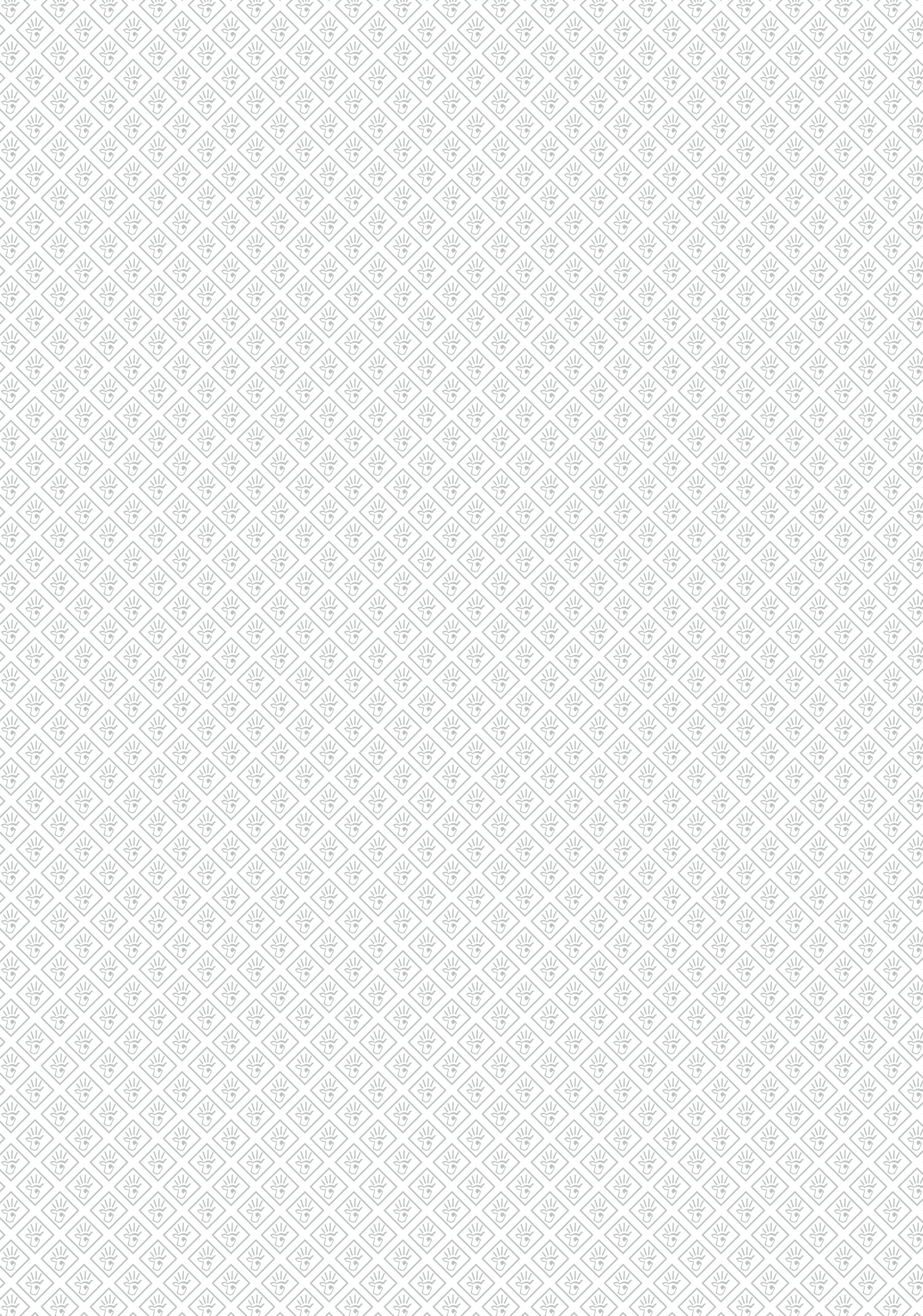


ANNUAL CSR REPORT

THE POWER OF THE CHAIN



VanDrie Group
CONTROLLED QUALITY VEAL



FOREWORD

The VanDrie Group is a family business that has been a global leader for decades. The company is the global market leader in the field of veal, feed/calf feed and calfskins. The VanDrie Group focuses 24/7 on supplying high-quality and nutritious products in a responsible manner by continually monitoring the quality and reliability of the entire chain. We have set up a quality system for this purpose that enables us to safeguard environmental management, animal welfare, and tracking & tracing: Safety Guard.

“WE LOOK BEYOND TOMORROW.”

In everything we do, we consider employees, food safety, animal welfare, and the environment. We look beyond tomorrow. We want to be a company that operates sustainably, which means, for example, that for us, economic growth goes hand in hand with our concern for employees and calves, in addition to dedicating ourselves to the efficient use of raw materials. This attitude is characteristic of our family business and it is the basis for our future-proof course. The VanDrie Group is an organisation that’s on the move. It is essential that we keep learning and developing to enable us to adapt to the changes around us.

The Dutch Meat Association (COV) has published a report that outlines the future ambitions of the Dutch meat sector from now until 2025. By 2025, Dutch society must once again be proud of its meat sector, which will be a world leader in the area of sustainable and honest meat production. The meat sector must develop knowledge and innovation in order to make a crucial contribution to the global challenge of sustainably feeding the growing world population. In addition, manure must become a source of additional income by 2025. We fully endorse these ambitions. The VanDrie Group wants to take bold steps in order to ensure the sector is ready for the future.

We see that consumers are eating less meat, are more critical about production methods, are looking for products that are in keeping with a healthy and varied diet, and want to be able to put together a meal quickly.

In 2016, we introduced our convenience brand JAN as a response to these trends. JAN includes convenience products, such as the veal hamburger and sous vide products. The QR codes on the packaging provide a great deal of information about the production methods.

Our products are exported to over 60 countries worldwide. In 2016 and after almost 20 years, we gained access to the American market once again. This market access is important for us: we see major sales opportunities. Veal has a long history in the United States (US). Veal is, and was, a popular type of meat in Italy and France and the many French and Italian immigrants who left for the US brought their local traditions of consuming veal with them. European cuisine is also gaining in popularity in the US. As such, maintaining good trading relationships with the US is important to us. This also applies to the other countries to which we export our products.

In May of this year, a batch of veal that had been produced by one of our slaughterhouses tested positive for the STEC strain of the E. coli bacteria in the United States. Thanks to our track & trace system, we were able to rapidly trace and recall the possibly contaminated meat. In order to limit risks as much as possible, we immediately launched an intensive investigation with regard to the causes, prevention and treatment of pathogens like STEC. We may not, and will not, evade the responsibility of supplying meat that is as safe as possible.

Moreover, we shall inform the users and consumers of our veal even better about the necessity of hygiene, and responsible and safe preparation.

Although we are a Dutch family business, the international dimension is an integral part of our daily practice.

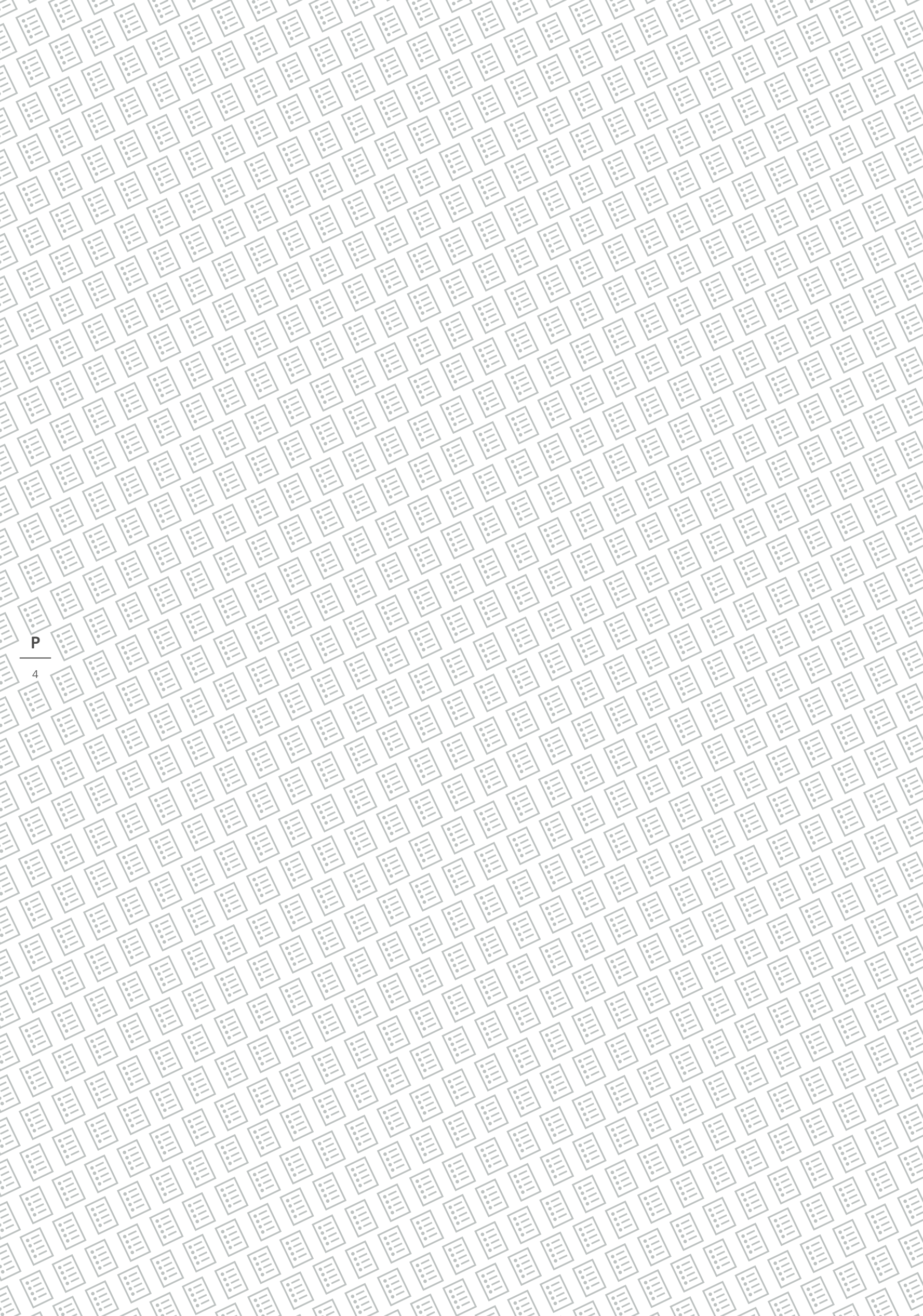
In this report, we would like to share the developments that have taken place at our company. We are moving forward while also focusing on animals and the environment. We have published an annual report on Corporate Social Responsibility (CSR) for 10 years. This is an important report for us, because it demonstrates what we have done in 2016 and what our CSR ambitions are. This year, the accountant has once again conducted a verification on select indicators, as is included in the annex to this report. As such, the figures we are using are substantiated and reliable.



If you have any questions or comments about this CSR report, please send them to Marijke Everts at contact@vandriegroup.com.

I hope you enjoy reading this report.

Henny Swinkels
Director Corporate Affairs

30 June 2017



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 RESULTS OF FOOD SAFETY P 28	 RESULTS OF ANIMAL WELFARE P 32	 RESULTS OF SURROUNDINGS & ENVIRONMENT P 36
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OUR RESULTS IN 2016

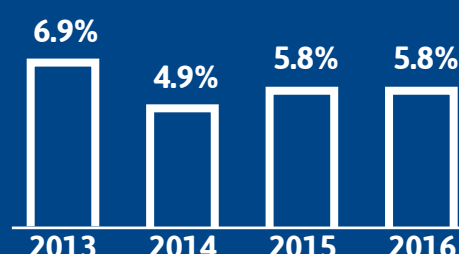
OUR EMPLOYEES

 **± 2.250**
TOTAL NUMBER
OF EMPLOYEES

NL	CALF SLAUGHTERHOUSES	33.3%
	FEED/CALF FEED	8.2%
	CALFSKINS	1.4%
	OTHER	4.6%
BE	CALF SLAUGHTERHOUSES	1.4%
	OTHER	0.4%
FR	CALF SLAUGHTERHOUSES	42.7%
	OTHER	0.5%
IT	FEED/CALF FEED	6.1%
DE	FEED/CALF FEED	1.3%

 **± 1.100**
VEAL
FARMERS

SICKNESS ABSENCE



TYPE OF CONTRACT



94% PERMANENT
6% TEMPORARY

 **76% MALE**  **24% FEMALE**



43.7
AVERAGE AGE

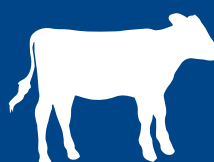
13.5 AVERAGE
NUMBER OF YEARS
IN EMPLOYMENT

5 AVERAGE NUMBER OF
NATIONALITIES
PER COMPANY

0 CASES OF
DISCRIMINATION

OUR PRODUCTS

1.55
MILLION



CALVES

532,000
TONNES



200,000
TONNES



ROUGHAGE/
MUESLI

80,000
TONNES



TRADED RAW
DAIRY MATERIALS



1.44
MILLION
CALFSKINS

BUSINESS LOCATIONS



THE NETHERLANDS
BELGIUM
FRANCE
ITALY
GERMANY



EUROPEAN MARKET
SHARE OF THE
VANDRIE GROUP

± 30%



VEAL EXPORTS FROM THE NETHERLANDS

28% ITALY • 25% GERMANY • 16% FRANCE • 22% REST
OF THE EU • 9% OUTSIDE THE EU

NUMBER OF EXTERNAL AND INTERNAL AUDITS 132
NUMBER OF RECALLS 2014: 0
NUMBER OF RECALLS 2015: 2
NUMBER OF RECALLS 2016: 2
NUMBER OF MICROBIOLOGICAL TESTS: > 61,000

FINANCIAL RESULTS*

TURNOVER ± 2.2 BILLION EURO

NET PROFIT ± 88 BILLION EURO

NET PROFIT MARGIN ± 4.4%

VEAL EXPORTS 95% TO MORE THAN
60 COUNTRIES

* THE SPECIFIED TURNOVER DATA AS WELL AS THE EXTENT OF THE ASSETS AND
OPERATIONAL COST TRENDS CAN BE FOUND IN THE VANDRIE GROUP'S ANNUAL
FINANCIAL REPORT FROM 2015.

