VanDrie Group, as a partner of LTO, also made a significant contribution towards this. The VanDrie Group is a large and influential organisation in the veal sector and which also possesses a lot of knowledge and expertise.”

What does this plan mean in practice for you as a dairy farmer?

“Increased cooperation between the two sectors contributes to higher health standards. This is one of the main focal points. In practice, that means paying even more attention to the health and welfare of the calf. Through the Calf Monitoring System (*Kalf Volg Systeem*), we can track calf development throughout the chain. As dairy farmers, we know that a good start is very important.

For example, it starts with providing regular and sufficient beestings. We are increasingly trying to tailor rearing to the conditions that exist within calf husbandry. This is not only pleasant for the animal itself, but it also means the veal farmer gets a healthier and fitter calf. Our calves now stay on the farm for 14 days. Discussions are currently taking place about keeping these calves longer, for 28 days. Extending this period will have implications for dairy farmers, however. It will require more housing, more feed and more labour from the dairy farmer. Coordination between the two sectors will become even more important. As a dairy farming sector, we will now prepare for this in collaboration with the calf husbandry sector.”

“With this knowledge, we have formulated new goals for the future together.”

You just mentioned the Calf Monitoring System. What does that system entail?

“This system is not only important for transparency in the chain, but the knowledge gathered throughout the chain also makes an important contribution to improving care. The different phases and dates; from breeding, birth on the dairy farm, transportation, collection centres and calf husbandry can be viewed within the Calf Monitoring

System. The health and resilience of the calf play an important role in this. With this knowledge, we worked together to formulate new goals for the future to increase calf resilience and health.”

What is the dairy farming sector doing to enhance the health status of livestock?

“As a dairy sector, for example, we have been working for years to eliminate the viruses IBR and BVD. This has quite a few advantages when it comes to animal health. Indeed, an outbreak of these viruses lowers resistance amongst livestock. As a result, other health problems can easily rear their heads, requiring farmers to treat their animals with veterinary medicines, such as antibiotics, more quickly. Moreover, an outbreak also has huge implications for exports. By deploying various (mandatory) health programmes, the dairy farming sector has been working for years to target both IBR and BVD with the aim of ensuring that the livestock population in the Netherlands is both IBR and BVD-free. To that end, it is important that now the other beef sectors, the calf husbandry sector and the meat livestock sector also start taking steps to achieve this national goal. Healthy livestock produces better and more efficiently, and also means less use of veterinary medicines.”

How will the plans from the road map become visible in practice?

“A good example is that from 1 January 2024, veal farmers may only accept Dutch calves that are not BVD carriers and may not import calves from BVD-risk countries. This is a great step towards achieving BVD-free livestock together. This new requirement will be added to the Calf Monitoring System. Together, we can therefore continue to work to improve livestock health in the Netherlands.”

Is food safety an important part of this plan?

“The road map makes an important contribution to food safety. By applying the Calf Monitoring System, the entire chain is transparent and both dairy farmers and veal farmers can demonstrate how they produce high-quality and safe milk and meat products. Besides animal welfare, animal health and food safety, they also have an eye for the other societal issues of climate, soil, water, biodiversity. Within the road map, we mainly talk about food safety, but another important theme in the coming years, as far as I am concerned, is food security.”

Why do you think food security should be on the agenda?

“It is of course bizarre that we, as Europe, we have targets on climate, nature, nitrogen and food safety, but not with regard to food security or the degree of self-sufficiency. In Europe as a whole, we already do not have sufficient home-grown food. If, while working on those initial goals, we do not keep an eye on the impact on food production, our dependence on others for our food will only increase. Dutch dairy farming and calf husbandry can certainly play an important role in Europe’s self-sufficiency. Animal proteins remain high-quality nutrients, which are an essential part of a healthy diet. The Netherlands has a lot of knowledge and experience in milk and meat production and we will certainly continue to make an important contribution to sustainable, responsible and safe food production in the future.”

OUR MARKET POSITION



Our policy

Maintaining a good financial position is important to us. This is the only way we can guarantee a sustainable future for our family business. By investing in innovation and new technologies, we continue to develop while contributing to solutions to the challenges facing livestock farming. We work with integrity and actively bring this theme to the attention of our employees and cooperation partners.

PARTICIPATION IN VARIOUS RESEARCH PROJECTS	9
NUMBER OF RESEARCH CENTRES	3
NUMBER OF REPORTS TO CONFIDANTS AND SPEAKUP WHISTLEBLOWER TOOL	4

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.

We are working on innovation at various places in our companies. The most obvious example of this is the in-house R&D team that is engaged in research in the fields of animal health, sustainability, robotics and smart farming on a daily basis. The R&D team tests innovations in husbandry practice at three in-house research centres: this occurs at DrieVeld, De Haar and De Tweeling.

Within the industry organisations in which we are active, various research projects are being conducted, such as public-private partnerships. We contribute to this in kind and sometimes in cash. For example, we are involved in the following studies from the Dutch Veal Industry Association (SBK).

PPS Klimaatmonitoring (Public-Private Partnership Climate Monitoring)

This project aims to align the monitoring of climate impacts of Dutch Agro & Food production more effectively based on the chain approach and the national approach. The project will run up to the end of 2023.

PPS Stalklimaat (Public-Private Partnership Stall Climate)

The aim of this project is to design several technical concepts for low-emission husbandry systems in calf husbandry, based on source-oriented reduction of emissions in such a way that progress is also made in terms of stall climate, animal health and welfare. The project will run up to the end of 2023.

PPS Toekomstig diertransport (Public-Private Partnership Future animal transport)

The aim is to investigate whether the (existing) registration, measurements and conditioning on the means of transport can be used to demonstrate compliance with legal obligations. The project will run up to the end of 2022.

PPS Betere stal, betere mest, betere oogst (Public-Private Partnership Better stall, better manure, better yield)

This research identifies the bottlenecks and opportunities of manure processing and, where possible, suggests additional treatments/measures/adaptations of stall systems, taking into account the manure processing obligation and looking at opportunities, such as green gas production, fertiliser substitutes and cost savings in logistics (and the associated effect on sustainability). The project will run up to the end 2024.

PPS NL Next Level Mestverwaarden (Public-Private Partnership NL Next Level Manure Maximisation)

The project focuses on opportunities for development of sustainable and valuable end products, associated technology development, innovation for the production of valuable manure, and organisation and development in the chain. The project will run until the end of 2022.

SBK has been awarded government subsidy for the 'Kijk op het kalf' (View of the calf) project in 2022. This subsidy is part of the Dutch scheme 'Pilots gezonde kalverketen' (Pilots promoting a healthy calf chain) and aims to stimulate system innovation in dairy farming and



and calf husbandry and to investigate to what extent a system change can contribute to an integral contribution of animal health and welfare opportunities. In this, the SBK works with dairy farmers, veal farmers and core cattle practices (vets). We make a big in-kind contribution herein.

In the project, knowledge will be gained on how to increase the fitness of calves before they are transferred from the dairy farmer to the veal farmer, the ultimate goal being to improve their health and enable them to get off to a better start at the veal farm. By relocating it at a later age, giving a nasal vaccination as a defence against the main lung infections, direct delivery and various other checkpoints a calf must satisfy before being transported, the project will assess what the effect is in practice and whether this is a workable system for the future. The project will be completed before the end of 2024..

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.

Compliance

In our companies, we want to have a culture in which we are open and transparent towards each other. However, not everything is so black and white. Some situations are difficult to assess, whether that 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. If anyone thinks this is not an option, they can turn to SpeakUp. This is a tool with which employees (both permanent and temporary), but also chain partners, can report potential abuses anonymously. No reports were received in 2022. A code for doing business fairly, which describes how the VanDrie Group aims to act in its international value chain, is available on the corporate website.

