



Veal with Vision

CSR-report



Table of contents

Corporate Social Responsibility	5
Preface	6
1. Profile of the VanDrie Group	8
2. The veal farm	18
3. Transportation	24
4. Processing and final product	28
5. Final remarks and contact	34



The VanDrie Group's logo features a hand and a calf, symbolising respect for people and animals. It is a symbol that underlies our guarantee of quality and craftsmanship.





Corporate Social Responsibility within the VanDrie Group

Vision

The VanDrie Group is a economically healthy family business, based in the Netherlands, that respects people, animals and the environment. Corporate Social Responsibility (CSR) is fundamental to this approach. For a family company like the VanDrie Group, terms such as cooperation, quality, sustainability and transparency are more than just clichés they are the cornerstones of the company philosophy. The group aims to stay one step ahead of social developments and regulations. All of the subsidiary companies, veal farmers and staff at all levels – right up to the board including the Van Drie family feel completely responsible for the optimal quality and safety of the end product: Controlled Quality Veal. With a chain approach geared towards all facets of Corporate Social Responsibility, the company earns the acceptance of society for veal production, offering the prospect of a healthy future for the industry.

More information about CSR within the VanDrie Group can be found on www.vandriegroup.com/csr



Founder:
Jan van Drie Sr.

Managing Directors VanDrie Group:
René van Drie
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Foreword

In this CSR report, we present the results of key developments in the VanDrie Group's Corporate Social Responsibility (CSR) policy. Within the veal industry, it is our ambition to lead the veal industry in this area. Five main priorities of our CSR policy are food safety, animal welfare, concern for employees, supply chain partners and the environment, and the pursuit of the 'cradle to cradle' principle. CSR represents the starting point for the VanDrie Group: the added value we give to calves in the dairy industry, the processing of whey waste from the cheese industry to turn it into calf feed, the processing of manure from our calves and the processing of by-products such as calfskins.

With regard to important issues such as food safety, food security, quality and animal welfare, the chain approach is central to the VanDrie Group. This integrated approach makes the VanDrie Group unique within the European meat, and specifically veal, industry.

In 2009, the VanDrie Group took significant steps in several areas of the veal chain to further develop Corporate Social Responsibility. Cooperation with the Dutch Society for the Prevention of Cruelty to Animals has led to us receiving its 'Better Life' (Beter Leven) hallmark of approval for our veal. For us, this is not just recognition of the initiatives we have undertaken to enhance animal welfare, but it is also a big step for the industry as a whole. Much has changed in veal farming in recent years and the VanDrie Group has played an important role in these changes.

In addition to the important steps taken by the VanDrie Group, this report also looks at future developments, such as further expansion of the VanDrie Group. In our cooperation with civil society organisations, research institutions and government,

we are also focusing on the future in order to remain a forerunner in the field of CSR. For example, by investing in the entire chain, we are striving for the further reduction of the use of antibiotics.

The VanDrie Group's CSR report follows the guidelines of the Global Reporting Initiative (GRI level C) in order to strive for transparency and clear communication on sustainability and CSR to our stakeholders. If you have any questions regarding this CSR report, please contact us:

info@vandriegrup.com.

*Henny Swinkels
Director Corporate Affairs VanDrie Group
Apeldoorn, June 28, 2010*

Profile

of the VanDrie Group



Although the VanDrie Group supplies veal to customers all over the world, the company has always stayed true to its traditions as a family business. The VanDrie Group is the largest privately owned agro company in the Netherlands. The group comprises more than twenty businesses, making it the largest integrated veal producer in the world. We produce 25% of all European veal.

We regard the production of veal as a craft, in which care and respect are important values. This starts with caring for people and animals. Our company has fixed-contract arrangements with 1,200 veal farmers, it owns feed companies that produce calf milk powder in the Netherlands, Germany and Italy, we have slaughterhouses in the Netherlands, Belgium and France and a company which processes the skins. Traditional methods are also applied to the slaughter and processing of the meat. Of our approximately 1,700 employees, two-thirds work in the Netherlands. Our Dutch company has thereby grown to become the global market leader in the veal industry.

