



Creating Shared Value

Overview 2019



Creating Shared Value

A more appropriate theme than 'working together' could not have been chosen when we started on this sustainability report. After all, although we have kept a distance from each other (one and a half metres) wherever possible over the past few months, together with all the partners in the chain we are managing to get through the corona crisis.

By working together, we can still continue to collect, process and trade milk unabatedly, and in this way, add value throughout the entire chain every day on an economic, social and ecological level. Fortunately, our product still reaches millions of people around the world every day – people who depend on the healthy and nutritious milk powders of Vreugdenhil Dairy Foods. In this way, 'We bring you the best of milk' remains as topical as ever.

Vreugdenhil operates from the heart of society. The company grows and takes responsibility – not only where we have to take it, but especially where we want to take it. Sustainability is an important part of our five-year strategy for a reason, and a Great Place To Work, Climate-Neutral and Profitable Value Chain are the key building blocks. As a company, we take responsibility in this, as our customers and suppliers (may) expect from us. In this way, together we can make the entire chain more sustainable, step by step.

You can also read about taking responsibility in the story of dairy farmer Verkleij, who talks about the solar panels, LED lighting and heat storage they are investing in as a company. The family business has the ambition to generate even more green energy by means of a wind turbine in the future. A wonderful story of a new generation of dairy farmers who identify opportunities and make their business more sustainable. And there are lots of these great stories that make this sustainability report not only informative.

We want to thank all parties involved in our chain, from dairy farmers and suppliers to customers, for the faith they have had in us. We would also like to thank our employees for their hard work and unbridled dedication. We hope you enjoy reading this annual report featuring stories, figures and pictures.

Jan Vreugdenhil, Chairman
Albert de Groot, CEO



This brochure outlines our performance in 2019 and our goals for the next few years based on our value chain. View our complete annual report on

www.vreugdenhil.com

Any questions or ideas? Let us know!

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We bring you the best of milk!

Vreugdenhil Dairy Foods is realising three ambitions: **profitable value chain**, **great place to work** and **climate-neutral**.



Milk

Vreugdenhil processed 1.35 billion kilograms of milk in 2019.

88.7%

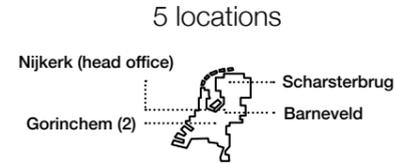
outdoor grazing. This is higher than the Dutch average of 83%.
Goal 2022: 91%

100%

green power consumption.
Goal 2029: climate-neutral production

5 stars

is the BREEAM New Construction certificate for our head office in Nijkerk, which is one of the most sustainable office buildings in the Netherlands.



768 million euros turnover in 2019.

5.6%

sickness absence. In 2018 this was 4.6%.
Goal 2022: <4%

8

litres of milk produces approximately 1 kilo of full cream milk powder.

ISO 45001

is the safety standard according to which we will certify all sites.

459

employees. This is 8.5% more staff than in 2018.

14

lost-time accidents, 2 less than in 2018.
Goal: 0

Export: over 130 countries are supplied with our tasty and nutritious milk powders.



75%

export outside Europe to countries around the equator, where the climate is not optimal for keeping dairy cattle and where the infrastructure for good milk processing is often lacking.

Our products

Full cream milk powder, skimmed milk powder, fat filled powder, cream, special mixtures, ingredients for infant nutrition.

Use of our milk powders

Infant nutrition, milk, yoghurt, ice-cream, chocolate, bakery products.



2 billion

people worldwide suffer from 'hidden hunger' and hence micronutrient deficiency. That is why we enhance the health benefits of our own brands for Africa by adding extra vitamins and minerals.

4,000

Ethiopians will have clean drinking water from the drinking well in Ethiopia for at least 20 years. With our drinking water projects, we match every litre of water we extract from milk during the production of milk powder for the consumer market in Africa.

Our brands

Vremimel, Vremini, Two Cows, Hollandia Street, Holland Horizon, Victoria, Star, Dutch Gold, Classic and Best Choice.

Milk nutrition in everyone's daily diet

That is our vision, because milk is an important component of a healthy diet, and a healthy diet contributes to a long and happy life.

Infant nutrition

We supply ingredients to manufacturers of infant nutrition.

90.2%

of dairy farmers participate in our sustainability programme.

20.4%

lower CO₂ emissions from milk transport (per kilo of milk in comparison to 2013).
Goal 2022: 20% less

21.3%

less energy consumption per tonne of product in 2019 in comparison with 2005.
Goal 2022: 34% less

Evaporation

Due to negative pressure and hence a low boiling point, 80% of the water evaporates.

Packaging

Tin, sachets, 25 kg bags, big bags and bulk.

Spray drying

Condensed milk comes in through spray nozzles at the top of the tower, together with hot air. The moisture evaporates, leaving milk powder at the bottom of the powder tower.

100%

sustainable palm oil. In our fat filled powders we replace milk fat by palm oil, as this yields application benefits and makes the product more affordable.

100%

sustainable soy lecithin. Makes our milk powders easily soluble, even in cold water.