In 2022, the VanDrie Group signed the more stringent animal welfare code of conduct of the Central Organisation for the Meat Sector (COV). The code of conduct includes annual training for slaughterhouse employees, intensive camera monitoring, the use of artificial intelligence when deploying cameras and knowledge sharing between companies to increase learning ability. The code of conduct also requires external specialists to assess the safeguarding of animal welfare in slaughterhouses. The



Central Organisation for the Meat Sector (COV) reports annually on the operation, compliance and results of the code of conduct.

The organisation

2022 was characterised by unprecedented inflation and associated cost increases for energy and raw materials, for example. We saw energy costs rise by more than 100 per cent, while this was about 50 per cent in the case of raw materials. While the price of veal was still between €4.77 and €5.10 for white veal on 27 August 2021, this level was at €5.80 and €6.10 on 26 August 2022; an increase of about 20 per cent. The fact that this price increase for meat products was accepted by the market was a welcome support in order to offset the cost of veal production.

Acquisition of Joosten Products

Joosten Products in Weert was acquired in 2022. This Limburg-based family business is an international specialist in young animal feed. The nearly 150-year-old company focuses on exports outside the EU. With the acquisition, Joosten Products aims to strengthen its position in the global market for young animal feed. Joosten Products will work closely with Schils from Sittard Benefits of the collaboration between the two companies under the umbrella of the VanDrie Group include joint purchasing of raw materials and knowledge sharing for further product development.

Wie de boer niet kent (Who doesn't know the farmer)

In 2022, the VanDrie Group supported the *stichting Wie de boer niet kent* (Who doesn't know the farmer foundation) One of its activities is the RTL4 programme of the same name, in which the presenter Jamie Trenité travels the length and breadth of the Netherlands, together with a number of Dutch celebrities, to discover everything they – like many citizens – did not yet know about farmers, animals and sustainability. A wide range of farms are visited, each with their own interpretation of living and working in the countryside. The episodes of *Wie de boer niet kent* can be watched again on demand on Videoland or [via the website](#).

Future prospects

On 10 June 2022, the National Rural Area Programme (*Nationaal Programma Landelijk Gebied, NPLG*) was launched in the Netherlands. In the NPLG, the central government works with the provinces on an area-based approach that oversees the improvement and restoration of nature, water and climate in the Netherlands. The NPLG is a joint programme of the Ministry of Agriculture, Nature and Food Quality, the Ministry of Infrastructure and Water Management, and Ministry of the Interior and Kingdom Relations. Rural area is taken to mean all of the Netherlands



excluding the urban areas and large bodies of water. As a result, the NPLG requires the 12 provinces to plan how nature, water and climate will be improved and restored in the various areas. The deadline set by the government for preparing those plans is 1 July 2023. The NPLG also includes a super-emitter approach. This scheme was published in June 2023. The impact will become clear in the coming months of 2023.

Agricultural Agreement

With the release of the NPLG's plans in June 2022, a great deal of unrest arose in society. At the request of the House of Representatives, Mr Remkes was asked to lead the discussions to restore confidence. One of the recommendations Remkes made was to reach an Agricultural Agreement. That is where Minister of Agriculture, Nature and Food Quality Piet Adema started in 2022. The Agricultural Agreement focuses on the prospect of an economically healthy, sustainable and internationally prominent agricultural sector in the Netherlands by 2040. To make that happen, Minister Adema has asked agricultural organisations, chain parties, nature and environmental organisations and decentralised authorities to enter into discussions on the preconditions. The Agricultural Agreement is not without obligation and must contain specific agreements and measures. The Agriculture Accord aims to develop a common vision for the future of the agricultural sector in the Netherlands. Through the SBK, we are participating in the discussions about this agreement. A negotiated result is expected in the second quarter of 2023.

MORE VALUE CREATION IN OUR CHAIN

We see valorisation as a process of value creation. Extracting value from knowledge and experience and making that knowledge suitable and/or available for economic and/or social use and translating it into competitive products or markets. An important part of our valorisation strategy in the chain is that we want to give products from slaughter newer and higher-value destinations each time.

In recent years, for example, we have focused on crushing intestines. By making holes in intestines, the unborn manure can be removed, enabling us to clean the intestine better. What has been the result of this? The intestine is no longer considered a category 1 material within the meaning of European legislation on animal by-products. This category of 'waste' is mainly used for energy production, such as biodiesel production, co-incineration or combustion. Separating intestines from their contents is a prerequisite for processing intestines into raw material for animal feed or pet food.

We started making even more societal impact by extracting pericardia. This is the membrane surrounding a calf's heart (pericardium). Among biological tissue, the pericardium has now shown great versatility as a replacement alternative in various surgical fields, including as part of stents or heart valves. Before we started extracting these pericardia for the pharmaceutical industry, the product was only destined for the category 3 material flow and disappeared to the fat rendering plant. Because our tracking, food safety and channeling is already in order, we have been able to tap into a whole new market and can be of indirect value to heart patients.

Incoming complaints

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 expected the case to be brought to court in 2022. This did not happen. We assume that case handling will start in the first quarter of 2023. In 2021 and 2022, several complaints were received from the vicinity of Brons Mengvoeders regarding noise, odour or traffic safety. We take these complaints seriously and are therefore taking steps to inform local residents and the provincial and local government more effectively about our approach.



SUSTAINABILITY



Our policy

The activities of our companies have an impact on the environment and climate. Through innovation and collaboration throughout the chain, we aim to close cycles and make production processes more sustainable. This is how we are working to reduce our ecological footprint and contribute to European climate goals.

RESIDUAL FLOWS IN OUR CALF MILK	80%
PROCESSING OF THE ENTIRE CALF	100%

CIRCULAR PRODUCTION

We are working to increase the share of sustainably sourced raw materials and minimise waste streams within our supply chain. In doing so, we seek to close cycles and increase biodiversity.

Sustainable Animal Feed

Anno 2022, the raw materials we source for our animal feeds are to a considerable extent made up of residual and co-products or former foodstuffs from various dairy and food producers. For example, our calf milk consists of about 80 per cent residual waste flows such as whey, skimmed milk powder and permeate (residual waste flows from the dairy and cheese industry). When selecting the raw materials, we try to buy these as locally as possible. With a share of over 80 per cent, we source the vast majority of our raw materials for both calf milk and muesli from Europe. Over a third of the total raw material package comes from within a 250-kilometre radius of our feed production locations.



Sustainable Animal Feed Monitor

Under the banner of the Netherlands Feed Industry Association (Nevedi), we have been working on a Sustainable Animal Feed Monitor since 2022 to make animal feed sustainability measurable. We want to make a significant contribution towards circular agriculture and to reducing the environmental impact of our chain by means of our animal feed. With the Monitor *Duurzaam Diervoeder* (Sustainable Animal Feed Monitor), we are making the sectoral commitment measurable, through Nevedi, not only for ourselves, but also for the government, chain parties and societal stakeholders.

The ambition is that it will be possible to work with all Nevedi members using the dashboard from 2024 onwards. Of course, in doing so, it is important that the results of the calculation and monitoring system set up are recognised by chain parties, civil society organisations and the government.

Sustainable palm oil production

Oils and fats are an important source of energy in the feeds we make; they provide the essential fatty acids (linoleic acid and linolenic acid) that cannot be produced by an animal itself. These essential fatty acids subsequently help with the absorption of vitamins and are therefore indispensable as means of ensuring the calves' good health. Important raw materials for these essential fatty acids are palm oil and palm oil derivatives.

Palm oil is also used in calf milk. About 0.55 per cent of calves' diet consists of palm oil, which comes from Asia (40 per cent comes from Malaysia and Indonesia) in particular. In addition, 40 per cent comes from Latin America, primarily from Honduras, Guatemala and Colombia. The remaining 20 per cent are from Papua New Guinea and Africa. The VanDrie Group conforms to Nevedi's agreements that all palm oil and related products sourced by its members will be 100 per cent sustainably certified from 2024 onwards.