CONSUMPTION* 2014 2015 2016

ENERGY CONSUMPTION

KWH PER CALF SLAUGHTERED	25.7	26.3	28.1
KWH PER TONNE OF CALF FEED	22.1	21.6	24.5

WATER CONSUMPTION

M³ PER CALF SLAUGHTERED	0.46	0.48	0.51
M³ PER TONNE OF CALF FEED	0.027	0.036	0.047

GAS CONSUMPTION

KWH PER CALF SLAUGHTERED	1.06	1.16	1.16
KWH PER TONNE OF CALF FEED	0.69	1.32	1.9

* MEASURED AMONG CALF FEED PRODUCTION COMPANIES (NAVONI, SCHILS,
TENTEGO, ALPURO) AND SLAUGHTERHOUSES IN THE NETHERLANDS (EKRO, ESA,
T. BOER & ZN).

PROFILE OF THE VANDRIE GROUP

The VanDrie Group produces veal, feed/calf feed and calfskins. We do this with respect for humans, animals and the environment. We care about what we will leave behind for future generations. This is reflected in our logo, which is formed by a hand and a calf, which represent respect for humans and animals. The seal is our guarantee of quality and expertise.



ORGANISATIONAL STRUCTURE

The VanDrie Group is a Dutch family business. Jan van Drie sr. bought his first calf in the early 1960s and today, the group has more than 25 companies under its umbrella. The unique thing about the VanDrie Group is that we are an integrated producer. The group has full control of the chain: from caring for the calves, feed production, the slaughtering of calves, the handling of veal and processing of calfskins, to the sale of consumer products and marketing and promotion.

The VanDrie Group is simultaneously the largest veal producer in the world and chain director, a structure that is unique in the world.

An integrated quality system has been developed in line with the chain: Safety Guard. This system safeguards food safety, animal welfare, responsible use of antibiotics and environmental management across the entire production chain.

All the group's companies fall under Van Drie Holding. Financing, among other things, takes place from the holding company. The VanDrie Group has three shareholders, namely: René van Drie, Jan van Drie and Herman van Drie. Henny Swinkels is the Director Corporate Affairs.

OPERATING COMPANIES

The group's operating companies are divided into seven categories: calf husbandries, raw dairy materials (processing & trade), feed/calf feed, slaughterhouses (handling & processing), calfskins, laboratory and information.

We maintain the following brands: VanDrie Controlled Quality Veal, Peter's Farm, Vitender and Friander, and Finesse de Veau and Tendriade in France. In addition, we have two convenience lines: JAN and Gourmet.

Our feeds go to veal farmers, but also to dairy cattle farmers and other cattle farmers. The veal products that we produce go to a range of outlets such as the (meat) wholesale trade, retail trade, supermarkets, butchers, hotels, restaurants, caterers and the institutional market.

Our calfskins travel across the world to tanneries and manufacturers of shoes, bags and clothing, and to the automotive industry for upholstery and interior.

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

BUSINESS MODEL

Our business model demonstrates that the return from running a business is not only expressed in money, but also in other values. In this way, we simultaneously create economic, social and ecological impact, with the result being multiple value creation. As such, our business model is a sustainable one, which enables us to focus on various elements in the coming years, in order to thus be able to continue adding value in the future.

STRATEGY

Our mission is to make a valuable contribution to the global food supply through high quality, safe and nourishing veal products.

Our ambition is to strengthen the market position and improve the reputation of our high-quality products worldwide.

The group employs measurable, concrete objectives to express its ambition. The objectives are subdivided into the CSR pillars: our organisation, food safety, animal welfare, and surroundings & environment.

We consciously use these pillars, because our stakeholders consider them to be very important. In 2016, we incorporated several of the United Nations’ ‘Sustainable Development Goals’ (SDGs) in our CSR policy and our CSR ambitions. We focus on four SDGs. More information on this topic is available in the appendix containing

additional information, available at www.vandriegroup.com/csr under 2016.

In addition, the strategic objectives are formulated on the basis of the risk inventory that we carried out. See: www.vandriegroup.com/csr under 2016 - extra information. In this way, we introduce interconnectedness between the most important themes and the (personally) identified risks to our company.

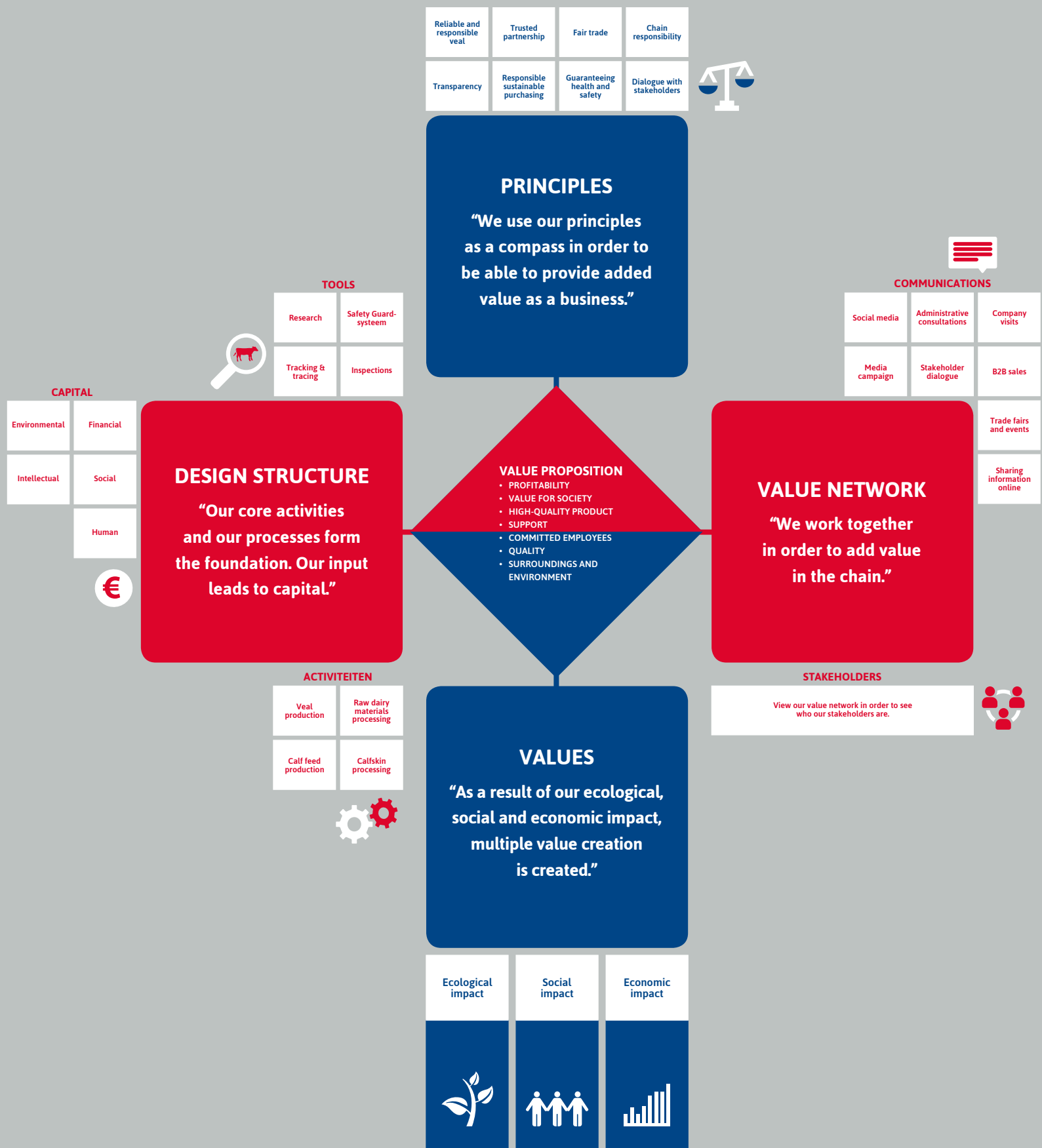
OUR CSR PILLARS ARE:

-  **OUR ORGANISATION**
-  **FOOD SAFETY**
-  **ANIMAL WELFARE**
-  **SURROUNDINGS & ENVIRONMENT**

**“THE RETURN
FROM RUNNING
A BUSINESS IS NOT
ONLY EXPRESSED IN
MONEY, BUT ALSO
IN OTHER VALUES.”**

BUSINESS MODEL

The VanDrie Group has the unique position of being an integrated producer as well as the market leader in the field of veal, feed/calf feed and calfskins.



From top to bottom: with our principals as a foundation, we create value on a social, ecological and economic level. From left to right: our design structure offers insight into our offering to our customers, i.e. our stakeholders, always based on the idea of our value proposition: based on values, creating value.



THE VALUE PROPOSITION OF THE VANDRIE GROUP

As a result of the production of high-quality, safe and nutritious veal products, we contribute to the worldwide demand for high-protein food, create employment and contribute to Dutch exports. In this way, we provide added value to society and our stakeholders.

We focus strongly on innovation and exchanging knowledge. As a result, we can develop our company further in a social, ecological and economic manner.

We process residual waste and by-products in numerous ways. For example, we buy calves from the dairy farm, process whey (a waste flow from the cheese industry) into calf feed, use waste products from the grain processing sector and oil-bearing seeds for feed, process manure from our calves, and sell calfskins to the leather industry.

We function as the chain director and we seek to strike an optimal balance between demand and supply. We involve our external stakeholders and employees in the strategy that we map out. In this way, we create support, profitability and shared value.



SOCIAL IMPACT

The VanDrie Group works according to the highest standards in order to guarantee safety and public health. We want to be of value to society and feel obliged, based on our role as global market leader, to play a leading role in acting responsibly. In this way, we add value to society and our stakeholders.

Our primary responsibility as integrated producer is to produce reliable, responsible feed/calf feed and veal products. We strive to establish and maintain a safe working environment for employees. We invest in healthy, skilled employees who are committed to and feel at home at the organisation. To us, good employment practices means that we offer career and development opportunities to our employees. We actively share knowledge and innovations with (global) partners and hold constructive dialogues with our stakeholders.

For example, we work closely with the Netherlands Society for the Protection of Animals (Dierenbescherming).

Our mission is reducing antibiotic resistance and commit to the responsible use of antibiotics.

View our strategic objectives as well.



ECOLOGICAL IMPACT

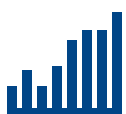
We feel responsible for the environment and as such, we work to create added value at various parts in the chain.

Minimal burden on the surroundings and maximum savings; that is our point of departure. We are committed to preventing waste, limiting energy consumption and CO₂ emissions, and getting the most out of residual waste flows.

The VanDrie Group does everything it can to ensure that calves develop healthily. Good nutrition, care and accommodation play a major part in this objective. We also participate, by means of public-private cooperations, in scientific research into animal welfare, food safety and the environment.

Our ambition is to research the possibilities for refining manure that will strengthen the circular modus operandi.

View our strategic objectives as well.



ECONOMIC IMPACT

The VanDrie Group creates prosperity and welfare by cost-efficiently and sustainably converting its capital flows into profit.

We ensure that the entire chain delivers good quality and is reliable. Because we produce high-quality meat in a smart way, we have a high degree of profitability.

We aim at maximum value creation, in order to combat waste; in practice, this means that we use all parts of the calf, i.e. the organs, manure, blood, skin and other by-products. Moreover, we are constantly searching for suitable sales markets.

In 2015, the turnover of the VanDrie Group was €2 billion. Its net profit was €88 million.

We export 95% of our veal to more than 60 countries.

Our ambition is to open up a new market by developing hybrid products with Dutch veal.

View our strategic objectives as well.

STRATEGIC OBJECTIVES

PILLAR	OBJECTIVE	UN SDG	RESULT 2015	RESULT 2016	COLLABORATION PARTNERS	IDENTIFIED RISKS	STATUS
OUR ORGANISATION	To reduce sickness absence to 4.5%		Absence of 5.8%	Absence of 5.8%	VanDrie Group companies	Ethics	<div></div>
OUR ORGANISATION	Informing 45,000 Dutch consumers directly and intensively about the qualities of veal by means of trade fairs, cooking workshops etc.		Over 44,000 Dutch consumers reached	Over 77,000 Dutch consumers reached	VanDrie Group companies, SPK	Competition	<div></div>
OUR ORGANISATION	Opening the following markets to veal: United States, Canada, China		None	Opening of the United States and Canada accomplished, which, in the first years, led to ± 50 tonnes of extra sales per week	VanDrie Group companies, Dutch Ministry of Economic Affairs, Netherlands Food and Consumer Product Safety Authority, embassies	Global economic developments	<div></div>
FOOD SAFETY	Reduce antibiotic resistance and commit to the responsible use of antibiotics.	Goal 12 Responsible Consumption and Production	Decrease of 56.4% compared to reference year 2007	Decrease of 56.8% compared to reference year 2007	The VanDrie Group companies, Netherlands Veterinary Medicines Authority (SDa), Dutch Ministry of Economic Affairs, Calf Industry Association (SBK), Foundation for Quality Guarantee of the Veal Sector (SKV)	Use of antibiotics	<div></div>
FOOD SAFETY / ANIMAL WELFARE	Participating in academic research by means of a public-private partnership	Goal 2 Zero Hunger	Participation in 5 public-private partnerships	Participation in 7 public-private partnerships	The VanDrie Group, Wageningen University, Topsector Agri & Food	Technical developments	<div></div>
FOOD SAFETY	Ensure that 0 recalls are carried out	Goal 12 Responsible Consumption and Production	2 recalls	2 recalls	VanDrie Group companies, customers, suppliers	Safe raw materials and (final) products	<div></div>
ANIMAL WELFARE	Improve the start of calves' lives together with industry organisations. Commitment to calf health and information exchange between transport, dairy industry and veal sector.	Goal 12 Responsible Consumption and Production	Start of the project	Development of the project: export anticipated in 2017	ZuivelNL, NZO, SBK, Vee&Logistiek Nederland, LTO Nederland, VanDrie Group	Animal health	<div></div>
SURROUNDINGS & ENVIRONMENT	Refining manure in order to mine elements to strengthen the circular modus operandi	Goal 15 Life on land	Conducted desk study	Financing sought	The VanDrie Group, SBK, Wageningen University & Research	Use of raw materials/ proteins	<div></div>
SURROUNDINGS & ENVIRONMENT	Dutch feed/calf feed companies and slaughterhouses to operate in a climate-neutral manner by 2030	Goal 13 Climate Action	Electricity consumption (kWh) per tonne of calf feed: 21.6 per calf slaughtered: 26.3 Water consumption (m³) per tonne of calf feed: 0.036 per calf slaughtered: 0.48 Gas consumption (m³) per tonne of calf feed: 1.32 per calf slaughtered: 1.16	Electricity consumption (kWh) per tonne of calf feed: 24.5 per calf slaughtered: 28.1 Water consumption (m³) per tonne of calf feed: 0.047 per calf slaughtered: 0.51 Gas consumption (m³) per tonne of calf feed: 1.9 per calf slaughtered: 1.16	VanDrie Group companies	Pollution, ecological footprint, emission rights	<div></div>

POLICY RUNNING SMOOTHLY

POLICY IN DEVELOPMENT

POLICY REQUIRES ADJUSTMENT

DIALOGUE WITH OUR STAKEHOLDERS

The VanDrie Group collaborates with a varied group of stakeholders. Throughout the year, we maintain close contact with these partners in order to exchange ideas about practical matters, but also about our business strategy.

