



# Corporate social responsibility report 2017



*More than just Meat*



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About Vion



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The context in which Vion operates



**44**  
CSR topics



**114**  
About this report

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# Francis Kint: Focus on sustainable meat production, our production workers and animal welfare



**'Vion is a trusted partner for all stakeholders'**  
– Francis Kint

Last year Vion published its first corporate social responsibility, or CSR, report, together with the 2016 annual report. It was the tangible published proof of the management's comprehensive reflection of the major themes in the European meat industry. In November 2017, we were happy to be awarded one of the three Crystal prizes as the fastest climber in the Transparency Benchmark. The Transparency Benchmark is an annual research project on the qualitative and quantitative development of corporate social reporting among the largest companies in the Netherlands.

## **First things first**

Our first CSR report was the start of a long journey. First, a materiality matrix was created in which a list of topics was prioritised based on: (i) its relevance for stakeholders related to our activities; and (ii) where Vion's influence together with other stakeholders could make a difference. For the first CSR report – "first things first" – Vion focused on three key topics: food safety, animal welfare and transparency. Secondly, during the last 12 months, our management has spent significant time on making these priorities part of Vion's DNA. Awareness was created for all our employees, e.g. the Vion's Good Business Practice Guide was updated and it specifically addresses these priorities. Additionally, the CSR strategy was discussed and dispersed through the management lines.

## **Society debates**

Last year, Vion stated in its CSR report that food in general and meat in particular is a subject of numerous societal debates. Since then, these debates have increased, fuelled by footage of misconduct in farms, slaughterhouses and

processing plants. Vion is well placed to show that these are exceptions in a hard-working supply chain of activities that produce a crucial, wholesome and affordable part of the human diet; however, we are not in denial of the issues and the need to improve our industry.

### Focus 2017

During 2017, the CSR strategy continued to focus on:

- **Food safety**, which remains our top priority and our licence to operate;
- **Wellbeing of our employees, especially in the processing plants**: as in many other industries, our production relies on the hard work of our many workers in the processing lines. We have increased our initiatives concerning **worker health and safety**, exchanging best practices and spending time and effort on improvements. **Working conditions of third party labour** is also a top-of-mind topic and Vion is increasing its cooperation with third party labour agencies.
- **Animal welfare**: Every day, Vion handles tens of thousands of animals. It is our priority to respect animal welfare and the integrity of the animal. Since 2016, we have made significant progress in analysing the key elements that will truly improve our performance in this matter. Vion welcomes the fact that the society recognises more and more that a good level of animal welfare is a part of the licence to operate in our industry. A sub-standard performance, however, often results from an inadequate infrastructure. Vion is systematically reviewing its premises and the capital expenditure budgets to include significant amounts for further improvements.
- Vion continues to promote **transparency** in our industry and – similar to Germany – Vion launched the dedicated [www.vion-transparantie.nl](http://www.vion-transparantie.nl) website in the Netherlands during December of 2017.

### Two new topics

There are also two new topics in this report versus the 2016 report:

- Firstly, the Vion CSR efforts are reviewed on the basis of the **Sustainable Development Goals (SDGs)** promulgated by the United Nations. Sustainability is increasingly transforming the businesses of today. Leading companies are raising the bar on sustainability. Examples of Vion's leadership in animal welfare concepts include its Good Farming Star and Good Farming Organic market programmes. The 17 Sustainable Development Goals, whose influence has been growing, offer a comprehensive agenda with goals, targets and indicators that are being used by those companies that want to contribute to a truly global plan of action for people, planet and prosperity. In this CSR 2017 report, we highlight how our efforts are contributing to these SDGs.
- Secondly, we have included **two new items in our list of material topics**. Starting with a CSR strategy, Vion has focused on the topics that are under its direct control. It is, however, undeniable that one of the main concerns in meat production and consumption is the amount of natural resources needed to produce it (land, water, etc.) and its impact on sustainability. Livestock farmers are the major "users" of resources in the full supply chain. Even though Vion has no activities in this area, there is a need – as a major player in the industry – to better understand and quantify this issue. For this reason, it was decided to include the topic of **environmental aspects of livestock farming** in our list of so-called material topics. In the first phase, we have started and participated in projects in order to better understand the metrics of this issue. At a later stage, Vion's ambition is to influence them and to reduce this impact, e.g. through favouring the nutrition of livestock with

by-products from the food industry and agriculture. Also, to better measure our own environmental impact, we have added a second new material topic: **greenhouse gas emissions**.