More information about the VanDrie Group is available at www.vandriegrup.com. More information about the veal farms is available at www.vandriegrup.com/the-companies-and-the-chain/

Calves from the dairy industry

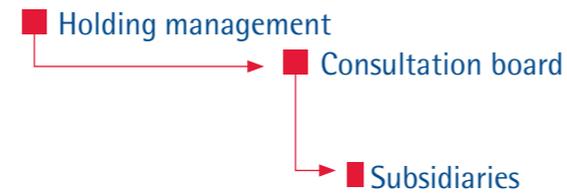
The calves the VanDrie Group purchases for veal production are not purpose-bred they are calves that cannot be used in the dairy industry. After all, the production of milk, butter and cheese is inextricably linked to the birth of calves. In order for a cow to give milk, she must bear a calf once a year. In the past, the animals were often killed immediately after birth. Nowadays, these animals are brought from the dairy farm to

the veal farm two weeks after birth. They subsequently remain there for six to twelve months before going to the slaughterhouse. In this way, we add value to animals that the dairy farm cannot use – in a respectful way.

A healthy business

The Netherlands has a high-quality dairy industry. The cattle farmers have a high level of expertise and the logistics industry is well developed. All of this makes the Netherlands an excellent home for the VanDrie Group. Likewise, the bulk of the calves in veal farming comes from Dutch dairy farmers. For this reason, the foundations of the VanDrie Group are firmly anchored in the Netherlands. The VanDrie Group is committed to forming sustainable relationships with both the dairy farmers who supply the calves and the veal farmers under contract. This balance can only be achieved if the company is financially sound. In order to safeguard the position of the VanDrie Group in the future, the VanDrie Group is continuously, and in cooperation with clients, seeking new ways to promote the sale of veal.

Organisational structure



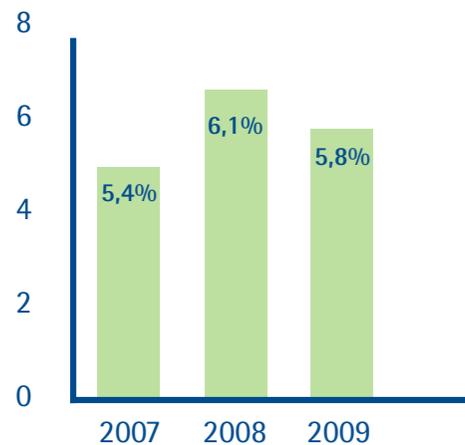
Turnover of the VanDrie Group

The VanDrie Group has an annual turnover of approximately 1.5 billion Euro. Approximately 95% of this turnover comes from Europe.

Care for employees

In order to consistently produce high-quality veal, it is important to have skilled employees. Our employees are the core of our organisation. We can only produce and guarantee quality veal by respecting and caring for our skilled employees. The VanDrie Group is committed to long-term relationships in which employees have room for ongoing growth and personal development. The VanDrie Group endorses the Universal Declaration of Human Rights. In 2009, the VanDrie Group's employees spent almost 12,000 hours on training courses. That is the equivalent of 8.8 hours per full-time employee. The VanDrie Group also believes that health programmes and corporate fitness for employees, such as 'Fit in je vel' (Feeling Fit), the provision of good working conditions and an awareness programme for employees regarding workplace risks are important. These investments have resulted in loyal, skilled workers, helping us to minimise absenteeism.

Absenteeism at the VanDrie Group



Training places for students

The VanDrie Group considers it as its task to play a role in training students who have come from intermediate vocational education programmes. To this end, the VanDrie Group offers training places as Apprenticeship Training (BBL) for all levels. The BBL-2 training for staff in the fresh produce industry offers participants a basic qualification in the form of an officially recognised diploma.

Innovations and development of expertise

The VanDrie Group invests in research into innovations in veal farming, covering the areas of promoting animal health, animal welfare, animal feed, food safety and product quality. In the field of innovation in animal nutrition and management changes in veal farming, five people are working on developing the areas of research further. In addition, seven employees work on the implementation and expansion of the studies. Besides research carried out under its own management, the VanDrie Group also works with respected institutions such as Wageningen UR.

Welfare monitor

Together with other Dutch veal producers, the Ministry of Agriculture, Nature and Food Quality (LNV) and the Netherlands Society for the Prevention of Cruelty to Animals, we are developing a European welfare monitor for veal calves. This will allow for an objective, scientifically sound and practically feasible assessment of the level of welfare of veal calves. This information will help to further improve the standard of care, and may also be used as a guideline .

Dissemination of knowledge and expertise to China

The VanDrie Group has been investing in international relations for several years, in order to develop a relationship of cooperation and knowledge exchange. In China, for example, we have built enduring relationships with a Chinese company and the University of Beijing. Providing knowledge to these partners enables the Chinese veal industry to develop further, which allows the VanDrie Group to make a significant contribution to adding value to calves in China. The VanDrie Group is supporting the investments being made in a training centre by, for instance, providing training courses in the Netherlands and arranging for the manual for keeping calves to be translated into Chinese.