The material themes identified from the stakeholder analysis and the materiality matrix have been decisive subjects in the stakeholder dialogue. Transparency is the key concept within our business operations and we receive feedback by entering into dialogues. We are able to use this feedback to improve our policies and their implementation. The management team of the VanDrie Group is almost always involved in the various contacts. Our ambition is to organise a meeting in 2017 in which we evaluate our CSR policy together with our most important cooperation partners.

MATERIALITY

We had an extensive stakeholder analysis conducted and this ultimately led to a materiality matrix. The matrix makes it clear which themes are deemed to be important by stakeholders and what impact these themes may have on the company's performance and/or reputation. See the annex of this report for further background information about implementing the materiality matrix.

The materiality matrix is the guiding factor in terms of the subjects that are included in this CSR report. Our four CSR pillars form the basis of the rest of the report, as well as of our strategy. The content of each pillar is evaluated once a year to ensure that our policy and its pillars reflect the dynamic environment in which we operate. We amend the pillars, where necessary, following the evaluation.



OUR ORGANISATION

The VanDrie Group operates in a dynamic environment. Our employees are the foundation of our success. We are proud of what we have been able to achieve together. This is also the result of the constructive consultations that we hold, for example, with customers, suppliers and inspection authorities. We take responsibility for the chain and for reliable partnerships.

EXPECTATIONS

Employees	Good working conditions Safe workplace Development opportunities Job security
Suppliers	Long-term relationships Fair price
Customers	Reliable products Customer-friendliness Fair price Quality and Safety Guard
Inspection authorities	Quality and Safety Guard
Industry organisations	Sector research Promotion of interests Promotion of the meat and feed sectors
Governments	Opening up of markets
Educational and knowledge institutions	Innovation Academic research

SECONDARY STAKEHOLDERS



CONSUMERS

PRIMARY STAKEHOLDERS



SUPPLIERS



NGOs



CONSUMERS



DAIRY FARMERS



SECTOR ORGANISATIONS



EMPLOYEES



INSPECTION BODIES



GOVERNMENTS



VEAL FARMERS



TRANSPORTERS



EDUCATIONAL AND KNOWLEDGE INSTITUTIONS



FOOD SAFETY

Supplying responsible and safe food products is our primary concern. With our collaboration partners, we discuss concerns about matters that put food safety at risk. The Foundation for Quality Guarantee of the Veal Sector (SKV) is one of the parties with which we cooperate closely in order to be able to guarantee food safety.

EXPECTATIONS

Veal farmers	Information about quality Monitoring results
Transporters	Cleaning and disinfecting
Industry organisations	Reliable production and use of raw materials
Governments	Food safety
Consumers	A responsible producer A safe product

EXPECTATIONS

Dairy farmers	Strong, young calves Knowledge exchange
Transporters	Cleaning and disinfecting Long-distance transportation Comfort-class cattle trucks
Suppliers	Long-term relationships
NGOs	Long-distance transportation Animal welfare
Governments	Animal welfare Reduction in antibiotics
Educational and knowledge institutions	Animal welfare
Consumers	An animal-friendly product



ANIMAL WELFARE

Animal welfare is relevant at each step of the chain. It already starts with the intake of young calves and continues with the transport, in the farming process and the ultimate slaughter. As such, we stay in contact with various stakeholders. One of our most valuable relationships is that with the Netherlands Society for the Protection of Animals.

EXPECTATIONS

Suppliers	Fair price
Industry organisations	Reliable production and use of raw materials
NGOs	Sustainable raw materials Further sustainability
Governments	Responsible production
Educational and knowledge institutions	Innovation
Consumers	Sustainable products Academic research



SURROUNDINGS & ENVIRONMENT

We, just like our stakeholders, believe that sustainability is a relevant theme. With them, we discuss subjects such as the use of sustainable raw materials, responsible production and innovation. Our stakeholders have indicated that they believe fair trade and the use of raw materials to be important themes.

JAN VAN DRIE SENIOR
FOUNDER OF THE VANDRIE GROUP

"I'm level-headed, but I can't suppress a certain sense of pride. Isn't it great to see how our company has grown over the years? I began with one calf. Now, more than 50 years later, we can talk about very different numbers. I haven't been actively in charge for a while now. However, I find it important to remain involved. My feelings of love and concern for the business will never disappear. I know many employees, veal farmers and customers."

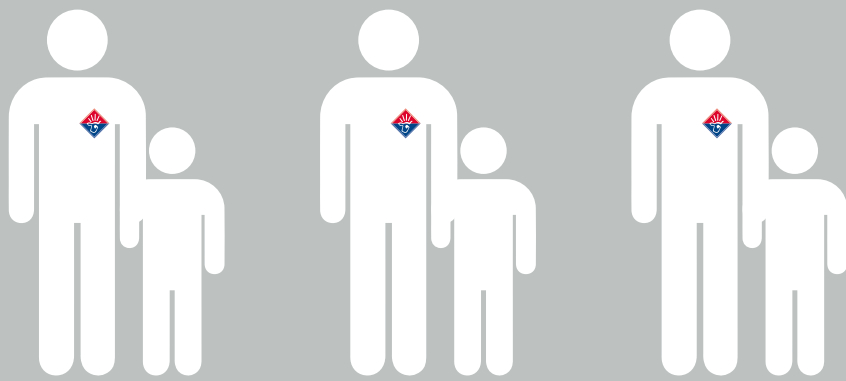
We're a real family business and that is reflected in everything we do. We are focused on entrepreneurship and the long term. This applies to both the cooperative relationships that we have and the investments that we make.

We concern ourselves with the next generation. Several of my grandchildren are already employed within the group. That also makes me proud, not as an entrepreneur, but as a grandfather. Collaborating with customers and suppliers is part of the DNA of a family business. Although CSR is something of a recent trend, it is a normal thing for us. A strong chain has been created through collaboration. We take care of our employees, the calves and the quality. To me, sustainability means that we are responsible for a strong organisation, employment and sufficient support within society. I see it as a necessity for remaining successful."



"My feelings of love and concern for the business will never disappear."

THIRD GENERATION
SINCE
1963



MARJOLEIN RIETVELD
DAIRY FARMER

"For me, calves are an important part of the dairy farm. The entire business cycle - milking, dry period, calving, preparing the cow to return to milking, milking - also includes the breeding of calves. We keep around 30% of the calves that are born, and sell the remaining 70%. We invest time and money into the calves; even the calves that are ultimately sold."

Alpuro Breeding, part of the VanDrie Group, helps me with my calf breeding activities. Alpuro Breeding gives good advice and tips, and in this way, we achieve better results quickly. It makes me proud when I can once again deliver strong, healthy calves to the trader. I know that they are a valuable addition to the rest of the chain."



"We invest time and money into the calves; even the calves that are ultimately sold."

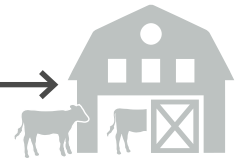
THE NETHERLANDS HAS **17,890** DAIRY FARMS
(STATISTICS NETHERLANDS AGRICULTURAL CENSUS 2016)



A COW ONLY PRODUCES MILK IF IT HAS A CALF EVERY YEAR



30% OF CALVES REMAIN ON THE DAIRY FARM TO SUPPLEMENT AND REPLACE THE LIVESTOCK



70% OF CALVES ARE MADE AVAILABLE TO THE CALF HUSBANDRY AND MEAT LIVESTOCK SECTORS



We think it is important to show what we have done in 2016.

You can read about our results booked within our CSR policy in the following chapters, each of which has been named after one of our pillars: our organisation, food safety, animal welfare, and surroundings & environment.



OUR ORGANISATION

We want employees to feel at home in the organisation, which is why we aim to establish and maintain a safe working environment for our employees, in which a healthy lifestyle is prioritised. To us, good employment practices mean that we offer career and development opportunities, and appropriate pay and benefits to our employees.

“IN 2016, WE INFORMED 77,000 DUTCH CONSUMERS ABOUT THE QUALITIES OF VEAL.”

SOCIAL IMPACT

TRAINING COURSES

We are constantly training our employees in the fields of safety, health, load lifting, ergonomics and hearing protection. Moreover, our employees may also take language courses, quality-related training courses, first aid and company emergency response courses. Some of our companies are also recognised work placement companies in the fields of IT, administration, technical services and quality. In addition, we have the Safety Guard Academy: an e-learning portal that makes knowledge, instructions and training courses digitally available to various target groups within and outside of the organisation. The training options are structurally accessible in several languages. Our ambition is to further develop the Academy in 2017.

BEING AND STAYING HEALTHY

We regularly provide our employees with information on a healthy lifestyle, so that they can remain employable in a physical profession. We support employees with stopping smoking and have bicycle schemes. A few of our companies offer the opportunity to take part in preventive medical examinations (Preventief Medisch Onderzoek; PMO). In the event of sickness, we do everything we can to return the employee to full health and make it possible to return to work. A number of companies within the VanDrie Group have a dedicated company doctor who holds surgery hours within the company and provides advice and guidance to employees and the employer. We assist employees who are unable to return to their original position in finding a more appropriate workplace.

SUSTAINABLE CHAIN

The United Nations (UN) wants to reduce global food waste by 50% by 2030. This is one of the Sustainable Development Goals, which the member states of the UN have agreed together. We have incorporated this goal in our policies. We want to prevent waste and use innovative solutions to do so, such as sustainable packaging that extends the shelf life of our veal products. Zoogamma, our Italian location specialised in the production of calf milk powders, also supplies colostrum and raw dairy materials; an important contribution. Zoogamma has a separate processing unit for dairy products that cannot (or can no longer) be sold in the supermarket. These products are collected, dried and processed into constituent parts for animal feed. In this way, we prevent these nutritious dairy products for human consumption from being unnecessarily destroyed and we give them a second valuable designated use.

COLLABORATIONS WITH THE COMMUNITY

We believe it is important to make a contribution in the regions in which we are active. For this reason, we became a partner in two initiatives in 2016: Vallei Boert Bewust and FoodValley. Vallei Boert Bewust is a regional company label connected to the Gelderse Valley region. Farmers affiliated with Vallei Boert Bewust actively ensure that they

interact with citizens of the Vallei area. They do so in various ways, for example through open days, farm education, Twitter, Facebook or a farm shop. FoodValley is a collaborative network of innovative companies in Gelderland in the fields of agri-food, feed production and horticulture.

ECONOMIC IMPACT

CONSUMER TRENDS

We are noticing that meat consumption in Europe is on the decline, that consumers are becoming increasingly critical and that they are on the lookout for products that are in keeping with a healthy and varied diet. The VanDrie Group needs to respond to these trends to maintain veal sales. We therefore attend (consumer) trade fairs worldwide, conduct communications campaigns in, among other countries, Italy and Germany, and are active on social media. In 2016, we intensively contacted more than 77,000 Dutch consumers and informed them about the qualities of veal by giving workshops, training courses and attending trade fairs.

In 2016, we launched a convenience brand: JAN. The products in the JAN line consist of high-quality cuts of meat, such as the shoulders and neck, and contain less salt. Consumers can use a QR code to get more information about JAN. The brand is slated to be rolled out worldwide. JAN represents the family history of the VanDrie Group. It was Jan van Drie Sr. who, with the purchase of his first calf, laid the foundation for the modern Dutch veal sector.

CHAIN RESPONSIBILITY AND RELIABLE PARTNERSHIP

The VanDrie Group values effective relationships with its partners. We believe it's important to know what's going on in the chain, so that action can be taken in a timely manner in order to minimise any risks. It is for this reason that we collaborate with colleagues from the sector, and are active in European and international organisations, such as the European Feed Manufacturers' Federation (Fefac), the European Livestock and Meat Trading Union (UECBV) and the Global Roundtable for Sustainable Beef (GRSB).

In the Netherlands, we work closely with the Dutch meat association Centrale Organisatie Vleessector (COV), the Foundation for Quality Guarantee of the Veal Sector (Stichting Kwaliteitsgarantie Vleeskalversector; SKV), the Calf Industry Association (Stichting Brancheorganisatie Kalversector; SBK), the Dutch Feed Industry Association (Nederlandse Vereniging Diervoederindustrie; Nevedi) and the Netherlands Society for the Protection of Animals (Dierenbescherming). In France, the companies collaborate within the industry organisation Interbev Veau; in Belgium within the organisation VLAM; and in Italy, we collaborate within the industry organisation Assocarni. See the annex to this report for a list of our partners.

