



PURE VEAL

**The social profile of
the VanDrie Group**

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Pure veal



A hand and a calf are to be seen in the VanDrie Group logo, an expression of our respect for man and animal. It is a symbol that underlies our guarantee of quality and craftsmanship.

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The VanDrie Group views veal production as a craft. A craft in which care and respect are important values. That starts with caring for the animals. Some 1,200 dedicated veal farmers take care of our veal calves. Craft is of equal importance in slaughtering and processing. Our 1,750 employees deploy the utmost care to transform veal into the finest of delicacies. This is how we at the VanDrie Group take by-products from dairy farming and the dairy industry in general and - in a spirit of care and respect - invest them with value. Bull calves that used to be slaughtered directly after birth are now reared on by-products derived from the dairy industry to produce tender, melt-in-the-mouth, delicately flavoured veal.

Setting up the chain for responsible production was not a process that happened automatically. In the 1980s and 1990s the veal industry attracted severe criticism, criticism to which we listened carefully. We have developed group housing, the animals' diet has been modified to take account of the calves' needs, a strict system of controls has been set up so as to exclude the use of prohibited substances and plants have been built to convert slurry into high-quality fertiliser.

The introduction of Safety Guard crowns our work. Thanks to this chain quality system, all our operations are safeguarded in a robust, verifiable and transparent manner. At the touch of a button all production data - from the purchase of the newborn calves, the production of calf milk powder and the rearing of the calves, right through to slaughter and veal cutting - are available both to us and to our customers. Safety Guard is thus the backbone of our business, rendering transparent the chain from calf to veal. It gives our product the final quality it deserves: pure veal.

Using the three P's of People, Planet and Profit we are proud to present you with this brochure giving details of our veal production process and the social profile of our family business. We are curious to know your reactions.

Statement:
Respect for people, animals and quality has been a matter of course at the VanDrie Group for generations. The cornerstone of craftsmanship and partnership, and the foundation of the end product we deliver: Controlled Quality Veal.



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Managing Directors VanDrie Group:
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René van Drie

Director Corporate Affairs
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Henny Swinkels

Focus on the chain



The relationship with dairy farmer

The production of milk, butter and cheese is inextricably linked to the birth of calves. If a cow is to give milk, she must bear a calf once a year. Not all these calves stay with the dairy farmer; over half go to veal farmers to produce veal. When these animals are two weeks old we take them from the dairy farmers to our veal farmers.

The veal farms of the VanDrie Group

Veal farms form an important link in our operations. We have contractual arrangements with some 1,200 of them. These are family-run businesses, but the calves remain our property.

The VanDrie Group bears the greatest element of financial risk. The veal farmers can concentrate entirely on looking after the animals.

The veal farmers look after the calves in line with our specifications. Our specially trained operatives assist them in the task. A never-ending process of research provides the latest insights, which we apply on our farms. Modern management systems guarantee the animals' welfare and the superior quality of the veal.

At the VanDrie Group, all the links in the chain of veal production are connected: from the purchase of newborn calves to veal cutting and packaging into portions in consumer packaging. This allows us to monitor and guarantee quality at all stages of the production process.



Siem Jan Schenk, Chairman of the cattle farming section of the Dutch Organisation for Agriculture and Horticulture, says: *"Dairy farmers are happy to transfer calves to veal farmers, as they know the calves will be well taken care of. This also provides a sound economic basis that benefits both sides of the industry. A veal farmer invests calves taken from a dairy farmer with economic value. Sufficient economic activity means that the countryside remains attractive both to live in and to work in."*

Calf milk powder: the diet for calves

Our calves are given a well-balanced diet that ensures the tenderness of the end product. In addition to a daily portion of roughage, the calves are given calf milk powder. This is produced from dairy products supplemented by essential vitamins and minerals. Calf milk powder is produced in a number of locations including Mijdrecht, Staverden and Sittard. Calf milk powder production in the Netherlands amounts to almost 400,000 tonnes a year and we also produce over 150,000 tonnes in our subsidiary companies located outside the Netherlands.

Tailor-made veal production

The calves are slaughtered when they are about eight months old. The animals have by then grown to a certain size and weigh some 250 kilograms. When rearing calves we take account of our customers' requirements. These may concern the shape, weight and colour of the meat, but may also affect the way in which the animals are slaughtered and how the meat is subsequently processed. For instance, all our slaughterhouses are certified to carry out slaughtering in line with Islamic ritual (Halal). Our meat is processed entirely in line with what our customers want.