Quality and accountability throughout the chain

Quality is not achieved without effort; it requires a well-considered approach founded upon a solid cooperation between all the links in the chain. The VanDrie Group has an internal benchmarking system enabling the various business units to learn from each other and make improvements. The VanDrie Group has its own quality system: Safety Guard. Additionally, we are working with other chain partners to build solid, verifiable and transparent chain quality systems for all business activities, such as the Veal Calf Quality Guarantee Foundation (SKV) and Integrated Chain Management (IKB). These chain systems are the backbone of the company and form the basis for sustainable and socially responsible veal production.

Safety Guard: food safety, food quality and animal welfare

The VanDrie Group safeguards food safety, food quality and animal welfare throughout the entire production chain with its own quality system, Safety Guard. This system has been developed in answer to the increasingly demanding needs and requirements of customers and consumers. For instance, the Safety Guard System includes a track and trace element that enables calves to be traced through all process steps in the chain right through to the meat, skins and calf feed by way of an identification and registration number. Careful attention has been paid to national and international laws and regulations when developing Safety Guard, and the wishes and expectations of customers and consumers have been taken into account. In order to optimise the Safety Guard system, the VanDrie Group has integrated the ISO 22000 standard within the chain quality system. In 2009, this standard – a food safety management system – was implemented at all of the VanDrie Group's locations to further safeguard food quality and safety.



Safety Guard also combines, among others, the following standards:

Food Safety Supply Chain System Certificate
HACCP
ISO 9001
GMP+
BRC
IFS



More information about the Safety Guard System is available at www.vandriegroup.com/guarantees

Transparency

The VanDrie Group has sustainability firmly anchored in its corporate philosophy and works hard to remain market leader in the veal industry. The VanDrie Group's policies are transparent, as are its activities regarding sustainability, Corporate Social Responsibility and veal production. By consulting regularly with stakeholders, including civil society organisations, governments and politicians, the CSR policy is strengthened even further.

CSR-report

This CSR report describes various developments and innovations in the area of Corporate Social Responsibility. The GRI guidelines as well as the Transparency Benchmark criteria from the Dutch Ministry of Economic Affairs served as a guide during its preparation. Both are the result of extensive consultation with the business community, civil society organisations and relevant authorities. The figures presented in this CSR report are based on data collected from the financial systems at our headquarters. The reporting system will be improved further over the coming years, resulting in more accurate data collection.

Since we are first concentrating on improving the system, independent data verification is not yet under discussion. Additional information about the social profile of the VanDrie Group is available in the 2006 brochure 'Puur Kalfsvlees' (Pure Veal) and our 2009 CSR Annual Report. These, together with the GRI index and the glossary, can be found at www.vandriegroup.com/csr. The VanDrie Group also publishes an annual report, which is available for inspection at its headquarters.

Consultation and cooperation with civil society organisations

The VanDrie Group is a forerunner in the veal industry in the area of animal health and welfare. In recent years, we have invested heavily in improving animal welfare, and our cooperation with civil society organisations has played an important role in this process. For example, through cooperation with the Netherlands Society for the Prevention of Cruelty to Animals, the VanDrie Group gains valuable insights into key social issues and aspects of animal welfare.



Partnership with CSR Netherlands

In 2009, the VanDrie Group became a partner of CSR Netherlands. CSR Netherlands is the national network and knowledge organisation for Corporate Social Responsibility. As a partner, the VanDrie Group has access to a large network of companies and organisations that pursue CSR ambitions. It also allows us to learn from other partners in the areas of Corporate Social Responsibility and supply chain management.

“In the areas of Corporate Social Responsibility and supply chain management.” Our partners make up a rapidly growing network of more than 1,000 companies with far-reaching CSR ambitions. The VanDrie Group belongs to this network as it places great importance on Corporate Social Responsibility. We particularly value their efforts to focus on sustainability in the chain. Partners in our network learn from each other and are increasingly working together to form new coalitions and interesting business deals.”



Willem Lageweg, Director of CSR Netherlands



Partnerships

Below is an overview of various experts with whom the VanDrie Group exchanges knowledge, sharing expertise and other ideas.