“WE BELIEVE IT’S IMPORTANT TO KNOW WHAT’S GOING ON IN THE CHAIN, SO THAT ACTION CAN BE TAKEN IN A TIMELY MANNER IN ORDER TO MINIMISE ANY RISKS.”

“IT WAS JAN VAN DRIE SR. WHO, WITH THE PURCHASE OF HIS FIRST CALF, LAID THE FOUNDATION FOR THE MODERN DUTCH VEAL SECTOR.”

JAN KROES FEED PRODUCTION EMPLOYEE AT NAVOBI

"We produce a fine product: calf milk powder. Moreover, we make use of waste products from the dairy industry: whey that is left over when making cheese and skimmed milk powder, which is created when making butter. The combination of whey and skimmed milk powder supplemented with fats, vitamins and minerals yields a product that enables our calves to grow well. Our team of 20 people ensures the quality of the product. Together, we contribute to that delicious, tender veal on your plate.

We are always on the lookout for new product-market combinations, so that we can continue to surprise you. We need to respond to developments in the dairy market. While whey used to truly be a waste product, it is now used much more in the human sector. Innovation is the only way to retain one's position. I am certain that as a team, we will succeed in properly implementing our company's innovation mandate."



"I am certain that as a team, we will succeed in properly implementing our company's innovation mandate."

AMBITION



FEED/CALF FEED
COMPANIES
OPERATING IN A
CLIMATE-NEUTRAL
MANNER BY
2030



OBTAINING MORE
RAW MATERIALS
LOCALLY

JAN BRONKHORST CALF BUYER AT VAN DRIE B.V.

"When I was three years old, I said that I wanted to be a 'calf worker'. And well, that's what happened: I have been working with calves all my life and I wouldn't have it any other way. The nice thing about my work is the contact with the animals and the farmers. I select the calves in uniform groups according to breed, weight and size. Calves are herd animals and they determine their hierarchy themselves. If you place strong, large calves together with light, small calves, then the small ones won't be able to thrive. Selection is therefore important in order to make management at the farm easier.

The calves are supplied by the dairy farms and stand or lie here peacefully in the straw. Once I have made a selection, the transporter comes to take the calves to our veal farmers. This link in the chain isn't as well known, but it is very important."



"This link in the chain isn't as well known, but it is very important."

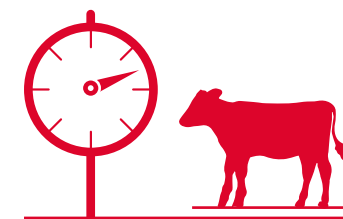
CALF PURCHASING REQUIREMENTS



MINIMUM OF 14 DAYS OLD



HEALTHY



MINIMUM OF 36 KILOS



FOOD SAFETY

Our first responsibility as a manufacturer is to produce reliable, responsible feeds, calf feeds and veal products. We work according to the highest standards. The unique thing about the VanDrie Group is that we are an integrated producer. We have control of the entire chain: from rearing the calves and the production of feed/calf feed, to selling the veal and the calfskins. We have also integrated a unique quality system into our companies: Safety Guard. Safety Guard ensures that our products and processes can be tracked & traced optimally.

“OUR SLAUGHTERHOUSES UNDERWENT MAJOR TECHNICAL DEVELOPMENTS IN 2016. AS A RESULT, FOOD SAFETY AND EFFICIENCY HAVE BEEN GREATLY INCREASED.”

SOCIAL IMPACT

SAFEGUARDING SAFETY AND PUBLIC HEALTH

Safety and quality come first. Our quality system is of essential importance to us. Safety Guard's foundation is formed by the ISO 22000 and 14001 guidelines, the Food Safety Supply Chain System and the international BRC, IFS and GMP+ schemes. The independent inspection authority Lloyd's inspects Safety Guard on a regular basis.

PRODUCING RELIABLE AND RESPONSIBLE VEAL

There are strict regulations for how animals are to be kept, transported and slaughtered. The VanDrie Group works according to the highest standards and its work is inspected daily by the Netherlands Food and Consumer Product Safety Authority (NVWA). Each slaughterhouse has at least two vets from the NVWA on site every business day, who continually oversee that our business processes are carried out properly and within the legal frameworks. When the calves arrive at the slaughterhouse, a vet is always present to give them a visual inspection. In addition, five inspectors from the NVWA are also positioned at the end of the slaughter line to check each slaughtered animal for any abnormalities. Following anaesthesia,

all calves are slaughtered in accordance with Islamic rules, for which our slaughterhouses are certified. We impose stringent conditions on ourselves and our suppliers.

In order to safeguard food safety and guarantee product integrity, we carry out the following measures:

- › We use only safe raw feed materials, from GMP+ certified companies.
- › When accepting raw materials, it is monitored whether these companies meet the requirements within Safety Guard. Suppliers must provide specifications for each raw material.
- › We only work with veal farmers that are certified members of the Vitaal Kalf (Fit Calf) quality system, (in 2016, this system was still called IKB Veal Calves). This includes, among other things, European hygiene legislation.
- › We use an alert list and blacklist for producers of raw calf feed materials who do not meet the requirements of Safety Guard. We help these suppliers to improve their results. If progress then still fails to occur, we terminate our relationship with them.
- › Each company of the VanDrie Group evaluates their suppliers of goods and services. The results are recorded and discussed within the companies. The evaluations focus on managing and inspecting the products and production processes, and on chemical, bacteriological, physical and organoleptic elements.

- › We do not deliver any calves to slaughterhouses whilst they are awaiting medication. This waiting period is the period between the final administration of a medicine to the animal and its slaughter for consumption. After this waiting period is over, the concentration of active substances from the medicine is low enough to be considered safe.
- › We require calves to be delivered to the slaughterhouses clean, i.e. the skins must not be heavily soiled, as this would otherwise lead to problems further on in the slaughter process.
- › We pursue a stringent policy in relation to the use of antibiotics.
- › We only slaughter calves that have been inspected by the Foundation for Quality Guarantee of the Veal Sector from their intake at the veal farm up to and including slaughter. As a result, we can guarantee that the calves are free from undesirable (growth promoting) substances.

Our veal customers may contact us directly with any remarks or complaints. All our slaughterhouses have a complaint management system in place. Structured complaint management and analysis are an obligation in accordance with the various ISO certifications and our Food Supply Chain Certificate. Every year, all complaints are also analysed as part of the trend analysis.

TRACKING & TRACING

The backbone of the Safety Guard quality system is the tracking & tracing system. The VanDrie Group registers everything. Using the individual ID or ear number of the calf, all data, which is collected at different stages of the production process, is linked. This data includes the ear number of the mother, the date of birth of the calf, breed characteristics, country of origin, location of the farm, the feed used, all deliveries of calf milk and the individual raw materials. The calf, and later the meat, are always traceable: we know where every piece of meat in our companies is located and what their destination is. We already know before the slaughter of each calf which part is going to which customer. This degree of accuracy is possible because the VanDrie Group, as the only integrated producer in the meat sector, controls the entire chain and, as a result, has control over the logistics.

Our track & trace system contributes to the quality of our veal. There are many different raw materials in the feed. Each individual raw material that a calf eats has an effect on the ultimate quality of the meat. By using historical data, we can precisely see what influence the raw materials have on taste and shelf life. This makes quality control easier and enables us to respond to customer wishes quickly.

HYGIENIC PRODUCTION/ ZOOONOSIS

Our slaughterhouses underwent major technical developments in 2016. As a result, food safety and efficiency have been greatly increased. This has also led to approval from the American authorities to export veal products from the Netherlands to the United States.

To check hygiene in its processes, the VanDrie Group performs its own bacteriological inspections at the end of the slaughter line. Research was conducted into, among other things, the shelf life of products, salmonella, listeria, E. coli 0157, EHEC, ESBL, STEC, MRSA, Staph. Aureus, Pseudomonas, fungi, yeasts, Campylobacter and pathogens.

We also conduct research into nutritional values and into heavy metals, antibiotics, dioxin and other undesirable substances. Checks are also carried out for legionella, on cleaning and disinfection, and regarding production water.

An important role is also assigned to the independent laboratory Labora. Labora's validated tests are regularly discussed during consultations between the slaughterhouses, so that benchmarking and harmonisation of working methods takes place.

Our companies are regularly visited and audited by clients, certifying bodies, the NVWA and inspection teams from various countries. In 2016, a total of 89 audits were conducted at the three Dutch calf slaughterhouses.

FOOD DEFENSE

We safeguard our production chain against deliberate contamination or the deliberate infliction of damage. We take measures to do so which we have laid down in our quality system Safety Guard. In 2016, the various companies improved the security of their production facilities, for example by placing extra fencing, new login systems and cameras.



GERRIT GOUD
LIVESTOCK TRANSPORTER AT TRANSPORT COMPANY E. VAN SLOT & ZN

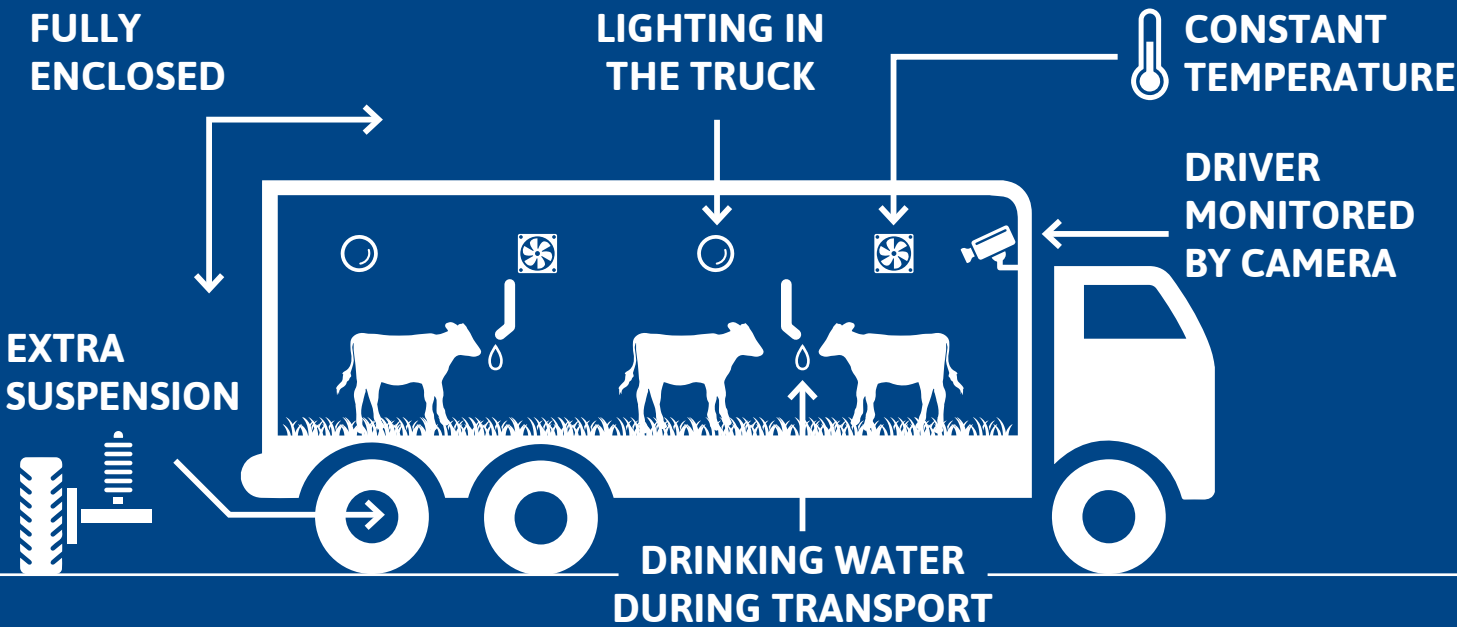
"After I got my HGV license, I immediately began transporting young calves. That was about nine years ago now. I'm on the road every day. The thing I like about my work is the variety: driving the truck and the contact I have with the people and the animals.

When loading and unloading, calm is the 'magic word'. We accompany the calves into the truck and make sure that there's a thick layer of straw on the ground, so that the calves can stand or lie down calmly. Even when I drive, I always take the calves into account: accelerating and braking carefully and taking bends slowly."



"The thing I like about my work is the variety: driving the truck and the contact I have with the people and the animals."

COMFORT CLASS



PETER AND JAAP KOK
VEAL FARMERS

"Our daily challenge is to achieve as good a result as possible with the calves. The VanDrie Group helps us to do so. In addition, we use our own experience: smelling, seeing and feeling.

We are well aware of our role in society. We invest a great deal in sustainable energy, use green energy, have frequency converters on the fans and heat warm water with a biomass stove. When calves are brought to the company, the stall is heated using under-floor heating.

We want to show what we do. Regular citizens are far removed from the agricultural sector, which is why we regularly organise open days and work shadowing days."

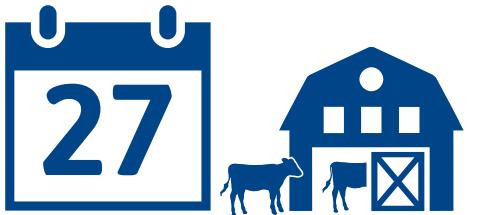


"We want to show what we do, which is why we regularly organise open days and work shadowing days."

A CALF CONSUMES ROUGHLY



AVERAGE NUMBER OF WEEKS
IN THE VEAL FARMER'S STALL





ANIMAL WELFARE

We do everything we can to ensure that the calves develop healthily, and it is so important that we collaborate with the dairy farming sector in achieving this objective. The VanDrie Group adds economic value to calves that will not be used in dairy farming.

“ONLY BY WORKING TOGETHER CAN WE GIVE CALVES A GOOD START IN LIFE.”

