

Sustainability management 2018

With our five-year strategy Marathon '22 for the period from 2017 to 2022, we aim to instil more people with the goodness of milk. Milk nutrition in everyone's daily diet! Strategy spearheads are: profitable value chain, great place to work and climate neutral. Based on this, 19 sustainability objectives were formulated. As some objectives were set per year and others for 2020, a clear approach in line with the long-term vision was lacking. In order to bring them in line, the horizon of the sustainability targets was set for 2022, with the exception of a number of sector agreements within the Sustainable Dairy Chain that are in effect for 2020. These objectives and the progress we have made in the past few years are set out in Appendix '[Results, objectives and value creation 2018](#)'.

Anchoring

Our Sustainability Officer coordinates achievement of the sustainability goals. Responsibility for achieving our sustainability goals lies with the members of the management team (MT). Progress in terms of these goals is not linked to any remuneration policy, as we have no variable remuneration for the management. The goals will be periodically discussed in MT meetings and are part of the reporting structure for the other corporate objectives. At least once a year, the sustainability goals are reviewed and tightened up as an integral part of corporate policy, partly on the basis of the results of interviews with stakeholders.

Vreugdenhil follows GRI guidelines

Vreugdenhil has drawn up this annual report and selects and collects data in accordance with the guidelines of the Global Reporting Initiative (GRI). This report is in compliance with the GRI Standards, level Core. In this report, Vreugdenhil deals chiefly with the topics identified as material and with information it wishes to communicate to its stakeholders. The scope of the report covers the activities taking place in the Netherlands. This is where the focus of operational activities lies and where Vreugdenhil is in possession of measurable results. The GRI Standard is used for determining, defining and delimiting the material topics. Vreugdenhil will also be publishing financial statements in the spring of 2019. Finally, there are a number of appendices on the download page that complete the reporting on 2018.

External audit of sustainability performance

Besides stakeholders, we have independent parties assess our sustainability performance:

- Working conditions, the environment and business practices: from 2016, our production locations in Gorinchem and Scharsterbrug are SGS-certified for SMETA pillar 4. SMETA is based on existing standards such as the code of conduct from the Ethical Trading Initiative (ETI).
- Food safety: our three production sites are certified by Lloyds in accordance with the internationally recognised FSSC22000 food safety standard.
- Transparency in terms of sustainability: the Dutch government ranks the transparency of companies' social reporting by means of the Transparency Benchmark. The ranking is biannual; in the latest ranking (in 2017, for 2016) we rose from 96th to 80th of the 500 largest companies in the Netherlands (and from 10th to 7th place of the 45 food companies).
- Sustainable dairy farming: The outdoor grazing and sustainable indoor livestock elements of our Sustainability Programme are monitored by Q-lip. Freedom from animal diseases IBR and BVD is checked by the Animal Health Services, lifespan is checked by cattle improvement cooperative CRV.

The information for this annual report is provided by internal experts, and is checked by the Sustainability Officer. The report itself is not verified externally.