Results in 2009 and the forecast for the future

The key results for 2009 were:

- Safety Guard quality system was expanded further to include ISO 22000 in all departments
- VanDrie Group became a partner of CSR Netherlands
- Strong foundation for further knowledge exchanges with China
- Active contribution to research into welfare monitoring system

In the opinion of the VanDrie Group, a quality system such as Safety Guard is never quite complete. The VanDrie Group therefore commits itself to continued investment in the research and implementation of Safety Guard. Both skill and knowledge are essential to the further development of the veal industry. Over the coming years, the VanDrie Group will continue to invest in research and the relationship with research partners. Moreover, our cooperation with civil society organisations is crucial to achieving further improvements in the chain. Only then can we generate support and create a healthy market for quality veal. Over the coming years, the VanDrie Group will continue to focus on exchanging knowledge and expertise with countries where veal farming is still in its infancy. By doing so, the VanDrie Group is contributing to the sustainable economic development and professionalization of veal farming in developing countries.



Veal farming



The VanDrie Group's calves are produced exclusively at monitored farms. There are currently more than 1,200 privately owned veal farms, and this number is still growing.

We believe that nature and environmental conservation can go hand in hand with industrial activity in rural areas. By giving an economic boost, our veal farms contribute to the development of a vital countryside.

The professionalism of veal farmers is of prime importance to the VanDrie Group. This requires great dedication and a strong sense of responsibility from both the veal farmer and his family.

Each animal requires individual attention, seven days per week. The VanDrie Group's calves are kept at family businesses with which we have long-term agreements and contracts. In many cases, that relationship goes back several generations.

Relationship with veal farmers

Veal farms are family-run businesses, but the calves remain our property. The VanDrie Group thereby bears the greatest part of the financial risk. The VanDrie Group receives all the technical details from the veal farms. A significant amount of knowledge and information becomes available to the VanDrie Group, allowing us to provide veal farmers with intensive support. On average, consultants from the VanDrie Group visit farmers once per week. These visits are the ideal opportunity to share experiences and discuss new insights into the management of veal farming. Modern management systems guarantee the animals' welfare and the superior quality of the veal. The consultants also act as a guide for the veal farmers. The VanDrie Group's 40 advisers meet regularly to share practical knowledge and experiences as well as research.

"I took over the company from my father 25 years ago and my eldest son of 13 cannot wait until he can take over part of the farm. I am very proud of my family business and I am delighted that my children also share this pride."

Evert Verwoert, veal farmer in Opheusden



2



Animal welfare

Animal welfare is an important gauge of our Safety Guard quality system. Animal welfare is central to the whole VanDrie chain. Based on years of research and intensive cooperation with the Dutch Society for the Prevention of Cruelty to Animals, the VanDrie Group places extensive demands on housing and caring for calves. By placing strict requirements on each of the areas of animal welfare, the VanDrie Group is able to safeguard their welfare.

Housing

The VanDrie Group's calves are only housed at farms with stables that meet high requirements in terms of housing and the environment. The VanDrie Group is a strong supporter of housing calves in groups. All calves of the VanDrie Group are therefore housed in groups in spacious, well-ventilated, and well-illuminated housing.

Nutrition

Our calves receive a balanced diet: a daily dose of roughage and calf milk. Innovations in the composition of calf milk, by optimally utilising nutrients, have been designed to make the milk resemble cow's milk as closely as possible. Prebiotics, essential fats, vitamins and minerals are also added to support the calves' immune systems.

Continuous monitoring

Besides optimising the feed and managing the animals, it is very important that the health of the animals is also monitored to ensure that diseases and disorders are detected at an early stage. During their stay at the veal farm, the animals are checked on a daily basis by the veal farmer and a veterinarian carries out a health check at least once a month. When farmers and veterinarians intervene rapidly and adequately, the use of veterinary medicines can be kept to a minimum. Furthermore,

the VanDrie Group has clear agreements with the Netherlands Society for the Prevention of Cruelty to Animals in order to prevent anaemia in the calves.

The use of antibiotics

The fact that the calves are in good health upon arrival at the farm, the animal-friendly housing and a balanced diet all help to ensure that antibiotic use is reduced as much as possible. Not only is the VanDrie Group active in reducing antibiotic use within its own chain, it also contributes to industry-wide innovations too, by way of its seat on the Task Force for Livestock Antibiotic Resistance and the industry-wide Supervisory Board for the Restrictive Use of Antibiotics.

'Better Life' (Beter Leven) hallmark of approval

The VanDrie Group has a long-standing relationship with the Dutch Society for the Prevention of Cruelty to Animals and this was intensified last year. The Dutch Society for the Prevention of Cruelty to Animals makes arrangements with the VanDrie Group about improvements in the supply chain regarding animal welfare issues. In 2009, this regular consultation had resulted in over 60% of the veal producers for the domestic market being awarded a one-star 'Beter Leven' hallmark of approval. For products with the 'Beter Leven' hallmark of approval, one star signifies that a significant improvement in animal welfare has been made.