SOCIAL IMPACT

RESPONSIBLE USE OF ANTIBIOTICS

The use of antibiotics in livestock farming and its relationship to the growing resistance to antibiotics is receiving a lot of attention in the public discourse. The VanDrie Group wants to reduce use of antibiotics and in 2016, a small reduction was achieved. The death rate of the calves did not decrease significantly, which is why we will be making a great effort to improve the health of our calves in 2017. Pleurisy and peritonitis must be reduced. We also want to prevent salmonella infections (which cause fever, diarrhoea and/or pneumonia and arthritis) and mycoplasma (which causes respiratory problems). Cooperation with the dairy farming sector in order to eradicate Infectious Bovine Rhinotracheitis (IBR, also called cow flu) and Bovine Viral Diarrhoea (BVD) in the Netherlands will be essential in order to reduce use of antibiotics in veal farming. In 2017, we will devote more attention to hygiene at veal farms. For example, we will be starting the annual inspection of the bacteria populations in the water used in preparing calf milk and in the drinking water of the calves.

We will closely monitor the use of veterinary medicines. This will be recorded in a database approved by the central government:

InfoKalf. In this way, dealing with veterinary medicines and the issue and registration thereof at the veal husbandry will become transparent and traceable. The data is passed on to the IKB Veal Calves quality system (known as Vitaal Kalf / Fit Calf since 2017). Veal farmers who structurally use a lot of veterinary medicines will have additional requirements imposed upon them via this system.

In 2016, the Netherlands Veterinary Medicines Authority (SDa) observed that there are still businesses that have demonstrated no change in use. The businesses in the action area (red) and notification area (orange) will be encouraged to make extra efforts to reduce usage. More emphasis on the reduction of use at these businesses is necessary, because an increased risk of resistance forming, and subsequent spread of resistant bacteria, exists at these businesses in particular. Our veal farmers will set reduction targets for the use of antibiotics together with the vet. This will be included in the so-called farm health plan.

RESPONSIBLE TRANSPORT OF CALVES

If you want to transport calves responsibly, you must consider the quality of the means of transport, the experience of the driver, climate control, and the opportunities for the calves to drink and lie down during transport. We therefore transport many calves with comfort class cattle trucks.

These trucks possess:

- › extra suspension;
- › a climate control system that can be adjusted to weather conditions and the needs of the calves;
- › interior lighting so that the calves can see one another;
- › straw and drinking facilities so that the calves can lie down and can drink.

We not only buy calves from Dutch dairy farms, but also from dairy farmers from other European member states. Calves must be at least 14 days old and must have been declared healthy by a veterinarian before they may be transported over a longer distance. In recent years, the number of calves we have bought from countries farther away has been decreasing. The number of calves imported had fallen by 19% in 2016 compared to 2011. Imports from the Baltic states and Poland, in particular, have decreased substantially; in 2016, this figure had decreased by 69% compared to 2011. An increasing number of calves come from the Netherlands, Belgium, Luxembourg and Germany.

ECOLOGICAL IMPACT

ANIMAL WELFARE

Good accommodation, feed and care are decisive factors for healthy calves and animal welfare. The first weeks of the calves' lives

are crucial to their later growth performance and health, which is why we exclusively buy sprightly calves from the dairy farm. This means that the calves are healthy, have received sufficient bestings at the dairy farm and weigh at least 36 kilos.

In 2016 we started the Fit, healthy and sustainable calf project together with the Dutch Federation of Agriculture and Horticulture dairy farming department (LTO Melkveehouderij), the Dutch Dairy Association (NZO), the Calf Industry Association (SBK) and the sector organisation Cattle&Logistics Netherlands (Vee&Logistiek Nederland). The result of this project is that calves that do not weigh 36 kilos after 14 days must stay six days longer at the dairy farm. In addition, a calf following system (KVS) will be introduced as of 1 July 2017. The system follows all calves from pregnancy to slaughter. The KVS makes it clear where the calf has been, how long it was on the road and with which means of transport it was transported. The performance of the calves is also followed. The collective trade plays a crucial role: it decides whether calves from dairy farms may go to collection centres and ultimately veal companies. This information will be shared between dairy farmers and veal farms.

In 2016, Alpuro Breeding continued the '4 Better V' project. This project has been groundbreaking in terms of stimulating the cooperation between dairy and veal farms. 4 Better V has made the performance of calves throughout the entire chain transparent. Alpuro Breeding subsequently uses this data to give feedback to the dairy farmers with whom it cooperates.

In 2016, the project began operating as an open data system. Alpuro Breeding has opened up the project to all dairy farmers, in addition to non-clients. We believe it is important that a dialogue is created between dairy farmers and veal farmers, as it would allow them to help and assist one another.

PREVENTING ANIMAL DISEASE

We are affiliated with the Foundation for Quality Guarantee of the Veal Sector (Stichting Kwaliteitsgarantie Vleeskalversector; SKV). SKV plays an important role in preventing animal diseases. It has set up a quality system for tracing imported calves throughout the transportation process: the SKV Veal Calf Tracing Guarantee System (GTSKV). Tracing in all stages of the transport is, among other things, of the greatest importance in the event of an outbreak of an infectious animal disease.

The GTSKV guarantees various stringent conditions, such as:

- › a means of transport may only transport calves originating from one country of birth;
- › hygiene requirements for the means of transport;
- › quarantine requirements on the calf husbandry;
- › welfare requirements at the collection centres; prior notifications of transport movements.

Risk management is very important within the veal sector. Calves are transported from their country of origin to a Dutch veal farm, where they are immediately held in quarantine for a lengthy time. SKV continually monitors the various developments in the European member states. Together with SKV, we impose our stringent requirements. If it turns out that there are risks in certain regions, channelling arrangements or in the most extreme case import bans are announced.

HEALTHY CALVES

Too low a haemoglobin level in the calves' blood may cause health problems, such as anaemia. In order to prevent this, we ensure that the haemoglobin levels of our calves have an average value of 6 millimoles per litre. We monitor the haemoglobin levels of our calves at all farms via blood testing and by administering iron. We can also control this by way of their food. In addition to calf milk, we feed the calves fibrous dry feed.

Up until the age of 15 weeks, this amounts to at least 200 grams per day and from 15 weeks, this is increased to at least 500 grams per day. At least 10% of this high-fibre feed is long-fibre (straw). Long fibre feed requires calves to chew and ruminate for a long time; this stimulates digestion in the rumen and helps prevent anaemia.

It is important that our calves are proved with proper accommodations. Our calves are free to walk around in groups, the stalls are ventilated and there is sufficient daylight. We are conducting research into further improvement of the calves' roaming and lying comfort. Concrete floors are not a suitable surface on which to lie for calves. Together with colleagues in the sector, we want to initiate a transition in this area in order to improve the level of comfort in the stable. We require that our veal farmers, suppliers and employees treat the calves with respect, whether this be during transport, on the farm or in the slaughterhouse. Our slaughterhouses have trained Animal Welfare Officers, for example, who ensure that the processes in and around the slaughterhouses are carried out in an animal-friendly manner. In 2016, the training of our Animal Welfare Officers was continued.

The VanDrie Group produces veal bearing the Better Life hallmark, issued by the Better Life Hallmark Foundation (BLK) of the Netherlands Society for the Protection of Animals. The veal that falls under this hallmark satisfies additional requirements, including those relating to transport duration. BLK has the right to conduct unannounced inspections. The veal bearing this hallmark is sold to Dutch supermarkets.



RICHARD VONK
OPERATIONS MANAGER AT THE ESA SLAUGHTERHOUSE

“We have one common goal at our slaughterhouse and that is to produce tasty, safe veal products that are tailored to our clients’ wishes. This requires our team to do everything they can. Every day, we perform like top-level athletes.

There are a good many challenges present within the slaughterhouse. How do you add value to all parts of a calf? Dutch consumers are very much uninterested in belly or stock limbs. However, these are popular products in Asia and the Middle East. We do everything we can to sell all parts of the calf on the market. In that way, we ensure value maximisation. Another challenge is the energy and water consumed in the production process. In the coming years, we want to put all our efforts into limiting this aspect.”



“There are a good many challenges present within the slaughterhouse. How do you add value to all parts of a calf?”

5%

OF THE
PRODUCTION
REMAINS IN THE
NETHERLANDS



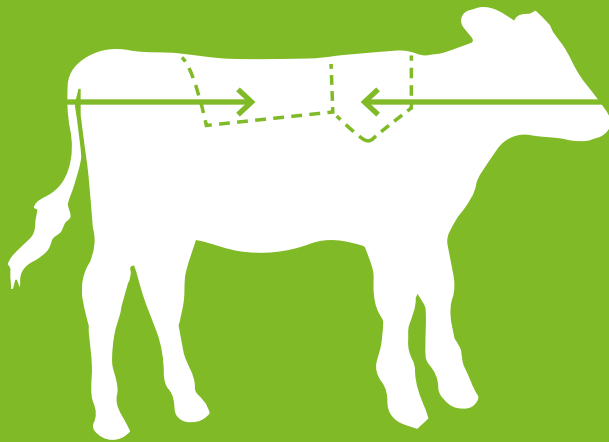
**MORE THAN
4 MILLION
KILOS**



OF VEAL IS SOLD IN THE NETHERLANDS

**VEAL SIRLOINS
PER 100 GRAMS**

KCAL: 150
PROTEIN: 21.4 GRAMS
ZINC: 2.54 MILLIGRAMS
B12: 1.71 MICROGRAMS



**VEAL RIB
PER 100 GRAMS**

KCAL: 167
PROTEIN: 20.6 GRAMS
ZINC: 3.25 MILLIGRAMS
B12: 1.75 MICROGRAMS



BERT BRUINIER
QUALITY MANAGER AT THE OUKRO CALFSKIN PROCESSING COMPANY

“Producing the calfskin begins in the slaughterhouse, where the hide is stripped from the animal after slaughter. We ensure that the calfskins are properly processed for our buyers, such as tanneries. It takes the entire chain to produce a calfskin of optimal quality. Transport, farm and slaughterhouse: each link contributes.

Sometimes, damage to the hide is only revealed while we process it. If a calf is young, skin damage can largely heal without leaving a scar. However, the scars are still present under the skin. It is therefore important to handle calves gently and carefully. A small, incorrectly-fitted bolt in a stall can already result in damage to the calf’s hide. We therefore work together with our veal farmers and slaughterhouses in order to ensure that we limit damage.

Everything we do is characterised by our overall goal: to deliver very high quality calfskins. We deliver an increasing number of calfskins fresh and unsalted. But do you know what really makes us unique? We are able to trace the calfskins.”



“It takes the entire chain to produce a calfskin of optimal quality.”

2016



**MILLION
PROCESSED SKINS**

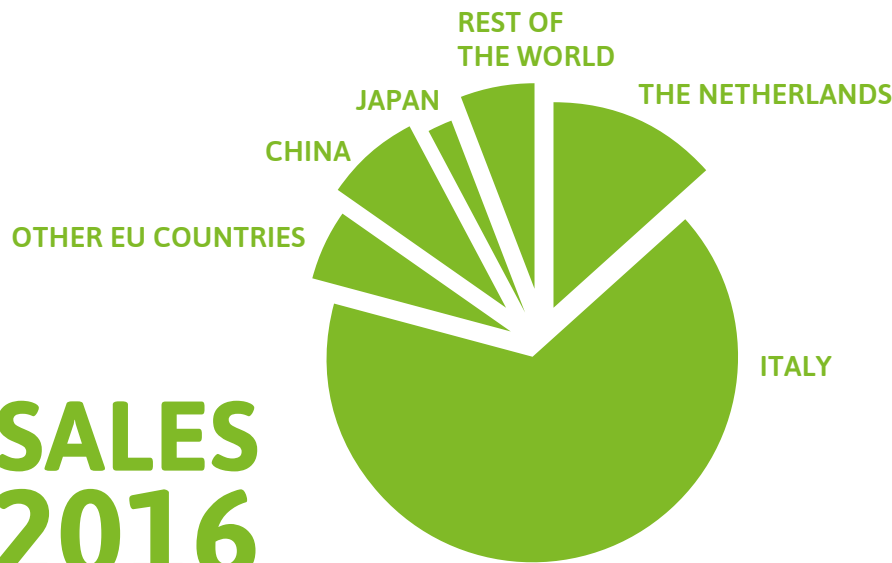
**TRACE
ABLE
CALFSKINS**



IN 2016, THE NUMBER OF KILOS
OF SALT PER CALFSKIN WAS
REDUCED TO 5.58 KILOS



-16.7%



**SALES
2016**



THE ENVIRONMENT

We strive for a closed cycle, which means that we reuse our raw materials and maximise the value of each part of the calf. In this way, we combat waste, we use residual waste flows efficiently and we limit our energy consumption.

ECOLOGICAL IMPACT

USE OF RAW MATERIALS AND FAIR TRADE

We want to obtain our raw materials locally as much as possible. We buy the largest share of our raw materials from Europe. When purchasing raw materials, we look at sustainability requirements. The soya that we use is sustainably produced and we purchase it in accordance with the Nevedi Sustainable Soya Agreement. The VanDrie Group buys all the palm oil intended for the Dutch market in a sustainable manner. 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).

Phosphates are a part of the feed produced by us. Animals, plants and humans cannot survive without phosphates. We must use phosphates efficiently, because the stocks of easily extractable phosphates are finite and phosphates cannot be replaced by any other resource. We therefore reduced the phosphate levels in our feed in 2016, and achieved a phosphate reduction of 7%. Our R&D department is also researching how phosphates can be more efficiently absorbed by the calves, so that they are expelled less.

MAXIMUM VALUE

We aim for maximum value creation, in order to combat waste; in practice, this means that we use all parts of the calf, i.e. the organs, manure, blood, skin and other by-products. The little that is left over goes to a destructor and is converted into green electricity. ESA, one of our slaughterhouses, has implemented an innovative development in its production process. Immediately after cutting a calf's throat, ESA can collect some of the blood that is released. This blood is subsequently processed in a hygienic way and serves as an important raw material for the pharmaceutical industry. Calf blood in humane medicinal form can help to improve the blood supply to the brain and the heart muscle.

