

Results, objectives and value creation 2018

	Objective 2018	Result 2018	Result 2017	Objective 2019	Objective 2022
Safe products	0 product quality complaints	0.25% product quality complaints per 1,000 tonnes of product	0.34% product quality complaints per 1,000 tonnes of product	< 0.25% product quality complaints per 1,000 tonnes of product	< 0.20% product quality complaints per 1,000 tonnes of product
No customer complaints	See above	See above	See above	See above	See above
Reducing energy consumption during production	21.4% less energy use per tonne of product in Gorinchem and Scharsterbrug in comparison with 2005	19.5% less energy use per tonne of product in Gorinchem and Scharsterbrug in comparison with 2005	20.1% less energy use per tonne of product in Gorinchem and Scharsterbrug in comparison with 2005	24.5% less energy use per tonne of product in Gorinchem and Scharsterbrug in comparison with 2005	34% less energy use per tonne of product in Gorinchem and Scharsterbrug in comparison with 2005
Transparency with regard to sustainability goals and results	Complying with transparency benchmark guidelines despite the fact that there is no benchmark for 2018 (progress is measured once every two years - in 2019)	No ranking was made in 2018	152 points for the transparency benchmark	In the top 10 of the Transparency benchmark in the 'Food and Drinks' sector	Rise in the number of points or at least retain ranking in the sector
Reducing the environmental impact of packaging	Launch of multidisciplinary improvement teams tasked with identifying how we can make our packaging more environmentally friendly	Made preparations to launch a project with customers and suppliers in 2019	Talked to suppliers and customers, but no concrete result	Launch project with suppliers to make one of our packagings more sustainable	Launched 3 projects for more sustainable packaging
Reducing the greenhouse gas emissions of dairy farming	<ul style="list-style-type: none"> 10% of the dairy farmers generate >50% of their electricity consumption themselves sustainably 70% use a maximum of 70 kWh per 1,000 kg of milk 	<ul style="list-style-type: none"> 9.2% of the dairy farmers generate >50% of their electricity consumption themselves sustainably 69% use a maximum of 70 kWh per 1,000 kg of milk 	<ul style="list-style-type: none"> 7% of the dairy farmers generate >50% of their electricity consumption themselves sustainably 66% use a maximum of 70 kWh per 1,000 kg of milk 	<ul style="list-style-type: none"> 10% of the dairy farmers generate >50% of their electricity consumption themselves sustainably 70% use a maximum of 70 kWh per 1,000 kg of milk 	Sector objectives for 2020: <ul style="list-style-type: none"> 20% reduction of greenhouse gases in comparison with 1990 and climate-neutral growth 16% production of renewable energy Improvement in energy efficiency 2% annually in 2005-2020 (see duurzamezuivelketen.nl)
100% renewable energy for production	14.9% of the energy consumption is renewable + drafting plan for climate-neutral production by 2029	14.7 % of the energy consumption is renewable + drafting plan for climate-neutral production by 2029	14.3% of the energy consumption is renewable + drafting plan for climate-neutral production by 2029	14.9% of the energy consumption is renewable + executing plan for climate-neutral production by 2029	18% of the energy consumption is renewable Goal 2029: climate-neutral production

Creating Shared Value 2018

We have been making milk powder for 65 years, ensuring that dairy can be part of everyone's daily diet. Based on our mission to create shared value we work as an organisation together with our stakeholders on three core values: *Profitable Value Chain, Great Place to Work and Climate Neutral*. We want to use the (scarce) resources and raw materials we need correctly and efficiently, with the least possible impact on people and the environment. In this way we intend to create positive long-term impact and reduce our negative impact. The model below shows the relationship between our (CSR) efforts and the degree to which they create public value and contribute to the UN Sustainable Development Goals.

INPUT

FINANCIAL CAPITAL

- Financial resources (shareholders' equity, debts and investments) of banks and investors
- € 174 million group capital (estimate)

COLLABORATION AND DIALOGUE

Collaboration and annual discussions with NGOs, public parties, scientists, government authorities and suppliers

EMPLOYEES AND INTELLECTUAL CAPITAL

- Knowledge and competences of our employees
- 423 employees
- Training and development

NATURAL CAPITAL

- 1.3 billion kilos of milk from 825 Dutch dairy farmers
- 100% RSPO-certified palm oil from Indonesia, Malaysia, Colombia and Costa Rica
- 100% ProTerra-certified soy lecithin from Brazil
- Other raw materials and packaging materials
- 100% green electricity
- Gas and water

BUSINESS MODEL

Mission

Creating Shared Value for our suppliers, our business, our customers and their environment

Vision

Milk nutrition in everyone's daily diet

3 values

- Profitabel value chain
- Great place to work
- Climate neutral

Core activities

Production of milk powders from fresh cow's milk as an ingredient for infant nutrition, for consumers to a lovely glass of milk, and as an ingredient for foods like chocolate, icecream, dairy products, cake and culinary applications.

OUTPUT

FINANCIAL CAPITAL

- € 730 million turnover
- Customers in 130 countries
- Consumer products
- Ingredients for the food industry
- Ingrediënten for infant nutrition

COLLABORATION AND DIALOGUE

- Knowledge exchange
- Product innovations
- 4,000 Ethiopians will have clean drinking water from the drinking well in Ethiopia for at least 20 years.
- Support of projects in Congo, Colombia and Liberia.

EMPLOYEES AND INTELLECTUAL CAPITAL

- Wages and pensions
- Knowledge development
- Healthy and vigorous staff members
- 4.6% sickness absence
- 16 accidents

NATURAL CAPITAL

- 85% of dairy farmers participate in our sustainability programme
- 88% outdoor grazing
- 19.5% less energy consumption per tonne of product in comparison with 2005
- 13% lower CO₂ emissions from milk transport in comparison with 2013
- 14% lower CO₂ emissions from other transport in comparison with 2013

EMISSIONS AND WASTE

- CO₂ emissions
- Wastewater
- Industrial and packaging waste
- Residual heat

IMPACT

Profitable Value Chain



With our (enriched) milk powders we make safe and nutritious food available to all. In addition, the Milky Gari project in Liberia ensures that children get a nutritious breakfast so they can go to school.



Long-term relationships and partnerships focusing on sustainable and healthy innovations, knowledge sharing and chain transparency.



Through financial contributions to a well in Ethiopia we support universal and equal access to safe and affordable drinking water.



By sponsoring the project in Congo that improves the position of vulnerable women.



Through sponsoring of the project in Colombia that offers education to vulnerable families.

Great Place to Work



We stimulate employment, offer a safe and healthy working environment and contribute to the Dutch economy.

Climate Neutral



We contribute to the preservation of natural resources by purchasing responsible raw materials and pursue efficient production and transport so as to use as little energy as possible.



Protecting agrarian ecosystems by means of financial rewards to dairy farmers participating in the sustainability programme. We contribute to sustainable forest management by purchasing certified palm oil and soy.



It is our ambition to produce in a totally climate-neutral way in 2029, for which we will aim for a greater share of renewable energy and energy efficiency.