Two types of veal

The VanDrie Group produces veal and Friander. These two delicacies are produced in separate chains and sold to separate consumer markets. Veal farmers will keep animals to be used for production of either white veal or Friander. The difference is in the age at which the animals are slaughtered and the kind of feed they are given. Veal comes from animals slaughtered when no more than eight months old. Friander comes from specially selected Frisian Holstein calves, and these animals are slaughtered between the ages of eight and twelve months. These animals are also given a larger portion of roughage. The VanDrie Group has set up a specialised channel for each of the two types of meat, with each one responsible for processing and selling the meat.

Maximising best value

Portioning and packing veal in consumer packs, freezing it under specific conditions or preparing it with herbs will all bring out the finest flavour in veal, allowing consumers to make simple, delicious meals.

Not only the meat but also the skins of the calves are used. Calf skins are carefully selected and preserved. We provide the calf leather industry with skins to size. High-quality calf leather is used in the shoe, clothing, furniture and car industries.

Jan Cees Vogelaar, dairy farmer, says: *"Dutch dairy farming could not operate without veal farmers. The animals are reared under optimum conditions and the revenues from the sale of calves provide a welcome boost to our incomes. A further point is that whey powder surplus to cheese production is used to produce calf milk powder. This means that the veal industry makes an indirect contribution to the revenues of dairy farmers."*

Gert Jan Hageman, the proud owner of Amsterdam's "De Kas" restaurant, says: *"We are very pleased to serve veal that has been produced and checked for compliance with sustainable practices. Veal can be cooked in a wide variety of ways and our customers appreciate that versatility. I see this as a bonus for our kitchen: easily digestible, veal combines superbly with the fresh vegetables we grow in our own glasshouse."*



People



Safety Guard



**CONTROLLED
QUALITY
VEAL**



Safe food

A chain is as strong as its weakest link. For that reason we have over the past years invested large sums in ensuring consistency and control across all the links in the production process, with our Safety Guard chain quality programme acting as the driver. This programme enables all the links in the chain to exchange on-line data on dozens of quality aspects relating to the production process. Linking all the data to a specific animal means that the entire history of that animal right up to the end product is available at the touch of a button.

Daily testing, audits and updates of Safety Guard, combined with thoroughgoing checks and inspections conducted on raw materials, live animals and carcasses guarantee the quality and safety of the end product. In the unlikely event of any abnormalities in the product, we can promptly notify our customers because we know precisely to whom meat produced from a specific animal has been supplied. Safety Guard is a closed chain system and is unique in the food agribusiness. It is the first in the world to have been certified by Lloyds Quality Assurance Register Ltd with the Food Safety Supply Chain Certificate.

Long-lasting relationships with employees

As a family business, we understand as no other the value of good, long-lasting relationships and partnerships. Mutual trust encourages the emergence of quality. Which means we take our position as employer very seriously. Investments in "ordinary human contact", training courses and employment conditions have led to something we take pride in: a loyal workforce.

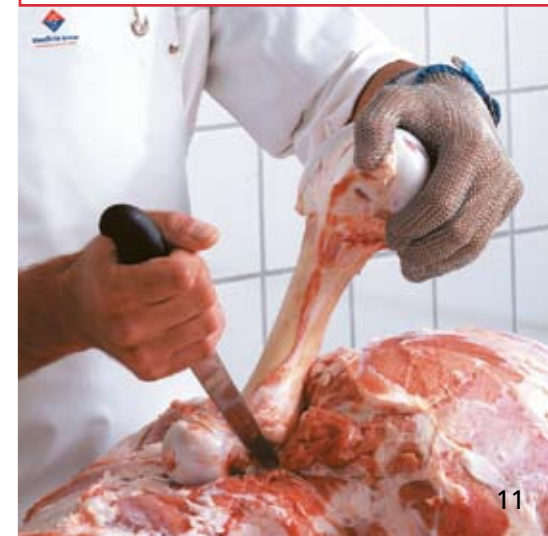
We invest in training our employees and especially so for new recruits. Our in-house training plan gives young people the chance to undertake the Dutch SVO professional training programme.

In 2004 the flag celebrating 25 years of service was hoisted no less than seven times at VanDrie Group companies, and the flag even went up twice for those celebrating 40 years.

Eef Bouman, KSA Aalten employee, says:
"Quality calls for discipline. Only consistent compliance with requirements can yield a top-quality product. New employees are quickly familiarised with the system. What's important in the way we work is that we take a collegiate approach when discussing any shortcomings in what we do."

Renze Vellema, Ekro slaughterhouse manager, says:
"The VanDrie Group is a company that never stands still, which is what makes it so interesting to work with them. We are constantly striving to implement the latest food safety and traceability systems and enhance the efficiency of our production processes."