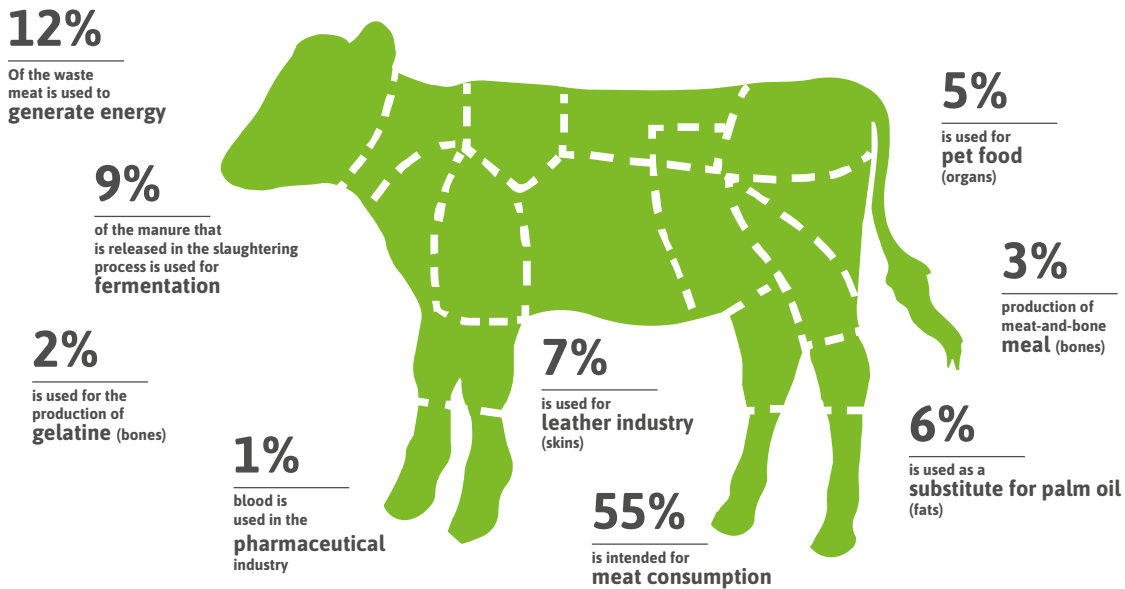
In 2022, we joined the Roundtable on Sustainable Palm Oil (RSPO). This is a multi-stakeholder organisation that determines the standard for sustainable palm oil production and sets rules such as not chopping down rainforests and observing human rights. Having joined that organisation, we endorse the importance of producing certified, sustainable palm oil.

Responsible soy procurement

Compared to other animal feeds, our calf feed contains limited quantities of soya. About 4 per cent of calf nutrition consists of soya products. Most soya is imported from South America (Brazil and Argentina) and North America. We do this because a good or adequate alternative to soya is not yet available. Soya also has the lowest footprint per kilogram of protein compared to other proteins such as peas, beans and lupins from Europe.

The company sources its soya in compliance with the *Soy Sourcing Guidelines 2021* of the *European Feed Manufacturers' Federation (Fefac)*. These guidelines are designed to make responsible purchases of soya. The guidelines take environmental, social and economic aspects of soybean production and trade into account. When sourcing soya from a particular sustainability scheme, we can compare that scheme to the guidelines to see to what extent it complies with it and is therefore a good choice. This ensures that the soya we buy meets

important sustainability requirements and that soya is produced responsibly, from deforestation-free land. Among other things, the VanDrie Group uses RTRS-certified soy. We guarantee the certified soy with the 'book & claim' method.



Full utilisation

The VanDrie Group supplies whole carcasses, backs or necks, as well as smaller pieces of meat, such as schnitzels, entrecotes and veal escalopes. However, a calf consists of much more than meat. Less obvious parts of the calf, such as bones and fats, also have a use. By adapting processes and cutting products more intelligently, we are increasingly able to achieve a higher degree of utilisation. Parts that are not suitable for human consumption are also given a purpose. That way, we can utilise everything and nothing is wasted.

Bones are ideally suited for use in the kitchen, to make veal stock, for example. In addition, some of the bones are used for the production of gelatine. Gelatin is extracted from the collagen of the bones and is an important raw material for the production of vitamin preparations, sweets, puddings and desserts.

Meat parts that are not suitable for human consumption or for which there are reduced sales, including part of the organs, are sterilised by heating and then processed into pet food, especially into dry dog and cat food.

Some of the offal is used to produce animal meal (blood meal and bone meal), a useful component in animal feeds and fertilisers. Offal that does not qualify for human food or animal feed can also be used to generate energy. It serves as biofuel for the production of energy in power stations and cement kilns.

A calf's fat reserves are used, among other things, as a substitute for palm oil. These fats are used in make-up and care products.

Some of the calf blood released in the processing process is collected separately. This blood is processed hygienically and cooled immediately. It is an important ingredient for the pharmaceutical industry. Calf blood helps in human medication to strengthen the blood supply of the brain and heart muscle.

Manure still present in the calf's intestinal system (unborn manure) and released in the treatment process is collected and transported to fermentation plants, enabling biogas to be generated.

The skin is processed into leather. Worldwide there is a great demand for the calf skins because of their fine structure and good application possibilities. After tanning, the skins go as leather to producers of shoes, bags and clothing.

THE NITROGEN IMPASSE

The so-called 'nitrogen crisis has preoccupied the whole of the Netherlands for years. But what is it about and what does it mean for the VanDrie Group?

A large proportion of all the air around us consists of nitrogen. In its gaseous form, nitrogen is not harmful to humans or the environment. However, there are other particles in the air containing nitrogen that are harmful. These are nitrogen oxides (NOx) (mainly emissions from exhaust gases and emissions from industry) and ammonia (NH₃) (mainly emissions in livestock farming). These are the substances we are talking about whenever we refer to the nitrogen problem.

To reduce the nitrogen problem, the government launched the Integrated Approach to Nitrogen (*Programma Aanpak Stikstof*, PAS) in 2015. The approach consisted of two types of measures. On the one hand, it consisted of measures aimed at reducing nitrogen emissions at source, therefore involving agriculture, traffic and industry. On the other hand, it consisted of measures to repair the damage caused by nitrogen in nature as effectively as possible. For example, by designating Natura 2000 sites. These are places that the Netherlands itself once proposed to the European Commission and now have protected status, because there are so many different animals and plants.

Major task for agriculture sector

Based on the PAS, in anticipation of future positive impacts of measures on protected natural areas, activities potentially harmful to those areas were already approved. However, the measures to reduce nitrogen emissions failed to materialise to a sufficient extent. On 29 May 2019, the Council of State, the highest Dutch court, ruled that this nitrogen approach does not comply with European nature legislation. No more permits may be issued 'on credit from nature' for projects that will lead to more nitrogen, such as housing developments, expansion or conversion of stalls or road construction.

As a result of that ruling, the government had to develop new policies, so that nitrogen emissions will be sharply reduced and nature in the Netherlands will be protected more effectively. This represents a major challenge for the agricultural sector. Agriculture is responsible for about 45 per cent of nitrogen deposition in the Netherlands (the deposition of nitrogen on soil and water from airborne nitrogen compounds), while 32 per cent comes from abroad, traffic is responsible for 12 per cent, industry counts for 9 per cent and shipping 3 per cent.