### Trusted partner for all stakeholders

In conclusion: I am very happy to have embarked on a profound reflection on the key themes of our industry. CSR reporting based on the Global Reporting Initiative (GRI), now combined with our contribution to the Sustainable Development Goals, has provided us with the framework to structure our CSR strategy and to communicate it according to globally recognised standards. I believe that this progress will strengthen Vion as a trusted partner for all our stakeholders, as well as providing Vion with better business opportunities.

Francis Kint  
CEO Vion

# About Vion

ABOUT VION

VION'S CONTEXT

CSR TOPICS

ABOUT THIS REPORT



# Company profile

Vion is an international meat producer with production locations in the Netherlands and Germany and sales support offices in fourteen (at the end of 2017) countries worldwide.

Through its three divisions – Pork, Beef and Food Service – the company provides fresh pork and beef, and by-products for the retail, food service and the meat processing industries.

Vion supplies customers in its home markets of the Netherlands and Germany, and in other countries in Europe and the rest of the world. Vion's headquarters are located in Boxtel (the Netherlands).

Vion Holding N.V. is a public limited liability company under Dutch law. Vion complies with the Dutch Corporate Governance Code.

Vion's sole shareholder, Stichting Administratiekantoor SBT, is a trust office that has issued depositary receipts for its shares to NCB-Ontwikkeling, which acts as the investment fund of ZLTO. ZLTO is an association for entrepreneurs working in the agricultural sector and has approximately 15,000 members in Noord-Brabant, Zeeland and the southern part of Gelderland.



**11,800**  
Average number of employees in FTEs in 2017 (including flex workers)



**5.1**  
Revenue for 2017 in billion euros



**302,000**  
Pigs processed per week



**17,500**  
Cattle processed per week

# Overview of 2017



## January

- Vion is invited by the Minister of Agriculture to speak at the 2017 Food Summit in The Hague, where the top of the Dutch food industry comes together to talk about the food policies of the future.

## February

- Vion rises from tier 4 to tier 3 in global benchmark on animal welfare policy (Business Benchmark on Farm Animal Welfare).



## March

- Vion launches Good Farming Balance, a new demand-driven approach with which the company responds to opportunities in international pork markets. More than 600 pig farmers attended the presentations in Vion's head office in Boxtel.

## March

- Vion invests € 8 million in its production location in Apeldoorn, for modernisation and expansion of the location.

## April

- Vion publishes its first CSR report.
- Over 10,000 people visit the Good Farming Star and De Groene Weg pig farms at the 'AH Buitendag'.
- Vion closes its plant in Zeven to concentrate its volume and investments in Emstek.

## July

- Vion acquires Otto Nocker, a meat processing company, as well as six meat markets in Bavaria, Germany.







## November

- Study tour to Japan at the invitation of a Japanese customer to celebrate 25 years of business cooperation. The tour is attended by 11 pig farmers, supplying Vion.
- Vion wins the “Crystal prize” for fastest climber in the Transparency Benchmark with its CSR report.



- De Groene Weg launches EKO code for the pork supply chain.
- Vion's Group Quality Assurance Manager, Hugo Pol, is elected as Quality Manager Food of the Year 2017 in the Netherlands by the Dutch food trade magazine (VMT).

## December

- Vion's transparency initiative is extended into the Netherlands with the launch of the [www.vion-transparantie.nl](http://www.vion-transparantie.nl) website.



- Vion increases its stake in Best Hides to 60%.

## October

- Vion has one of the most noticed and visited booths on the Anuga in Cologne. In a XXL dry aged vitrine various dry-aged beef products are shown. The pork division launches the Robusto ham, for premium market segment in Italy.
- As part of the Dutch Agri Food Week, Vion organises an event on the Dairy Campus in Leeuwarden (near Vion's new plant) with the theme: 'Strengthening chain cooperation in Dutch dairy cattle husbandry'.