More information about the 'Better Life' hallmark of approval is available at

www.vandriegrup.com/guarantees/better-life-hallmark/

"I believe an important characteristic of the discussions between the Dutch Society for the Prevention of Cruelty to Animals and the VanDrie Group is the equality between the two partners. Both sides respect each other's interests. The VanDrie Group has taken the recommendations of the Dutch Society for the Prevention of Cruelty to Animals seriously in the past, and has subsequently taken appropriate action. This mutual respect is important for a lasting relationship."



Frank Dales, Director of the Dutch Society for the Prevention of Cruelty to Animals



Cradle to cradle

The VanDrie Group is committed to adding value to all by-products and waste products from the industry. The VanDrie Group is convinced that investing in markets for new by-products will yield a profit in the future. By investing in these markets now, VanDrie has a unique advantage in adding value to by-products.

Raw materials for calf milk powder

The VanDrie Group uses many residual products from the cheese-making process in the production of calf milk powder. The whey that cannot be used on a large scale is used by the VanDrie Group as a source of energy and protein in calf milk powder. By using whey powder, the amount of skimmed milk powder used as a component is reduced to 7.5%.

Calf milk powder is produced in a number of locations including Staverden, Mijdrecht (The Netherlands) and Ghedi (Italy). Dutch calf milk production amounts to nearly 425,000 tonnes annually. We also produce more than 125,000 tonnes of calf milk per year at our subsidiaries outside of the Netherlands.

Investment in whey-drying facilities in Italy

At the Italian branch, a new technique developed by the VanDrie Group has made it possible to source wet, unpasteurised whey from various small cheese factories in the area and dry it, thereby making it suitable as ingredient in calf milk powder. Until recently, this whey was disposed of as a useless residual product. In 2009, the VanDrie Group invested in two new whey-drying facilities in Italy. The first drying facility was completed in 2009.

Manure processing

As a result of the VanDrie Group's efforts, the manure generated by a large part of the VanDrie veal farmers is collected and purified. This separation process creates a valuable dry fertiliser that is extremely suitable for use as fertiliser in, for example, the wine sector. This represents a substantial contribution to reducing the manure surplus and offers an alternative to artificial fertilisers.

Results in 2009 and the forecast for the future

The main results that have characterised 2009 are:

- 'Better Life' hallmark of approval was awarded by Dutch Society for the Prevention of Cruelty to Animals
- Whey-drying facility was opened in Italy
- Processing of manure into a valuable product
- Substantial contribution to reducing the use of antibiotics

In the coming years, the VanDrie Group will continue to invest in the development of new technologies and markets for by-products and residual products.

In the areas of animal health and antibiotic use, the VanDrie Group continues to invest in research and innovation to promote animal health and further reduce the use of antibiotics in the industry as a whole. The VanDrie Group will adopt a pioneering role in this initiative.



“Dutch veal farming is a strong economic sector, and that is partly due to the increasingly pro-active response to animal health and disease prevention. CSR already goes perfectly hand in hand with good economic results. In this regard, the VanDrie Group is setting the tone for the future.”

Ruud Huirne, General Manager of the Social Sciences Group (Wageningen University)



Transport



Good logistics are essential to be able to assure quality in the chain. The VanDrie Group has therefore invested heavily in efficient, sustainable and animal-friendly logistics. This begins with the transportation of calves to the veal farm and ends with the transportation of the finished product. The VanDrie Group owns a small number of trucks, particularly for calf milk production, and has contracts with several internationally renowned and certified transporters. The VanDrie Group is leading the field of transportation within the veal industry.

Animal welfare

The VanDrie Group is committed to animal-friendly livestock transport and we are pioneering the research into improvements in the area of animal transportation. A fully air-conditioned Comfort Class truck for calves has been developed in cooperation with a truck manufacturer. The trucks ensure that the calves' exposure to temperature fluctuations is minimised. The trucks are also equipped with cameras so that, while driving, the drivers can monitor the behaviour of calves. Transportation in Comfort Class trucks is beneficial to the welfare and health of the animals, which makes the animals less susceptible to disease during the first days on the

veal farm – this in turn results in a reduction in the use of veterinary medicines.

Improved transportation methods receive a boost

In 2008 and 2009, the VanDrie Group invested in five Comfort Class trucks instead of purchasing conventional trucks. The result of this support is that almost all international calf transportation for the VanDrie Group is now carried out in Comfort Class trucks. The requirements for calf transportation will be changed in several Eastern European countries following the introduction of the Comfort Class trucks, and we hope that this new model will be adopted by the market as a whole. Not only does this strengthen the international trade position of the Dutch transporters of calves, it also raises the standard of transportation as a whole.

