

Stakeholder engagement and materiality analysis 2018

We consult our employees, dairy farmers and customers to receive input for our strategy and create support for the measures. Moreover, the material topics and sustainability themes largely determine which civil society organisations we will consult. In 2018, we consulted various stakeholders with regard to our sustainability goals. The following stakeholder table and materiality analysis show the results of these consultations.

Stakeholder group	Material topics discussed	Conclusions and follow-up for 2019
Employees	All sustainability themes have been communicated through meetings for new employees, strategy meetings, a leaflet, wall posters, the staff magazine and narrowcasting. The HR director has engaged with the employees involved on the accidents that have occurred on the shop floor. Employees can raise abuses with an internal and external person of trust.	<p>Various employees have helped draft the plan of action for climate-neutral production by 2029.</p> <p>Increased attention for the prevention of accidents.</p>
Dairy farmers	In the focus groups, dairy farmer meetings and one-on-one interviews by our district advisers, we discussed such matters as developments within Vreugdenhil and the sustainability programme for dairy farmers. This active and open relationship with dairy farmers allows them to raise any problems within the sector. At management level our Milk Supply & Specialised Dairy Nutrition Director is involved. He has regular contact with the dairy farmers.	The bonuses for dairy farmers in the sustainability programme in 2019 will remain the same as in 2018. We are also going to give a financial reward for good KalfOK scores.
Suppliers	Spoken to (potential) suppliers of energy, systems, green certificates, advice and energy-saving/sustainable technologies (e.g. solar panels) about climate measures. From the management our QA Director is in close contact with suppliers on matters including compliance with our purchasing conditions.	Based on various discussions the options for realising our climate-neutral ambition in 2029 will be detailed.
Customers	Spoken to inter alia our three largest customers on our sustainability objectives and their goals in general. There was specific focus on sustainable palm oil, organic milk powder, climate measures, enriching products with vitamins and minerals, and charities. The Dairy Sustainability Framework (DSF) is a key starting point for our customers to realise progress in the sector. In 2018 invested in charities with a customer.	<p>In 2019 we will start testing the right mix to enrich our own brands for Africa with vitamins and minerals. This will be accompanied with information for our African customers on the health benefits of enriched milk powder.</p> <p>It is our ambition to introduce the methodology of the Dairy Sustainability Framework in 2019. We are investigating how we can achieve our common goals by means of partnerships within the sector.</p>
Civil society organisations	Spoken about sustainable dairy farming (outdoor grazing, climate, phosphate, biodiversity), climate measures, clean drinking water projects and other charities.	Knowledge was exchanged. Introduction of new measuring tools in sustainability programme for dairy farmers. Climate-neutral plan by 2029 further detailed per site. Made first steps for a new clean drinking water project in Africa. Started supporting new charities.
Sector organisations	Spoken about sustainable dairy farming and climate measures. In 2018, we laid the foundation for collaboration with WUR, ISPT, Nationaal Waterstof Platform, ECN-TNO, BlueTerra, KWA, Groenbalans and BeGreen.	The collaborations will contribute to further development of the plans for climate-neutral production by 2029.

Memberships and initiatives

We are a member of a number of industry organisations and we support a range of national and international initiatives, such as:

- Dutch Dairy Association (NZO)
- Federatie Nederlandse Levensmiddelen Industrie (FNLI)
- International Dairy Federation (IDF)
- ZuivelNL (chain organisation of the dairy sector)
- GemZu (trade organisation of Dutch Dairy Trade)
- Vereniging van Nederlandse Fabrikanten van Kinder- en Dieetvoedingsmiddelen (association of Dutch Manufacturers of Infant and Diet Foodstuffs)
- Eucolait
- Duurzame Zuivelketen ('Sustainable Dairy Chain'):
- Dairy Sustainability Framework (DSF)
- IFCN Dairy Research Center
- MVO Nederland
- Stichting BlauwZaam
- Topsector Agri&Food
- SEDEX (Platform for ethical commercial chains)
- Roundtable on Sustainable Palm Oil (RSPO)
- Made Blue

Materiality analysis

In 2016 we charted our material topics together with external stakeholders and the Vreugdenhil management. Using online questionnaires to 13 external stakeholders and 10 members of the management we took stock of our priorities. The topics below proved to be the most relevant both for our organisation (x-axis) and our stakeholders (y-axis). The [online annual report](#) contains more information on the definition, the importance, our management approach and the results of each topic. Our progress and the objectives per topic are set out in '[Results, objectives and value creation 2018](#)'.

In 2020 we will again chart the priorities for Vreugdenhil and our external stakeholders in order to ensure that we continue to focus on the most relevant themes and that we respond to the latest trends and developments.

- Safe products: see theme '[Nutritious and tasty products](#)'.
- No customer complaints: See theme '[Nutritious and tasty products](#)'.
- Reducing energy consumption during production: see theme '[Environmentally friendly factories and offices](#)'.
- Transparency with regard to sustainability goals and results: see the appendix 'Sustainability management'.
- Reducing the environmental impact of packaging (make it circular): see theme '[Fair and environmentally conscious purchasing](#)'.
- Reducing greenhouse gas emissions by dairy farming: see theme '[Sustainable dairy farming](#)'.
- Use of 100% renewable energy for production: see theme '[Environmentally friendly factories and offices](#)'.

Materiality matrix

1. Safe products
2. Zero customer complaints
3. Reducing energy consumption during production
4. Transparency on sustainability goals and results
5. Reduce the environmental impact of the packaging (make them circular)
6. Reduce greenhouse gas emissions caused by farming
7. Using 100% renewable energy for production
8. Reduce phosphate and ammonia emissions
9. Zero accidents (9 in 2015)
10. Prevent undernourishment via research and product innovation
11. Training and development of employees
12. Using water in a sustainable way during production
13. Procurement of sustainable milk powders (dairy farmers improve animal welfare and reduce their environmental impact)
14. Strong employee engagement
15. Stimulate grazing (86% in 2015)
16. Improve biodiversity
17. Improve health of cows
18. Reduce CO₂ emissions from transport
19. Reduce absenteeism rate (5.4% in 2015)
20. Vreugdenhil employees are consciously aware they are working in a sustainable manner within their daily work
21. Clean water projects in Africa
22. Improve animal welfare of the cows
23. Sponsoring health projects in Africa (most important market for Vreugdenhil)
24. Procurement of sustainable cocoa
25. Extend cow longevity (now 6 years)
26. Sponsoring of local good causes around our facilities
27. Employees invest their time and capacities for good causes
28. Hire employees who have difficulty joining the labor market (for example unexperienced youth and older employees)

