



VanDrie Group

CONTROLLED QUALITY VEAL

CSR REPORT 2014



VEAL WITH VISION

FOREWORD

We have published our report on Corporate Social Responsibility (CSR) every year since 2006. Every year, we make strides in our CSR policy and integrate sustainability thinking in all VanDrie Group companies in Italy, France, Belgium, Germany and the Netherlands.

The VanDrie Group is the largest integrated veal producer in the world. We are responsible for the entire production chain. Supplying high-quality, safe products is our primary concern. We want to supply a good end product in a responsible manner – whether it be veal, calf feed or calfskins. We care about our organisation and our staff, food safety, animal welfare and our surroundings and the environment. Society is a critical observer and places ever increasing demands on our production methods. The VanDrie Group anticipates this by constantly focusing on quality and development within the chain as a whole.

2014 was a dynamic year. The Russian boycott of European agricultural products, unrest in the Middle East, the establishment of the European Community Agricultural Policy and negotiations on the TTIP trade agreement between Europe and the United States all affected the way in which we conduct our business. The VanDrie Group is a Dutch family business that considers Europe its home market. Exporting to over 60 companies worldwide, we operate in a unique, international environment.

The described developments emphasise the importance of reinforcing cradle-to-cradle monetisation (making optimal use of each part of the calf). Our sales are of absolute importance for our company's financial future. We are therefore constantly working to boost consumer confidence and increase familiarity with veal throughout the world. Bearing in mind forecasts that there will be nine billion mouths to feed by 2050, efficient manufacturing and complete utilisation of an animal is an important starting point for us.

Without stewardship and profitability, it will not be possible to act in a sustainable manner. For us, stewardship means doing business in a sustainable manner, bearing future generations in mind. Stewardship therefore also means investing and innovating. We are proud that this year we have once again been able to combine and develop profitability and sustainability thinking.



This annual report details the developments made in 2014. It goes into further detail than the previous edition. This year, we have made the conversations that we have with our stakeholders more transparent, and our value chain has been described in greater detail. All companies within the VanDrie Group have shared their sustainability results this year, enabling us to highlight the importance of Corporate Social Responsibility in our chain in the Netherlands and abroad.

This year too, our accountant conducted an external verification of a selection of indicators, as found in appendices 12 and 13.

Should you have any questions or comments about this CSR report, please send them to contact@vandriegrup.com. I hope you enjoy reading this report.

Henny Swinkels *Director of Corporate Affairs*
30 June 2015



*Henny Swinkels,
Director of Corporate Affairs
VanDrie Group*

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THE VANDRIE GROUP

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

The group's structure is organised in line with production chain management, and a unique integrated quality system has been developed for this purpose: Safety Guard. Safety Guard safeguards food safety, animal welfare, responsible use of antibiotics and environmental management across the entire production chain.

The group's operating companies are divided into six categories: husbandries, basic dairy products (processing & trade), calf feed, slaughterhouses (handling & processing), calfskins and veal information.

Quality seal

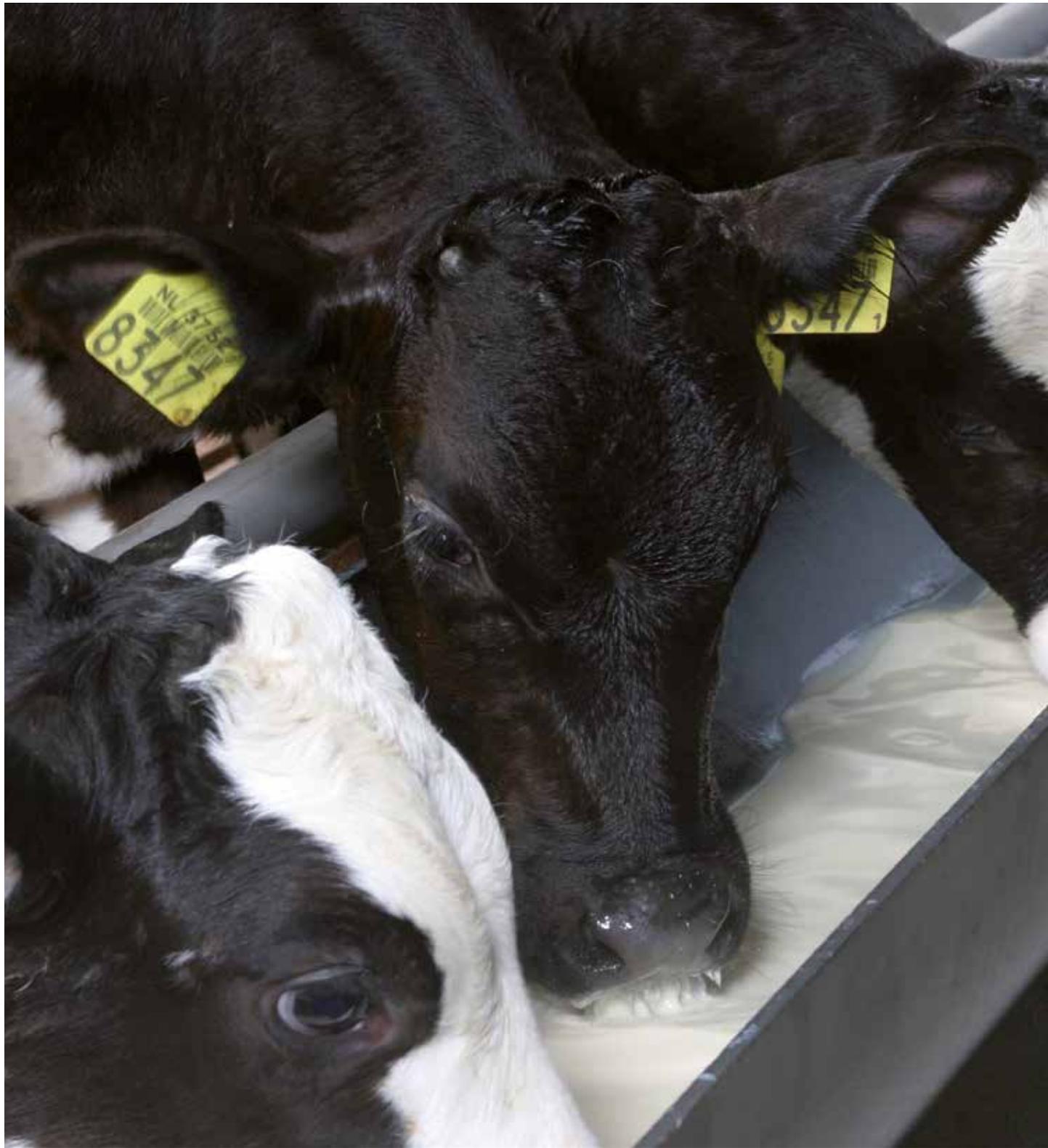


The VanDrie Group stands for high-quality, safe products.

Respect for humans, animals and the environment is a top priority.

We also care about what we will leave behind for future generations. This is reflected in our logo, which is formed of a recognisable hand and a calf: an expression of respect for people and animals. The seal is our guarantee of quality and craftsmanship.

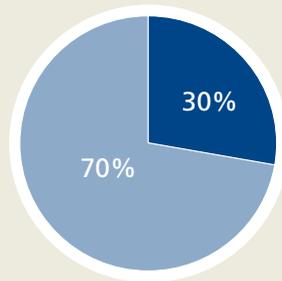




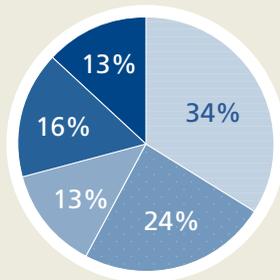
ORGANISATIONAL STRUCTURE

Veal distribution

European market share



Exports of veal



Facts and figures

Our employees:

- Approximately 2,300 employees*
- Approximately 47% of our employees work in the Netherlands
- Approximately 1,100 veal farmers
- Approximately 4,000 people in indirect employment

* See appendix 3 for the distribution of employees by country or business activity.

Our products:

- Approximately 1.5 million calves
- Approximately 500,000 tonnes of calves' milk powder
- Approximately 155,000 tonnes of muesli/roughage
- Approximately 175,000 tonnes of trade in basic dairy products
- Approximately 1.44 million calfskins
- Branches in the Netherlands, Belgium, Germany, France and Italy

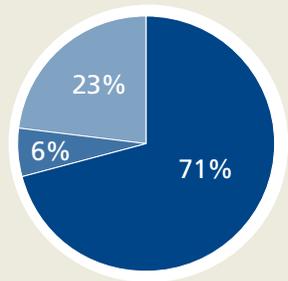
Our results:

- Turnover*: approximately €2 billion
- Net profit*: approximately €63 million
- Net profit margin*: approximately 3.1%
- Exports of veal: 95% exported to over 60 countries

* The specified turnover data as well as the amount of assets and operational costs can be found in the VanDrie Group's financial annual report for 2013. With regard to turnover, the Tendriade brand has been included in the fourth quarter. See also Accountability.

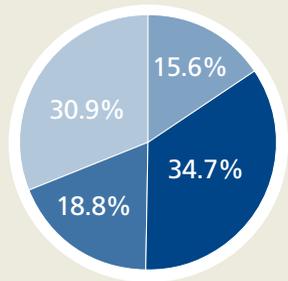


Overview of calves slaughtered in each country



- The Netherlands
- Belgium
- France

Overview of calf feed production for each site



- Tentego
- Schils
- Navobi
- Alpuro

Our buyers:

Our feed go to veal farmers, but also to dairy and other farmers. The veal products that we produce go to a range of outlets such as wholesalers and meat traders, retailers, supermarkets, butchers, hotels, restaurants, caterers, food service companies and the institutional market.

Our calfskins go to tanneries and shoemakers, bag makers, clothing manufacturers and the car industry around the world.

Our basic dairy products mainly go to dairy producers, food manufacturers, animal feed manufacturers and dairy product importers.

Our group's marketing concepts are:

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

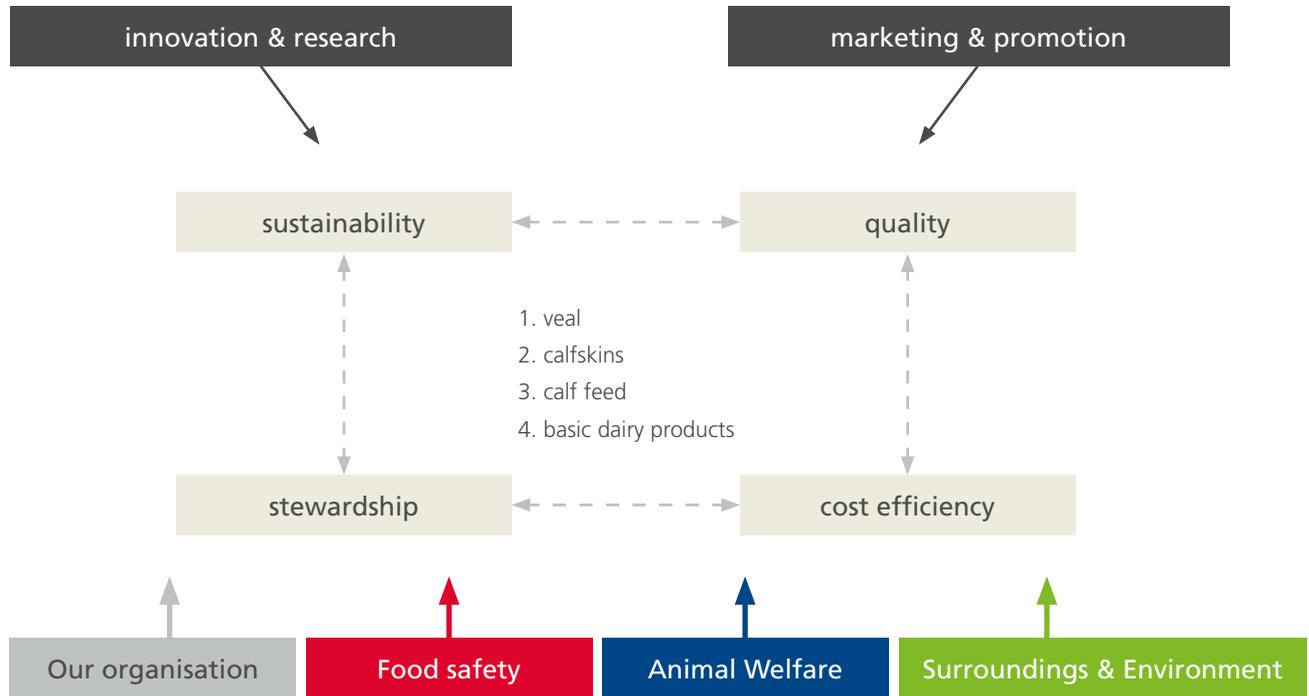
In France, the VanDrie Group has two consumer brands, namely: Finesse de Veau and Tendriade.



BUSINESS MODEL

The VanDrie Group creates value within four different product categories: veal, calf feed, calfskins and basic dairy products. In order to create value, the factors of quality, cost efficiency, sustainability and long-term vision play a very important role in the strategy. An organisation that works well with healthy and skilled employees is important for everyday operations. Dealing with raw materials efficiently and working on the basis of a 'cradle-to-cradle' principle help to utilise scarce

raw materials as effectively as possible and to reduce our carbon footprint. Products must be of high quality, with food safety being of the utmost importance. We work with live assets and consider handling animals with respect to be very important. The VanDrie Group's business model is illustrated below.



Family values

We express our family values in the way in which we deal with one another, with people and animals and with society as a whole. Respect forms the basis of our family business. We strive to be good stewards and to build up capital for future generations. Long-term collaboration with staff and partners within and outside our chain is also central to our business operations. The dynamic environment in which we operate means we have to focus on thorough financial housekeeping and use raw materials as efficiently as possible.

Setting an example

Because we are the global market leader, we have a responsibility to set an example, and we do not shirk that responsibility. We invest a considerable proportion of our profits back into the group's business, which enables us to develop our business further in a sustainable, social and economically

responsible manner. The result is that we have skilled employees with plenty of experience across the company who are able to arrange our working procedures in an innovative manner and therefore make more and more improvements to quality. Constructive collaboration with employees and partners forms the basis of the VanDrie Group's success.

Origin in dairy farming

Veal was originally a by-product of dairy farming. A cow will only lactate if she calves each year. Dairy farmers keep a proportion of the female calves born on their farms, in order to expand and replenish their own dairy herds. The rest of the calves are sent to husbandries. Thanks to its large dairy industry, the Netherlands is a significant producer of veal.

CSR POLICY

Our certified organisation including human welfare, food safety, animal welfare and attention to surroundings & the environment are the cornerstones upon which the VanDrie Group's CSR policy is based. We have been providing accountability on these subjects since 2006, including by publishing this annual report. The content of each issue is evaluated once a year to ensure that our policy and its cornerstones still reflect the dynamic environment in which the VanDrie Group operates. Where necessary, the VanDrie Group will adjust these points as prompted by the evaluation.

The materiality matrix has been extended. See appendix 10.



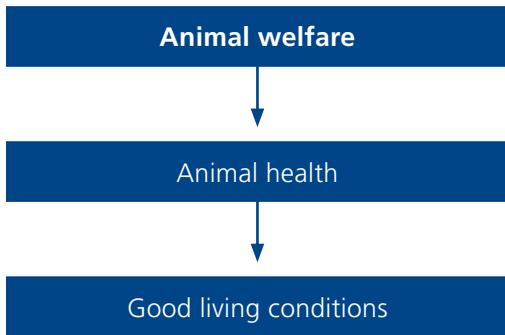
Our organisation

As a family business and global market leader, we shoulder our responsibility as regards social developments in our sector. Where our employees are concerned, we strive to have healthy and skilled employees in safe workplaces with ample scope for personal development.

Food safety

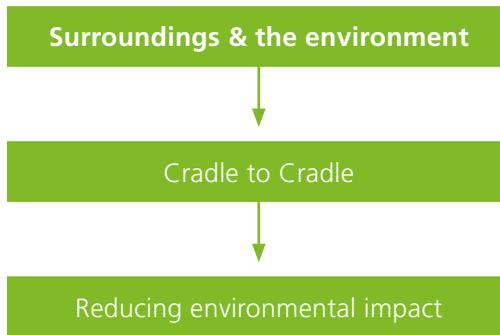
Our main responsibility is to supply reliable and responsibly produced veal products, which is why we have developed an in-house quality system, Safety Guard, to enable us to safeguard quality and safety from the first to the last link in our production chain.





Animal welfare

Together with our farmers, we set everything in motion to ensure that the calves grow up healthy. We achieve this aim by collaborating with the dairy farming sector. Together we ensure that these calves receive a good start in life.



Our surroundings & the environment

We aim to impact the environment with our operations as little as possible. Our policy focuses on two areas: Cradle to Cradle business operations and reducing the environmental burden. In practice that means that we strive to waste as little as possible, to reduce the energy we consume and our CO₂ emissions and to make maximum use of our waste flows.

VISION & AMBITION

The VanDrie Group adopts a CSR policy in which relevant issues are flagged up in good time and where sustainable solutions are continually sought to the challenges faced by our industry. We are making real efforts to make the whole production chain sustainable and are trying to take steps in that regard at each link of the chain. Within the group, there is a focus on anticipating future risks and opportunities, and on optimising the value of all links within the chain. Relevant stakeholders acknowledge that our results are demonstrably good in areas such as animal welfare, animal housing, manure processing, quality assurance and new marketing concepts.