# Financial information

## Key figures

Amounts in millions of euros

	2017	2016
<b>Results</b>		
Revenue	<b>5,070.0</b>	4,758.9
Normalised EBITDA <sup>1</sup>	<b>64.0</b>	61.0
Earnings before interest and taxes	<b>23.5</b>	30.3
Profit for the year	<b>21.8</b>	38.8
<b>Cash flow</b>		
Cash flow from operating activities	<b>39.0</b>	6.2
Cash flow from investment activities	<b>-61.5</b>	-66.4
<b>Balance sheet</b>		
Group equity	<b>446.1</b>	427.8
Balance sheet total	<b>1,007.9</b>	1,018.1
Net debt <sup>2</sup>	<b>50.7</b>	17.7

## General information

The financial information as presented in this CSR report, consisting of the key figures, the consolidated statement of profit and loss, the consolidated statement of financial position, the consolidated statement of total comprehensive income and the consolidated statement of cash flows is derived from the annual report 2017 of Vion Holding N.V.

Vion Holding N.V. prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union. The financial information in this report should be read in conjunction with the annual report 2017 of the company.

	2017	2016
<b>Ratios</b>		
Added value as % of revenue <sup>3</sup>	<b>21.6%</b>	22.0%
Staff costs as % of revenue	<b>10.9%</b>	10.5%
Normalised EBITDA <sup>1</sup> as % of revenue	<b>1.3%</b>	1.3%
Normalised EBITDA <sup>1</sup> as % of added value	<b>5.9%</b>	5.8%
Solvency	<b>44.3%</b>	42.0%
Return on average capital employed <sup>4</sup>	<b>4.9%</b>	6.0%
<b>Employees</b>		
Number of employees (FTEs) at year-end	<b>4,386</b>	4,262
Number of employees (FTEs) including flex workers at year-end	<b>11,925</b>	12,505
Average number of employees (FTEs)	<b>4,310</b>	4,210
Average number of employees (FTEs) including flex workers	<b>11,839</b>	11,507

<sup>1</sup> Excluding impairments, restructuring costs, acquisition costs, results from disposals and divestments of group companies

<sup>2</sup> Long term interest bearing loans and borrowings, other non-current financial liabilities less cash and cash equivalents

<sup>3</sup> Revenue less raw materials and consumables used as percentage of revenue

<sup>4</sup> Normalised earnings before interest and taxes divided by average capital employed (intangible assets, property plant & equipment, investment properties, working capital excluding interest bearing loans and borrowings)

The consolidated financial statements of Vion Holding N.V. and its subsidiaries for the year ended on 31 December 2017 were authorised for publication by the management board following the approval by the supervisory board on 23 March 2018. The financial statements will be submitted to the general meeting of shareholders for adoption.

**Consolidated statement of profit and loss**

(in thousands of euros)

	2017	2016
<b>Continuing operations</b>		
Sale of goods	5,062,348	4,750,119
Rendering of services	7,654	8,777
<b>Revenue</b>	<b>5,070,002</b>	<b>4,758,896</b>
Other operating income	22,156	22,010
Raw materials and consumables	3,976,704	3,710,178
Subcontracted work and external costs	489,816	500,096
Employee benefits expense	551,598	501,352
Depreciation and amortisation	36,142	29,757
Impairment of non-current assets	825	4,402
Other operating expenses	13,529	4,834
<b>Total operating expenses</b>	<b>5,068,614</b>	<b>4,750,619</b>
<b>Earnings before interest and taxes</b>	<b>23,544</b>	<b>30,287</b>
Finance costs	-6,875	-7,622
Finance income	130	1,060
Share of profit of associates and joint ventures	1,217	2,136
<b>Profit before tax from continuing operations</b>	<b>18,016</b>	<b>25,861</b>
Income tax income/(expense)	3,833	12,949
<b>Profit for the year</b>	<b>21,849</b>	<b>38,810</b>
<b>Attributable to:</b>		
Equity holders of the parent	20,122	36,521
Non-controlling interests	1,727	2,289
<b>Total</b>	<b>21,849</b>	<b>38,810</b>

## Consolidated statement of financial position

(in thousands of euros)