Perspective is key

Although various policy intentions and some legal regulation have been made in recent years, a clear policy with support is still lacking. Farmers do not know whether they will be allowed to continue farming or whether they will have the opportunity to significantly reduce nitrogen emissions through innovation. This is creating major uncertainty among the farmers we work with. Although the Dutch veal sector's ammonia emissions are only 6 per cent of the total livestock farming in the Netherlands, we see great tension emerging for our own chain. Indeed, a significant proportion of our veal farmers have a farm near a

nitrogen-sensitive Natura 2000 site. For us, it is essential that central government policy holds out prospects for farmers and that it becomes possible to make a significant contribution towards reducing nitrogen emissions and precipitation through innovations. If this does not happen, a significant shrinkage in the number of farmers and places for animals and disinvestments in our companies will be a harsh consequence.

Ammonia-reducing stall system

Our commitment focuses on innovation. In 2022, we launched a project together with the Dutch Veal Industry Association (SBK) and *Stichting Mestverwerking Gelderland* (Gelderland Manure Processing Foundation, SMG) to provide a new, recognised and easily applicable ammonia-reducing stall system for use in calf husbandry. In the research project, at participating veal farmers, acidified effluent (low ammonia liquid supplied by the SMG) is introduced into the manure pit at the beginning of the husbandry round, which continuously dilutes the manure produced (urine and solid manure) during the husbandry period. Dilution with water/effluent will reduce the ammonium concentration in manure and will reduce ammonia emissions from the pit.

GREENHOUSE EMISSIONS WITHIN THE CHAIN

Within our companies and together with partners, we are working in a targeted way to reduce greenhouse gas emissions from our activities and supply chain to limit environmental impacts.

Greenhouse gas emissions cause global warming. The reduction of these gases is therefore essential. However, our companies still produce these gases, for example when cooling meat, cleaning our locations, during transportation and indirectly on the farms, as calves emit methane. Methane is the second most important greenhouse gas after carbon dioxide and actually worsens the impact of the greenhouse effect. As a result, we are taking reduction measures in every link within the chain. To reduce emissions within calf husbandry, we work together with various knowledge partners. [Read here](#) for information about which strategic innovation we are focusing on.

Solar panels

In the summer of 2022, 800 solar panels were installed on the roof of the DrieVeld research centre in Uddel. These panels provide about 10 percent of the total energy needs of feed producer Alpuro, which is located across the street from DrieVeld and of the research centre itself. The result of this is that DrieVeld and Alpuro have been able to drive down their use of external energy flows.

Reduced energy consumption

In addition to making energy consumption more sustainable, continuous attention is paid to reducing energy consumption and producing more efficiently. For example, new optimisation projects were fast-tracked at several feed producers in 2022. Throughout 2022, this resulted in a 25 per cent reduction in energy consumption compared to 2021. Besides short-term results, the focus is on long-term optimisations, which should enable the companies to achieve further significant reductions in gas and electricity consumption in coming years.

UV sterilisation

Tests involving the UV sterilisation of knives were conducted in meat-producing companies in 2022. Clean knives are essential for ensuring food safety during meat processing. The tests serve to determine whether this form of sterilisation has at least the same effect as using



hot water – the method that was

previously the standard. The tests show that UV sterilisation works and also provides a potential reduction in gas consumption of around 15-20 per cent per location. The Netherlands Food and Consumer Product Safety Authority (NVWA) still has to give their approval in order to replace the current method of sterilisation with UV sterilisation.

Heat recovery

Several companies also installed new heat recovery systems in 2022. This allows us to recover hot water from cooling systems. We can then use that hot water to heat the air treatment units in the slaughter processes. As a result of this, energy efficiency was further increased.



ANIMAL HEALTH AND WELFARE



Our policy

Animal health and welfare are in everyone's interest. Humane husbandry, healthy calves, improved vitality, good transport and the prevention of stress and pain are important themes in this respect. We cannot commit to this alone, which is why we work intensively with veal farmers, vets, dairy farmers, cattle dealers and transporters.

THE REDUCTION OF ANTIBIOTIC USE: 62.9%

ORIGIN OF CALVES IN OUR DUTCH INTEGRATION IN PERCENTAGE:

NL: **60.4%** DE: **27.4%** OTHER EU MEMBER STATES: **12.2%**

NUMBER OF ANIMAL WELFARE OFFICERS WITHIN THE VANDRIE GROUP 52



ANIMAL HEALTH AND WELFARE WITHIN THE CHAIN

We ensure animal health and welfare throughout our chain by treating animals carefully. This includes the responsible use of antibiotics and minimising distress by ensuring the so-called 'Five Freedoms' (freedom from hunger and thirst, freedom from discomfort, freedom from pain, injury or disease, freedom to express normal behaviour and freedom from fear and distress).

Good care of calves in calf husbandry

Safety Guard

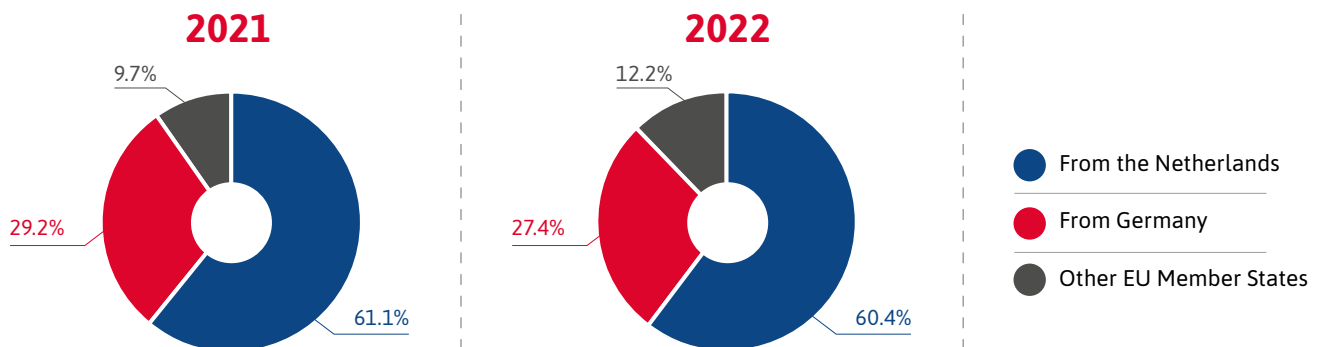
To record the welfare of calves in our chain, an Animal Welfare Code (DWC) has been included in Safety Guard, the VanDrie Group's quality system. In various links of our chain, compliance with this code is recorded in that DWC monitor. It is a tool that uses animal-specific indicators (behavioural and health characteristics) to make a reliable estimate of animal welfare at the primary holding up to the moment of stunning. The monitor is based on the methodology of the European research project Welfare Quality®. It helps us to gain an insight into the welfare of animals and provides support with the management of the farm.

Vitaal Kalf (Vital Veal)

Vitaal Kalf (Fit Calf) is a quality scheme covering the entire calf chain. This means that in addition to veal farmers, collecting calf dealers, collection centres and processors also participate or are linked to the scheme. *Vitaal Kalf* aims to maintain fit calves, good animal welfare and maximum food safety. The scheme has regulations (over and above the statutory minimum) on the quality and health of the young calf, housing, feed and drinking water quality, farm equipment and hygiene. *Vitaal Kalf* also regulates the legally required control of banned substances. All Dutch veal farmers the VanDrie Group works with must be certified under *Vitaal Kalf*.

Mainly Dutch calves

Within the VanDrie Group's integrated approach, calves are taken from dairy farms. Cows have to give birth every year in order to produce milk. The VanDrie Group buys calves that become available from dairy farmers, mainly bull calves. After all, those animals will ultimately not provide any milk. The calves in our integration are mainly from the Netherlands, namely 62 per cent. This also means that the VanDrie Group purchases calves from abroad, 27 per cent of which come from Germany and the remaining 12 per cent of animals from other EU Member States.



Reduction of antibiotic use

By 2022, the reduction in the use of antibiotics in our chain was 62.9 per cent compared to 2007. This is 1.3 per cent higher than the result achieved for 2021.