Innovation and marketing & communication play an obvious role in adding value. Daring to do business based on innovative ideas ensures that we can take steps to retain our position as global market leader each time. We use marketing, communication and information to ensure that our products are and continue to be well-known all over the world.

Corporate Social Responsibility is embedded in our day-to-day thinking and business. Driven by our intrinsic motivation and our ambition to be trend setters, we are now taking the next step in our CSR policy. We are adopting the principle of creating shared value: identifying sustainable solutions for CSR dilemmas and issues by reinforcing our relationships with suppliers and buyers in the chain.

We are convinced that the solutions found in the shared responsibilities with other partners in the chain provide powerful and sustainable answers to the social issues we currently face together.

Transparent communication on CSR

In 2014, the VanDrie Group was one of the highest-ranking family businesses in the agricultural business sector in the Dutch Ministry of Economic Affairs' Transparency Benchmark 2014. The VanDrie Group scored 120 points, putting us in joint 100th place. The Transparency Benchmark is an annual study of the content and quality of the social reporting performed by the approximately 450 largest companies in the Netherlands.

Stakeholders' talks

The VanDrie Group attaches a great deal of importance to conducting talks with the stakeholders we have identified. With the input that we gather from these talks, we can continue to work on improving the quality of the services we provide and our business operations, as well as developing CSR policy. The extent and way in which the stakeholders' talks are conducted differs; in addition to formal encounters during meetings and seminars, there are also more informal contacts such as company visits, telephone contact, presentations and informal gatherings. The contacts with the identified stakeholders are varied and take place both formally and informally, almost every day. In 2014, we conducted a stakeholder analysis. By conducting a comprehensive survey among our stakeholders, the most relevant social issues were determined and placed



in a materiality matrix. This new materiality matrix can be found in appendix 10.

Key priorities

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

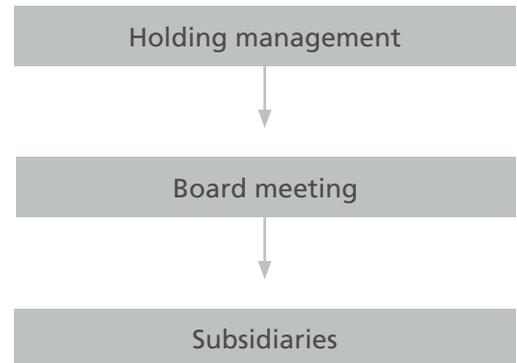
- Further expanding and developing animal welfare;
- Prompting responsible use of antibiotics in husbandry by adopting a chain-led approach;
- Using available raw materials more efficiently and more effectively;
- Optimising use of residual products and by-products;
- Investigating new high-quality sources of proteins and fats for our animal feeds that will not compete with human consumption;
- Investigating opportunities for creating new value(s) by adopting an entirely different and innovative approach;
- Helping feed the nine billion people on the planet in 2050 by going beyond just supplying our veal, by also sharing our knowledge and expertise in veal;
- Developing a close partnership with stakeholders in the chain, such as the dairy farming sector and the dairy sector;
- Developing relationships with animal health and welfare organisations and other social institutions;
- Opening foreign markets, including the United States and China;
- Encouraging interest in the consumption and sale of veal, focusing specifically on younger generations.

OUR ORGANISATION

As a family business and global market leader, we have the ambition of keeping ahead of the pack where social developments in our sector are concerned. Taking responsibility always begins at home. The management of the VanDrie Group is ultimately responsible for the CSR policy as a whole, but each business unit has its own aims and responsibilities. Within our company, we have an in-house think tank working on the possibilities for innovation in animal feeds and adjustments to management.

Our research projects are clearly defined and implemented by seven of the VanDrie Group's staff. Outside the sector, we collaborate with parties such as Wageningen UR (University & Research centre) and with organisations for animal health and welfare, such as De Nederlandse Dierenbescherming (Dutch Society for Animal Protection) and the Global Roundtable for Sustainable Beef (GRSB). The VanDrie Group also considers operating in an internationally responsible manner a CSR duty. We respect the various religions and philosophies in the world as fully as we can, such as by applying specific slaughtering methods and by not working on Sundays where possible. We consider it one of our tasks to share our knowledge and expertise with business contacts and to promote international relations. An overview of the partners and stakeholders with which the VanDrie Group collaborates can be found in appendix 5.

All the group's businesses fall under VanDrie Holding, which is the company responsible for finances, among other aspects. The VanDrie Group has three shareholders, namely René van Drie, Jan van Drie and Herman van Drie. Henny Swinkels is the Director of Corporate Affairs. Board term limits do not apply. Within the leadership of the VanDrie Group, the aim is to remain within the Balkenende standard (Balkenendenorm) when it comes to remuneration policy.



Founder



Jan van Drie sr.

VanDrie Group management



Jan van Drie



René van Drie



Herman van Drie

The VanDrie Group consultation structure

Many structured consultations take place within the VanDrie Group, including:

- The board meeting, in which various directors of the VanDrie Group companies are represented and which takes place at least five times a year. The purpose of this meeting is to evaluate draft policy and policy implementation, and to initiate new activities. The group's various operating companies are managed from the forum of this meeting;
- Monthly meetings of the operational managers of our Netherlands-based slaughterhouses;
- Bimonthly joint consultations between the quality officials of the Dutch slaughterhouses
- Biannual consultation between all quality officials and managers within the chain in the form of the Safety Guard Platform. Attendees include the Head of the VanDrie Group Quality Assurance, the VanDrie Group Quality Coordinator and a

member of the board meeting;

- The VanDrie Group 'Feed' management team meets four times a year;
- A KAM (Kwaliteit, Arbo en Milieu – Quality, Occupational Health and Safety and the Environment) day is held every year and is attended by Quality Managers and HRM Managers from the Safety Guard companies;
- Three times a year, a KAM consultation is held with employees who have been assigned to environmental and occupational health and safety matters within the four Dutch feed companies;
- A marketing meeting is held once a quarter.

CSR and our staff

Where our staff are concerned, we strive to have healthy and skilled employees in a safe workplace with ample scope for personal development. The average age of employees at the VanDrie Group is

43 years. Almost 22% of our staff have been with us for over 20 years. Safety at work is paramount in everything we do. We continually train our staff on safety issues, as well as encouraging our employees to work on their physical and mental health.

Sickness-related absences

Keeping sickness-related absences as low as possible is important for us, both socially and economically. Compared to 2013, sickness-related absences fell from 6.3% to 4.9% in 2014. As a result of positive experiences with reducing sickness-related absences, in 2014 ESA set up a General Service department that accommodates older and/or sick staff. Recent participation legislation has driven this further, as well as having a positive effect on sickness-related absenteeism figures at ESA. Sickness-related absenteeism at ESA decreased by around 3.5% compared to 2013. In addition to implementing current legislation, this plan also delivers employee well-being and makes a substantial economic contribution.

For tables, figures and detailed information on our personnel policy, please see appendix 3.

Medical check-ups

Several of the companies within the VanDrie Group arrange regular check-ups (preventive medical examinations, or PMO in Dutch) which our staff can avail themselves of. The fitness test component of these check-ups gives a good idea of each employee's physical and mental health.

In 2014, 70% of invited Ekro staff took part in the check-ups. A long-term employability project was also started at Ekro. Frequent absentees are spoken to and supervised by an external agency in the field of nutrition, exercise and lifestyle in general. This project will be continued in 2015. There is also a focus on the food supplied in Ekro's company canteen. A work placement student will conduct further research into this in 2015. At Oukro in 2014, voluntary take-up of the check-ups was 100%. The check-up at Oukro was conducted as a final assignment by a trainee nurse and company physiotherapist.

Kickoff for BBL-2 class

In 2014, Ekro and ESA organised a joint meeting for employees who are about to start a BBL-2 training programme. BBL stands for beroepsbegeleidende leerweg (day-release programme) and is also referred to as work-based learning. Seven employees of Ekro and five employees of ESA followed the Fresh Industry Production Worker training programme, which allows employees to increase their knowledge of the production process and has provided a good basis for follow-up programmes (such as BBL-3). Attention is also paid to long-term employability in this class.



A physiotherapist and nutrition expert gave a guest lecture on nutrition and how to remain employable in a physically demanding job. T. Boer & zn also started a BBL-2 class in 2014.

Labour mobility

Ekro and Oukro paid a great deal of attention to the issue of labour mobility in 2014. At the beginning of October, a meeting for all staff members was organised on this issue. Managers were supervised in thinking about their own future and thereby also gained an understanding of the employability of their own team and own department. They also took part in Labour Mobility Week (de Week van de Arbeidsmobiliteit) – a week organised by WerkendStedendriehoek, the Labour Mobility Team ‘Making work together from work’, and Linxx in the Stedendriehoek region. Labour Mobility Week gave employees the opportunity to spend a day working in a different organisation. Employees gained an understanding of the opportunities that exist in the region, consciously conducted alternative work and thereby increased their awareness of their own mobility options. The structure of this initiative will be continued in 2015 in ‘Baanaanbieding’ (Job offer), which aims to allow employees to get acquainted with different work and give them an insight into their own options on the labour market.

Dealing with employees aged 60+

Bearing in mind the growing number of older workers, Navobi started its BMD sustainability training in 2014. The aim is to guarantee Navobi’s

performances in the long term and to reorganise the organisation from process-oriented to customer-oriented. As a result, Navobi believes it will be able to achieve improved productivity, collaboration and thereby improved operating results. This training will be subsidised by the government. In the new collective labour agreement for the Meat sector (April 2014), it was agreed that a compulsory senior citizens’ scheme would be started on 1 January 2015. The aim of this scheme is to reduce the burden on ageing employees (i.e. those aged 60+). 10% of working hours will be scheduled out, but not at the expense of the employee’s salary. The employee aged 60+ will surrender 16 days per year compared to the old scheme.

Wajong young people

For a number of years now, Alpuro has had a Wajong (Wet werk en arbeidsondersteuning jonggehandicapten – Disablement Assistance Act for Handicapped Young Persons) young person working for them. By giving a Wajong young person a chance on the labour market, Alpuro is playing a part in improving the appeal of work and positioning of this target group. Moreover, diversity among staff is another added benefit for Alpuro. Wajong young people are good employees who feel responsible for their work. They do their best to make it a success. If that works, it results in a great deal of satisfaction for both the Wajong young person and his or her close colleagues. Seeing a Wajong young person grow in his work often has a positive effect on the work climate and on employee motivation. T. Boer & zn also started to employ Wajong young people in 2014.

Health and welfare at Ekro

BRAVO stands for Bewegen (Exercise), Roken (Smoking), Alcohol, Voeding (Nutrition) and Ontspanning (Relaxation). These articles come from Oude Vrielink Gezondheidsmanagement's (OVGM) Lifestyle Agenda and will hopefully help people to make good choices.

Safety Guard Academy

In 2014, the Safety Guard Academy continued to develop. The companies are working together more to further optimise training programmes. The first digital training course for new employees was completed in 2014. From 2015, this introductory training

will apply to new employees. In addition, within the Safety Guard Academy, workshops were organised for all slaughterhouses. This concerns workshops such as a Validation workshop, in which operational and quality-related responsibilities played a part. The Academy is our response to the growing demand for training options within and outside our organisation. It is an e-learning portal that makes knowledge, instructions and training courses available to various target audiences within and outside our organisation. Our aim is to make our training options available (in several languages) efficiently and structurally for large groups of users.



“Transparency is an important tool for Corporate Social Responsibility. Transparency concerns the openness, visibility and accessibility of our organisation. By explaining the dilemmas that Oukro has to contend with, how we deal with them and the consequences that our choices have, we will be more accountable to interested parties for our activities, which means that our customers will be able to join us in thinking about solutions and improvements. We consider it very important that our customers know how they can use us and that we are subsequently able to take responsibility for our business operations. By being transparent about the relevant properties of our calfskins and of the company, confidence in customers and other stakeholders increases. An example of CSR at Oukro is the aim of supplying more and more calfskins fresh, so that it is no longer necessary to cure them. In 2014, the amount of non-cured calfskins was 30.23%. Directives, quality marks such as ISO 14001, ISO 9001 and collaboration will also cause that confidence to increase. And confidence is a precondition for successful trading for Oukro.”

Marcel van Leent, *Managing Director of Oukro*



Supporting good causes

The VanDrie Group and its individual companies support many good causes. In 2014, we supported BIG Challenge Alpe d’HuZes, for example. With this initiative, farmers, vets, advisers and researchers etc. are working very hard to bring an end to the misery and powerlessness that causes cancer in our society. As in previous years, the VanDrie Group included customer gifts from Abrona in its end-of-year package. Abrona specialises in providing services to those with special needs. We also outsourced several activities to the Felua group from Apeldoorn. The Felua group helps to get people who are far removed from the labour market into as regular work as possible. The VanDrie Group has also supported the Stichting Kinderen en Kansen (Foundation for Children and Opportunities). This foundation aims to help children with Sanfilippo syndrome, a deadly metabolism condition.

The VanDrie Group also supports many good causes by supplying our veal products. In 2014, individual VanDrie Group companies supported Stichting Blijf Vrouw (Continue to be a Woman Foundation), Maak de Droom Waar (Make the Dream Come True) Music Festival, Culibus, KIKA, Hartpatiënten Vereniging (Heart Patients’ Association), Stichting Kind en Ziekenhuis (Child and Hospital Foundation), Roparun, Nationaal Ouderenfonds (National Old People’s Fund), the Opkikker Foundation and Serious Request. Alpuro Breeding regularly brought in people from De Werkwijzer Paperasserie to fold leaflets. Ambulante Hulpverlening Midden Nederland put together dry feed containers on behalf of Alpuro Breeding. Navobi is a member of the Geldersch Landschap & Kasteelen board, thereby contributing to the maintenance of 150 beautiful nature reserves, castles and country estates in Gelderland.



2014 RESULTS

Our ambition is to increasingly integrate CSR thinking in our day-to-day thinking and business. Just some of the results we have achieved in the social sphere over the past year are:

- Continuation of medical check-ups (PMOs) for our staff;
- Many new study programmes within the group, including discussion techniques, training for internal audits, evacuation drills, laboratory training programmes, VAPRO training programme and communication training for production staff;
- Our Netherlands-based calf slaughterhouses have a total of seven certified Animal Welfare Officers;
- Support of good causes such as the BIG Challenge Alpe d'HuZes, Felua group and Roparun;
- Continued development of the Safety Guard Academy;
- Reduction in sickness-related absences to 4.9%;
- More than 21% of our staff have been with us for over 20 years.

Tentego

- The Tentego company first aid (BHV) team have taken company first aid training;
- 'Veilig werken systemen' (Safe-working systems) training programme.

Navobi

- Increasing quality awareness and safety; additional attention has been drawn to quality factors by means of work consultations. Employees are being tested and safety instructions and safety cards have been created;
- Implementation of the ArboManagementSysteem

(AMS) (Occupational Health and Safety Management System);

- Start of BMD sustainability training for older staff;
- VeiligheidsWerkGroep (Safety Working Party); this group meets regularly to discuss various safety-related matters. The group also conducts a safety inspection in the production department once a quarter, so that various matters can be observed and improved if necessary.

Labora

- A recognised PMLF training company;
- Safety re-examination and approval of fume cupboards and eyewash fountains.

Alpuro

- Active policy to create a workplace for Wajong young people.

Schils

- Installing various safety platforms in the factory;
- Extending floor delineation on the site;
- Training courses relating to safety;
- Recognised training company for several work placement positions (Administration, Technical Service and Production).

T. Boer & zn

- Adaptation to in-house rules and regulations, in which more explicit attention has been devoted to the environment and safety and good housekeeping;
- Training of internal environmental auditor;
- Animal Welfare Training (SVO).



Ekro

- Work placement students: seven (mostly at Intermediate Vocational Education (MBO) level 3 or 4 and a few Higher Vocational Education (HBO) students)
- Two BBL-2 qualified apprentices at SVO in Zwolle;
- The first robot became operational at Ekro. This robot transfers livers fully automatically from the slaughter line to a cooling line;
- Extensive attention to the issue of Labour Mobility;
- 70% of the Ekro staff invited availed themselves of the check-up (PMO);
- Focus on health and welfare by means of BRAVO (Exercise, Smoking, Alcohol, Nutrition and Relaxation);
- Launch of long-term staff employability project;
- Effective Management Course.

ESA

- Training courses completed for HACCP, first aid (EHBO), company first aid (BHV), forklift truck driving, languages, storage of hazardous substances, audits & knowledge of standards and handling ammonia safely;
- Recognised training company for work placement positions (Technical Service, HR, Logistics and Production);
- Start of pilot for general service (employability of older employees);
- BBL-2 training course for five ESA employees.

VanDrie België

- SVO driver and animal welfare training course;
- Internal IT & software training course;

- External IFS & Root analysis training course by quality staff;
- 45+ Collective labour agreement scheme¹⁰⁴. Active policy relating to the health of the employee, the prevention and removal of physical obstacles to staying at work.

Oukro

- The entire leadership started a communication training programme in 2013; most completed it in 2014;
- Company first aid & first aid refresher training;
- In 2014, Oukro paid a great deal of attention to the issue of labour mobility.