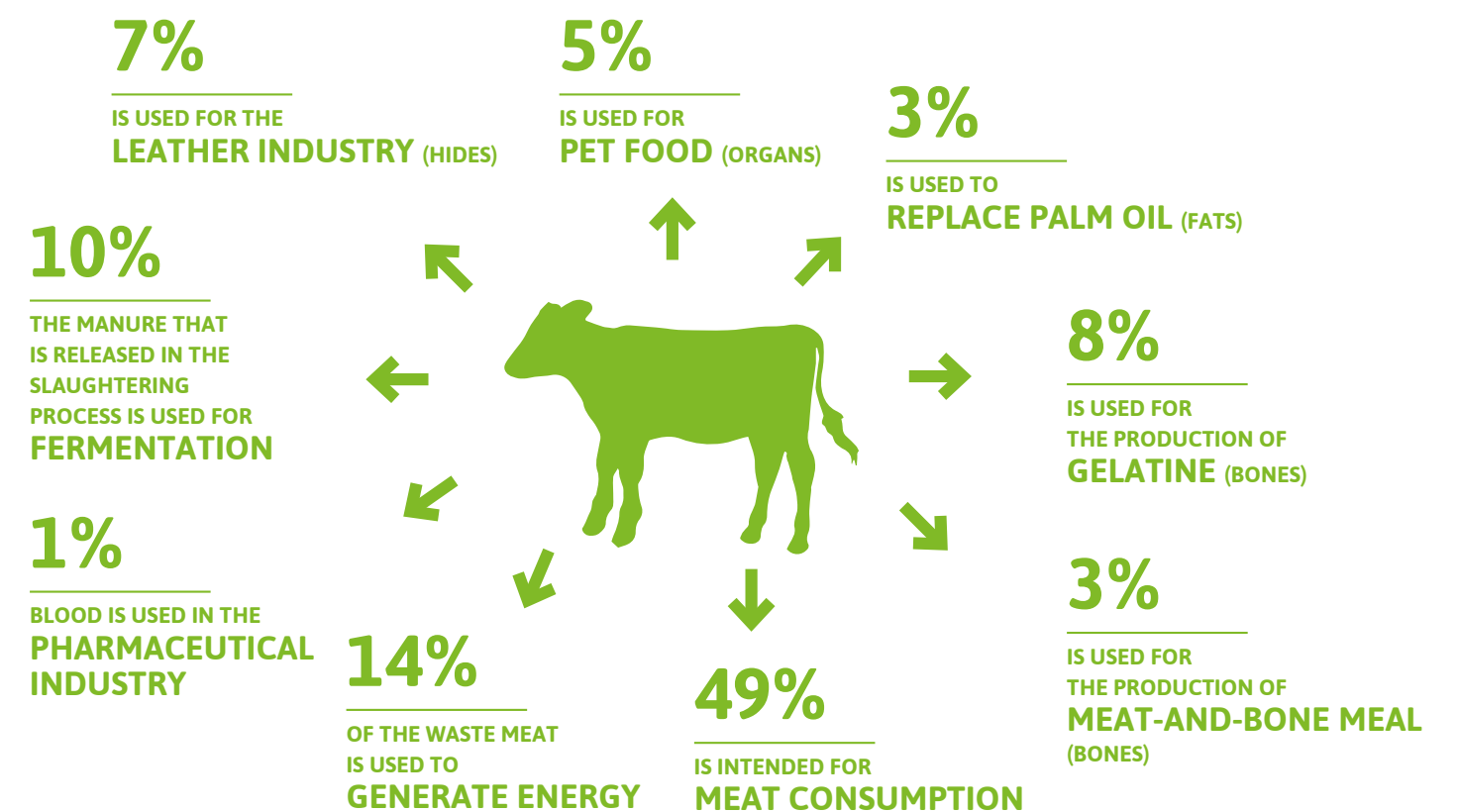
An important part of getting the most out of the calf lies in the calfskins. Oukro specialises in processing calfskins that are sold to tanneries and manufacturers of shoes, bags and clothing. Salt is to preserve the calfskins. Oukro has started the trend of steadily decreasing the amount of salt it uses. In 2016, salt use was reduced by 16.7% compared to 2009. The advantages? A reduced use of salt means less waste water that requires purification. Less salt also means a shortened processing process of the skins and fewer transport movements. Our buyers subsequently have to use less chemicals in order to get rid of excess salt and receive the deliveries of the skins sooner.

ECONOMIC IMPACT

RESPONSIBLE/SUSTAINABLE PURCHASING

We buy our goods (such as printed matter, coffee cups and customer gifts) and raw materials in a sustainable way. For example, all cardboard meat boxes used in our Dutch and Belgian calf slaughterhouses bear the FSC (Forest Stewardship Council) quality mark. In order to extend the shelf life of products, we are increasingly using skin packs. These packs consist of a film that is vacuum packed around the product like a second skin. In recent years, we have greatly expanded the scope of this packaging method. The number of skin packs, for example, at the T. Boer & zn and Ekro slaughterhouses increased by 85% in 2016 compared to 2015. From our existing and new suppliers of packaging materials and other materials, we demand that they take measures in the context of certification, recycling, and Lean and Green transport.

“WE MUST USE PHOSPHATES EFFICIENTLY, BECAUSE THE STOCKS OF EASILY EXTRACTABLE PHOSPHATES ARE FINITE AND PHOSPHATES CANNOT BE REPLACED BY ANY OTHER RESOURCE.”





FEMKE-FLEUR LAMKAMP
DIRECTOR OF THE NETHERLANDS SOCIETY FOR THE PROTECTION OF ANIMALS (DIERENBESCHERMING)

"We have been collaborating with the various laboratories within the VanDrie Group for years. The VanDrie Group is open to the points that we set on the horizon. Step by step, we have already been able to achieve a lot together. The VanDrie Group has switched from the individual accommodation of calves to group accommodation. Fortunately, crated calves stopped existing a long time ago. Calves also receive a lot more roughage than they did in the past. Calves are ruminants and consuming roughage contributes to improved animal welfare. We are happy that the relationship with dairy farms has improved in recent years. A calf benefits from a good start at a dairy farm. The calf grows stronger, and is subsequently less susceptible to animal diseases at the veal farm. People need to be aware that consuming dairy products requires calves to be born; otherwise, cows do not produce milk. These calves are largely made available to the veal production sector.

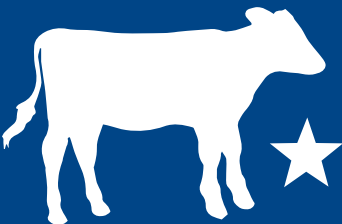
We always want to go a step further than the status quo and as such, we see enough challenges ahead of us. Calves are often transported over long distances. Young calves are vulnerable. Long-distance transport leads to a risk of animal diseases appearing. The VanDrie Group uses Comfort Class transport and that is a good thing. We often raise the point of regionalisation. Why would you fetch calves from abroad if you can also introduce chain production there? This is what the group does in France and Italy, so why not in Poland, for example? Another important challenge is reducing antibiotic use. There are improvements to be had here.

The Netherlands Society for the Protection of Animals (Dierenbescherming) has a clear ambition for the future: set up veal farms to meet the most important needs of the calf. Calves must be able to grow in a natural living environment, and their accommodation and care must be adapted to that objective. This would seem to be an enormous shift, but we can ultimately achieve it step by step."



"Step by step, we have already been able to achieve a lot together."

WHY IS VEAL GIVEN THE BETTER LIFE QUALITY MARK WITH 1 STAR?



2X AS MUCH



2X AS MUCH HIGH-FIBRE ROUGHAGE AS REQUIRED BY LAW

NOT A SINGLE CALF HAS ANAEMIA THANKS TO THE ADDITION OF IRON IN THE FEED



CALVES ARE NEVER TRANSPORTED TO THE CALF HUSBANDRY FOR LONGER THAN 8 HOURS AT A STRETCH
CALVES ARE NEVER TRANSPORTED TO THE SLAUGHTERHOUSE FOR LONGER THAN 4 HOURS AT A STRETCH



DINEKE VAN VOORST-VAN DONKERSGOED
ANALYST AT THE LABORA LABORATORY

"We analyse all incoming and outgoing products, and by doing so, we keep a close eye on quality. Moreover, we look beyond the calf feed. The end product must be safe when it leaves our slaughterhouses, but it also needs to remain safe as it waits to be prepared in the kitchen.

We analyse calf milk powder, roughage, the veal and more for a wide range of microbiological values. In this way, we lay the foundation for safe veal for the consumer. After all: to measure is to know. Our ISO 17025 accreditation means that our clients are provided with correct information and service."

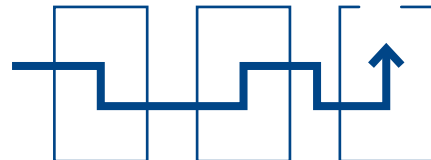


"The end product must be safe when it leaves our slaughterhouses, but it also needs to remain safe as it waits to be prepared in the kitchen."

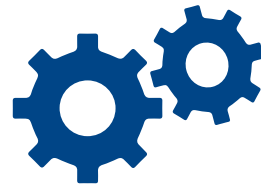


LABORA CERTIFICATION

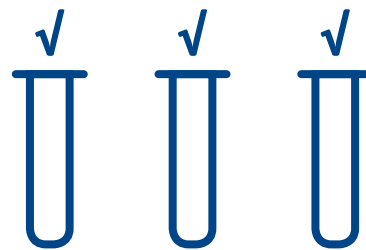
SOLID MANAGEMENT SYSTEM



FULL PROCESS CONTROL



TECHNICALLY LEGITIMATE RESULTS





TRENDS AND CHALLENGES

The Dutch meat sector is very important to the Dutch economy. With a turnover of more than €10 billion per year, it is the second largest pillar in the agri-food cluster and includes leading international companies and world leaders in related activities. With a turnover of €2 billion, the VanDrie Group is an important player in this sector.

We fulfil an essential role in the chain when it comes to quality, transparency and food safety, but also with respect to developments in the market and society.

Looking at the trends and developments, we see that the predicted developments will lead to serious challenges that must be addressed in order to remain a global player in the future.



SOCIAL IMPACT

TREND 1: SOCIETY IS CRITICAL

Veal farming is of substantial interest to politicians, citizens and consumers. Unpleasant odours, animal welfare, surplus manure and the use of antibiotics; these are just a few issues that cause veal farming to be looked at critically. We form an important part of this sector.

Challenge: integrating our companies into the surrounding area

In order to prevent public nuisance and maintain support, we must ensure that our companies are integrated into their surroundings and society. Entering into dialogue with citizens and consumers is important in order to maintain support.

Challenge: reducing the use of antibiotics

So far, we have reduced our use of antibiotics by 57%. However, we have not yet satisfied the goal of 70% reduction set by the Dutch government.



ECOLOGICAL IMPACT

TREND 2: THE ENVIRONMENTAL IMPACT OF MEAT AND ANIMAL FEED PRODUCTION IS RECEIVING ATTENTION

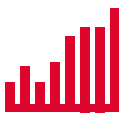
Producing meat and animal feed consumes energy and has a great impact on the environment. We recognise this.

Challenge: buy raw materials for feed/ calf feed locally as much as possible

In comparison to other animal feeds, our calf feed contains limited quantities of soya and/or palm oil. However, these raw materials are primarily sourced from South America. We want to replace these raw materials as much as possible with (alternative) raw materials from Europe.

Challenge: prevent fossil fuels from becoming depleted

Phosphate, an essential material for food production, will become depleted in a few decades. Phosphate is an important part of manure. We must ensure that we can recover phosphate and other minerals from manure.



ECONOMIC IMPACT

TREND 3: UNREST IS INCREASING ON THE GLOBAL TRADING MARKET

The economic prospects are moderately positive in the Netherlands. However, Brexit, the Russian government's boycott of European products and uncertainty regarding trade agreements, such as TTIP, are causing unrest on the trading market. We are dependent on this trading market.

Challenge: preserve and open up markets in spite of increasing insecurities

We export approximately 95% of our production. This makes us dependent on the global trading market and geopolitical developments. We must continue to guarantee sales. This means that we will be making a great effort to preserve existing markets and open up new ones.

Challenge: develop hybrid meat products

Making the meat sector sustainable is essential to satisfy national, European and global policies. The demand from consumers for sustainably produced meat is increasing. We want to continue developing innovative products. These innovations could consist of hybrid products, i.e. products that contain both vegetable and animal proteins.

KNOWLEDGE AND INNOVATION

The VanDrie Group possesses its own Research and Development (R&D) department. The research is conducted by eight employees and is subjected to practical trials by our own test farms. Our R&D employees research, for example, how we can more efficiently use raw protein materials in calf feed.

“WE COLLABORATE IN SEVEN PUBLIC-PRIVATE RESEARCH PROJECTS TOGETHER WITH UNIVERSITIES, RESEARCH INSTITUTIONS AND OTHER PARTNERS.”

We are devoting attention to knowledge development within our companies. We support graduation and PhD research every year and offer work placement and work experience positions. At this moment, we are working on seven public-private research projects, in addition to our own research projects. We collaborate in these studies with stakeholders, such as universities, research institutions and other partners.

FOOD SAFETY

We want to continue developing our company. Research and exchanging knowledge help us to guarantee and strengthen food safety. We do this in different ways.

ONEHEALTH4FOOD

The VanDrie Group and Labora are partners in the OneHealth4Food research project, a collaborative project with Wageningen University & Research Centre, the Animal Health Service (GD) and the Dutch National Institute for Public Health and the Environment (RIVM). In OneHealth4Food, research is being conducted into minimising infectious diseases (zoonosis) and resistant bacteria. The results of the research were produced in 2016. An important result is that vaccination for respiratory diseases is only of limited effect on the long-term resistance of the calf. The research has yielded better instruments with which veterinarians can diagnose viral and bacterial respiratory diseases.