From milk to more solid feed

The right animal feed is essential for good animal health and welfare. Whereas before the turn of the century, calves received extremely uniform feed, primarily calf milk, that has changed dramatically in the past decade. On average, a calf in 2022 received 250 kilos of veal milk powder in the form of milk, 360 kilos of muesli and 40 kilos of chopped straw.

A CALF CONSUMES ROUGHLY



The shift from milk to more solid feed leads to a better developed digestive system in calves and therefore a fitter and healthier calf. The rumen creates more vitamin B and there is iron in the roughage. More roughage contributes to the species-specific behaviour of rumination. It promotes health at the same time and this is also one of the reasons why (clinical) anaemia hardly occurs anymore.

For many years, anaemia has been a considerable problem in calf husbandry. We therefore fully understand that the subject is inextricably linked to the sector. If the haemoglobin level in the blood of the calves is too low, this can cause health problems such as anaemia. To safeguard the health of our calves, we do what we can to actively prevent anaemia. We have been doing this successfully for several decades now. We actively focus on significantly higher haemoglobin levels than the European requirement of at least 4.5 millimoles per litre on average.

Agreement on Humane Livestock Farming

An amendment to the Animals Act was tabled by the Dutch Party for the Animals (*Partij voor de Dieren*, PvdD) on 11 May 2021. The amendment, now ratified by the Parliament and Senate, is a tightening of the ban on animal cruelty. An important part of this amendment is that animals should not be adapted to a stall system, but the stall system should be adapted to animal behaviour. However, the government ruled that the amendment was impossible to comply with and unenforceable. Therefore, in November 2022, the Dutch Ministry of Agriculture, Nature and Food Quality opted for the amendment to be fleshed out with an order in council following the agreements made in the *Convenant Dierwaardige Veehouderij* (Agreement on Humane Livestock Farming). Through the Dutch Veal Industry Association (SBK) and the Central Organisation for the Meat Sector (COV), we are participating in the talks on this Agreement. A first version of the Agreement is expected in the second quarter of 2023.

BVD-FREE

The beef sector in the Netherlands has an ambition to become Bovine Viral Diarrhoea-free (BVD-free). In 2022, a commitment to this end was made in the beef sector via the various industry and sector organisations. This free status is important because BVD affects animal welfare. The BVD virus undermines the animal's own general disease defences while at the same time creating new infections that can be harmful to other animals in the herd. Indeed, BVD carriers have no chance of being cured; they are sick animals with no prospect of recovery. BVD can therefore cause increased use of antibiotics. The BVD approach will affect the VanDrie Group's operations in the future.

To further raise the good health status of the entire cattle herd, BVD status will be added as a requirement to the current Protocol Gezonde Kalveren (Healthy Calves Protocol) from 2024 for transfer from the cattle farm to a veal farm linked to the Vitaal Kalf quality system.

From 1 January 2024, only calves that are not BVD carriers can be transferred to veal farms linked to the Vitaal Kalf quality system. That means from 2024:

- ☞ only cattle farms with BVD-'free' or BVD-'unsuspected' status can sell calves;
- ☞ cattle farms that are not yet BVD-free or BVD-unsuspected can only transfer their calves if they can prove via an ear biopsy or blood sample that the calf in question is not a BVD carrier. This means that cattle farms with 'observation', 'under investigation', 'unknown' or 'infected' status can only sell calves if the calf has been recorded as having a favourable BVD virus result in the ear biopsy or blood test database at the time of collection;
- ☞ dealers are only allowed to take calves that meet the current and above-mentioned BVD requirements;
- ☞ only calves from BVD-free countries/territories or countries/territories without high BVD risk may be imported.

Proper care of calves during transport and slaughter

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. After an intensive journey in 2020 and 2021, we again actively shared best practices with contract veal farmers and transporters in 2022.

In addition, when it comes to transportation, it is important to avoid heat stress.

In the event of high temperatures, we take the following measures:

- ✿ Calves are loaded and transported earlier and the load factor is reduced;
- ✿ If drivers have to wait for a while on our companies' premises, they use shaded areas created for that purpose;
- ✿ By working with a tight time scheduling for the transporters, waiting times when unloading at our companies are minimised;
- ✿ All calves are checked individually when unloading to see if all measures are working properly;
- ✿ Climate-controlled lorries are used as much as possible to actively improve the indoor climate in the lorries;
- ✿ No transportation will take place in temperatures of 35 degrees or more



Animal Welfare Officers

To comply with animal welfare requirements even during slaughter, Animal Welfare Officers have been appointed at all our meat processing companies. These employees know animal behaviour, know everything about animal welfare and the processes at the farm in question. We also want to ensure that in addition to human understanding with regard to animal welfare, we apply systems that can support assurance. All meat processing companies therefore have continuous camera surveillance. The regulatory authority can view these images. In 2021, a pilot started at Ekro in



Apeldoorn with smart camera surveillance that can signal aberrant behaviour – this pilot was continued in 2022.

These are cameras linked to a computer running a program that recognises certain images (artificial intelligence). To this end, VanDrie Group is working with Deloitte to optimise these computer models, so that they can independently track incidents. For example, a computer can learn to recognise lameness, signal overcrowded stalls, restlessness or unnecessary physical contact between an employee and an animal.

Smart camera surveillance should be rolled out to other VanDrie Group meat processing companies in 2023. In addition, the VanDrie Group has aligned its policy to the animal welfare code of conduct of the Central Organisation for the Meat Sector (COV). The code of conduct includes annual training for slaughterhouse employees, intensive camera monitoring, the use of artificial intelligence when deploying cameras and knowledge sharing between companies to increase learning ability. The code of conduct also requires external specialists to assess the safeguarding of animal welfare in slaughterhouses.

INTERVIEW SDG 9: LUCA VALERANI



IN CONVERSATION WITH... LUCA VALERANI,
R&D MANAGER AT ZOOGAMMA

**‘BY INNOVATING, WE
CAN ACHIEVE GREATER
SUCCESS EVEN WITH
SMALL IMPROVEMENTS.’**

Veterinarian Luca Valerani has been working for Zoogamma, which forms part of the VanDrie Group and produces dairy raw materials and calf feed from its base in Northern Italy, since 2018. He combines three positions there: R&D-manager, laboratory manager and veterinary nutritionist. “We need to become more open-minded and abandon the idea that things should never change.”

First of all, to what extent can Italian and Dutch calf feeds be compared?

Luca: “They are actually difficult to compare, because there are some major differences. At Zoogamma, we produce about eighty per cent of our calf feed for the open market and twenty per cent for integration. At the subsidiaries in the Netherlands, that ratio is exactly the opposite way around.”

What themes play an important role in Italian calf husbandry?

“The biggest challenge relates to the health of the calf. Dairy farming in Italy differs from that in the Netherlands: less use is made of vaccinations for cows, and colostrum management is less developed. As a result, the quality of calves we are dealing with in Italy is different. The second challenge we face is the variation in the types of stalls. Feed robots are widely used in the Netherlands. That works well there because stalls are quite similar throughout the country. They

**“The biggest challenge
is the health of the calf.
Dairy farming is different in Italy
than in the Netherlands.”**

all have the same kind of feeding alley, with uniform sizes and so on. In Italy, however, no livestock shed is the same. Some are high, others low and some of them are new buildings, while others are actually very old indeed. Installing new systems there is no simple matter.”

What does innovation mean to you?

“Innovation means looking for small improvements to optimise existing products and processes. This can be done, for example, by using resources more effectively or by promoting clean and more environmentally-friendly technologies. Innovation enables us to become more successful, especially when combined with developments in research and knowledge.”

What is your most notable innovation in recent years?