Lourens te Welscher, one of those whose 25th anniversary we were proud to honour, says:
"I've been enjoying working with the VanDrie Group since the age of twenty and I have strong links with the company. I have the feeling I count, that I'm not just a number and that people listen to me. People working at the VanDrie Group feel very close-knit. It's kind of family. I want to go on working here for a long time to come. My Dad worked here for forty years."



Evert Verwoert, a veal farmer in Opheusden, says:

"In 1996 I took over the business from my father and since then it has expanded enormously. Investments have to be earned back every day, and that's possible thanks to good cooperation with the VanDrie people. A lot of practical ideas get exchanged between the VanDrie Group and veal farmers, and the VanDrie Group gives us scope to exchange know-how with other farmers."



Well-established relationships with veal farmers

The professionalism of veal farmers is of prime importance for the VanDrie Group. The calves are kept on family-run farms that are under contract with us. The farmer is responsible for the animals. Looking after calves requires great dedication from both the farmer and his or her family. Each calf requires individual attention. It's a 24-hour-a-day responsibility. The veal farmer is also the visiting card of the veal production chain. In those regions where veal farming is a major industry, the veal farmer is a major player in the area.

We have built up a robust and long-lasting partnership with our contract veal farmers. In many cases that relationship goes back several generations.

Transparency toward society

The VanDrie Group has a position within society: we want to let people see how veal is produced and we are open to ideas and suggestions. We regularly consult with governmental and non-governmental organisations and with those in politics. One example is our regular consultations with the Dutch Society for the Protection of Animals. At regular intervals we also invite policy-makers, politicians, NGOs, schools and customers to take a look at what we do. Visits are arranged to give them an idea of the entire operation: from calf milk powder production and the stable right through to slaughterhouse operations and cutting the veal. Everybody is welcome to see for themselves how the entire chain is organised and how it operates.

Transparency and openness are integral to our philosophy of doing business. Only through consultation and by letting outsiders see how we produce veal can we ensure our production process matches the goals set by society.

In addition to organising visits we offer presentations of the production process on video and we also have a unique application on the internet called VealVision (www.vealvision.com). VealVision allows customers the world over to check where a calf was born, where it was reared, when and where it was slaughtered and what checks have been carried out. This internet application showcases the veal farmer. This is our way of emphasising the basis that underpins pure veal: taking good care of the calves.

An eye for synergy

The VanDrie Group fully assumes its responsibility as the market leader in the veal industry. We are closely involved in industry consultations with the Dutch Product Boards for Livestock, Meat and Eggs (PVE) and governmental organisations at national and European level.

Where feasible we work with other integrated veal organisations. Examples include the development of a scientific standard for animal welfare, the welfare meter and the SKV, the organisation that runs intensive checks on hormone usage across the entire veal industry.

Bieneke and Bart Peter Stokkink, veal farmers in Oene, say:

"After a bereavement in the family, we decided to carry on with the business. Bart Peter was still at Agricultural Training College. Because he had already been helping out a lot on the farm, knew the veal calf business and was strongly motivated, we started to plan for expansion. Our long-term, open and honest relationship with the VanDrie Group was and remains for us a real source of strength. It's a solid working relationship, with the VanDrie Group sharing your thinking, so you know what's expected of you as a veal farmer. Working with the biggest in the business gives security. The long-lasting relationship is based on mutual trust and is a major factor underpinning our business."

Planet



An integral part of the food industry

Veal is integral to the dairy industry. The veal industry uses by-products derived from the dairy industry, such as whey powder and bull calves. This enables the veal industry to contribute to maximising proper and respectful use of raw materials.

An eye for nature and our environment

Environmental protection is a key aspect of our operations. We have taken an approach to the manure issue that involves transferring a large proportion of the slurry produced to special treatment plants where it is converted into high-quality fertiliser. Calf milk powder is being transported less and less in big packs, and instead is being conveyed in bulk, leading to major reductions in the number of transport operations. The packs used are available for recycling. The meat is packed using materials permitting a longer shelf life. That means less food waste and thus significantly fewer transport operations (some 40 per cent) and lower transport costs. In addition, our contract veal farmers give a vital boost to the rural economy. As far as we are concerned, economic activity and a sustainable environment go hand in hand.

Animal welfare and animal health

“Prevention is better than cure” is a saying we hold in high regard. We invest in group housing, spacious stables with plenty of natural light, the provision of roughage, supervision by accredited vets, proper farm hygiene and research. This benefits the animals’ welfare. Everything is documented in Safety Guard, the VanDrie Group’s award-winning tracking and tracing system that records all the details of every single veal calf.