Care for the environment

In 2009, the VanDrie Group optimised its own logistics system with regard to the transportation of calf milk powder and raw materials. Transportation routes across Europe have been completely rearranged to achieve more efficient and more sustainable transportation. With the chain approach as its focus once again, the VanDrie Group optimised transportation at each stage. In cooperation with suppliers, for example, all transportation lines were examined and various transportation lines were combined. Prior to the review of the logistical planning, trucks often drove back to production sites empty. After some adjustments to the trucks, it has now been made possible to carry raw materials, such as whey powder, on return trips. These two measures reduced the number of transport movements by more than 900 trips per year, equivalent to 220,000 transport kilometres, which in turn is equal to a CO₂ reduction of 210 tonnes.

The transportation of veal and by-products, such as calfskins, is cleverly organised. Large half-full trucks no longer drive back and forth between production sites; instead, smaller trucks are now used to transport products to one central collection point. From there, the products can be transported onwards to customers in larger, more efficiently loaded trucks.

Custom transport

A substantial part of transporting raw materials for calf milk and calf feed was previously done using 'big bags'. Thanks to sound agreements with suppliers and an improvement in the timing of the raw materials supply, almost all shipments are now shipped in bulk. This reduces damage and loss during transport. When transporting the animals to the slaughterhouse, animal welfare is of the utmost importance. The journey cannot last longer than a maximum of four hours. The slaughterhouses of the VanDrie Group work according to the just-in-time principle: transportation to the slaughterhouse is planned in such a way that the animals are slaughtered as soon as possible after arrival.

Transparency

Transparency is also fundamental in the transportation of calves. The VanDrie Group receives all the necessary

information regarding calves transported from anywhere in Europe before they leave their country of origin. Import calves also spend some time in quarantine to prevent the spread of disease. Logistical measures have also been taken with regard to the supply and removal locations of calves in order to minimise inconvenience.

Results in 2009 and the forecast for the future

In 2009, the VanDrie Group achieved the following results in the area of transport:

- Efficient planning and routing of transport movements: a reduction of 220,000 transportation kilometres
- Investment in Comfort Class trucks for calves
- Almost all shipments were carried out in bulk instead of 'big bags'

The VanDrie Group will continue to stimulate the transportation of calves by Comfort Class trucks by making agreements with transporters. In the area of transport movements for supply and delivery, the VanDrie Group will work on improving efficiency of the transportation even further in the coming years, by continuing to critically examine the planning of transport movements.



Processing and end products



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The final link in the veal chain is the marketing of the various products. The VanDrie Group has strong relationships with numerous national and international veal buyers. In addition to investing in and maintaining existing relationships, the VanDrie Group is constantly involved in the active development of new products, new markets and new customer relationships. Furthermore, the VanDrie Group takes different beliefs and religions into account in its production of veal. Thanks to these efforts, the VanDrie Group is ensuring a stable market for veal products as well as by-products from the veal chain.

Animal welfare in all links of the chain

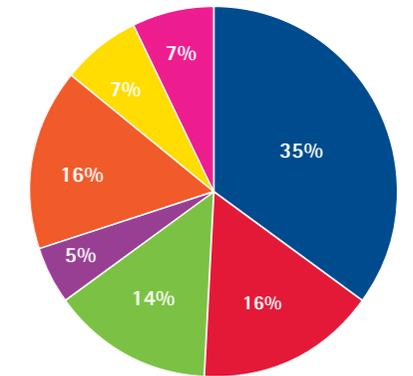
Calves are slaughtered when they are approximately six to twelve months old. By then, the animals have grown to a considerable size and can weigh up to 250 kilograms. The animals are still able to drink in the barn where they are gathered for slaughter. The VanDrie Group opts for the interest and welfare of the calves over and above economic gain.

Market

Over one million calves are slaughtered annually in the six slaughterhouses belonging to the VanDrie Group. The end products are sold in over 60 countries.

Export of veal

- Italy
- France
- Germany
- The Netherlands
- Rest of Europe
- Middle East
- Rest of the world



Products

The main product produced by the VanDrie Group is, of course, veal. Additionally, the VanDrie Group aims to add value to by-products and residual products, such as the skins, in a respectful manner.