“That would be our new blending system. Unlike Dutch farmers, Italians want a product that includes straw, which they can feed to their animals as a ready-made product. They do not want to mix the feed themselves, as farmers do in the Netherlands, but they want ready-made feed, so to speak. We therefore supply mueslis that contain everything: roughage, grains, legumes

and pellets. However, making pellets produces a lot of dust, which affects the whole muesli. That is why we have now separated those two processes by adding a second mixer. In one mixer we make the pellets, in the other we mix all the other ingredients. That way, that second line does not suffer from the dust formation caused by the pellets.”

Why is dust formation a problem?

“Calf feed should not only be nutritious and tasty, but it should also look good. The calf itself may not care, but the farmer does. Pellets break quickly, creating grit in the muesli, making it look unattractive and making it easier for dust to form in the shed. The result is similar to what you see in a bowl of cornflakes that we humans eat for breakfast. They too will look better and tastier when they are whole than when they are broken or crumbled. We therefore try to make the pellets as durable and hard as possible, so they don't break easily.”

You recently introduced the Zoo app. What does this app entail?

“The Zoo app is an application we have developed ourselves at Zoogamma. It is a useful tool for our lorry drivers, making the logistics process demonstrably more efficient. The app manages all of the documentation. Everything is now digital, there is no more paper involved. The app allows drivers to see exactly where they need to be at what time. As a result, they are not needlessly waiting in front of the factory before their turn comes around. This saves time and is also more environmentally friendly, as the engines do not run unnecessarily while waiting.”

Another innovation of yours is the sensor inside feed and manure silos.

“That's right. It is often difficult for farmers to find out exactly how much feed is left in silos.

Some veal farmers weigh their silo including

its contents, but it is not very accurate. Others do it entirely by guesswork: by hitting the silo with a hammer to hear how much is left in it. Since they do not know exactly how much feed they have left, things regularly go wrong. Feed is then ordered only when everything is almost gone and



we have to deliver it at the last minute. Of course we do deliver – animals need to be able to eat – but it makes our logistical processes unnecessarily inefficient. To prevent that, we developed a sensor that is placed inside the silo. This sensor measures the exact height of the feed in the silo. Data is tracked in real time and forwarded to the farmer and to our logistics department. This enables us to let the veal farmer know that it is time to order, in case they have forgotten to do so. That has advantages both for the farmer and for us.”

Do the sensors for manure silos work in the same way?

“For manure storage, we have indeed developed a similar sensor. It measures the amount of manure in the tank in the same way. That way, you know exactly when the manure needs to go into the field. That used to be done based on feeling, i.e. by estimating; that too is now much more accurate than before. This saves time and fuel and provides labour savings for the veal farmer.”

What are you doing to work in a sustainable and energy-efficient way?

“Heating milk for calves requires energy. The water must be heated to ninety degrees Celsius. To do this in a sustainable way, many farms use a solar water heater. This means that in summer, you don’t need to use gas or other fuel, as the sun provides enough energy. There are also many solar panels on the roofs. In particular, it generates the power needed for the fans to cool the stalls. We aim to provide all farms with solar panels, but the laborious licensing process in Italy means that it can sometimes take a long time to realise this.”

“Our main goal is to use fewer raw materials in our feed, which can also be consumed by humans.”

What are your plans for the future?

“Our main goal is to use fewer raw materials in our feed, which can also be consumed by humans. We want to make animal feed using residual waste flows from the food industry, as well as from products left over in supermarkets such as bread or milk. Once they have been sterilised, they can be used to make excellent animal feed in many cases. This is a great example of circular production. We are also working towards more precise feeding. The mindset needs to change: we need to start thinking less from food to manure and see food



more as a means that enables the animal to grow. We therefore want to tailor the feed even more closely to the animal's needs, for example by further adjusting the proportion of protein to the calf's requirements. This also results in less protein in the manure and urine and also allows you to feed so much more efficiently."

Finally, are there other things that could improve the Italian veal sector?

"In my opinion, we need more women in our industry. In Italy, the veal sector is really a man's world. You do see women in the laboratories and offices, but too few in the fields and livestock sheds. That is a pity, because women actually have specific qualities that could come in handy in this work. In Turkey, Lebanon and Vietnam, among others, a surprisingly large number of women are involved in the care of newborn calves. This is a conscious decision by the owners of the businesses there, as women often provide better care. There is less calf mortality in those countries thanks to the skills of those women. Women can also play such an important role in Italy. We are happy to offer them internships so that they can get to know all facets of the profession. In Italy, the prevailing ideology is 'I always did it this way, so why should I change it?' But we need to become more open-minded, as that is the only way we can improve the veal sector."

***"In my opinion,
we need more
women in our sector.
In Italy, the veal
sector is really
a man's world."***



FOOD SAFETY



Our policy

Every product that leaves our chain must be of the same high level of quality. This obviously applies to both food and feed products. It is the basic standard that buyers and consumers set for us as food producers. Food safety and the safeguarding of food safety therefore have our utmost attention.

NUMBER OF RECALLS	12
<hr/>	
NUMBER OF EXTERNAL AUDITS	152



TRANSPARENCY AND TRACEABILITY

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

With Safety Guard, the VanDrie Group's quality system, every link in the chain can provide the guarantees demanded worldwide. Whether it is about what happens in calf husbandry, during the production of animal feed or at meat processing companies – Safety Guard standards are applied everywhere. This quality system is based on ISO 22000. Also by 2022, various subsidiaries of the VanDrie Group had also achieved GMP+, BRC, IFS and ISO14001 certifications, 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. The veal farmers the VanDrie Group works with must comply with *Vitaal Kalf*. They are checked for these requirements by the independent The Foundation for Quality Guarantee of the Veal Sector (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 can ensure quality throughout the production chain..

ISO22000 is an international food safety standard designed with the aim of providing consumers with safe food. The standard states that companies must continuously update and improve their food safety management system. *

GMP+ stands for 'Good Manufacturing Practice'. In concrete terms, this means that the GMP+ standard defines from A to Z how a safe animal feed product is composed, produced and its compliance assured.

BRC is a food safety standard developed in 1998 by the British Retail Consortium, the UK trade association for retailers. The standard sets requirements for the HACCP system, quality management, production and process facilities, food defence and employee training. The standard is recognised by the Global Food Safety Initiative (GFSI). GFSI is a business initiative for the continuous improvement of food safety management systems. GFSI's main activity is to benchmark management systems.

IFS is also known as the German/French counterpart of the English BRC standard. The standard is also recognised by the GFSI.

ISO14001 is the standard for environmental management. It requires companies to develop appropriate environmental policies and ensure their implementation.

Unique traceability system

A unique aspect of Safety Guard is its traceability system. We use this to keep track of exactly which raw materials are incorporated into animal feed, where they come from and which farms the batches of animal feed go to. 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 and kept. The unique code remains linked to the products in the meat processing companies. This allows each individual piece of meat to be traced back to an individual ingredient in the animal feed for example.

Controls, monitoring and internal audits

Our companies are regularly or daily inspected by national governmental organisations, such as in the Netherlands by the Netherlands Food and Consumer Product Safety Authority (NVWA). The meat-producing companies are subject to ongoing supervision by veterinarians from the Netherlands Food and Consumer Product Safety Authority (NVWA). In addition, self-



appointed internal auditors, through an established programme, conduct internal audits of animal feed and meat-producing subsidiary organisations by means of a clearly defined programme. A comprehensive three-year training plan for these auditors was adopted in 2022. In this way, the knowledge and skills of the auditors are kept up to date in a structured way in order to contribute towards the continuous improvement process. In addition, audits by customers or foreign governmental organisations take place very regularly. In 2022, 152 external audits took place.