Tendriade

- 64% of employees have been trained in how to lift weights (2013 & 2014);
- Two workplaces created for the physically handicapped and two workplaces for older employees;
- 20% of staff have been vaccinated against flu voluntarily.

Sobeval

- Seventy people trained to be members of the first response team in the event of fire;
- Information day organised in March 2014: personnel from the Maintenance and Cleaning department made aware of the noise risks. Personal and custom-made equipment purchased;
- Slaughterhouse staff trained regarding animal welfare;
- Training and refresher courses for BHV team members (company first aid staff). In total, there

- are 38 BHV team members on the premises;
- Relevant production and sales staff trained regarding new ERP software;
- Safety increased thanks to improved road signage throughout premises (car park and traffic zones);
- Investments in the form of a new stall and space for the calfskins;
- All meat processing staff trained regarding hygiene and the correct application thereof.

AMBITIONS FOR 2015

- Intensify contact with stakeholders;
- Support good causes once again;
- Continue developing the Safety Guard Academy for structured training courses;
- Be continually attentive to measures that will promote health and safety, and make the effects of this measurable; pay constant attention to developing the talents of our staff;
- Reduce absence levels by bringing in physiotherapists, giving thought to prevention and introducing measures under the collective labour agreement (CAO), such as the over-60 scheme.

VanDrie Group

- Farmers to order food for the calves digitally;
- Digital platform for farmers.

Tentego

- First aid (EHBO) training for many staff;
- Resuscitation course.

Navobi

- Design research into the 'integrity awareness' concept;
- Optimisation of the ArboManagementSysteem (AMS) (Occupational Health and Safety Management System).

Schils

- Set up the Occupational Health and Safety Management System;
- Lay out walkways and floor delineation within the factory;
- External ATEX training course (explosion safety) for two employees.

T. Boer & zn

- Three employees from T. Boer & zn will take the Animal Welfare Officer course in 2015.

Ekro

- Continuation of long-term employee employability project;
- Research into the food on offer in the Ekro company canteen;
- "Job offer" project, which aims to allow employees to get acquainted with different work and give them an insight into their own options on the labour market;
- It is cheaper for Ekro staff to buy a bicycle by joining the 2015 Cycle Plan (Fietsplan 2015).

ESA

- In 2015, ESA employees will be given the opportunity to avail themselves of a health check. In addition to a fitness test, this check will also



consist of completing questionnaires that are used to record metrics such as employee satisfaction;

- To encourage employees to live healthily, in 2015 they can order a bicycle or work out in a gym of their choice with a tax deduction;
- The Participation Act (Participatiewet) will come into force on 1 January 2015. In 2014, ESA intensified contacts with the Municipality of Apeldoorn, the UWV and the Felua group for this purpose. The aim is to be able to offer people who belong to this target group a job in 2015. ESA is thereby one of the front runners in the region;
- In mid-April 2015, ESA began the 'Communication skills' training course. Employees from the company said that they needed this and it is consistent with our vision of an organisation that is constantly developing;
- Animal Welfare Training (SVO);
- HACCP e-learning, 20 employees all year round;
- 10 employees driving forklift trucks;
- Food defence/food fraud training - Precon.

Oukro

- It is cheaper for Oukro staff to buy a bicycle by joining the 2015 Cycle Plan (Fietsplan 2015);
- Internal good housekeeping training & presentation;
- Repetition of forklift truck course for all forklift truck drivers.

VanDrie België:

- Quality and Hygiene training course;
- Periodic medical check-ups (PMOs) in 2016.



*Animal welfare training course by industry organisation
SVO Vakopleiding Food*

Tendriade

- The other 36% of staff will take the 'How to lift weights' training course.

Sobeval

- Investments in the new stall and space for the calfskins to be continued in the form of improvements to certain work stations in the slaughterhouse;
- For the staff in the processed products department: half-day information and advice sessions on 'working in a cold environment at unusual hours – adjustments to nutrition and clothing';
- 'Noise level chart' to be reviewed with company doctors;
- Staff to be trained in the processed products department and the Maintenance and Cleaning department in hygiene and the correct application thereof.

Responsible food

Our first responsibility as veal producers is to produce reliable, responsible calf feed and veal products. There are strict regulations in the Netherlands governing how animals are kept and slaughtered, and also on packaging, labelling and transportation of feed and veal products. The VanDrie Group works to the highest standards and its work is inspected by the Netherlands Food and Consumer Product Safety Authority (NVWA). Safety and quality are our top priority and we strive to guarantee that 100%, which we are able to do thanks to our in-house quality system, Safety Guard. Safety Guard is inspected and certified by Lloyd's, the independent inspection authority. The VanDrie Group guarantees quality from the very first link in the integrated production chain — the health of the calf and the reliability of our animal feeds — so that we are able to deliver high-quality, safe veal to our customers at the end of the chain.

How we guarantee food safety

The production of safe food is a priority for the VanDrie Group. We ensure food safety by implementing a number of measures to the best of our ability:

- We use only safe feed, i.e. from GMP+ certified companies;
- We work only with veal farmers that are certified members of IKB Vleeskalveren (www.ikbkalveren.nl);
- We do not deliver calves to slaughterhouses during medication withdrawal periods;

- We operate a restrictive policy in relation to antibiotics and undertake various trials to improve the vitality of our calves;
- We only slaughter calves approved by the Veal Calf Sector Quality Guarantee Foundation (Stichting Kwaliteitsgarantie Vleeskalversector, SKV).

Safety Guard

Safety Guard identifies, inspects and records each calf during the entire chain process using the calves' individual identification numbers. With Safety Guard, we have an in-house quality programme that monitors the chain: from the intake of the calves up to and including the sale of the veal and calfskins. Safety Guard is based on the ISO 22000 and ISO 14001 directives. We easily meet the requirements of the General Food Law, the most stringent regulations on feed and food safety in Europe, because our system provides complete traceability. All production sites in the Netherlands conduct a recall drill every year. In 2014, no recalls were made within production sites in the Netherlands.

Further information on Safety Guard can be found in appendix 4. See also: www.vandriegroup.com/guarantees/safety-guard



Complaints system

Our veal customers and other interested parties may contact us directly with any remarks or complaints they might have. All our calf slaughterhouses have a complaint management system in place. Structured complaint management and analysis are an obligation based on the various ISO certifications and our Food Supply Chain Certificate. Every year, all complaints are also analysed for trends. Complaints are subdivided into feed, packaging, quality, etc. After each delivery of calves, the calf slaughterhouses communicate the performance and potential improvement and communication cycles to the farmer in question.

Supplier evaluation

Each of our companies carries out a supplier evaluation for suppliers of goods and services. The results of these evaluations are documented and discussed within the individual companies, and the companies identify and evaluate the most important factors relating to feed and food safety. One example of a supplier evaluation is auditing a supplier of corn products in relation to controlling and inspecting mycotoxins. Another example is evaluating the performance of raw material suppliers in relation to chemical, bacteriological, physical and organoleptic properties.

“Working with good, nutritious and delicious products is our starting point. When it comes to animal products, we focus on animal welfare and consciously opt for Beter Leven veal, for example. The partnership with the VanDrie Group offers us the opportunity to work with respectable veal products on a large scale. From a sustainability perspective, we deem it important that veal products are utilised as fully as possible. We consider it a privilege that we are allowed to work on this together with the VanDrie Group. Handling animals and products in a responsible manner and striving to be the best for our customers is key to our partnership.”

Pascal F.A. Jalhay, *Executive Manager for R&D MARFO*



Strict compliance with hygiene and quality requirements

Each slaughterhouse has at least two vets from the Netherlands Food and Consumer Product Safety Authority (Nederlandse Voedsel- en Warenautoriteit, NVWA) on site every working day who continually oversee that our business processes are carried out properly and within legal requirements. For instance, they take several random samples each day to monitor slaughtering hygiene. The limiting values and prescribed measures to be taken are documented in European regulations and form part of Safety Guard. When the calves arrive at the slaughterhouse, a vet is always present to give them a visual inspection. Five inspectors from the NVWA are positioned at the end of the slaughter line to check each slaughtered animal for any abnormalities.

Food defence

Food crime is a phenomenon that the VanDrie Group is also increasingly going to have to take into account. Food crime can be defined as any deliberate attempt to undermine food safety, such as adulterating foodstuffs with forbidden substances, falsifying labels or sabotaging the production chain. As part of its contribution to the safety and security of our food provision, the VanDrie Group's management works to safeguard our production processes against deliberate attempts at damage, thereby protecting public health, our own staff and our products. The measures we take focus on reducing the chances that someone could deliberately contaminate our food supply. Food defence requirements can also be found in IFS, BRC and FSSC 22000.

At the beginning of 2015, food defence and food fraud training will start for a number of KAM team members. This training will be launched throughout the group. Food fraud monitors the safety and integrity of the food manufacturing chain. Food defence is safeguarding the production facility against deliberate contamination, contrary to food safety, which assumes unintentional contamination. Food defence and food safety have the same goal: a safe product to protect the consumer, brand and industry. Neither system can be incorporated in the current systems, which are designed on the basis of HACCP. Food defence requires knowledge of security, which will be the main issue for application in our systems.

Hygienic production

In 2014, considerable efforts were made in the slaughterhouses – from technical adjustments, training and coaching people to further optimising staffing, so that all actions can be implemented properly. The intense management of the past year has raised us to an even higher hygiene level.



To check hygiene in its processes, the VanDrie Group performs its own random bacteriological checks at the end of the slaughter line. In 2014, a total of over 23,500 tests were carried out at Ekro, ESA and T. Boer & zn. The organisms tested for included Salmonella, Listeria, E. Coli O157 EHEC, ESBL, MRSA, Staphylococcus aureus, Pseudomonas, fungi and yeasts, Campylobacter and pathogens. Many environmental tests and chemical tests are also conducted for heavy metals, antibiotics, dioxin and other undesirable substances, for example. These tests are required by law, required by customers or countries, or are conducted due to the VanDrie Group's own requirements. In addition, many checks are carried out on the production line itself, including Legionella testing, cleansing and disinfection (hygiene) testing, and tests on the water used in production. Numerous tests on use-by dates are also conducted, and truck hygiene is monitored.

In our own VanDrie Group research laboratory Lab-ora, specific knowledge is developed of all possible food safety parameters. By benchmarking the monitoring results within the group's businesses, we can learn a great deal from each other and bring each other to a higher level of knowledge and hygiene control.

Audits

Many audits are conducted within calf slaughterhouses in the Netherlands, such as audits conducted by customers, certifying authorities, NVWA, countries and the European Commission. In 2014, a total of over 75 audits were conducted in the three calf slaughterhouses in the Netherlands.

Animal health issues

The VanDrie Group works in all kinds of ways to promote the health of the calves, paying most attention to:

- Responsible use of antibiotics and resistance to antibiotics;
- Reducing the risk of animal diseases;
- Researching maximum measures to guarantee food safety.

Raw materials

The VanDrie Group only obtains raw materials from inspected and certified manufacturers/suppliers.

The raw materials are monitored upon arrival to verify that they meet the requirements for the production of calf milk and muesli. Manufacturers must be able to guarantee the realisation of their product. Suppliers must provide specifications for each raw material. In particular, we pay attention to food safety and consumption (intake, digestion and absorption by the calf of all the raw materials/food). Only when the VanDrie Group has approved the production process and the individual raw materials can they be delivered.

Many analyses are conducted in our own ISO 17025

accredited laboratory, Labora. The VanDrie Group has imposed additional (extra-statutory) monitoring on popular aspects of food safety, which can be responded to quickly and efficiently in the event of doubt or should an incident occur. Examples of substances that are monitored are dioxins, Salmonellas, mycotoxins, antibiotics, heavy metals, nitrite and genetically modified organisms (GMOs).

VealVision: transparency through the internet

The VanDrie Group uses the internet to provide customers, consumers and authorities with an insight into its production methods, which is why the website www.vealvision.com was developed, making it possible to trace all the information about a particular batch of veal that has been received. The user can then use a password to obtain the details for the veal by quoting the calf's unique ear number (I&R number). The user can also discover which farmer raised the calf in question. VealVision makes information on all the group's calves available anywhere in the world.

Collaborating with partners

The VanDrie Group believes it is important to collaborate well with suppliers, customers, social organisations and interest groups. As such, the VanDrie Group is affiliated with the Central Organisation for the Meat Sector (Centrale Organisatie voor de Vleessector, COV) and the Foundation for Quality Guarantee in the Veal Sector (Stichting Kwaliteitsgarantie Vleeskalversector, SKV). COV is an umbrella organisation that promotes the collective interests of employers in the Dutch meat sector, both nationally and internationally.

SKV is an independent foundation, set up by the sector as a whole in 1990, with the aim of promoting the quality of veal and calf feed. SKV also guarantees that veal is produced without using growth promoters. SKV monitors the affiliated veal farmers, for example, by taking samples — including unannounced — and undertaking visual inspections of the calves. In the past year, SKV took measures by means of an import ban on calves from particular risk areas to prevent the increase of animal diseases (such as classic or African swine fever and viral infection BVD type 2). All calves slaughtered by the VanDrie Group come from calf farmers affiliated with SKV. In the Foundation Branch Organisation for the Veal sector (Stichting Brancheorganisatie Kalversector, SBK), the entire veal chain has been brought together. The SBK board includes parties such as the specialist LTO husbandry group (Vakgroep kalverhouderij), Nevedi and COV. The VanDrie Group is also represented in this organisation.



Informing consumers about veal and the veal sector

The Veal Promotion Foundation (Stichting Promotie Kalfsvlees, SPK) informs consumers about the veal sector, the welfare of calves and veal quality. SPK also provides preparation tips, recipes and information about the labelling on products, as well as regularly giving guest lectures at schools and collaborating with a wide range of institutions such as the Cas Spijkers Academie, Food Valley, Wageningen University, Diergeneeskunde Utrecht (veterinary association), Rundveefokkerij (beef cattle breeders' association), CAH Dronten University of Applied Sciences, Studievereniging De Veetelers (cattle breeders' study

association, WUR), VVFC De Uithof (cattle breeders' association) and The European Mise en Place Cup (hotel management competition).

SPK supports Bocuse d'Or, Euro-Toques, Koksgilde (Chef's Guild), Jeunes Restaurateurs, Les Patrons Cuisiniers, Columbus Trophy and HotelloTOP, for example. In Germany in 2014, a communication campaign was rolled out. Information about veal and recipes has been distributed through social media, online content and magazines. The campaign had significant coverage. Over 2.8 million copies of the magazines containing veal recipes were printed. This campaign was continued in 2015.

“Safety of the products is an absolute top priority for the members of the COV, which is the focus of constant attention both within the companies and from the COV. Food safety is no longer just a matter for the slaughterhouse, but starts instead with the veal farmer. Monitoring the health of the animals and checking for chemical substances and antibiotics throughout their lives has therefore become an integral part of the guarantee that we give consumers throughout the world that our meat is safe. Which is why we, the COV, also work on this understanding of food safety in the production chain as a whole under the motto ‘chain control is the backbone of safe meat’.”

Jos Goebbels, *Chairman of COV*



Het Glazen Kalf

The VanDrie Group has been organising the cooking competition Het Glazen Kalf (The Glass Calf) for young culinary professionals for many years now. Participants are given a 'black box' containing various types of veal and other ingredients, from which they have to devise a main course and present it on the jury table within 90 minutes. On Wednesday 7 October 2014, the competition was held during the Folie Culinaire trade event in Maastricht. The jury consisted of five members: Chair Huub Oudshoorn, Ernest Lebouille, Norbert Koreman, Jan Klein and Philip Schroeven. Joost van Rosmalen was the kitchen jury. He paid attention to application techniques during the competition.

Further information can be found at www.vealpromotion.com



New labelling

The new Labelling Regulation (EU) no. 1169/2011 came into force on 13 December 2014. It concerns the provision of more extensive food information to consumers. The intention is that consumers can make well-thought-out decisions based on this information when they buy food products. The regulation also aims to promote the safe use of food products. (Source: Wetgevingsoverzicht Levensmiddelen 2010-2012 (Overview of Food Product Legislation 2010-2012): K. Defares).

Food safety and food integrity

At the initiative of the Food Confidence Taskforce, in which the business community and government collaborate to boost consumer confidence in food, the website www.ketenborging.nl was developed. Both public and private assurance of food safety and integrity occupy a significant position in the Food Confidence Taskforce's action plan. The Taskforce, in collaboration with the Netherlands Food and Consumer Product Safety Authority (NVWA), has drawn up criteria for private quality schemes, the aim of which is to enhance the private guarantee of food safety and food integrity in particular. Transparency and sharing of information form an important part of these criteria.

Ketenborging.nl provides companies in the food chain with an overview of recognised quality schemes that meet these criteria. Using this website, entrepreneurs can check whether their business partners have been certified by a quality scheme that does or does not meet the aforementioned food safety and integrity criteria, and tailor their actions accordingly.





“Lloyd’s Register Nederland is an independent certifying authority that has already been actively involved in the VanDrie Group for many years. This concerns the certification of the Safety Guard integrated management system against various internationally recognised quality and food safety standards, namely ISO 22000, BRC, IFS and Supply Chain Requirements. All steps in the chain from producing calf feed to producing veal-based consumer products are tested.