STEC RESEARCH

Since 2015, Labora has been conducting structural research into STEC (a bacteria that can cause diarrhoea in humans following consumption of unheated, raw products) on carcasses and cuts, and monitors the performance of our Dutch slaughterhouses. This information is fed back to the slaughterhouses, so that performance can be easily analysed and slaughterhouses are also able to take measures to improve their situation quickly. In addition, the slaughterhouses use the information in their contact with the NVWA and customers. In 2016, we took samples from five carcasses per week per slaughterhouse. In 2017, we will scale this up to 25 carcasses per week per slaughterhouse.

ANIMAL WELFARE

To stand still is to go backwards, which is why we are conducting various studies into improving animal welfare.

FIT AND HEALTHY CALVES IN A SUSTAINABLE LIVESTOCK SECTOR

Over the years, we have gained a lot of practical experience regarding the measures that do and do not work on the farms. We wanted to scientifically test our various practical experiences across the entire chain, which is why we began the Fit and Healthy Calves in a Sustainable Livestock Sector (Vitaal en Gezond Kalf in een Duurzame Veehouderij) study. Our partners in this

project include Wageningen University & Research, the Calf Industry Association (SBK), the dairy farming department of the Dutch Federation of Agriculture and Horticulture (LTO Melkveehouderij), MSD Animal Health, and the Animal Health Service (GD). The aim of the study is to reduce animal disease issues and the antibiotic use linked thereto. To this end, we are searching for a suitable chain approach. The study illustrates at various levels in the total chain (i.e. dairy farm, transport and veal farm) and from different perspectives (i.e. nutrition, climate, transport and animal disease management) where and how gains can be made for the calf, the livestock farmer and the sector.

DE HAAR EXPERIMENTAL FARM

We have our own experimental farm, 'De Haar', in the village of Scherpenzeel in the province of Gelderland, the Netherlands. Three permanent employees conduct a range of practical research here. For example, we test new feed compositions and breeding feed. In 2016, we tested, among other things, a new feed schedule and a new type of feed. During the set-up, breeding and fattening phases, the calves were given various types of food, tailored to the specific needs of calves in the growth curve. This ultimately led to a new, so-called three-phase feeding, which resulted in a more efficient growth.

FEED4FOODURE

In 2016, the Feed4Foodure research project was completed. The results are slated to be announced in 2017. In Feed4Foodure, we investigated the ways in which feed can make a substantial contribution to reducing the use of veterinary medicines and how it can bolster animals’ immune systems. We conducted this study together with a large number of partners, such as Wageningen University & Research, the Dutch Ministry of Economic Affairs, Chain Transition Responsible Soya Project Foundation, the World Wildlife Fund, Denkavit, ForFarmers Hendrix B.V. and MSD-Animal Health.

FOOD4LIFE

We are conducting the Food4Life research project together with the Netherlands Organization for Applied Scientific Research (TNO) research institute. In this project, we are studying ways in which we can influence the lung health of calves. In addition, we make crossovers to the human sector: there is a link between probiotics in the nasal cavity and the pharynx, and infections in the upper airways in both calves and young children. We are searching for new feeding strategies that can help reduce the disease burden for both young calves and children.

CARBOHYDRATE COMPETENCE CENTER (CCC)

Since 2011, the VanDrie Group has been affiliated with the Carbohydrate Competence Center (CCC), the carbohydrate knowledge centre in the Netherlands. All knowledge around carbohydrate research is gathered here. The CCC wants to develop knowledge in the field of generating carbohydrates in order to promote worldwide innovation and contribute to a healthy and sustainable society. It focuses its activities on both the human and the animal sector. Within the CCC, we research the influence of carbohydrates on the intestinal health of animals and humans. Partners within this project include the University of Groningen, Utrecht University, Avebe, Agrifirm, FrieslandCampina, DSM and Nutricia.

RESISTOME RESEARCH

Together with the SBK and the TNO research institute, we began a study into the resistome in 2016. The countless non-pathogenic bacteria in the environment of calves and in their bodies hide a collection of resistance genes that could possibly be transmitted to pathogens. We call such a collection of resistance genes in, for example, the microbiome of the intestines (i.e. all intestinal bacteria together) the resistome. Now that it is becoming increasingly clear that resistance can be exchanged between pathogenic and non-pathogenic bacteria, it is important to not only research the antibiotic resistance of pathogenic bacteria, but also to monitor the development of the resistome. Instead of static laboratory tests, we are conducting dynamic in vivo research among our calves. Ultimately, this should enable us to better determine the effect of antibiotic use.

SURROUNDINGS & ENVIRONMENT

We do business in order to grow and develop. However, we operate with an eye for the environment. We want to leave the planet in a good state for future generations, which is why we conduct varied research in the field of the environment.

MANURE WITH VALUE PROJECT

In 2016, the Netherlands’ manure surplus was a hot topic. The dairy farming and pig sectors are primarily affected by problems and need to take drastic measures in order to reduce their emission of phosphates. The veal sector is not intensively involved in the discussions, as it produces under the statutory norms. We have already been processing the large majority of our manure via processing plants since the 1990s. In addition, we have made an effort to come up with smart innovations in order to make manure a green, profitable raw material. We are doing this via the Manure with Value project. There are many rich components in manure, such as nitrogen, potassium, phosphates, proteins and amino acids. There is going to be a global

shortage of these components. Together with Wageningen University & Research and the Calf Industry Association (Stichting Brancheorganisatie Kalvesector; SBK), we are looking for modern refining techniques in order to distil valuable components from manure. This approach transforms manure from a waste product into a high-quality by-product of the calf husbandries.

GLOBAL AGENDA FOR SUSTAINABLE LIVESTOCK

The Global Agenda for Sustainable Livestock is an initiative of various parties in the animal chain: from public and private institutions, producers and scientific institutes to non-governmental organisations. In addition to the VanDrie Group, Compassion in World Farming, FAO, IMS, Global Roundtable for Sustainable Beef (GRSB) and government ministries from various countries are involved. The Global Agenda is focused on supporting the path to sustainability via knowledge exchange and dialogue. For example, methods are being developed and agreements made to support effective manure management and the recycling of manure.

GLOBAL ROUNDTABLE FOR SUSTAINABLE BEEF

The VanDrie Group is a member of the international alliance, the Global Roundtable for Sustainable Beef (GRSB). The aim of GRSB is to promote sustainability in the global beef and veal chain. We exchange knowledge from our chain and about the challenges that we see, such as increasing the economic value of manure, use of antibiotics and animal welfare, with partners like Solidaridad, the World Wildlife Fund, Rabobank and McDonald’s.

“IN 2016, WE TESTED, AMONG OTHER THINGS, A NEW FEED SCHEDULE AND A NEW TYPE OF FEED.”

“WE ARE LOOKING FOR MODERN REFINING TECHNIQUES IN ORDER TO DISTIL VALUABLE COMPONENTS FROM MANURE. THIS APPROACH TRANSFORMS MANURE FROM A WASTE PRODUCT INTO A HIGH-QUALITY BY-PRODUCT OF THE CALF HUSBANDRIES.”

INTEGRITY AND ETHICS

The VanDrie Group places great store by ethical behaviour from all employees, veal farmers, transporters and other partners. We work with living animals and food products of animal origin. As such, we believe it is important that work is carried out in a respectful way throughout our chain. We ask suppliers of raw feed materials about how they comply with, for example, human rights and that they ensure no use is made of child labour.

We comply with OESO guidelines for Multinational Companies with respect to chain responsibility. In addition, we endorse the UN's Universal Declaration of Human Rights. We have drawn up rules of conduct for our employees. They must refrain from undesirable behaviour, such as sexual harassment, discrimination and bullying. The rules of conduct also include regulations for personal hygiene and working hygienically.

- In 2017, we are going to sign the Food Industry Code of Conduct.
- With this Code, we declare that:
- we are responsible for staying up-to-date in terms of knowledge about the statutory provisions and regulations with respect to food safety and product integrity;
 - we make every effort to guarantee that our products are safe for use/consumption;
 - we ensure that the information provided about the products is correct;
 - we report once per year about the safeguarding of food safety and the prevention of food fraud;
 - we have whistle-blower regulations with which employees can confidentially report food safety abuses;
 - we take measures to prevent bribery.

We want to make the process of our production transparent. We want to show how we work. In 2017, we therefore want to make more data about our production and results public.

- In 2017, we will place cameras in our slaughterhouses, insofar as this has not already happened. The cameras will be used to monitor:
- the unloading of calves in the stall area;
 - the journey of the calves from the stall area to the stun room;
 - the stunning process, including the calves' arrival at the stun room;
 - the shackling of the calves after stunning;
 - the bleeding of the calves.

The footage will remain in the possession of the slaughterhouses and will be examined by our slaughterhouses. Upon request, the footage can be handed over to the NVWA.

HANDLING RISKS

The VanDrie Group operates in a dynamic environment. This means that we are exposed to various risks, such as animal diseases, accidents at work and fluctuating prices of raw materials. It is important that we pursue effective risk management. The way in which we pursue our mission should be in keeping with our business operations.

On the basis of this, we determine which risks we accept. Risks are categorised as strategic, operational, social and financial. For an overview of our most important risks and additional information, please see: www.vandriegroup.com/csr under 2016 - extra information.

Risk identification and control are fully included in Safety Guard, our quality system. All our companies possess extensive HACCP plans, for example. HACCP stands for Hazard Analysis and Critical Control Points. When processing food products, there are risks that could pose a threat to product safety. As such, we focus strongly on risk control. Our companies that produce or process food describe the potential risks in these HACCP plans, for example. We also consistently carry out evaluations and reassessments into the risks of used raw materials. The individual VanDrie Group companies are also obliged to draw up a Risk Inventory & Evaluation (RI&E) and a plan of action in order to tackle problem areas, in among other things, their working conditions policy.

**“WE WANT TO MAKE
THE PROCESS OF OUR
PRODUCTION TRANSPARENT.
WE WANT TO SHOW
HOW WE WORK.”**

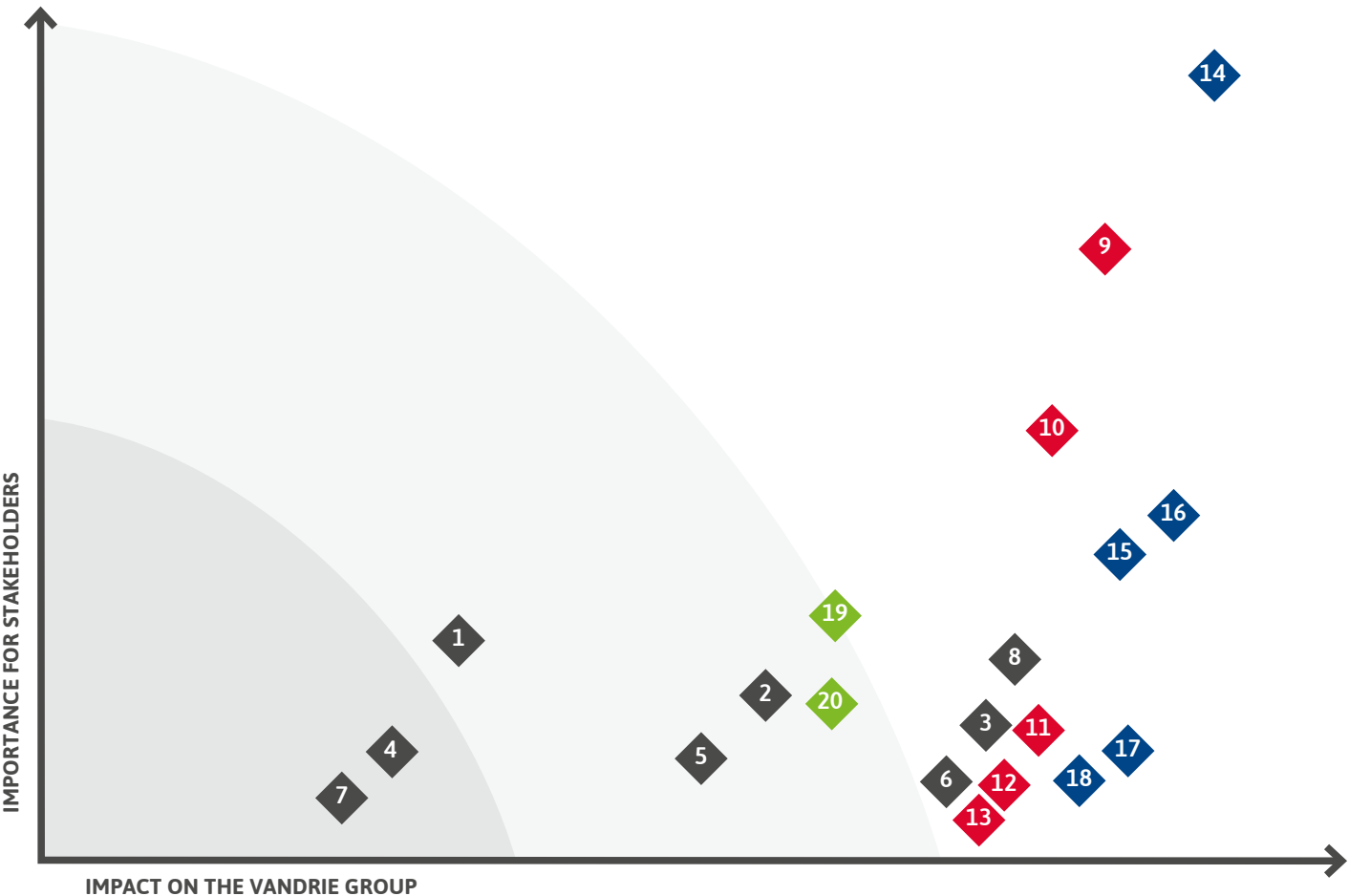
MATERIALITY MATRIX

We have conducted an extensive stakeholder analysis in order to make the most relevant subjects for our company and our partners clear. The materiality matrix illustrates which themes are important and what impact these themes may have on the company's performance and/or reputation.