More information about the VanDrie Group's products is available at www.vandriegrup.com/products/

Veal to suit the customer

The VanDrie Group produces veal and Friander. These two delicacies are produced in separate chains and sold to separate consumer markets. The difference is the age at which the animals are slaughtered and the type of feed they are given. Veal comes from animals slaughtered at no older than eight months. Friander comes from specially selected Holstein Frisian calves. Friander calves are slaughtered at the age of eight to twelve months.

Guidelines

The Safety Guard guidelines form the basis for the production of veal. The additional needs of specific customers can be attuned to these guidelines.



Skins

Not only the meat but also the skins of the calves are used. Oukro processes calfskins, of which approximately 95% are sold to the Asian market. Calfskins are carefully selected and preserved. We provide the calf leather industry with skins to size. High-quality calf leather is used in the shoe, clothing, furniture and car industries.



“At Oukro we process a by-product, namely the calfskins. We do this in the

most sustainable manner possible. We also focus on re-using raw materials and on good working conditions.”

Marcel van Leent, Director Oukro

Number of calfskins per year:

2007	2008	2009
1.1 million	1.3 million	1.2 million

Re-use and disposal of residual products

At all production sites, the different waste streams are collected separately and transported accordingly. The objective is to re-use as many different types of waste products as possible. Markets are sought for as many waste streams as possible, so that those substances that are no longer useful to the VanDrie Group can be used by others – in the pharmaceutical industry, for example. Thanks to recycling, less than 10% of the residual products are disposed of as waste. Manure from slaughterhouses, for example, is used to generate electricity through fermentation.

Salt residues from the preservation of calfskins

Another example of recycling is the salt used in the preservation of calfskins, which is a process that requires high-quality salt. The excess salt that remains after preservation of the calfskins is collected and given to a fellow processor of cowhides. Since cowhides are less sensitive, lower-quality salt can be used.

Food Waste Innovation Impulse

The VanDrie Group actively contributes to the LNV's (Ministry of Agriculture, Nature Management and Fisheries) Food Waste Innovation Impulse programme by accurately classifying different types of animal waste products. This allows us to further optimise and add value to various streams of less valuable products.

Final product - Improvements in packaging

The VanDrie Group also takes sustainability and social topics into account at the end of the chain. For example, we use packaging that allows the meat to be kept for longer, which reduces perishing. This results in significantly fewer transport movements (approx. 40 %) and hence lower transportation costs.

Veal in a healthy diet

Veal belongs to the third section of the Nutrition Centre's five principal ingredients of a proper diet, along with other meats, fish, eggs and meat substitutes. Veal also contains a lot of protein, vitamin B and minerals such as iron and zinc. Because of these properties, veal fits perfectly within a healthy and varied diet. The VanDrie Group is committed to producing lean meat with feed that has been developed according to scientific research.

Veal even meets the high standards professional athletes place on their diet. For instance, during the 2010 FIFA World Cup in South Africa, the chef of the Dutch national team prepared a number of dinners per week with VanDrie Group veal.

'Conscious Choice Foundation' (Stichting Ik Kies Bewust)

The VanDrie Group is a member of the 'Stichting Ik Kies Bewust' (IKB), an initiative set up to help consumers make healthy choices. Products with the IKB logo contain reduced amounts of salt, sugar and saturated fats. By choosing products that bear the IKB logo, consumers can easily opt for healthier choices within the relevant product group. A number of the company's pre-packaged veal products bear the IKB logo. "Since it is a private label product, we are allowed to use the IKB logo. We cannot use the logo for non pre-packaged veal, that is a matter for the retailer," explains Henny Swinkels. The VanDrie Group produces veal for Albert Heijn that is then packaged under the retailer's own label.



These veal products are eligible to display the Albert Heijn 'Choice Clover' (Keuze Klavertje), indicating that the product is a healthy option. Only products that meet the strict criteria of the Dutch Nutrition Centre may carry the 'Keuze Klavertje'.



Promotion

The VanDrie Group is committed to the promotion of, and education regarding, veal and the veal chain.

(Veal Promotion Foundation) 'Stichting Promotie Kalfsvlees'

The 'Stichting Promotie Kalfsvlees', which is supported by the VanDrie Group, provides information to consumers, citizens and other parties about the origins of the veal industry, the quality of veal and welfare of the calves.

The foundation also provides cooking tips, recipes and information on the production of veal and the labelling of products.