The certification of the Safety Guard management system forms objective proof that the organisation has a management system in which quality and food safety aspects that are relevant to the chain are steered towards objective and result.”

Peter Cornelissen, LRQA, Area Operations Manager for Central Europe

The management of the VanDrie Group takes food integrity very seriously. We work on demonstrable internal and external integrity agreements. Potential vulnerabilities of our systems are constantly assessed. The basic principle is keeping tracing systems balanced for effective and reliable tracing and to achieve recalls. The adopted international quality systems have been recommended for acceptance by NVWA and are visible via www.ketenborging.nl.

1Health4Food

The VanDrie Group and Labora are partners in the 1Health4Food (1H4F) public-private partnership – an ambitious research programme in the area of animal and human health that was launched in 2013. 1H4F links human with animal, the business world with government and knowledge institutions, as well as knowledge institutions among themselves (such as Wageningen UR, GD Animal Health and the Dutch National Institute for Public Health and the Environ-

ment (RIVM). The programme aims to achieve healthy and safe stock farming in future through joint efforts. The agricultural industry has determined where the priorities must lie here, namely on ESBLs (extended-spectrum betalactamases) and rapid diagnostics. The research programme will be implemented further over the coming years. The basic principle is that the research focuses on supporting:

- Minimising the risk of animal-human transfer of carriers of zoonoses (infectious diseases) and resistance factors from the primary production phase and the processing process. In brief, limiting and interrupting transmission routes. Limiting or preventing animal-to-animal transmission forms the basis of this;
- Reducing the use of antibiotics or using effective remedies in a well-thought-out and responsible manner;
- Demonstrably ‘manufacturing healthily and safely’ and guaranteeing this.

ESBLs

ESBLs are enzymes created by bacteria that are able to break down antibiotics. ESBL-producing bacteria are increasingly being found in people and animals. The objectives within this sub-programme are:

- Ascertaining how ESBLs are being transferred from animals to people: directly (via animal or plant-derived foods) or indirectly (through contact with animals, products or the environment);
- Determining how many ESBLs are occurring in the various links of the production chains (at farms, slaughterhouses and further processing);
- Assessing how these links are contributing to contamination of the end product or, as the case may be, to human exposure;
- Determining what other sources there are for the transfer of ESBLs to humans (human-to-human contact, pets, hospitals and holidays);
- Assessing how reductions in ESBL levels in the various links of the chain are affecting the burden on the product and therefore on human exposure;

The results of this extensive monitoring study through the chain will be implemented and shared in close collaboration and transparency with the Central Veterinary Institute (CVI) and RIVM.

New analysis techniques for E Coli STEC

The VanDrie Group does everything in its power to prevent the contamination of carcasses. With the new analysis techniques developed for E. Coli STEC, the specific hygiene status is being mapped out by Labora. The Netherlands-based calf slaughterhouses of the VanDrie Group include the risk of STEC contamination in their HACCP analysis/HACCP plan.

Cater with Care

Malnutrition is a serious health problem among older Dutch people. A recent study has revealed that 35% of older Dutch people who receive home care are malnourished. In hospitals and other care institutions, 40-50% of older adults in particular are malnourished or run the risk of becoming malnourished. Malnutrition occurs when a person is unable to consume enough essential nutrients. The result of this is weight loss and loss of muscle mass, etc. A person who is malnourished often takes longer to recover from an illness or operation and has a higher risk of complications such as infections. The result is that malnourished older people often require more medication and remain in hospital for longer. The extra costs for Dutch healthcare due to malnutrition are estimated at €1.9 billion for 2011. It is estimated that €1.5 billion of this can be attributed to malnutrition in adults aged 60 years and over.



Within the Cater with Care consortium, the VanDrie Group collaborates with other companies in the food industry and care and knowledge institutions. The aim of the project is to develop a varied, delicious daytime menu in which products with a high protein content or protein-rich products are used to contribute towards preventing and treating malnutrition in older people.

Global Roundtable for Sustainable Beef

The VanDrie Group has been a member of the Global Roundtable for Sustainable Beef (GRSB) since 2013. GRSB's mission is to improve the global beef and veal value chain by combining leadership and science and strengthening the collaboration between stakeholders. Various parties are therefore also involved in the GRSB, such as World Wildlife Fund (WWF), Solidaridad, Rabobank, McDonald's, Ahold and the VanDrie Group. In 2014, the principles and criteria for the definition of 'Global Sustainable Beef' were determined. The VanDrie Group collaborated on these developments. Sustainable beef is socially responsible, environmentally friendly and economically profitable. The VanDrie Group fully endorses the basic principles behind GRSB.

2014 RESULTS

- Continued optimisation of the use of ISO 22000 (food safety) and ISO 14001 (environment);
- Development of one central Safety Guard monitoring scheme;
- Hygienic production (reducing visible shortcomings in slaughtering and bacteriological contamination);
- Participation in the 'Cater with Care' consortium to prevent malnutrition in older people; information provided via Stichting Promotie Kalfsvlees;
- Creation of a joint VanDrie Group database for all food safety parameters and analysis results; Focus on Food defence and Food fraud;
- Over 23,500 bacteriological tests conducted by the calf slaughterhouses in the Netherlands;
- Over 75 audits conducted in calf slaughterhouses in the Netherlands;
- ESA has obtained the IFS certificate;
- Eurolat has tackled the issue of food defence in full using fencing, gates and access codes on doors;
- Veal in Germany promotional campaign with the aim of drawing greater attention to veal by making veal more accessible and appealing.

AMBITIONS FOR 2015

- Improve food safety and consumer confidence;
- Continue developing Safety Guard in collaboration with SKV and IKB;
- Quantify Safety Guard objectives;
- Continue sector-wide research tests;
- Further develop and intensify informational activities via 'Cater with Care' and the Veal Promotion Foundation (SPK);
- Evaluate and reassess risks in raw materials annually;
- Start food defence and food fraud training for KAM team members;
- Conduct STEC tests.

Navobi

- Food safety; ABM's schools and certificates;
- Conduct HACCP and validation system training (deepening and safeguarding knowledge) and incorporate it in projects.

Labora

- Increase the layout of the microbiological laboratory to safety level 3;
- Bring new analyses under RvA accreditation.

Ekro

- Conduct research into the possibility of certifying Laboratory Ekro under ISO 17025





ANIMAL WELFARE

Animal welfare is an essential part of our Corporate Social Responsibility and one of the VanDrie Group's express aims. For our company, this means that we do everything we can to allow the calves to grow up healthy. It is therefore of great importance for our group to work together well with the dairy farmers. The VanDrie Group adds economic value to the calves that are not used in the dairy sector and also purchases calves from dairy companies in other surrounding Member States. It is very important that these calves receive a good start in life. A healthy calf is in the interest of both the VanDrie Group and the dairy sector.

Vitality of calves

The VanDrie Group only purchases vigorous calves: animals that are strong and healthy, have sufficient antibodies and weigh at least 36kg two weeks after birth. In order to guarantee that all the calves entering our calf husbandries meet these requirements, we are striving to further intensify our collaboration with dairy farmers. This will enable us to help improve calf vitality, with each party contributing its own specialist knowledge.

From purchase to slaughter, the health of our calves is closely monitored. We continuously ensure that the calves have a good weight and a good haemoglobin level. Our policy aims to raise excessively low haemoglobin levels, which can cause anaemia-related health problems in calves, to ideal levels of 6 millimoles per litre.

The health of the intestines of young calves is also of great importance, which is why we started tests with probiotics and live microbiological nutritional supplements.

See appendix 11: General requirements of the IKB and Safety Guard for Calf Husbandry

Animal health

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

New starter feed: Turbostart 115

The first few weeks of a young animal play a significant part in determining later growth performance and health. Feeding the young calf plays a major role during this phase. Based on research conducted on the R&D testing companies and practice companies, in 2014 the VanDrie Group developed a new starter feed: Turbostart 115. This was specially developed for young calves in the first few weeks of the husbandry period. The calf's resistance is increased thanks to an optimal composition and the addition of health-supporting substances such as antibodies to fight against pathogens. The result is a healthier calf, so the use of antibiotics can be reduced further. Improved health also benefits the calf's growth performance.



Implementation Agenda for Sustainable Stock Farming 2023

The VanDrie Group is a participant in the Implementation Agenda for Sustainable Stock Farming (Uitvoeringsagenda Duurzame Veehouderij, UDV). This joint venture for sustainability focuses on two aspects: modernisation and innovation in animal production chains on the one hand, and increasing the speed of sustainability initiatives through the widespread application of new insights on the other. The prerequisite here is that making any aspect (such as the environment) more sustainable must not be at the expense of the sustainability of other aspects (such as animal welfare or public health). This is all about complete sustainability initiatives, expressed in the form of new stall or husbandry systems, breeding and animal feeds, for example. The VanDrie Group wishes to achieve results in systemic innovation, completely sustainable stock farming systems, and in the area of sustainable transportation.

The basic principle behind determining ambitions in sub-areas is the shared understanding that stock farming in the Netherlands is completely sustainable when it produces animal products and all other kinds of economic or socially desirable standards and values, in a way that can be maintained both socially and economically in the long term and not at the expense of humans and animals and does not exceed the earth's financial resources. These ambitions will serve as a basis for formulating more specific production chain and sector objectives for 2020 in 2015. An initial inventory was therefore drawn up in the autumn of 2014 in collaboration with the various



initiatives that are underway to make stock farming more sustainable.

In the Implementation Agenda for Sustainable Stock Farming, 10 parties from the animal food chain have been working together since 2009 to make stock farming in the Netherlands more sustainable. The following parties are represented in the joint venture: Central Organisation for the Meat Sector (Centrale Organisatie voor de Vleessector, COV), the Dutch Society for the Protection for Animals (de Nederlandse Dierenbescherming, DB), the Green Knowledge Cooperation (Groene Kennis Coöperatie, GKC (member since 2011)), the interprovincial consultative body Interprovinciaal Overleg (IPO), LTO Nederland, the Dutch Ministry of Economic Affairs, Nature & the Environment (Natuur & Milieu), the Dutch Dairy Organisation (Nederlandse Zuivel Organisatie, NZO), Nevedi (Dutch Association for the Animal Feed Industry) and Rabobank Nederland. Wageningen UR has been an advisory member since 2012.

Welfare monitor

The Dutch veal industry has taken steps to make animal welfare measurable. Researchers from Wageningen UR and the SKV began practical testing of the plans and ideas generated by the Veal Calf Welfare Monitor (Welzijnsmonitor Vleeskalveren) in 2013. In 2013, 66 stalls were assessed and in 2014 40 stalls were assessed using the Animal Welfare Code and/or Welfare Monitor. It was decided to use the information from the Welfare Monitor as much as possible in the Animal Welfare Code. Over three years, the researchers will be assessing whether the 'welfare monitor' is reliable and whether it is actually able to provide an insight into the day-to-day welfare of calves. They will also look at whether

the information obtained is suitable for providing specific recommendations to veal farmers, which is something in which vets and company supervisors also play a part. In October 2014, the regional managers received training on the Welfare Monitor.

Research on alternative flooring materials – stage 2

After completing stage 1 of the research on flooring materials, two types of floors were selected for husbandry operations (including those involving rosé veal calves) for further research in stage 2. Stage 2 is more large-scale in nature and is carried out at husbandries in practice. The research is intended to provide a definitive answer to the

“Animal health and welfare are of the utmost importance to me. I see myself as a modern farmer and entrepreneur through and through. I invest a great deal and continue to reinvest when I see that things can be even better. In 2006, I built two new modern stalls. The stalls are 10 metres high and provide natural ventilation. Depending on the required temperature and ventilation, the ridge of the roof opens and closes automatically. I try to automate and computerise as much as possible. The roofs are fitted with solar panels, so the company is 50% energy-neutral. In addition to high-quality calves' milk, the calves can also drink fresh water and eat roughage all day long. The calves love this muesli, which I mix with chopped straw etc. Data is recorded for all calves down to the smallest detail, to the minute and to the gram. People regularly come and take a look in the stall. Everything is completely transparent. My company must exude peace and quiet. The most important thing for me is that my company is and continues to be a family business.”

Evert Verwoert, Veal farmer



question of whether an alternative floor material would be better for the welfare of our calves than the current type of flooring. This research will run until 31 December 2015. Partners include the Dutch Society for the Protection of Animals (Nederlandse Dierenbescherming), Wageningen UR Livestock Research and the Central Veterinary Institute.

Reduction in the use of antibiotics

Overview of daily animal dosages* for VanDrie Group husbandries

- 2007 100%
- 2008 98.5%
- 2009 91%
- 2010 82%
- 2011 70%
- 2012 57%
- 2013 54%
- 2014 47%

** Indicates the dosages of antibiotics received by each calf per day (DDD). The VanDrie Group has a much more accurate standard of measurement than this, however: we measure the actual weight of the calves when the antibiotics are administered, rather than using the standard weight. DDD values are calculated for calves supplied by the VanDrie Group.*

Responsible use of antibiotics

The use of antibiotics within and outside stock farming is under close scrutiny, as is resistance to antibiotics. The VanDrie Group is doing its utmost to reduce the use of antibiotics and thereby tackle the problem of resistance. All our veal farmers, together with their vets, have set themselves the firm goal of reducing their use of antibiotics and have incorporated this into their company health plans. Regular heavy users of antibiotics are having additional requirements imposed on them by the IKB Veal Calves Scheme (IKB Vleeskalveren). In addition, the VanDrie Group is continually investigating alternative ways of boosting young calves' immune systems and preventing diseases. The various projects were carried out in 2014, resulting in a 53% reduction in the use of antibiotics compared to 2007.

As far as resistance to antibiotics is concerned, we refer to the MARAN report, which can be found on the internet. Source: Report by the European Medicines Agency (EMA), 2011.

Homoeopathic remedies and other alternatives

For a few years now, over 40 veal farmers have been working with homoeopathic remedies to support the reduction of the use of antibiotics. As in previous years, in 2014 the participating companies scored lower on average in daily dosages of antibiotics. Average production figures are also better. Complementary healthcare requires veal farmers to adopt an approach in which they try to reduce the use of antibiotics by working with additional natural products (such as herbs, homoeopathy and atomisation of bacterial cultures). The participating veal



farmers meet twice a year to share knowledge and experience.

Preventing animal diseases

It is important that animal diseases are prevented. Young calves are sensitive to diseases and if calves contract diarrhoea, for example, their intestinal canal may be damaged, leaving them very vulnerable to other infections. Disease prevention is therefore crucial, especially during the first few weeks after birth. For the VanDrie Group, and the veal calf sector in general, the minimisation of risks forms an essential part of the policy. Good shelter, care and food play an important part in raising healthy calves. This starts right back at the dairy farm where the calf is born and where it stays for at least two weeks after birth. The VanDrie Group has the ambition to tackle the promotion of animal health in collaboration with the dairy industry, because the good health of the calf is of interest to both parties.

SKV Veal Calf Tracing Guarantee System

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

4 Better V

Alpuro Breeding and the VanDrie Group started a project in April 2013 to reduce the loss of calves in the dairy farming and husbandry industries. The project was further expanded in 2014. Alpuro Breeding is looking for dairy farmers to take part in the project to improve calf breeding at these companies and therefore reduce loss. Calf breeding is optimised by intensifying its supervision



through high-quality feeds. Participating cattle farmers may receive a bonus of up to €10 per calf if the loss among the bull calves supplied to the VanDrie Group stays below 3%. The project has been named '4 Better V', where the 'V' refers to veel (many), vaak (frequently), vlug (fast) & verse (fresh) beestings and better cattle.

The aim is to have 100 companies taking part. At the end of 2014, this goal had almost been achieved already.



Sustainable transportation

Transportation of our animals needs to be carried out in as animal-friendly a way as possible, in trucks with as effective climate control as possible. Vehicles such as Comfort Class trucks, which have full climate control and are equipped with cameras

to enable drivers to monitor the welfare of calves, are used for transportation. In the trucks, the calves stand or lie on straw, and they have water available to drink.



“No animal welfare without animal health, but people sometimes forget that, which is why we, Vee&Logistiek Nederland, also like to collaborate with parties that feel strongly about animal health and welfare. The calf sector and the integrated VanDrie Group are important partners in the collaboration. Making the transportation chain transparent is of major importance in this regard. We can only ‘be good and tell it’ if we do it together. Transparency and responsibility for the transportation process play a part in this, but the common goal of getting a vigorous and healthy calf from the Dutch dairy farmer to the veal farm is only possible through collaboration: collaboration between the dairy farmer, the collecting calf traders, shipping agents, husbandries and calf integrators such as the VanDrie Group.”

Henk Bleker, Chairman of Vee & Logistiek Nederland

Overview of import calves from the Dutch calf sector

Country of birth	2014	2013	2012	2011
Germany	62.6%	55.6%	53.3%	50.4%
Ireland	6.3%	5.5%	2.4%	6.2%
Lithuania	5.4%	6.5%	5.8%	5.4%
Poland	4.6%	8.1%	13.6%	15.3%
Denmark	4.6%	5.0%	3.7%	2.8%
Belgium	3.9%	4.5%	5.1%	4.4%
Czech Republic	3.5%	4.1%	4.4%	4.1%
Latvia	3.4%	4.1%	4.2%	4.0%
Other	5.7%	6.6%	7.5%	7.4%
Number of calves:	856,033	868,370	883,637	905,328

(Source: RVO I&R Animal records Import calves < 2 months after birth)

Increasing numbers of calves from the immediate region

In 2009, 80% of the calves held in the Dutch calf sector as a whole came from the Netherlands, Belgium and Germany. In 2013, this figure increased to 88%. The development provides opportunities for an even more sustainable husbandry. As a result, the number of kilometres driven also decreased further. It is expected that the number of Dutch calves will increase further over the next few years. Within its own veal farm, the VanDrie Group buys all the calves itself. Above you will find an overview of where the non-Dutch calves come from.