HACCP

Hygiene is a crucial factor in meat production. Products of animal origin inevitably contain microorganisms. It is up to us to ensure that our practice is set up to achieve the standards in this regard. Our meat-producing companies therefore work on the basis of HACCP. HACCP stands for Hazard Analysis and Critical Control Points. It is a food risk assessment. The companies have all identified and listed potential hazards and indicated real hazards. To this end, critical management points (CCPs) have been identified. These are points in the process where the risk can be prevented, eliminated or reduced to an acceptable level. For each CCP, the critical boundaries are indicated and how these boundaries are monitored. Corrective actions have also been recorded. These are taken if monitoring shows that a CCP is not sufficiently controlled. Verification is applied to periodically determine whether the HACCP approach is effective. Documentation and records are kept of all verification activities.



In practical terms, the HACCP approach monitors, for example, the delivery of clean animals, the use of clean knives and equipment, proper sterilisation, the good personal hygiene of employees, intensive cleaning of production areas and prevention of condensation. We monitor our efforts to demonstrate our compliance. This involves taking many samples of the products and environment. We also take samples of carcasses to test for the presence of E-coli or salmonella, for example.

LABORA

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 carries out investigations on behalf of 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.

Zoonosis

Zoonoses are diseases that can be transmitted from animals to humans or vice versa. A zoonosis can be transmitted in several ways, namely via direct contact, via the air (splashes, aerosols or via dust particles), via contact with body fluids (blood, mucus, urine, faeces, uterine fluids), via indirect contact (via contaminated objects, doorknobs, instruments or dung) and via insects and parasites, such as flies, mosquitoes and ticks. Moreover, infections can occur after eating meat, raw milk (products), eggs, for example.

Zoonoses are caused by different types of pathogens, such as bacteria, viruses, fungi and parasites. The animals or humans do not have to be sick themselves; they can also carry the pathogen and therefore still cause infection to others. With regard to the transmission of infections from calves to humans, we examine each stage in the production process to determine where those hazards pose the greatest risk and measures are then taken. These can be zoonotic diseases, such as some E. Colis, Salmonella, Listeria, MRSA and ringworm.

Heating

Most of the raw materials used undergo a heating step before or during the production of milk substitutes. Zoonoses do not survive this heating step. This minimised the risk of zoonoses being transmitted through milk substitutes. The risk of zoonotic contamination from other feeds, such as muesli, is also very low. Muesli has a high dry matter content, as a result of which any zoonoses cannot or can hardly grow or spread. Through Safety Guard, we carry out investigations on raw materials and end products to eliminate risks.

Hygiene measures

The use of hygiene locks is essential at the farm, as are other hygiene measures by veal farmers and others entering the livestock shed, such as vets. We expressly advise good personal hygiene: washing hands after coming into contact with calves and/or manure, as well as wearing clean industrial clothing. In addition, pest control is essential, not only to minimise the risk of barn fires but, above all, to prevent these animals transmitting diseases.

Temperature control

Within the meat processing link, we ensure that the temperature of the veal is kept under control by applying automatic temperature control in the cold storage units and a closed cold chain is observed all the way to the customer or consumer. Customers are advised to heat the meat products well before consumption.

Recalls

One indicator to determine whether meat products and animal feed have been produced responsibly and safely is the number of recalls (the recall of products by a supplier). In 2022, 12 recalls occurred in our chain. Of these recalls, 5 occurred at our animal feed producing and selling companies. Due to timely intervention based, among other things, on sound risk assessments, no risks to animal or human health or welfare occurred in these recalls.

Seven recalls occurred within our meat processing companies. In the case of these recalls, meat was recalled due to a (possible) violation of food safety standards. Due to the properly-functioning tracking and tracing system, the recalls were of limited size and it was possible to get in touch with customers quickly. At meat processing companies, there has been little scope since last year to carry out risk assessments and, based on these, to assess whether a recall is necessary or not. Tightening of the policy of the Netherlands Food and Consumer Product Safety Authority underlies this. A breach of a standard, even if a risk analysis would show that there is no risk to food safety, such as in the case of administrative matters, for example, therefore leads to a recall more often than before.



GOOD EMPLOYMENT PRACTICES



Our policy

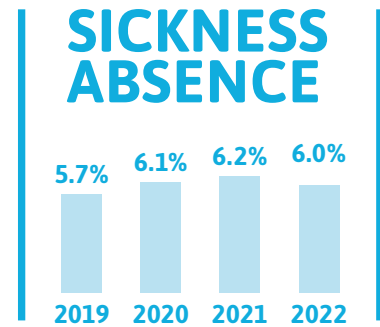
Our employees are our most important capital. Without them, we would not be able to make our wonderful products. It is therefore important that we manage to attract, retain and train employees. As an employer, we also have the responsibility to guarantee the safety, health and welfare of all our employees.

SICKNESS ABSENCE 2022	6%
NUMBER OF INTERNSHIPS AND TRAINING PLACES	152
NUMBER OF EMPLOYEES 2022	2620
AVERAGE YEARS OF SERVICE	11,35

SAFETY, HEALTH AND WELFARE OF OUR EMPLOYEES

Creating a healthy and safe working environment for all VanDrie employees by continuously improving safety, welfare and working conditions .

Maintaining and promoting the safety, health and well-being of our people is a key principle. One indicator to determine how our employees are doing is sickness absence. In 2022, this absence rate stood at 6.0 per cent. By comparison, this was 6.2 per cent in 2021 and 6.1 per cent in 2020. This tells us that sickness absence in our organisation has decreased slightly.



Two serious injury accidents occurred in 2022. This is impactful for the victims and also affects colleagues. Needless to say, these accidents have been reported and external investigations have taken place. We must report all accidents, near-accidents and high-risk situations to the authorities. By means of our own Risk and Inventory Evaluations (RI&E), we deploy actions to effectively prevent accidents and risks thereof.

A considerable part of the work in our production environments involves heavy labour. We are therefore investing in robots and automation to take over routine tasks. As a result of this, we can reduce the physical burden on our employees. In 2021, we created two PhD research positions in collaboration with the University of Twente to identify the opportunities and possibilities of automation in our meat production. That research continued during the course of 2022.

Compass

A good working environment is characterised not only by safe working conditions, but also by working together with committed colleagues who enjoy going to work. You should also feel safe in the workplace and be treated with respect. We actively share our compass with employees. The compass describes what 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,

responsible and with an eye for quality. This does not include bullying, discrimination, sexual harassment and other unlawful behaviour. Confidential advisers have been appointed in our companies and potential abuses can also be reported anonymously via the SpeakUp line. In 2022, 4 reports were made to confidential advisers and 0 reports were made to SpeakUp.



ATTRACTING, RETAINING AND TRAINING OUR EMPLOYEES

Attracting, retaining and appreciating employees (and agency employees) by offering attractive working conditions and sufficient training opportunities.

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

In 2022, 4,350 employees worked for us, both permanent staff and agency employees. 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.

Approved work placement company

The Adult and Vocational Education Act requires upper secondary vocational students to undertake 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 motivated and eager to learn. Many students continue working for 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 2022, we offered places to 47 trainees.

An additional end-of-year allowance was provided to employees at the end of 2022 to meet rising energy costs and inflation.



INTERVIEW SDG 8: ROELINDA NOORDERINK



IN CONVERSATION WITH... ROELINDA NOORDERINK,
HR MANAGER AT ALPURO AND NAVOBI

**'THE MOST IMPORTANT
THING IN YOUR JOB IS TO BE
IN A PLACE WHERE YOU ARE
COMFORTABLE AND FEEL SAFE.'**

Roelinda Noorderink, Human Resource (HR) Manager at Alpuuro and Navobi, both of which specialise in calf feed, has worked for the VanDrie Group for almost 30 years. She started as a secretarial assistant and had the opportunity to develop within the organisation to her current position. She now focuses entirely on all facets of HR. In this interview, she talks about what dignified work means to her and how she is contributing towards that within the VanDrie Group.



Roelinda, what do you think good employment practices entail?

Roelinda: “That is a very broad concept that involves many factors. In my opinion, good employment practices are mainly about making sure people are in the right position. That they enjoy what they do and work in an environment that feels pleasant and safe. As an employer, you are largely responsible for that.”