Together with other Dutch veal producers, the Dutch Ministry of Agriculture, Nature and Food Quality and the Dutch Society for the Protection of Animals we are developing a European welfare meter for veal calves that will allow an objective, scientifically sound and easy-to-implement assessment to be made of the level of welfare veal calves enjoy. This information will help to improve the standard of care further. However, the information can also be used as a guide for investment in housing. Meat with a scientific guarantee for the welfare of the calf.

Animal welfare is important not only in the stable but we also devote attention to this issue at other stages in the production process. We are pioneers in researching improvements in the area of transporting animals. Working with a truck manufacturer, a fully air-conditioned “comfort class” cattle truck has been developed. This allows us to transport animals at a constant temperature of between 18°C and 20°C to minimise their exposure to fluctuations in temperature. Cameras positioned inside the truck allow the driver to keep an eye on the calves.



Thomas Posthumus Meyjes, Director of the Dutch Society for the Protection of Animals, says:
“Working with the VanDrie Group, we were able to get the group housing system for veal calves accepted as the legal norm covering the whole of Europe.”

Profit



A healthy business

Early in 1960 Jan van Drie bought his first newborn calf. Now the business is in the hands of his three sons. In terms of size the VanDrie Group is the largest agri-business in private hands in the Netherlands. We want the foundations that underlie the VanDrie Group to stay firmly rooted in the Netherlands. Management remains firmly wedded to the best traditions of family-run companies. Our balance sheet is healthy and most of the money we earn is reinvested in further developing the chain, the business and the industry.

This has allowed our Dutch-based company to grow into the global market leader in veal. We produce 24 per cent of the veal in Europe. Our company has fixed contract arrangements with 1,200 veal farmers, owns feed companies that produce calf milk powder, has slaughterhouses in the Netherlands and France and a company for high-quality processing of skins. By investing across the entire chain, we can optimise production at every stage.

Ton Huijben, veal farmer in Alphen, says: *"I started out as a veal farmer 33 years ago and have worked with the VanDrie Group ever since. The VanDrie Group offers me the best prospects, both financially and because of the open way they do business. I try to translate this into the way I run my operations. Everybody ought to be able to see the attention I invest in the animals in my care. The stables are located next to a footpath that leads to a small campsite. I don't want a fence between the footpath and the stables, everybody's welcome to take a look. And if they fancy the idea they get a tour."*

Theo Legters, Operational Manager at the T. Boer & zn slaughterhouse, says: *"The VanDrie Group offers plenty of opportunities for growth. The training courses offered there give me the option of moving on to the next step in ones career."*



Key figures

Sales	1.7 billion Euros
Export	94%
Calves slaughtered per year	1.25 million
Market share in Europe	24%
Employees	1750
Indirect job creation	5000
Veal farmers under contract	1200
Calf milk powder production	550,000 tonnes
Dairy raw materials	250,000 tonnes

Export percentages

Italy	± 35%
France	± 16%
Germany	± 14%
Rest of Europe	± 20%
Middle East	± 7%
Rest of the world	± 8%



A healthy future

The VanDrie Group logo features the red, white and blue of the Dutch flag. And with good reason: we take pride in being a Dutch company. With Europe as our most important market, we export to over sixty countries. Dutch agribusinesses remain leaders across the globe. No surprise that it is our wish to continue to carry out the bulk of our business from within the Netherlands.

Ruud Huirne, General Manager of Wageningen University's Animal Science Group, says:
"Dutch veal farming makes a major contribution to our positive trade balance. Together with cheese and clogs, veal is something we can be proud of. Our veal enjoys an outstanding reputation within Europe and contributes to our economic development."

Recent awards won by members of the VanDrie Group

- In 2002 the "Safety Guard" quality assurance system was the first to be certified by Lloyds Quality Assurance Register Ltd with the Food Safety Supply Chain Certificate.
- In 2003 subsidiary T. Boer & zn was presented with the "Trainer of the Year" award by the SVO training institute.
- In 2004 and in 2005 honorary mentions for the Corporate Social Responsibility Incentive Award.
- In 2005 subsidiary T. Boer & zn was presented with the "Talent deserves a chance" award by the SVO training institute.
- In 2005 the "Safety Guard" quality assurance system was awarded the Innovation Award as part of the National Food Week.
- In 2005 the VanDrie Group was awarded the Dutch Logistics Prize 2005 by the Logistics Management Association for its "Safety Guard" quality assurance system.





Calf farms



Calf milk



Slaughterhouses



Skins



Marketing & Communications



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