Improving ventilation technologies

Safety Guard monitors the calves' living conditions. The system also ensures that the SKV is able to carry out very transparent checks on the welfare of

our calves without a hitch. A great deal of attention is also paid to spacious, bright and well-ventilated shelter for the calves. For example, ventilation technologies were improved again last year.

Beter Leven quality mark (BLk)

The VanDrie Group produces veal bearing the 'Beter Leven' quality mark, issued by the Better Life Quality Mark Foundation (Stichting Beter Leven keurmerk, BLk). Veal bearing the Beter Leven quality mark meets higher demands in relation to animal welfare. For instance, the Dutch Society for Animal Protection requires that the roughage content far exceeds the European standards, so that higher haemoglobin values can be achieved. All calves held by the VanDrie Group meet these additional requirements.



Beter Leven also has further requirements, such as limits on the distances that calves can be transported. The Dutch Society for the Protection of Animals (Nederlandse Dierbescherming) reserves the right to make unannounced inspections. The Foundation for Quality Guarantee of the Veal Sector (Stichting Kwaliteitsgarantie Vleeskalversector, SKV) conducts inspections on the husbandries that meet the Beter Leven requirement on behalf of the BLk Foundation. Since 2009, the VanDrie Group has been selling veal products that bear the Beter Leven quality mark.

Beter Leven Week 2014: Star-studded enjoyment!



The second Beter Leven Week (Better Life Week) of the Dutch Society for the Protection of Animals took place at the end of October 2014. The Peter's Farm husbandries belonging to the Van den Brink family in Uddel and the Derks family in Sambeek took part in Beter Leven Week. Visitors were able to take a look in the stable, and were told about the Peter's Farm's herd housing system and the Beter Leven benefits.



Photo: Dirk Hoi©

“The Dutch calf sector operates in a global market. It is therefore very important to constantly enhance the production, processing and sale of veal and veal feeds. The Foundation Branch Organisation Veal Sector (SBK) was set up to monitor the transparency of the market and to promote the health of calves and the quality of veal. This is of the utmost importance to all the organisations affiliated with us, hence also to the VanDrie Group. In 2014, SBK was officially recognised as a branche organisation by the Dutch Ministry of Economic Affairs. SBK is the regulator for IKB Vleeskalveren (the quality control system for the Dutch veal farming industry). SBK is a unique organisation: close collaboration in the calf sector with complete dedication to guaranteeing quality, animal welfare and food safety.”

Joop Atsma, Chairman of SBK

Peter's Farm claim

The basic principles behind Peter's Farm are monitored by the independent certifying authority Lloyd's Register Nederland. The Peter's Farm claim satisfies the following 12 criteria: life in herds, peace and quiet and freedom, skippy balls, brushes, food safety, live viewing, traceability, animal welfare, Animal Welfare Code, monitoring animal welfare, meat quality and verification. Detailed information can be found at www.petersfarm.com.

Foundation Branch Organisation for the Veal sector (SBK)

The entire veal sector is brought together in the Foundation Branch Organisation for the Veal sector (Stichting Brancheorganisatie Kalversector, SBK). The SBK board includes parties such as the specialist LTO husbandry group (LTO Vakgroep kalverhouderij), Nevedi and COV. The VanDrie Group is also represented in this organisation. The association acts as an inter-branche organisation (IBO) as described in the European Community Agricultural Policy (Europese Gemeenschappelijk Landbouwbeleid).

Its aim is to promote the production, processing and sale of veal to stakeholders in the production chain, up to and including actual veal sales. In addition, the SBK wants to promote both the transparency of the market and quality, health and food safety in the production chain from feed through to veal. SBK was recognised by the Dutch Ministry of Economic Affairs as an official branche organisation at the end of 2014.

Peace and quiet when receiving the calves

Reducing stress in the stable has been a point for consideration when adapting ESA's slaughter line. Compartmentalisation between the slaughter line and the stable ensures that no air or sound escapes from the slaughter line into the stable, producing peace and quiet and reducing stress among the calves in the stable. The passageway to the shooting cage was also designed based on the 'Temple Grandin' principle. The animals are led towards the passageway and shooting cage as a group for as long as possible (an animal-friendly rotary carousel ensures optimal dosage and safety for the stable workers). The joint drives are in keeping with the group behaviour of the calves and the routing ensures minimal stress whilst the calves are being moved.



RESULTS FOR 2014

- Increased the percentage of roughage our calves eat and placed muesli on their standard menu;
- Experimented with new stable floors in order to optimise walking and lying behaviour;
- Expanded our in-house Kalverinfontet (allowing better-informed delivery scheduling for farmers);
- 53% reduction in daily dosages of antibiotics for animals (2007-2014);
- Positive results in homoeopathic trials;
- Reduced deaths following administration of bacterial cultures;
- Participated in industry-wide research programmes;
- IKB certification of the reception centres with which the VanDrie Group collaborates;
- Mini themed days with the vets;
- Almost 100 companies participating in the '4 Better V' project to reduce deaths among calves in the dairy and veal farming sectors;
- New starter feed launched: Turbostart 115;
- In October 2014, Van Drie provided its regional managers with training on the Welfare Monitor;
- Peter's Farm open days, including during the Beter Leven Week of the Dutch Society for the Protection of Animals.

AMBITIONS FOR 2015

- Continue probiotics trials;
- Participate in the Implementation Agenda for Sustainable Stock Farming;
- Initiate or support a range of research experiments in the field of animal welfare;
- Implement stage 2 of the floor trials;
- Continue training people to become Animal Welfare Officers;
- Continue to reduce the number of calf deaths;
- Make further steps in the responsible use of antibiotics and seek ways to boost immunity;
- Themed days on 'ventilation in the stable' and 'reducing stress among calves';
- New Alpuro Breeding 'De Driehoek' training centre.

OUR SURROUNDINGS & THE ENVIRONMENT

Minimum impact and maximum saving is very important for the VanDrie Group. The aim is to have as little impact on our surroundings and the environment as possible. Global demand for food is expected to increase by around 65% in the next 40 years.

At the same time, fossil fuels are being exhausted. The challenge falls to the agricultural sector to produce more using fewer raw materials. The VanDrie Group aims to waste as little as possible, reduce energy and CO₂ emissions and wring maximum value out of waste flows. We also strive to carry out our commercial operations in harmony with the world around us. In practice, this means that the environment should suffer as little as possible or not at all from the impact of our operations. In terms of the environment, our policy is split into two areas: the closed cycle in our business operations and the reduction of impact on the environment.

Further information can be found in appendix 6

Energy efficiency - Multi-Year Energy Agreements (MJA-3)

The Multi-Year Energy Agreements (MJA-3) stipulated that a 50% energy saving can be achieved in the meat sector. Our animal feed companies and calf slaughterhouses conform to the MJA-3 Energy Efficiency Plan (EEP). A plan was submitted in 2013 that aims to achieve an annual energy saving of 2% compared to the 2011 levels, up to 2016.

Read more in appendix 7.

Further optimisation of transport and logistics

We are working on making optimal use of every kilometre driven within our business operations, which means that we do not just examine the shortest route in terms of time and kilometres between companies and business units, suppliers, customers and collaborating parties; we also aim to dispatch full trucks of cattle feed back and forth, thereby avoiding 'empty' transport kilometres.

Read more in appendix 8

Efficient use of raw materials

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

Agriculture & Food top sector

The VanDrie Group is a member of the Agriculture & Food top sector. Within this top sector, the government, together with companies and the scientific community, invest in the Agriculture & Food sector. The Agriculture & Food top sector is keen to pay even greater attention to both sustainability and health in the years to come. Innovation is the key word here. The Agriculture & Food top sector accounts for almost 10% of our national income and employment. Agriculture & Food includes everything to do with food, including both primary production and processing, marketing and distribut-



ing food. The Netherlands holds a Royal warrant to supply the most successful and innovative Agriculture & Food companies and knowledge institutions in the world. The growth of the global population increases the importance of the sector, but also poses major challenges for it, such as in the areas of sustainability, health and food safety.

Sustainable packaging

All cardboard meat boxes used in our Dutch calf slaughterhouses bear the FSC (Forest Stewardship Council) quality mark. Our box supplier's sustainability objective is to reduce fossil fuel CO₂ emissions from its factories by 20% by 2020, compared to the 2005 levels. Translated into values per individual Eurobox of veal, these sustainability initiatives yield the following CO₂ savings: in 2010, the emission values were 1.053 tonnes of CO₂/tonne, in 2012 1.024 tonnes CO₂/tonne and in 2013 0.986 tonnes of CO₂/tonne. [Source: Smurfit Kappa]



Existing and new suppliers from which packaging materials and other materials are purchased are always asked whether they have taken measures in the context of ISO 14001/26000 certification, recycling, producing in a CO₂-neutral manner, Lean and Green transportation, etc.

“In the coming decades, demand for food will increase considerably; especially demand for animal proteins. The Netherlands has the facilities to provide this, whilst at the same time having as little impact on the surroundings and the environment as possible. Thanks to our high productivity here, we are able to produce a kilogram of food with the lowest amount of land and raw materials and the lowest greenhouse gas emissions. Food and production chain efficiency play a key role in this, which will only become even more important going into the future, so we must continue to develop if we are to be able to use new knowledge and technology to produce in an even smarter, better and cleaner way. ‘More with Less’ is the primary motive in this regard.”

Aalt Dijkhuizen, *Leader of Agriculture & Food top sector*



Sustainable printing

The VanDrie Group has also reached agreements with its regular printer for its corporate printing. All its corporate printing is made from FSC-certified material from the 'Promail Plus Line'. For example, its writing paper, envelopes and business cards bearing the FSC quality mark can be traced via our printer.

Sustainable customer gifts

The VanDrie Group's regular customer gift supplier conforms to the Platform Promotional Products (PPP) association's code of conduct. The CSR Promotional Products certificate (CPP) has a wider goal and includes aspects from various standards (including ISO 9001, ISO 14001, ISO 26000, SA 8000). It places considerable emphasis on good working conditions (such as no forced labour or child labour) in production countries.

Lease car policy

The VanDrie Group has been working with two lease companies since 1 January 2013, and since that time steps have been taken to achieve sustainable transport every year. New lease cars should have A, B or C energy labels. The sites in Staverden (Navobi), Apeldoorn (Ekro/Oukro & ESA), Nieuwerkerk aan den IJssel (T. Boer & zn) and Sittard (Schils) now have charging facilities for electric and plug-in hybrid cars.

Navobi goes for Lean and Green

Navobi's logistics department has set itself the goal of achieving the Lean & Green Award. Lean and Green encourages organisations to grow to a higher sustainability level by taking measures that do



not only deliver cost savings, but also reduce the impact on the environment at the same time. Navobi wants its action plan to demonstrate that it is able to achieve a 20% reduction in CO₂

in five years' time. Navobi believes it will be able to achieve the greatest potential savings with:

- Centralised or more centralised coordination of logistics for the transport-ready product within the VanDrie Group;
- Network solutions by using return flows and shipping agents with a different network more efficiently;
- The redeployment of veal farmers based on logistical benefit.

Maximum value

We strive to derive value from all parts of the calf, including its organs and the by-products of the slaughtering process that have little or no market in the Netherlands. We export these by-products to countries in Asia, southern Europe and the Middle East, where they are greatly valued by consumers, so virtually everything from the calf is used. The little that still remains goes to a waste plant and is converted into green electricity.

Over the past few years, Ekro has invested a great deal in getting the most out of its by-products. Innovative production lines mean that the organs can be kept for longer. The shelf life of organs has increased by between 25% and 100% compared to the former situation, due to low initial plate counts following the cooling process and when packaging



the product. Their longer shelf life means that fewer are frozen, which once again gets the most out of the by-products. The new line improves the quality of the products even further and reduces damage to products even further. Innovative cooling systems are tailored to the type of by-product, making it possible to package all products on the day of slaughter. Other side-effects are the lower transportation movements in the company and fewer losses caused by drying. An overview is provided below:

Upgrading products to higher segments

- Cheeks and head meat.

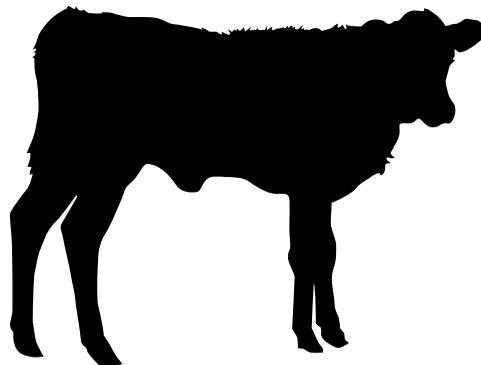
Upgrading products to human products

- Rumen & omasums;
- Pizzle (penises);
- Testicles;
- Various types of fat (caul fat, cod fat, brisket fat);
- Heart.

Below is an overview of what else happens with a calf

- Carcass meat; sold in whole or in parts;
- Sale of organs/by-products;
- Sale of products for boiling;
- Manure (grains of artificial manure);
- Rumen sold for human consumption;
- Blood (blood plasma);
- Sale of calfskins;
- Fat to smelting plants;
- Waste products generate electricity;
- Bones turned into glue, gelatine, binding agents and the binding agent used in chewy sweets and liquorice;

- Hooves turned into pet food and dogs' treats;
- Windpipe turned into pet food;
- Omasum (the third stomach) sold for human consumption and pet food;
- Abomasum sold to cheesemakers for rennet.



Preserving calfskins

Oukro specialises in the processing of calfskins. Oukro has set itself the goal of reducing the number of kilograms of salt used per calfskin. In 2014, the proportion of non-cured calfskins was 30.23%. The average amount of salt used per cured calfskin has decreased over the past few years. However, 2014 saw an increase due to the optimisation of the preservation of calfskins. For 2015, the aim is to ship 5% more non-cured calfskins compared to 2014.

The brine left over after salting the skins is used to salt the head skins. Calfskins fetch about as much per kilogram as veal does.



Oukro production photo

The quality of our calfskins is universally appreciated. It is high-end producers of bags, shoes, etc. that buy them from us. At our husbandries, we strive to minimise the damage to our calfskins that is inflicted by ectoparasites, for example, in collaboration with our veal farmers. The aim is to keep damage to skins and/or damage to the grain to a minimum.

Active policy for improving calfskins

The VanDrie Group has an active policy for constantly improving the quality of calfskins, which is beneficial to animal welfare. In 2014, a great deal of attention was paid to improving and reducing skin dirt. Other examples are fighting parasites, holly in the stables, vaccination, ringworm and preventing damage caused by transportation. Quality of delivery was another point for attention in 2014. An example of this is reducing the degree of fullness of the gastrointestinal tract upon delivery in order to prevent contamination. Another example is the supply of clean calves. Supplied calves were subdivided into categories A: clean, B: lightly soiled and C: heavily soiled.



Calfskins

Number of calfskins per year

2007	1.1 million
2008	1.3 million
2009	1.2 million
2010	1.3 million
2011	1.25 million
2012	1.3 million
2013	1.4 million
2014	1.44 million

Overview of non-cured calfskins per year

2009	8.65%
2010	14.51%
2011	19.58%
2012	18.38%
2013	26.68%
2014	30.23%

Overview of number of kilograms of salt per calfskin

2009	6.70 kg
2010	6.54 kg
2011	5.92 kg
2012	5.36 kg
2013	5.44 kg
2014	5.68 kg

Feed4Foodure

Feed4Foodure aims to make a substantial contribution to the continued development of sustainable, healthy stock farming in the Netherlands and to strengthening the Netherlands' competitive position in a global market, in close collaboration with other research programmes. To achieve these aims, we will need breakthroughs in animal feed and feed systems.

Feed4Foodure has identified three priorities in the long-term research programme:

- Achieving 'more with less' by using nutrients efficiently to reduce the ecological footprint of stock farming.
- Food, gut health and immunity, to make a substantial contribution to reducing the use of veterinary medicines and improving animal welfare.
- Research into socially responsible stock farming, to be able to feed animals properly in new husbandry conditions and to continue cutting emissions.

Feed4Foodure is a public-private partnership between the Dutch Ministry of Economic Affairs and a consortium of various parties from the animal feed industry and animal production chain, including the VanDrie Group and Wageningen UR Livestock Research. The Feed4Foodure project runs from 1 January 2013 to 31 December 2016.

Global Agenda for Sustainable Livestock

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

Livestock Environmental Assessment and Performance (LEAP) partnership

The VanDrie Group is a partner of LEAP, a global initiative involving participants from the animal sectors. The aim is for all parties to arrive at an ambitious set of guidelines together to improve environmental performance in animal production chains. The LEAP partnership was formed by the UN's Food and Agriculture Organisation (FAO). Members include the WWF, IFIF and the International Meat Secretariat.

