

Sustainability management 2020

Our long-term strategy Marathon 2022 for the period from 2017 to 2022 is designed to reach more people with all the benefits of milk. Milk nutrition in everyone's daily diet! The strategy focuses on: profitable value chain, great place to work and climate-neutral. Based on that, 19 sustainability goals have been formulated (see Appendix 3).

Guarantee

Our Sustainability Manager coordinates the achievement of the sustainability goals. Responsibility for achieving our sustainability goals lies with the members of the management team (MT). In 2020, we established the Sustainability SteerCo, in which representatives from various departments of the organisation participate. The first meeting of the Sustainability SteerCo is scheduled for 2021. In addition, in 2021 we will add 1 FTE to the sustainability team to support the Sustainability Manager.

Progress in achieving these goals is not linked to the management's remuneration policy. The goals are periodically discussed in MT meetings and are part of the reporting structure for the other business goals. At least once a year, the sustainability goals are reviewed and tightened as an integral part of corporate policy, partly on the basis of the results of talks with stakeholders. In 2020, we started to evaluate our sustainability ambition and related targets. As part of this, we started with a materiality analysis. The results of this analysis form the basis for re-evaluating our sustainability strategy. In 2021, we will complete this process and launch our new sustainability strategy.

Vreugdenhil follows GRI guidelines

Vreugdenhil has drawn up this annual report and selects and collects data in accordance with the standards of the Global Reporting Initiative (GRI). This report is in compliance with the GRI Standards, Core level. In this report, Vreugdenhil chiefly addresses the topics identified as material plus information that it wishes to communicate to its stakeholders. The scope of the report spans the activities taking place in the Netherlands, homing in on operational activities for which Vreugdenhil has measurable results at its disposal. The GRI Standard is used for determining, defining and delineating the material topics. Vreugdenhil will also publish financial statements in the autumn of 2021. Finally, there are a number of appendices on the download page that complete the 2020 report.

External audit of sustainability performance

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

- In 2020, we made preparations for the EcoVadis assessment. In early 2021, we received an EcoVadis Silver Award. This means that we are among the top 25% of all scores published by EcoVadis. This score reflects the quality of our CSR management system. We use the results to identify and implement further improvements.
- Working conditions, the environment and business practices: since 2016, our production sites in Gorinchem and Scharsterbrug have been SGS-certified for SMETA pillar 4. SMETA is based on existing standards such as the internationally recognised code of conduct of the Ethical Trading Initiative (ETI). In 2019, we were re-audited. On that basis, improvements were made and we have been recertified until 2022.
- Food safety: our 3 production sites are certified by Lloyds in accordance with the internationally recognised FSSC22000 food safety standard.
- Sustainable dairy farming: The outdoor grazing and sustainable indoor livestock elements of our Sustainability Programme are monitored by Q-lip. The absence of animal diseases IBR and BVD is checked by the Animal Health Service, while lifespan is checked by cattle improvement cooperative CRV.
- 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 2019, for 2018) we rose from 80th to 52nd place of the 500 largest companies in the Netherlands (and 8th of the 25 food companies).

Corporate culture and codes of conduct

Vreugdenhil Dairy Foods' principles reflect our commitment to a corporate culture based on respect for our norms and values. Our principles must be consistent with our actions. The website gives both internal and external stakeholders the opportunity to report abuses (anonymously if preferred).

See <https://www.vreugdenhildairyfoods.nl/contact/> under 'Report your concerns'.

The rules of conduct and standards we apply are laid down in our [code of conduct](#), [human rights policy](#) and [supplier code](#). The human rights policy applies to all parties that work with Vreugdenhil and meets the following international standards: the fundamental principles and rights at work of the International Labour Organization (ILO), the United Nations Guiding Principles on Business and Human Rights, and the Universal Declaration of Human Rights.

The information for this annual report is provided by internal experts, and is checked by the Sustainability Manager.