The placement 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, and on the other, the degree of impact that a theme has on the organisation. The list of potential

material issues has been compiled based on the Transparency Benchmark, the Global Reporting Initiative guidelines, input by the VanDrie Group, and by Het Portaal strategy agency. In order to investigate the importance for stakeholders, a survey was taken among 19 stakeholder groups in

which they were briefly asked to state the most important themes for them. 128 respondents participated 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.



OUR ORGANISATION

- 1. Collaboration and certification
- 2. Tracking & tracing
- 3. Suppliers and distribution (chain responsibility)
- 4. The company's internal management structure
- 5. Eco-design: improving the sustainability of products
- 6. Trusted partnership
- 7. Operating result and other forms that are used to create value
- 8. Sustainable chain

FOOD SAFETY

- 9. Food safety and public health
- 10. Producing reliable and responsible veal
- 11. Zoonosis
- 12. Policy that promotes healthy living and healthy food
- 13. Food defence

ANIMAL WELFARE

- 14. Animal welfare
- 15. Responsible use of antibiotics
- 16. Healthy calves
- 17. Responsible transportation of calves
- 18. Preventing animal diseases

SURROUNDINGS & ENVIRONMENT

- 19. Responsible/sustainable purchasing
- 20. Use of raw materials and fair trade

ORGANIGRAM



CALF HUSBANDRY



DAIRY RAW PRODUCTS (PROCESSING & TRADE)



CALF FEED



CALF SLAUGHTERHOUSES (PROCESSING & OPERATION)



CALFSKINS



LABORATORY



VEAL PROMOTION





SCOPE

This is the tenth year in which we have published a report regarding our activities. This CSR report is the vehicle by which we do so. Since 2012, the subjects reported in this annual report have been categorised under the following pillars: **our organisation**, **food safety**, **animal welfare** and **surroundings & environment**.

The substance of each pillar is evaluated once a year to ensure that our policy and its pillars still reflect the dynamic environment in which the VanDrie Group operates. Where necessary, the VanDrie Group will adjust these points on the basis of the evaluation. The evaluation showed that the United Nations' Sustainable Development Goals must form an integral part of our policy. As such, we are including them for the first time in the 2016 report.

DEFINITION AND SCOPE

This year, the VanDrie Group is primarily focusing on Dutch operational performance in 2016. This annual report is primarily intended for Dutch stakeholders. The GRI G4 Sustainability Reporting Guidelines lie at its foundation. The report has also been drawn up in line with the criteria of the Dutch Ministry of Economic Affairs' Transparency Benchmark.

We have better visualised the stakeholder dialogue and we have explained our business model in greater detail in this report. Our stakeholders have stated which subjects they deem to be important. The materiality check that we have done has revealed that the previously formulated pillars are all important. However, our stakeholders believe that animal welfare and food safety are much more important, for example, than our operating result and our internal structure.

Given that we find ourselves in a market that is sensitive to competition, we are consciously opting only to report on our financial results and internal structure to a limited extent in this report. We pay a fair amount of attention to the subjects that our stakeholders have regarded as very relevant.

We have opted to make the report visually more attractive this year, by using infographics, for example. We are also striving to make the CSR report more relevant. In the future, we want to further expand the external verification we are having done.

On 15 June 2017, the first physical stakeholder meeting took place: the VanDrie Dialogue.

MANAGEMENT AND CONTROL

The Director of Corporate Affairs is involved in determining the content of the report and manages the entire reporting process and implementation of material subjects inside and outside the company. The content of the report is determined according to internal and external interviews, as well as management reports made by all companies. The VanDrie Group's entire management team supervises the aforementioned developments. Every year, the material aspects of business are discussed in the board meeting. The approval of the publication of the CSR results is also decided.

The data in this report relates to the performance and material issues of the VanDrie Group (i.e. companies in which the Van Drie Holding B.V. has a majority interest) and not to the performance of suppliers, customers, consumers etc. The quantitative details in this report are collected from financial systems, the personnel management system and Safety Guard. We do not possess an automated information system that covers all the information.

A standardised reporting template is used to collect all information on an annual basis. Where possible, the data for this report has been measured. We have had to make

estimates for several indicators, because no reliable, measured data was available yet. The estimates are based on measured data, however. Most of the quantitative information in this report has been measured. The data is evaluated internally before it is reported. No uncertainties or inherent limitations have been identified as a result of measurements, estimates or calculations of data. The reporting period runs from 1 January 2016 to 31 December 2016. The publication date is 30 June 2017.

For further information, please see the materiality matrix that can be found in the annex to this report (page 48). See page 53 of the report for the Assurance report and the evaluated data. For an overview of the GRI index and glossary, please see our website: www.vandriegroup.com/csr under 2016 - GRI and extra information.

Any changes to the definitions and measurement methods compared to previous years are stated in the report, together with the corresponding data.

ASSURANCE REPORT

We were commissioned by the board of Van Drie Holding B.V. (hereinafter referred to as ‘the VanDrie Group’) to evaluate the CSR indicators found on this page for the year 2016 (hereinafter referred to as ‘the selected CSR indicators’). We provide a limited degree of assurance regarding the selected CSR indicators included in the table on this page.

EVALUATION: LIMITED DEGREE OF ASSURANCE

Evaluation tasks focus on obtaining a limited degree of assurance and do not include such in-depth research as would be conducted for an audit. As a result, a review engagement provides less assurance than an audit engagement. Our evaluation activities are restricted to the figures found in the table on this page and as a result of that, 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 objectives, expectations and ambitions. 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 G4 guidelines. Application of the GRI guidelines requires specific activities. A major component thereof is to determine the material issues and the scope of the report. The VanDrie Group conducted a materiality analysis, making use of the materiality index included on page 48.

Our evaluation of the data is limited to the selected CSR indicators in the table on this page. A detailed description of the scope of the figures in the table can be found in the explanatory notes for the table. We believe that the data included in the table is relevant to and appropriate for our evaluation.

RESPONSIBILITY OF THE BOARD

The board of the VanDrie Group is responsible for drawing up the sustainability information in the report in accordance with the reporting criteria of the organisation, including the identification of the intended users and the applicability of the criteria applied for the objectives of the intended users. The board of the VanDrie Group is responsible for the drafting of this report and the table according to the Global Reporting

Initiative (‘GRI’) indicators. The board is also responsible for such internal control, which it deems necessary in order to make it possible to draw up the sustainability information in the report without deviations of material importance as a result of fraud or mistakes.

RESPONSIBILITY OF THE ACCOUNTANT

Our responsibility is to plan and execute an assurance engagement in such a way that we obtain sufficient and suitable assurance information to inform the conclusion that we are to deliver. This assurance engagement focuses on obtaining a limited degree of assurance. The activities that are carried out in obtaining a limited degree of assurance are focused on determining the plausibility of information and are less in-depth than with an assurance engagement focused on obtaining a reasonable degree of assurance. The activities carried out within this framework primarily consisted of obtaining information from officials of the entity and carrying out analytical procedures relating to the information included in the sustainability information in the report. The degree of assurance that is obtained from assurance engagements focused on obtaining a limited degree of assurance is therefore also substantially lower than the assurance that is obtained from assurance engagements focused on obtaining a reasonable degree of assurance. Deviations may arise as a result of fraud or mistakes, and are material if it can be reasonably expected that these, separately or together, may influence the decisions that users take on the basis of the sustainability information in the report. The materiality influences the nature, timing and scope of our activities, and the evaluation of the effect of recognised deviations on our conclusion.

ACTIVITIES

As regards the selected CSR data included in the table, we conducted our evaluation in accordance with Dutch law, including Standard 3000, “Assurance engagements other than engagements to audit or evaluate historical financial information”.

OUR KEY REVIEW PROCEDURES 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 process employed for collecting the selected CSR data and used to aggregate this data as found in the table on this page of the VanDrie Group’s annual CSR report 2016;
- 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 interrelationship of data;
- We believe that the evaluation information obtained by us was sufficient and suitable to substantiate our opinion.

CONCLUSION

Based on the review procedures that we have performed, we have not seen anything to suggest that the selected data found in the table has not been presented in accordance with the VanDrie Group's reporting criteria in all material respects.

USE OF THIS ASSURANCE REPORT

This assurance report only relates to the evaluation of the performance of the selected CSR indicators for the VanDrie Group as found in the table on this page. This assurance report is therefore of limited scope and does not provide assurance of the VanDrie Group’s overall CSR performance during the year.

Drs R.C.H.M. Horsmans RA RV
MAZARS PAARDEKOOPEL HOFFMAN N.V.

Amsterdam, 30 June 2017

INDICATOR	UNIT	2016	2015	FLUX
NUMBER OF EMPLOYEES	Headcount	1,087	1,078	1%
FULL-TIME EMPLOYEES	FTEs	991	992	0%
PROPORTION OF MALE EMPLOYEES	% of headcounts	85%	86%	0%
PROPORTION OF FEMALE EMPLOYEES	% of headcounts	15%	14%	2%
SICKNESS ABSENCE	Percentage	6.0%	5.6%	8%
ELECTRICITY CONSUMPTION	kWh per tonne of calf feed*	24.5	21.6	14%
	kWh per calf slaughtered**	28.1	26.3	7%
WATER CONSUMPTION	m³ per tonne of calf feed*	0.047	0.036	29%
	m³ per calf slaughtered**	0.51	0.48	7%
GAS CONSUMPTION	m³ per tonne of calf feed*	1.90	1.32	44%
	m³ per calf slaughtered**	1.16	1.16	0%
ANTIBIOTICS DOSAGES PER ANIMAL PER DAY	Decrease in % compared to 2007****	56.8%	56.4%	1%
NUMBER OF RECALLS	Number	1	2	-50%
NUMBER OF AUDITS	Number***	132	169	-22%

* Feed/calf feed production companies in the Netherlands: Tentego, Navobi, Schils, Alpuro

** Slaughterhouses in the Netherlands: T. Boer & zn, Ekro, ESA

*** Internal and external audits among feed/calf feed production companies and slaughterhouses in the Netherlands

**** New measurement method for daily dosages. Since 1 January 2015, InfoKalf (databank), in compliance with the SDa, has applied the so-called MID dosage in the calculation of the key figures in terms of animal dosages. Following on from this, VanDrie recalculated its key figures for antibiotics dosages for each pair of calves delivered, with retrospective effect from 1 January 2007.

Scope: de scope for the activities for the CSR report for the VanDrie Group only relates to the Dutch entities.

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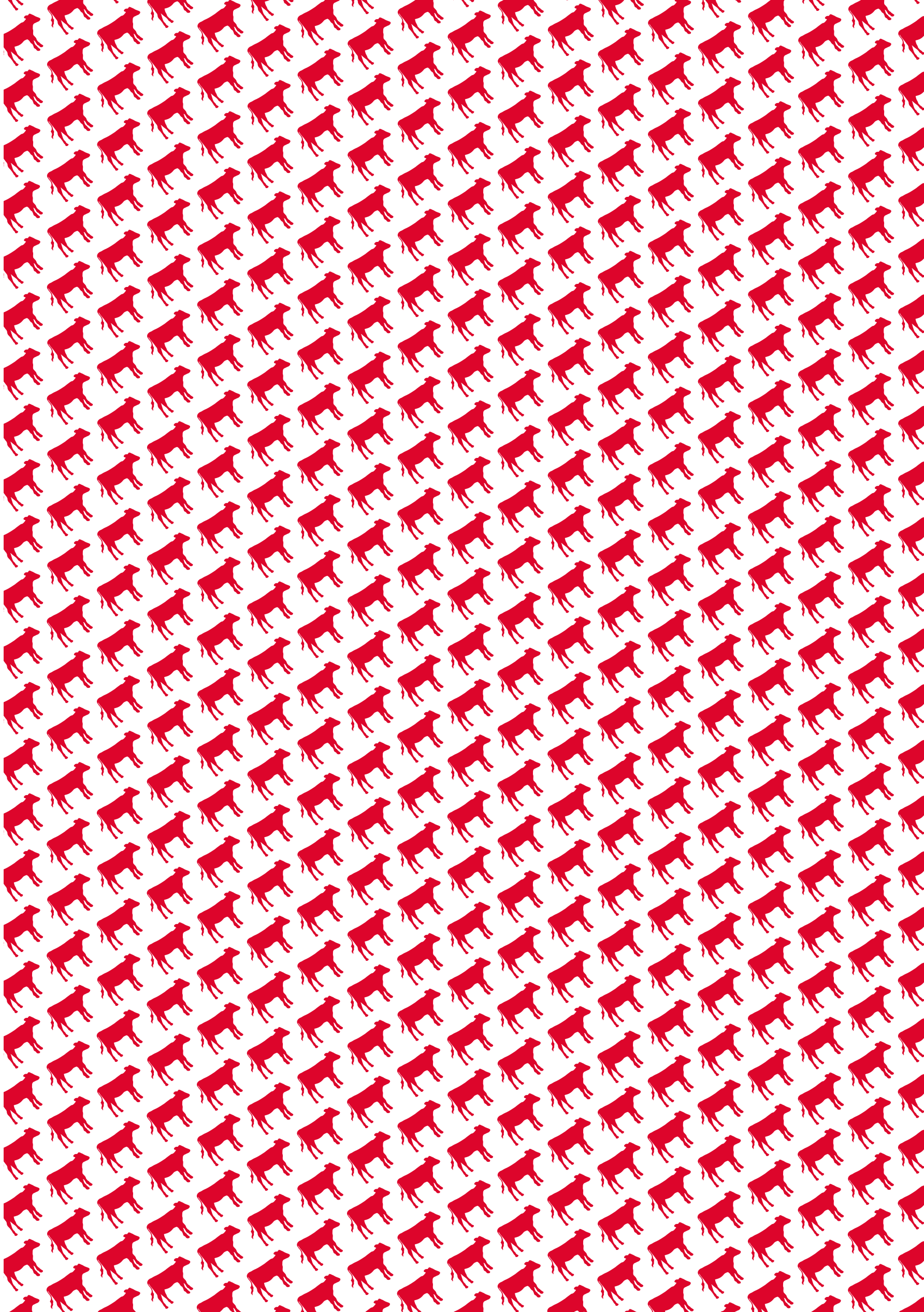
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