Calf footprint

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

Responsible soy

Foundation for the Chain Transition of Responsible Soy (The Stichting Ketentransitie Verantwoorde Soja) has been working to achieve 100% responsible soy in 2015. Soy is an important raw material for animal feeds and many food products and is grown in Brazil, Argentina and China etc. From farmer to supermarket, we work together to use responsible soy for the production of meat, dairy, eggs and other food products. Responsible soy is grown according to the principles of the Round Table on Responsible Soy (RTRS) or similar. This means paying attention to preserving nature, biodiversity, responsible use of plant protection products, good working conditions and respect for local land laws.



LEAP study Large Ruminants Rome 2014



The foundation is a unique joint venture between the animal feed industry, the dairy, meat and egg sector (including Nevedi and COV), supermarkets and the Sustainable Trading Initiative (Initiatief Duurzame Handel, IDH). Social organisations such as Natuur & Milieu, Solidaridad and the World Wide Fund for Nature (WWF) support this initiative. By purchasing more responsible soy every year, we are showing that Dutch companies set great store by making raw materials more sustainable for the production of food.

Sustainable Palm Oil

The Sustainable Palm Oil Task Force (Task Force

Duurzame Palmolie) has set itself the goal that all palm oil purchased for use in the Dutch market will be sustainably or responsibly produced by the end of 2015 at the latest. 'Sustainably-produced palm oil' is defined as palm oil that has been certified in accordance with the principles of the Roundtable on Sustainable Palm Oil (RSPO). The VanDrie Group is working with Nevedi and Natuur & Milieu on the 'Alternatieve Eiwitten' (Alternative Sources of Protein) project. This project investigates the possibilities for feeding calves alternative sources of protein to soy. This project is helping to achieve sustainability objectives and further reduce the carbon footprint of the raw materials we use.

"Dutch society places a great deal of requirements on food products and production processes. The main link in the food chain involves the animal sector working on more sustainable raw materials and ways of working. Animal feed gives the waste flows from the feed companies high-quality destinations; they form around two-thirds of our raw materials. The soy and palm oil that we process is also becoming increasingly sustainable. This only works in coordination with chain partners in the meat calf sector, for example. After all, we do not make any concessions on food quality, given the direct impact on animal health and food safety. At the same time, the animal feed sector, with its annual turnover of over € billion and around 5,500 employees, must remain competitive in a dynamic, international market."

Henk Flipsen, *Director of Nevedi*



Many sustainability initiatives among farmers

Many sustainability initiatives within husbandry are initiated by the veal farmers themselves. A few examples are solar energy, wood stoves, biomass stoves, manure belts/ scrapers, air washers, fire safety, fine particles, manure processing and company & environment.



Manure with Value - turning waste into a resource

A dearth of essential minerals is expected to arise all over the world. Manure is largely viewed as a waste product, but manure contains a large number of valuable components such as nitrogen, phosphate, potassium, proteins, amino acids, fatty acids and other chemical specialities. The Mest vol Waarden project investigates the possibilities of creating new values by adopting a completely different and innovative approach to manure. The aim is to remove the bio-renewables from the manure using modern refining techniques and thereby achieving cradle-to-cradle monetisation.

The Mest vol Waarden project is an initiative of the VanDrie Group and Wageningen University Livestock Research. In 2014, the Foundation Branch Organisation for the Veal sector (Stichting Brancheorganisatie Kalversector, SBK) pledged money to fund the first phase of the project. The roll-out of Mest vol Waarden began in 2015.

Nature Conservation Act (Natuurbeschermingswet)

For Navobi and Alpuro, due to proposed changes to business operations and the expansion of production, an application was submitted to revise the environmental permit. As both companies lie in the Veluwe Natura 2000 region, it was decided that a permit should first be applied for under the Nature Conservation Act. As part of the application, the nitrogen deposition aspect was investigated in further detail in the form of a preliminary test. This research revealed that the companies' proposed developments will not have a negative effect on or worsen the nitrogen disposition. There will be no barrier to applying for the proposed permit for either company.

Fewer emissions from calf stable from 2020

From 2020 onwards, veal farmers planning to build new buildings must take emission-limiting measures in accordance with the decree on low-emission shelter systems for agricultural animals (Besluit emissiearme huisvestingssystemen landbouwdieren). Husbandries planning to build a new stable from 2020 onwards will soon only be allowed to emit almost half of the standard emissions for a calf shelter. Until now, veal farmers have not had to take any specific measures. As far as the PAS (Programmatic Approach to Nitrogen – Programmatische Aanpak Stikstof) is concerned, cattle sectors are swapping generic measures for scope for development. It has been agreed with the government that if cattle farmers apply the best possible technique to reduce ammonia emissions, they do not have to abide by the emission requirements in the Nature Conservation Act. The husbandries are already abiding by the strict regulations relating to ammonia emissions.



RESULTS FOR 2014

- We are paying increasing attention to fuel-efficient cars (from fuel-efficient diesels to hybrids). Electric charging stations have now been installed in five companies in the Netherlands. Around 25% of the fleet of company cars is replaced each year;
- Continued optimisation of transportation and logistics.

Tentego

- Reduced energy consumption by reducing leakages from compressed air systems, etc.
- Reduced dust emissions due to extracting scales.

Eurolat

- With a new Energy Management System, including ISO certification, major steps have been made in energy consumption.

Navobi

- Product/market combination; research into alternative raw materials;
- Reduction in logistical costs;
- Aim to win the Lean & Green Award;
- Reduction in pressure in the compressed air network;
- Optimisation of logistical costs reduced.

Labora

- Separated microbiological laboratory waste.

Alpuro

- Sustainability; replace compressed air motors with new energy-efficient IE3 motors;
- Steam boiler installed with economiser and smoke-gas condenser (for extracting heat);
- Logistical costs reduced by combining cargoes;
- Reduction in sound by fewer transportation movements;
- Wind energy;
- Green electricity.

Schils

- Replacement of Freon R22 system with an NH3 Ammonia system;
- Start of office block renovation (improved insulation and twilight switches).

T. Boer & zn

- Optimisation of waste flow processing;
- Water consumption analysis;
- Realisation of new-build cooling with an ammonia system that has less impact on the environment;
- Optimisation of basement cell lighting.

ESA

- Considerable water savings by recycling production water for the high-pressure hoses in the stable;
- 30% reduction in water used for cleaning by using reduction plates.

AMBITIONS FOR 2015

Oukro

- Increase in the number of non-cured calfskins to 30.23%;
- Number of kilograms of salt per calfskin 5.68 kg;
- More cargoes transported by train;
- More efficient use of forklift trucks resulting in less energy consumption.

VanDrie Belgium

- Considerable gas saving by installing new, more energy-efficient boilers for hot water and central heating;
- Energy saving by switching over to LED lighting and installing light sensors;
- Considerable water savings by recycling production water for the high-pressure hoses in the cattle trucks and stable.

- Implement Multi-Year Energy Agreements (MJA-3); reduce energy consumption by 2% per annum;
- Find supporters for manure policy vision;
- Tackle the increasing shortage of land, water and other natural resources;
- Raw materials: in 2014, over 97% of our raw materials came from within a 2,000km radius, over 80% from within a 1,000km radius, almost 65% from within a 500km radius and over 54% from within a 250km radius; ;
- For the production of calves' milk and roughage: use 2% less energy each year, use 30% greenhouse gas (GHG) in 2020 and 20% sustainable energy in 2020;
- For refrigeration in the slaughterhouses, the VanDrie Group wants to save 30% energy in 2030 by taking energy-efficient measures and adopting innovations in the chain;
- Develop a uniform and centralised quality structure within Safety Guard;
- Purchase 100% responsible soy;
- All palm oil to be purchased sustainably or responsibly.

Tentego

- Further reduction in leakages from compressed air systems;
- Save energy by means of the Energy Efficiency Plan (part of MJA-3). Annual target: 2% energy saving from 2013-2016.



Navobi

- Lean en Green. Reduceer CO₂ by at least 20% on the transportation of calves' milk;
- Optimise energy management; reduce leakages from compressed air systems and replace lighting in hall 83;
- Reduce leakages from compressed air systems;
- Implement Occupational Health and Safety Management System (ArboManagementSysteem).

Alpuro

- Optimise sound reduction and movement reduction;
- Install extruder with 350 kW frequency regulator;
- Make energy more sustainable.

Schils

- Save energy by optimising the settings on the new ammonia refrigeration system;
- Renovate: insulation/lighting plan.

T. Boer & zn

- Recover heat.

Ekro

- Optimise hot water recovery from refrigeration system;
- Make coffee cups more environmentally friendly and try to reduce them compared to 2014;
- Update MAR (Environmental Aspects Register);
- Reduce chemical burden based on water purification test.

ESA

- Operational objective: prevent wastage in all areas (minimise waste flows, upgrade raw materials and recycle waste flows at ESA itself).

Oukro

- Ship 5% more non-cured calfskins;
- Further optimise salt usage;
- Further improve number of cargoes sent by train;
- Achieve a further 2% improvement/reduction in operating hours with all forklift trucks by using them more efficiently;
- Reduce chemical burden based on water purification test.

VanDrie België:

- Replace the R22 refrigeration system.

SUMMARY

Below is a brief summary of the key results for 2014 for our four CSR pillars:

Our organisation

- Supported good causes;
- Continued to develop the Safety Guard Academy;
- Trained Animal Welfare Officers;
- Achieved joint 100th place in the Transparency benchmark.

Animal welfare

- Took part in probiotics trials;
- Took part in the Meat Calves' Welfare Monitor;
- Expanded own calf information network. Kalverinfontet;
- Joined the partnership for fit and healthy calves;
- Conducted research into alternative floors;
- Used sustainable transportation.

Food safety

- 53% reduction in daily dosages of antibiotics for animals (2007-2014);
- Achieved positive results for homoeopathy trials;
- Took part in Cater with Care;
- Food defence;
- Food fraud.

Surroundings & the environment

- Took part in the Implementation Agenda for Sustainable Stock Farming/Meat Map (Uitvoering-sagenda Duurzame Veehouderij/Routekaart Vlees);
- Made company car fleet more fuel-efficient and reduced the impact on the environment;
- Replaced refrigerants in all refrigeration and air conditioning units with a more sustainable substance;
- Continued Manure with Value project.





ACCOUNTABILITY

The reporting period is from 1 January 2014 to 31 December 2014 inclusive.

The criteria for the Ministry of Economic Affairs' (EZ) Transparency Benchmark and the Global Reporting Initiative's GRI-G4 guidelines were incorporated into the writing of this report.

The Transparency Benchmark criteria have been amended somewhat since 2013. The criteria pay greater attention to value creation, relevant non-financial information (materiality) and greater explanation of the criteria. Accordingly, we have included more details on value creation and materiality in this CSR report than in last year's. We also briefly touch upon our acquisition of Tendriade, which was finalised in September 2013 (see appendix 1). This kind of information is important because the takeover brought about considerable growth for the VanDrie Group. Tendriade is included in the turnover details for the fourth quarter of 2013.

In accordance with the GRI guidelines, we used a materiality analysis (see appendix 10) to distribute and prioritise the various societal issues that are currently topical or that we expect to have to respond to in future. This grouping of issues forms an important input into our CSR policy. These issues are addressed in the body of the report, as well as being published on the VanDrie Group website. The quantitative data in this CSR report was collated from the Van Drie Group's financial, HR and management information systems, as well as from Safety Guard's Quality, Environment and Occupational Health & Safety (Arbo) management reviews.

We do not possess an automated information system for all the information provided here. We use a standardised reporting template to gather all this information on an annual basis. Most of the quantitative information in this report has been measured. The management reviews were submitted to the executive team for approval.

Unless stated otherwise, the data relates to companies in which Van Drie Holding B.V. has a majority interest. Acquisitions made during the reporting year are included in the report for the subsequent reporting year. In the next few years, we are keen to further improve the completeness of our CSR report by gathering data for the entire organisation on all of the indicators. This CSR report was tested for accuracy in various sounding-board groups within the group.

The scope and definition of this report have been tailored to stakeholders' information requirements. The report covers all activities for which the VanDrie Group has complete say. We continue to do our best to report quantitative data for the entire organisation within all our strategic pillars. Where that is not yet the case, we have made that clear. Participating interests and data relating to subcontractors and suppliers are not included in this report. For acquisitions made during the reporting year, data must be reported from the next complete calendar year. Divestments made during the course of the reporting period are excluded from the report.



This year, for the second time, we have asked our accountant from Mazars to carry out an evaluation of a selection of performance indicators for our Dutch operations. The assurance report and the data that was evaluated can be found in appendices 12 and 13.

This CSR annual report can also be found in PDF format on the website www.vandriegrup.com/csr, where you can also find our most significant issues and the GRI index, along with an explanatory glossary.

The VanDrie Group also draws up an annual financial report. The financial report for 2013 was audited by the accountants from Mazars. This report can be viewed at our head office by appointment.

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APPENDIX 1

The VanDrie Group's organisational structure

The VanDrie Group is an integrated veal producer and considers it its core task to supply veal of the highest quality. We have a fixed contract with around 1,100 dedicated veal farmers. The group consists of feed companies for the production of calves' milk and muesli/roughage in the Netherlands, Germany and Italy, calf slaughterhouses in the Netherlands, Belgium and France, and a Dutch company for the high-quality processing of calfskins. Companies in the Netherlands, Italy and France process and trade in basic dairy products. The Veal Promotion Foundation (Stichting Promotie Kalfsvlees, SPK) provides information and promotes veal. All the group's companies fall under the VanDrie Holding, which is the company that deals with finances, among other aspects.

Management of the VanDrie Group

The VanDrie Group has three shareholders, namely René van Drie, Jan van Drie and Herman van Drie. Henny Swinkels is the Director of Corporate Affairs. Board terms of office do not apply. Within the leadership of the VanDrie Group, the aim is to remain within the Balkenende standard (Balkenendenorm) as far as remuneration policy is concerned.

René van Drie

René van Drie is a Dutch national and was born on 4 January 1965. René van Drie is responsible for the general leadership of the VanDrie Group. In addition to general leadership, René van Drie is director of the Foundation Branch Organisation for the Veal sector (Stichting Brancheorganisatie Kalversector, SBK).

Jan van Drie

Jan van Drie was born on 22 April 1959 and is a Dutch national. Purchasing calves is his main duty and responsibility within the VanDrie Group. Jan van Drie's other board function is as an active member of the board of the Vee & Logistiek Nederland Working Party.

Herman van Drie

Herman van Drie is a Dutch national and was born on 8 August 1968. Herman van Drie is responsible for veal sales, as well as being a member of the board of the Veal Calf Quality Guarantee Foundation (Stichting Kwaliteitsgarantie Vleeskalversector, SKV).

Henny Swinkels

Herman Swinkels is a Dutch national and was born on 24 June 1950. Henny Swinkels has been working in the calf sector for almost 30 years, first for Coöperatieve veevoederfabriek Sloten BV, and then as the General Manager of Kalver Slachterij Aalten BV (KSA). In 2014, Henny Swinkels was the Director of the Veal Promotion Foundation (Stichting Promotie Kalfsvlees, SPK) and the Director of Corporate Affairs for the VanDrie Group. Henny Swinkels is also a member of the board of SKV and a member of the board of SBK, among other positions.

See also the GRI index

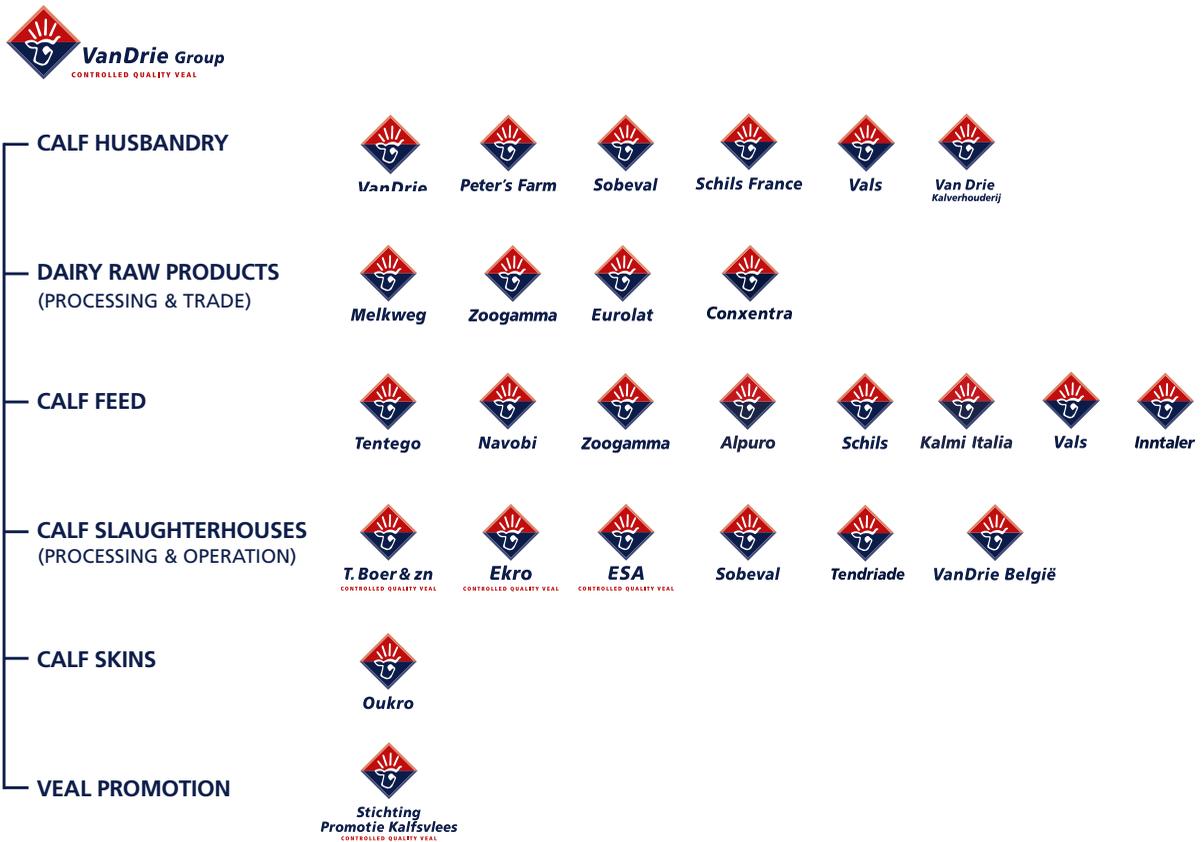
(www.vandriegrup.com/csr).