Results in 2009 and the forecast for the future

The VanDrie Group achieved the following results in 2009:

- Innovations in packaging enabling products to be kept for longer
- The VanDrie Group contributed to reducing food wastage with the Food Waste Innovation Impulse programme

The VanDrie Group continues to actively contribute to the prevention of food wastage with ongoing innovation in the area of packaging. Such innovations do not only reduce the amount of packaging materials used, they also extend the products' shelf life as well. The VanDrie Group also aims to consciously coordinate its goals with those of its chain partners in order to prevent food wastage. This can occur in the form of an active contribution to the Ministry of Agriculture's dialogue regarding sustainable food systems.



Remarks and addresses



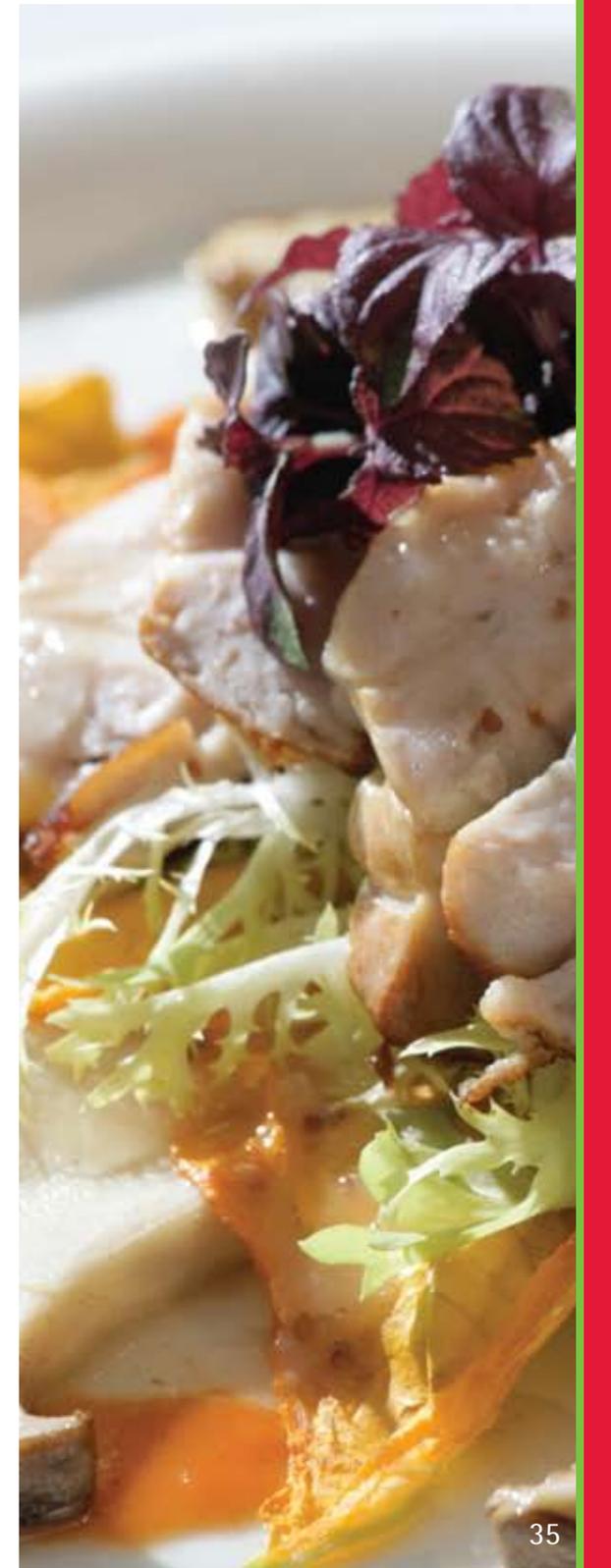
The VanDrie Group's CSR report follows the guidelines of the Global Reporting Initiative (GRI level C) in order to promote transparency and clear communication regarding sustainability and CSR to our stakeholders. This report and its GRI index and glossary can be found at www.vandriegrup.nl/csr

Information and reliability

The data and information presented in this CSR report concerns businesses in which the VanDrie Group Holding BV has a majority interest.

The data shown is taken from the VanDrie Group's personnel management system and the financial reporting system for the annual financial report. This financial report is available from the head office and has been verified by Mazars Paardekooper Hoffman Accountants NV. Data regarding Safety Guard is derived from the Safety Guard Manual.

The development of this report has been audited by Lloyd's Register Quality Assurance. It has been the goal of this report to provide a clear overview of the administrative structure of the VanDrie Group. Data concerning the safety and working conditions of employees is available in the Risk Assessment and Evaluation (RI&E) which is available from our headquarters.



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VanDrie Group
CONTROLLED QUALITY VEAL

Concept and realisation: Schuttelaar & Partners, Den Haag