At Alpuro and Navobi, how do you ensure that the working environment is perceived as pleasant by employees?

“We make sure that everyone is included in the developments taking place within the organisation. Our industry and our business are situated in an ever-changing environment. Employees need to know that the VanDrie Group is aware of this and that the company is responding to it, giving them the assurance that the continued existence of the VanDrie Group is guaranteed. In addition, the movement within the chain means that the work our people are doing is changing. That can be challenging, especially if someone has been used to doing their job in a certain way for years.”

How do you tackle that?

“We communicate a lot internally. For instance, we distribute a weekly newsletter covering all the current developments. There are several work meetings and at Navobi there is a focus group. That focus group is made up of a number of employees who meet with the plant manager every six weeks. At those meetings, members of the focus group put their ideas on the table or they raise issues that the plant manager then addresses. In addition, the focus group is informed about projects or new developments within the organisation. That’s how we create engagement and it’s very much appreciated.”

“In the focus group, employees can contribute their own ideas.

That is very much appreciated; people feel heard.”

What career opportunities are available within Alpuro and Navobi?

“We focus on sustainable employability. We encourage our people to keep developing themselves wherever they can. This development and training take place within their current position or as in order facilitate progression to another position. If a person wishes to progress to another position, we look at opportunities across the VanDrie Group. It also sometimes happens that in discussion with the employee, we come to the conclusion that the opportunities within our organisation are insufficient or that he or she has outgrown the VanDrie Group. In such cases, our aim is always to part ways on good terms.”

Besides a pleasant working environment, you mention safety as an important factor in feeling at home. How does the VanDrie Group contribute to this?

“You can interpret safety in two ways. First and foremost, it is about feeling safe, free and trusted in your workplace. If for some reason that is not the case, there is always sufficient scope to approach someone. These could be your colleagues or your manager, or you can ask one of the two confidential advisers for help. There is also SpeakUp, an anonymous hotline within the VanDrie Group, which can be reached online or by phone via voicemail. We encourage people to play an active part in ensuring their own safety and that of their colleagues. If they identify something, even if it doesn't directly concern themselves, we want them to alert us to it. The VanDrie Group values a family culture, and we, as a subsidiary organisation, also embrace this.

“In addition, you have technical safety. Various protocols have been drawn up in accordance with the Working Conditions Act and the RI&E, the risk inventory and evaluation. The prevention officer monitors compliance with these. In meetings, employees are made aware of their safety and their responsibility

“We encourage our employees to keep developing. This is also perfectly possible within your own position.”

concerning it. For example, every Monday there is a short session with operational staff, in which they are updated on the importance of using personal protective equipment, ATEX guidelines (gas and explosion hazards) or machine safety, among other things.”

Offering an appropriate salary is also part of good employment practices.

How do you take care of that?

“In terms of salaries, we follow the collective agreement for grain processing companies. All employees are therefore certain to receive an appropriate salary and conditions. The pay scales are transparent for everyone who works here. Through discussions, we show employees where they stand and where they can grow. We also have good fringe benefits and each year, we review the scope that exists within the working expenses scheme, for example, for a bicycle plan.”

Are you able to influence well-being and health of your employees?

“We make people aware of the importance of taking good care of themselves. In the company canteen at Navobi, we offer healthy meals and occasional snacks. We make sure the healthier choice is also affordable. Fruit is available to everyone free of charge. Besides healthy eating, sufficient exercise is important. We offer a weekly bootcamp class.”

“A good work-life balance is also part of a healthy lifestyle. We recently commissioned a number of surveys among staff, in which they were asked questions on topics such as workload, discrimination and mutual communication.

Using the anonymous results from those surveys, we hope to get a good idea of how employees feel in our company. Where necessary, we will put measures in place to improve things.”

“Finally, we are in touch with a number of external coaches who can help our staff progress in a variety of areas. These coaches can be viewed as a communication trainer or as a social worker for companies. If someone faces an insurmountable problem in their work, including for psychological reasons, we offer help. We have already successfully provided programmes of assistance of this type on a number of occasions. Good employment practices involve more than simply offering a good salary.”

“Fruit is available to everyone free of charge.

We also offer a bootcamp lesson every week.”

Where do you think the future challenges in terms of HR lie for the VanDrie Group?

“The biggest challenge is in the labour market. Fortunately, turnover among our staff is low. Nevertheless, it has become considerably harder to find new people in recent years. Vacancies remain open longer than they used to. In the past, there were times when we received more than 100 responses to a job vacancy, but nowadays, we have to look for candidates with a magnifying glass. For that reason, we enlisted the help of specialised companies. We have actually maintained a good working relationship with a number of employment agencies for many years. For that matter, a scarcity of candidates on the labour market has never caused us any real problems.”

Finally, what other message would you like to share with the employees of the VanDrie Group?

“To make sure you feel comfortable in what you do. I am conscious of that myself. My work requires energy but also gives me a lot in return. As long as the balance is positive, you are fine. If not, you should let us know and we will help you.”





ATTACHMENTS

SCOPE

THE SCOPE OF THIS REPORT

Being accountable

This is the 16th year we have accounted for our activities. One of the ways that we do this is by means of this CSR report. In 2022, we reported based on our materiality matrix. This matrix was validated once again in 2021. The designated material themes form the basis for the reporting of our results.

Definition and scope

This year, the VanDrie Group is primarily focusing on the operational performance in the Netherlands in 2022. We have included more data on our foreign subsidiaries for the third year this year.

This annual report is intended mainly as a means of providing accountability to our stakeholders in the Netherlands. The report is based on the core GRI Standards. The report has also been drawn up in line with the criteria of the Transparency Benchmark of the Dutch Ministry of Economic Affairs and Climate.

The materiality matrix was revised in 2021: the matrix provides an insight into what our stakeholders find important. We report on this information. Due to this revision, the material issues do not yet match the indicators in the scope of the Assurance assignment in all cases. By expanding the number of indicators, we intend to report more on this in the coming years. In that same development, we are further tightening our data collection and internal control processes. Given that we operate in a competitively sensitive market, we have consciously opted only to report on our financial results and internal structure to a limited extent in this report. As such, the CSR report is not an integrated annual report.

Management and control

The Corporate Affairs department is involved in determining the content of the report and manages the entire reporting process and the implementation of material issues inside and outside the company. The content of the report is determined according to internal and external interviews as



well as management reports from all companies. The VanDrie Group's entire management team supervises the aforementioned developments. Every year, the material aspects of the business are discussed at the management meeting. Moreover, the effectiveness is considered and policy is amended and adjusted, is required. The approval of the publication of the CSR results is also decided within that meeting.

The data in this report relates to the performance and material issues of the VanDrie Group (i.e. companies in which VanDrie Group Holding BV has a majority interest) and not to the performance of suppliers, customers, consumers, etc. The quantitative details in this report have been collected from financial systems, the personnel management system and Safety Guard. We do not possess an automated information system that covers all the information. A standardised reporting template is used to collect all information on an annual basis. Where possible, the data for this report has been measured. We have had to make estimates for several indicators for which no reliable, measured data was yet available. Those estimates are based on measured data. The data is evaluated internally before it is reported. We will be tightening our indicators and thus our data collection further in the coming years. This will allow us to report on new and additional indicators in the scope of the assurance assignment in future years.

The reporting period is from 1 January 2022 to 31 December 2022. The publication date is 14 July 2023. The assurance report will be prepared by Mazars N.V. in autumn 2023. The assurance monitors the indicators listed in the Independent Assurance Report. The reporting of figures and indicators on 13 July is based on the key figures known and internally validated to date. A separate GRI index is also included with the report. Any changes to the definitions and measurement methods compared to previous years are stated in the report, together with the corresponding data.