Developments in 2014

No acquisitions or divestments were made in 2014.

In 2014, T. Boer & zn opened new premises (cool-store). New feed products were also developed, such as TurboStart (see Animal Welfare pillar).



NETHERLANDS

- A. VanDrie Group
Van Drie
Tentego
- B. Alpuro
- C. Ekro
ESA
Peter's Farm
Oukro
Stichting Promotie Kalfsvlees
- D. T. Boer & zn
- E. Navobi
Labora
- F. Schils
G. Melkweg

FRANCE

- H. Sobeval
Vals
Schils France
- I. Tendriade
- J. Tendriade

ITALY

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

GERMANY

- N. Eurolat
- O. Inntaler

BELGIUM

- P. VanDrie België
- Q. Van Drie Kalverhouderij



APPENDIX 2

The VanDrie Group and the dairy farming and dairy industries

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

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

The links in our chain are:

Collection points

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

Dairy raw materials

A number of companies process and trade in dairy raw materials in the Netherlands, Italy and France. Their core tasks are the purchase and sale of basic dairy products on behalf of the VanDrie Group. These companies operate throughout the world and trade in substances such as powdered whey, whey derivatives and skimmed milk powder. Our specialists bring supply and demand together every day. As well as trading in basic dairy products, the VanDrie Group produces powdered calf milk, colostrum and basic dairy products in its own factories. The basic products are intended for the group's own use, as well as for onward sale. Naturally, our in-house production meets the integral production chain quality requirements set by the group.

Calf husbandry

We collaborate with around 1,100 veal farmers in total. These are family businesses dedicated to caring for the calves owned by the VanDrie Group. We supervise the farmers closely. Our company bears the financial risk, so we attach a great deal of importance to the farmers' expertise.

The VanDrie Group district managers visit the farmers at least once a week to conduct on-site audits, provide support, answer queries and share experiences and new insights they have gained into husbandry management. The calves receive the attention they deserve when it comes to animal health and welfare. Our head district managers visit all their farmers several times a year and enter into contracts with them. Once a year, the VanDrie Group organises themed days with vets or even at their individual practices. We encourage contact between the farmer, our advisor and the vet. We also take part in agricultural trade fairs where we meet many of our farmers.

Feed production

Our calves are fed calves' milk and muesli/roughage that has been produced under optimally controlled conditions in our own state-of-the-art facilities. The composition of the feed is balanced in such a way that the calves receive all the energy, protein, vitamins and minerals they need — a solid basis for a healthy, healthily growing calf.

Slaughterhouses

Around 1.5 million calves are slaughtered and processed every year in one of the six VanDrie Group slaughterhouses.

Calfskins

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

Customers

Our customers are now located in over 60 countries, including wholesalers, meat wholesalers, retail companies, supermarkets, butchers, hotels, restaurants, catering companies, and the food service and institutional markets. In addition, we are always on the lookout for new markets and customers. The VanDrie Group attends many consumer and trade fairs in the Netherlands and abroad. The trade fair calendar is published on our website.

Consumers

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



Dairy farming



The Veal Production Chain



Collection point



Dairy raw products



Calf husbandry



Feed production



Slaughterhouses



Calfskins



Customers



Consumers

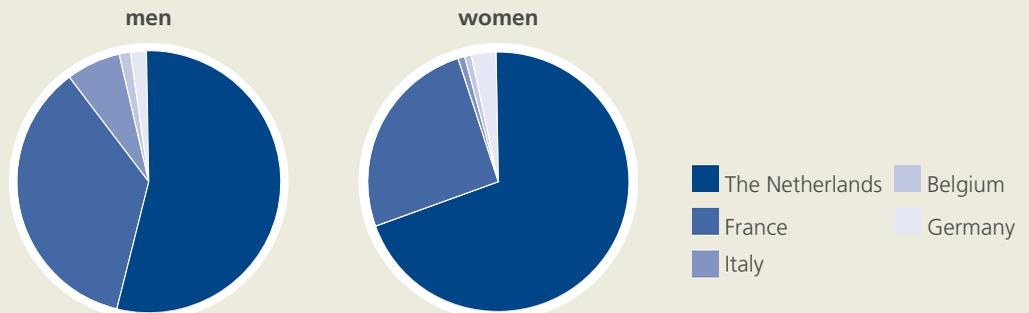
APPENDIX 3

The VanDrie Group's figures*

Number of employees		Around 2,300
Employees in the Netherlands (distance to work)	<15 km	44%
	>15 <25 km	29%
	>25 km	27%
Sickness-related absences		4.9%
Male/female ratio	men	75%
	women	25%
Average number of years' service:		Around 12.7 years
Over 20 years' service		Around 22%
Contract type		93% permanent
Average age		Around 43.0 years
Employee turnover	Joiners	10,5%,
	Leavers	10,8%
Number of hours' training per slaughter line employee (excluding Ekro and Sobeval) per year		Around 5.7 hours
Number of nationalities		5 (site average)

* Almost all employees of our companies in the Netherlands are subject to a collective labour agreement (CAO).

Employees by country and gender in 2014



Company regulations

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

Undesirable behaviour – Statement of intent

The VanDrie Group does not tolerate undesirable behaviour. It is the duty of every employee to report any incident that contradicts this principle – even if they merely suspect that that is the case. Each site has an independent trusted representative with whom queries or issues can be discussed confidentially at any time. We define undesirable behaviour as verbal or physical aggression or violence, discrimination, bullying, sexual intimidation, vandalism, crime, abuse of power, stalking and extremism.

Security policy complaints committee

Each of our companies has a complaints committee that deals with security policy complaints, consisting of one member appointed by the works council and one member appointed by the director. If problems arise in relation to a procedure, or where there is a complaint about a particular employee's treatment (allegation of undesirable behaviour), he or she can call upon this committee. The committee will assemble as soon as possible once a complaint has been received.

Risk Inventory & Evaluation

The VanDrie Group conducts a risk analysis every year. These risks are monitored in the board meeting. Risk management helps the board to anticipate developments in its business operations at an early stage. The risks are categorised into strategic, operational, social and financial risks. Even the individual VanDrie Group companies must create a Risk Inventory and Evaluation (RI&E) and an action plan if they are to tackle problems in their occupational health and safety policy. Data relating to our employees' safety and working conditions is held at each individual site.

There are no changes in definitions and measurement methods on the reported data compared to the previous CSR reports. Data for Sobeval, Vals, Kalmi, Schils France and Zoogamma have now been included, however.

The VanDrie Group's annual KAM day was held in November 2014. In collaboration with BMD, issues were dealt with that are important to the companies. 'Safety' was an important issue, just as it was last year. The morning session looked at changes to the ISO standards and time was spent on the Risk Inventory & Evaluation, which the companies have to conduct from time to time.

The digital resource (AMS) suitable for recording and implementing the RI&E was looked at and Navobi started using it in 2014. Other companies (Schils and T. Boer & zn) were also interested in using it. BMD will make proposals in this regard. During the afternoon session, the topic of 'safety awareness' was discussed interactively.

Organisation of company first aid (BHV) and first aid (EHBO)

Our companies have arranged and documented the organisation of their company first aid and first aid in site-specific company emergency plans. Drills and training courses are carried out on a regular basis.

Good employment practices

For the VanDrie Group, good employment practices mean providing the right career opportunities, optimal development opportunities and appropriate primary and secondary working conditions.

For example, we work in close collaboration with industry organisation SVO's Professional Food Training (SVO Vakopleiding Food), which provides various training courses at our production sites. To keep our employees' knowledge level up to date for the benefit of their jobs and tasks, we offer

them a wide range of training courses, including:

- BBL training courses; HACCP/Food Safety training course;
- HACCP training course for mechanics;
- HACCP/Food Safety application (e-learning);
- Animal Welfare and Animal Welfare Officer training;
- Company first aid & safety;
- First aid (and AED) training;
- Language courses;
- Technical courses;
- IT courses;
- Individual training courses;
- Environmental course;
- PEP training course (Personal Efficiency Programme);
- Works council training courses;
- Course on the prevention of and recovery from back and shoulder injuries;
- Health/Lifestyle training;
- Discussion techniques;
- Internal audit training;
- Evacuation drills;
- Laboratory training courses;
- Computer courses (including Outlook and Excel);
- VAPRO training course;
- Communication training for production staff;
- Oukro has developed its own internal training course in collaboration with Food-Pro which it gives to its staff and regularly repeats as a refresher course.



Performance appraisals

Performance appraisals are conducted within the VanDrie Group by line managers and staff, and their results are recorded in staff files. This is explained in further detail in the company reports (management reviews).

Work placement students at the VanDrie Group

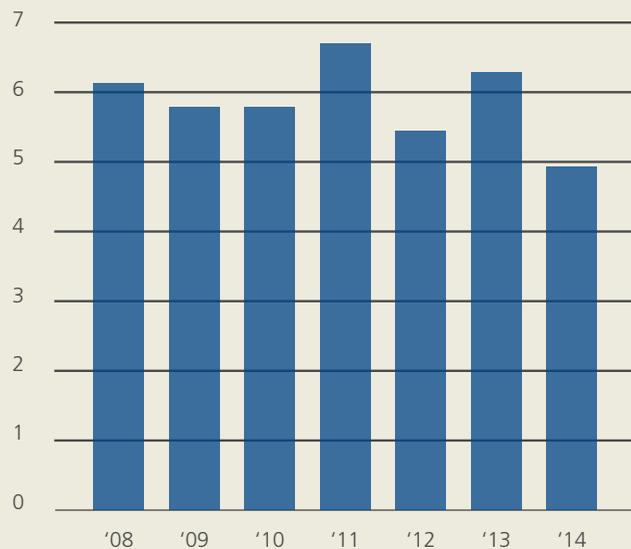
Within our organisation, we offer work placement positions in various departments, giving work placement students the opportunity to acquire knowledge and work experience within their specialist field, as well as providing benefits for the organisation, as work placement students often conduct specific research into a current topic, providing the organisation with new insights. Moreover, the staffing costs of a work placement student are lower than for a regular member of staff, which is a win-win for both the organisation and the work placement student.

Reintegration

Working together with the individual employee, the VanDrie Group does its utmost to restore the health of anyone absent through illness and enable them to return to work. One of the ways we do this is by setting up places where employees receiving treatment can fill positions that require minimal physical effort before returning to their original positions. Workplaces that require minimal physical exertion are used as much as possible, in line with the Work and Income (Ability to Work) Act (Wet Werk en Inkomen naar Arbeidsvermogen) and return-to-work programmes, as agreed with the Occupational Health & Safety (Arbo) doctor.

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

Sickness-related absences in % from 2008 to 2014



APPENDIX 4

Safety Guard

The VanDrie Group has standardised the information flow through the entire production chain and has safeguarded it in its Safety Guard quality system. The VanDrie Group board meeting, which determined quality policy for the group, is ultimately responsible for the Safety Guard system. At least once a quarter, it is itemised on the agenda for the board meeting. The Safety Guard Platform is responsible for implementing the quality policy and represents line managers and quality managers from all sites.

Safety Guard is based on national and international legislation and regulations and includes the following standards and external codes of conduct: Food Safety Supply Chain System, HACCP, ISO 22000, ISO 14001, GMP, BRC, IFS, GMP and IKB Veal Calves' Scheme. Internationally recognised independent certification institutions test the systems regularly to constantly improve the process. If suppliers fail to meet Safety Guard's criteria, we help them to raise their standards. However, if they fail to improve, collaboration is terminated. The VanDrie Group has a black list and a watch list for raw materials (manufacturers) for the production of calf feed. When purchasing calves, a supplier evaluation also comes into play. Based on the agreements made with the Food Confidence Taskforce, the VanDrie Group is helping to produce a 'white list' of suppliers, which lists suppliers who have proven themselves in a positive manner.

Integral Chain Management (IKB)

The use of Safety Guard also means that the VanDrie Group meets the requirements of Integral Chain Management (IKB). Regulations apply to this independently safeguarded production chain quality system, including those governing the administration of medication and recording of medications given. By participating in IKB, veal farmers also satisfy official EU hygiene regulations, as monitored by the Foundation for Quality Guarantee of the Veal Sector (SKV), which monitors compliance with the IKB regulations and carries out intensive checks on the use of prohibited growth promoters. IKB Vleeskalveren is the quality management system used by Dutch husbandry operations. The Foundation Branch Organisation for the Veal sector (SBK) is the owner of this scheme as of 2014. Further information on the General IKB and Safety Guard husbandry can be found in appendix 11.





APPENDIX 5





APPENDIX 6

Environment: minimum impact, maximum saving

Reducing the impact on the environment through our business operations takes many forms: classifying energy saving; transporting as efficiently as possible with regard to time and kilometres; and optimising the refrigeration process and the cogeneration system. Central to these efforts is the great importance that the VanDrie Group attaches to collaboration and an industry-wide approach.

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

Our environmental policy focuses on recognising all potentially harmful environmental effects arising from past and present activities and carefully investigating and reducing these, including:

- Preventing air and water pollution;
- Preventing and/or rectifying soil contamination;
- Reducing noise level and odour nuisances;
- Conserving energy and seeking renewable energy solutions where possible;
- Preventing waste. Where the creation of waste is unavoidable, we look for ways to recycle it in some way;
- Avoiding the use of substances and materials proven to pose an unacceptable risk to the environment or to the health and safety of staff, customers and/or neighbours of our sites.



The VanDrie Group accepts its responsibility for the environment in the overall chain in which we operate, which also implies that environmental considerations are equivalent to economic, legal and health-and-safety-related interests when conducting our business operations. This must be included in the balancing of interests. For our supplier evaluation, we have therefore included environmental aspects.

Closed Cycle

The closed cycle is based on the cradle-to-cradle principle, which involves recycling, maximum use and therefore as little actual waste as possible. In a wider context, this principle forms part of the wish to reduce the VanDrie Group's carbon footprint by reducing waste and optimising the value of manure and other waste streams. We endeavour to monetise our residual streams as much as possible in everything we do. Examples include our idea – mentioned elsewhere in this CSR report – of processing manure, and our sales abroad of organs and residual products of calves for which there is not such a valuable market in the Netherlands.

At all our Dutch companies, we operate an Environmental Management System, based on the principles of ISO 14001, which means paying attention to noise pollution, odours, water consumption and contamination, waste and energy consumption. We aim high when it comes to water purification. Our slaughterhouses and Eurolat have their own water sources and own water purification systems, for example.

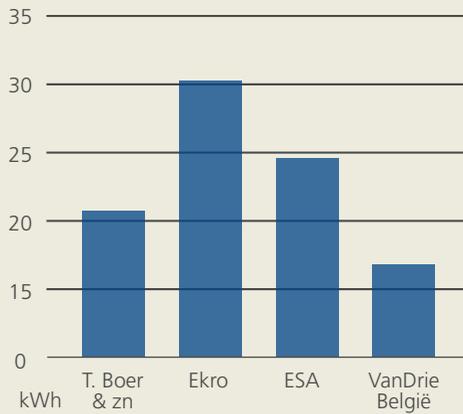
We make efficient use of use raw materials. The quantities and composition of our livestock feed are constantly being improved and modified to prevent waste. Our feed producers Alpuro, Navobi, Schils and Tentego adjust and to some extent determine the purchase of raw materials and the production of feeds based on the productivity figures achieved by the VanDrie Group calves.

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

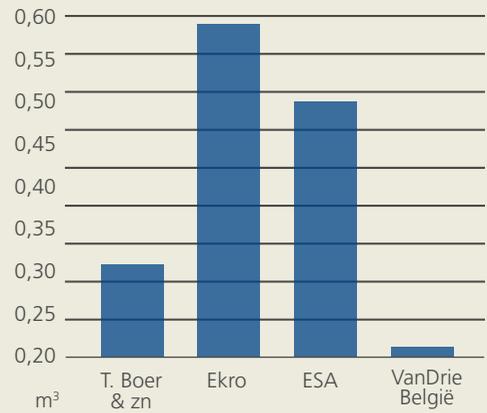
APPENDIX 8

Taking a critical look at consumption

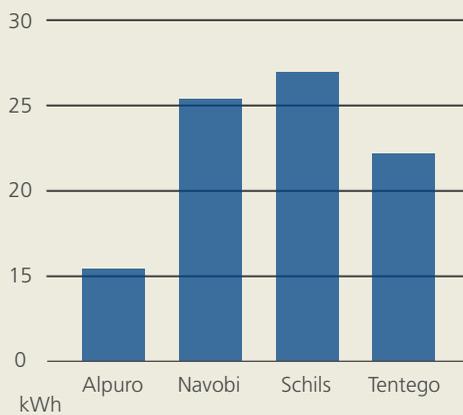
Energy consumption per calf



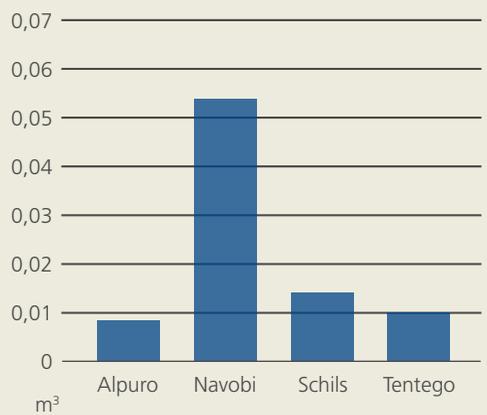
Water consumption per calf



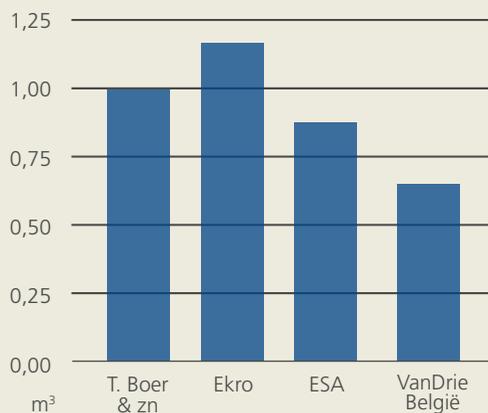
Energy consumption per tonne of feed



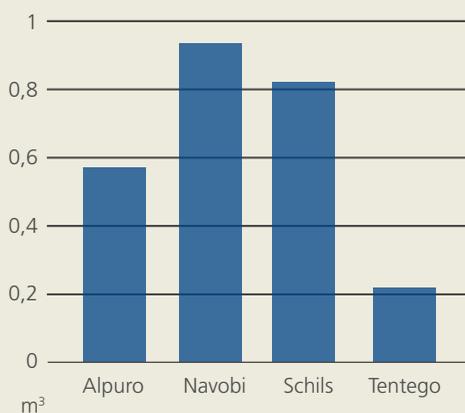
Water consumption per tonne of feed



Gas consumption per calf



Gas consumption per tonne of feed



Overview of MJA-3

	2014	2013	2012
Navobi	-6.0%	-0.3%	+5.6%
Schils	-3.7%	-1.5%	-1.1%
Tentego	-15.4%	-12.3%	-1%

Energy consumption (MWh) in percentage compared to 2011. The target in the MJA-3 agreements is 2% energy reduction per year.

CO₂ overview

	2014	2013	2012	2011
Navobi**	289	346	330	319
Schils*	138	146	135	134
Tentego*	29.7	38.2	33.0	47.4

* CO₂ emission (tonnes)

** CO₂ emission for personal gas consumption, calculation
56 kg per GJ

APPENDIX 8

Reducing logistics traffic

We seek to plan the transportation of our calves to husbandries and slaughterhouses as optimally as we can, in the interests of animal welfare and impact on the environment. We also strive to transport our raw materials as efficiently as possible. The aim of the Dutch feed factories is to reduce the number of empty kilometres driven to and from husbandries by 10% in 2015. Ekro has reduced the transportation of heads by using the head crusher. The fat silo is resulting in less traffic, which means that the transportation boxes (500 litres) no longer need to be washed, nor transported internally. Cleaning of the orange conveyor also needs to be adjusted. Pre-rinsing is now carried out with cold water rather than hot.

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

	2014	2013	2012
> 2,000 km	2.8%	2%	3%
1,000 - 2,000 km	16.9%	15%	12%
500 - 1,000 km	15.8%	7%	14%
250 - 500 km	10.2%	9%	11%
< 250 km	54.3%	67%	60%





APPENDIX 9

Major awards, recognitions and events at the VanDrie Group

- 2014 The VanDrie Group won joint 100th place on the Dutch Ministry of Economic Affairs' Transparency benchmark
- 2014 Ekro won the DLG-Prämierte Spitzenqualität silver prize for its veal escalopes
- 2014 Trade Mission to Vietnam (with Prime Minister Mark Rutte)
- 2014 Trade Mission to China (with Minister Ploumen) State visit to Japan
- 2014 State visit to South Korea
- 2013 Acquisition of Tendriade
- 2013 Launch of Vitender Young rosé veal brand
- 2013 The VanDrie Group joined the Global Roundtable for Sustainable Beef (GRSB)
- 2013 ESA and Alpuro obtained ISO 22000 certification, certifying them according to the Supply Chain requirements
- 2012/2013 Ekro and T. Boer & zn obtained ISO 14001 certification
- 2011 Acquisition of Conxentra
- 2011 Acquisition of Inntaler
- 2011 Acquisition of Alpuro Group (Alpuro, Alpuro Breeding, ESA, Peter's Farm)
- 2011 Became a partner in GMP+ International Nomination for the Food Valley Award 2010
- 2010 Start of Meat Map (energy saving)*
- 2009 Presentation of Beter Leven quality mark by the Dutch Society for the Prevention of Cruelty to Animals
- 2009 The VanDrie Group met with MAQSfood, winner of Fresh Top 100
- 2009 Became a partner in MVO Nederland (Dutch CSR initiative)
- 2008 All VanDrie Group companies were awarded ISO 22000 certification
- 2008 Signing of antibiotic resistance covenant for livestock farming*
- 2008 Use of first Comfort Class cattle trucks
- 2007 Ekro won Smaakmakerstroofe awarded by SVO's training course organisation for the North-Eastern Netherlands



- 2007 VanDrie Group Veal received Ik Kies Bewust (Conscious Choice) logo (now a tick)
 - 2007 Ekro won Best SVO Training Company of the Year
 - 2006 First CSR annual report published
 - 2006 Navobi, Tentego and Ekro were the first companies to be awarded ISO 22000 certification
 - 2005 Won Dutch Logistics Award by the Logistics Management Association (vLm)
 - 2005 T. Boer & zn won Best SVO Training Company of the Year
 - 2005 Safety Guard won Innovation Award for National Food Week
 - 2004 Acquisition of Melkweg
 - 2004 Acquisition of Schils Group (including Schils, Schils France, VanDrie België (Theys), Zoogamma, Eurolat and Vals)
 - 2002 Safety Guard quality system first to be certified with the Food Safety Supply Chain Certificate by Lloyd's Quality Assurance Register Ltd.
 - 1998 EU legislation Calves' Decree came into force. All calves aged eight weeks and over are accommodated in groups. Compulsory as of 2004.*
 - 1996 Van Drie Holding B.V. established
 - 1996 Veal Promotion Foundation (SPK) established
 - 1994 Acquisition of Ekro (+Oukro), Navobi (+Labora) and Sobeval
 - 1994 Acquisition of T. Boer & zn
 - 1993 Acquisition of KSA, Sloten Vleesvee
 - 1991 Acquisition of Tentego
 - 1990 Veal Calf Quality Guarantee Foundation (SKV)* established
 - 1989 Launch of Friander rosé veal brand
 - 1988 Ekro general champion and winner of gold medal during Royal Smithfield Show
 - 1986 Ekro introduced premium system for group-accommodated calves by means of the Group Grown veal brand
 - 1963 Van Drie established
- At the beginning of the 1960s, Jan Van Drie Sr bought his first calf

* NL or EU calf sector

APPENDIX 10

Materiality matrix

For the 2014 CSR report, the VanDrie Group conducted a detailed stakeholder analysis. A materiality matrix makes clear what issues stakeholders deem important and what impact these issues may have on the company's performance and/or reputation.

The position of issues in the matrix is determined by two dimensions: on the one hand, the importance that stakeholders attach to a particular issue for the VanDrie Group; on the other hand the degree of impact that an issue has on the organisation.

The list of potential material issues has been compiled on the basis of the Transparency Benchmark for 2015. GRI, input by the VanDrie Group and Het Portaal (The Portal), have also been used. In order to investigate the importance for stakeholders, a survey was conducted among 19 stakeholder groups in which they were asked to state briefly the most important issues for them. 128 respondents took part in this survey. The more frequently a particular issue is named by the stakeholders, the 'higher' the issue in question is placed in the matrix.

Materiality matrix



By means of an internal session, it was determined with the VanDrie Group's MT what issues have the most impact on the organisation. The matrix is based on three weighing criteria:

1. The relative 'weight' of stakeholders. This is rectified according to a rainbow classification (Chevalier and Buckles, 2008), which clarifies the various stakeholders' 'distance' from and 'influence' on the organisation.

The relative 'weight' of issues is rectified in two different ways:

2. A 'contextual' matrix (sustainableorganizations.org): forms four categories that give an indication of the 'legal' materiality of issues for stakeholders;
3. A risk matrix (Ni and Chen, 2010): the negative 'impact' and 'likelihood' of an event/

issue for the VanDrie Group is mapped out in the form of a diagram. An important point is that it concerns a dynamic model, which can be updated every year. The matrix will be adjusted if necessary.

The key issues and the positions they currently occupy within the materiality matrix can be found on our website (www.vandriegrup.nl/mvo).

* An overview of our main stakeholders can be found in appendix 5.

Our organisation	Food safety	Animal welfare	Surroundings & the environment
1. Collaboration and certification	9. Food safety and public health	14. Animal welfare	19. Responsible/sustainable purchasing
2. Tracking & tracing	10. Producing safe and responsible veal	15. Responsible use of antibiotics	20. Use of raw materials and fair trade
3. Suppliers and distribution (chain responsibility)	11. Zoonoses	16. Healthy calves, responsible transportation of calves	
4. The company's internal management structure	12. Policy that promotes healthy living and healthy food	17. Preventing animal diseases	
5. Eco-design: improving the sustainability of products	13. Food defence		
6. Trusted partnership			
7. Operating result and other forms that are used to create value			
8. Sustainable chain			

APPENDIX 11

General requirements of the IKB and Safety Guard for husbandries

- Transportation of calves must include the use of Comfort Class trucks with full climate control **
- Calves must be at least 14 days old before arriving at the husbandry *
- Calves live in groups of 6-8 on average (group accommodation), in accordance with the Calf Decree (EU legislation) *
- To give them a good start in life, the calves can be kept in open individual hutches for no longer than the first eight weeks *
- Accommodation: calves up to 150 kg: 1.5m², calves up to 220kg: 1.7m², calves over 220kg: 1.8m². *
- Calves are mainly given calves' milk with sufficient roughage *
- Rosé calves are mainly given roughage/maize etc. *
- All the feed is transported by shipping agents accredited by our GMP scheme (except where we use our own fleet) *
- The stables are ventilated *
- The calves receive sufficient daylight *
- The calves are able to walk around freely *
- The VanDrie Group district manager visits the husbandry approximately once a week **
- Antibiotics are not used as a preventative measure *
- Medicines are only administered by the practising vet *
- All visitors must sign the visitors' register *
- Safety Guard enables the VanDrie Group to meet IKB. IKB is the Dutch acronym for Integral Chain Management. Regulations apply to this independently guaranteed chain quality system, including those for medication administration and recording of medications given **
- All calves slaughtered by the VanDrie Group meet the strict requirements of the Foundation for Quality Guarantee of the Veal Sector (SKV) **
- The SKV conducts intensive inspections at all the VanDrie Group's husbandries in order to monitor the health of the calves and the quality of the calves' feed. The basis for these inspections has been laid down in the IKB guarantee system **
- By participating in IKB, veal farmers also satisfy official EU hygiene regulations *

Source:

* *IKB Vleeskalveren general terms and conditions - Husbandry requirements*

***Safety Guard*



10-point plan

All Dutch veal farmers must be members of the IKB and affiliated with the SKV. The control measures in the risk analysis are based on the veal farmer's membership of the IKB. See also www.ikbkalveren.nl for information on the full regulations of this quality system. Most points commenced on 1 May 2014. Two points (point 2: newborn weight at least 36kg and point 6: the hygiene station) have already been implemented, but have a start date in 2015.



APPENDIX 12

Assurance Report

We were instructed by the board of Van Drie Holding B.V. (hereinafter 'the VanDrie Group') to evaluate 11 of the CSR indicators contained in this CSR annual report (hereinafter: 'the selected CSR indicators') in 2014. We provide a limited degree of assurance regarding the selected CSR indicators included in the table on page 94.

Evaluation: limited degree of assurance

Evaluation tasks focus upon obtaining a limited degree of assurance and do not include such in-depth research as would be conducted for an audit. An evaluation therefore provides less assurance than an audit. Our evaluation is restricted to the figures found in the table on page 94; accordingly, we do not seek to offer assurance regarding the assumptions and feasibility of the future-oriented information in the report that relates to CSR issues, such as the VanDrie Group's aims, expectations and ambitions. The board of the VanDrie Group is responsible for compiling the report and the table according to the Global Reporting Initiative ('GRI') indicators. It is our responsibility to provide an assurance report on the selected CSR indicators.

Reporting criteria

The VanDrie Group compiled its CSR report based on the GRI's G4 guidelines. To apply GRI guidelines, the performance of particular tasks is required. A major component of this is determining what the material issues and the scope of reporting will be for the report. The VanDrie Group conducted a materiality analysis, availing itself of the materiality index provided in appendix 10.

Our evaluation of the data is limited to the figures included in the table on page 94. A detailed description of the scope of the figures in the table can be found in the explanatory notes beside the table.

We believe that the data included in the table is relevant and appropriate to our evaluation.

Tasks

As regards the selected CSR data included in the table, we conducted our evaluation in accordance with Dutch law, including Standard 3000, "Assurance tasks other than audit tasks or the evaluation of historical financial information".



Our key evaluation tasks for the selected CSR indicators were to:

- Conduct an environmental analysis and obtain insight into the sector in question, relevant social trends and issues, relevant legislation and regulations, and the organisation's characteristics;
- Evaluate the suitability of the reporting criteria and the consistency of their application, such as by evaluating the reasonableness of the estimates made by management;
- Evaluate the procedure employed for gathering the selected CSR data and used to aggregate this data as found in the table on page 94 of the VanDrie Group's annual CSR report for 2014;
- Conduct an evaluation based on coordination with the underlying documentation for the data collected for each individual company;
- Conduct an evaluation of the figures and analyse the internal congruence of the data.

We believe that the evaluation information obtained by us was sufficient and suitable as a basis for our opinion.

Conclusion

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

Use of this assurance report

This assurance report relates only to the evaluation of the performance of the selected CSR indicators for the VanDrie Group as found in the table on page 94. This assurance report is therefore of limited scope and does not provide any assurance with regard to the VanDrie Group's overall CSR performance for the year in question.

Amsterdam, 30 June 2015

MAZARS PAARDEKOOPEL HOFFMAN N.V.

R.C.H.M. Horsmans RA RV



APPENDIX 13

This is the second year in which we have instructed our accountants Mazars to conduct an evaluation of a selection of our performance indicators for our Dutch operations. The Netherlands is a crucial country for the VanDrie Group, accounting for around 45% of our staff and hosting many of our production sites. From next year onwards, we also intend to include comparative figures for other countries to make it easier to monitor how our performance is developing.

This year, we asked our accountant to evaluate the number of recalls and audits. It is our ambition to further extend our reporting in the coming years by reporting supplementary quantitative data for the organisation as a whole within all our strategic pillars. We are also investigating the possibilities of submitting this to our accountant for evaluation. We took the GRI G4 guidelines as the basis for our reporting criteria and performance indicators. Mazars' results and conclusions after evaluation of the table below can be found in appendix 12.

Indicator	Unit	2014	2013	flux
Number of employees	Headcount	1,073	1,089	-1%
Full-time employees	FTEs	991	992	0%
Proportion of male staff	% of headcounts	87%	87%	0%
Proportion of female staff	% of headcounts	13%	13%	1%
Sickness-related absences	Percentage	6.0%	6.4%	-6%
Electricity consumption	kWh per tonne of calf feed ⁽¹⁾	22,1	23,0	-4%
	kWh per calf slaughtered ⁽²⁾	25,7	23,7	8%
Water consumption	m ³ per tonne of calf feed ⁽¹⁾	0,027	0,034	-22%
	m ³ per calf slaughtered ⁽²⁾	0,46	0,42	9%
Gas consumption	m ³ per tonne of calf feed ⁽¹⁾	0,69	0,79	-12%
	m ³ per calf slaughtered ⁽²⁾	1,06	1,09	-3%
Antibiotics dosages per animal per day (DDD)	% decrease compared to 2007	53%	46%	-7%
Number of recalls	Number	0	-	-
Number of audits	Number ⁽³⁾	115	-	-

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

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

⁽³⁾ Internal and external audits among veal farmers and calf slaughterhouses





OUR ORGANISATION



FOOD SAFETY



ANIMAL WELFARE



SURROUNDINGS & THE ENVIRONMENT



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