Assets	2017	2016
<b>Non-current assets</b>		
Property, plant and equipment	289,256	251,246
Investment properties	1,450	1,701
Intangible assets	49,974	40,577
Investment in associates and joint ventures	10,094	9,104
Other non-current financial assets	4,011	8,829
Deferred tax assets	32,456	28,574
<b>Total non-current assets</b>	<b>387,241</b>	<b>340,031</b>
<b>Current assets</b>		
Inventories	176,656	157,980
Trade and other receivables	414,830	435,730
Prepayments	4,348	11,539
Other current financial assets	2,095	4,679
Income tax receivable	165	1,514
Cash and cash equivalents	20,858	62,514
	<b>618,952</b>	<b>673,956</b>
Assets held for sale	1,714	4,146
<b>Total current assets</b>	<b>620,666</b>	<b>678,102</b>
<b>Total assets</b>	<b>1,007,907</b>	<b>1,018,133</b>

Equity and liabilities	2017	2016
<b>Equity</b>		
Issued capital	2,285	2,285
Share premium	372,716	372,716
Legal reserves	20,593	11,604
Retained earnings	18,804	-11,849
Result for the year	20,122	36,521
<b>Equity attributable to equity holders of the parent</b>	<b>434,520</b>	<b>411,277</b>
Non-controlling interests	11,616	16,488
<b>Total equity</b>	<b>446,136</b>	<b>427,765</b>
<b>Non-current liabilities</b>		
Interest-bearing loans and borrowings	16,141	16,248
Other non-current financial liabilities	1,080	6,930
Provisions	1,571	1,486
Net employee defined benefit liabilities	133,414	139,512
Deferred tax liabilities	8	-
<b>Total non-current liabilities</b>	<b>152,214</b>	<b>164,176</b>
<b>Current liabilities</b>		
Trade and other payables	345,604	350,977
Interest-bearing loans and borrowings	53,656	57,039
Other current financial liabilities	5,086	12,121
Income tax payable	2,566	1,536
Provisions	2,645	4,519
<b>Total current liabilities</b>	<b>409,557</b>	<b>426,192</b>
<b>Total liabilities</b>	<b>561,771</b>	<b>590,368</b>
<b>Total equity and liabilities</b>	<b>1,007,907</b>	<b>1,018,133</b>

**Consolidated statement of total comprehensive income**

(in thousands of euros)

	2017	2016
<b>Profit for the year</b>	<b>21,849</b>	<b>38,810</b>
<i>Other comprehensive income</i>		
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):		
Exchange differences on translation of foreign operations	-2	610
Gross (loss)/gain on cash flow hedges	1,141	879
<b>Net other comprehensive loss to be reclassified to profit or loss in subsequent periods</b>	<b>1,139</b>	<b>1,489</b>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax):		
Remeasurement gains (losses) on defined benefit plans	724	-3,328
<b>Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods</b>	<b>724</b>	<b>-3,328</b>
<b>Other comprehensive income/(loss) for the year, net of tax</b>	<b>1,863</b>	<b>-1,839</b>
<b>Total comprehensive income for the year, net of tax</b>	<b>23,712</b>	<b>36,971</b>
<b>Attributable to:</b>		
Equity holders of the parent	21,985	34,682
Non-controlling interests	1,727	2,289
<b>Total</b>	<b>23,712</b>	<b>36,971</b>

## Consolidated statement of cash flows

(in thousands of euros)

	2017	2016
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	18,016	25,861
<b>Profit before tax</b>	<b>18,016</b>	<b>25,861</b>
Non-cash adjustments to reconcile profit before tax to net cash flows:		
Depreciation and impairment of property, plant and equipment	33,190	32,272
Depreciation and impairment of investment properties	251	99
Amortisation and impairment of intangible assets	3,527	1,788
Gain on disposal of property, plant and equipment	-12,802	-1,459
Finance income	-130	-1,060
Finance costs	6,351	7,622
Net foreign exchange differences	524	-
Share of profit of associates and joint ventures	-1,217	-2,136
Movement in provisions, pensions and government grants	-7,852	-18,369
Working capital adjustments:		
(Increase)/decrease in trade and other receivables and prepayments	28,085	-53,302
(Increase)/decrease in inventories	-18,677	-29,986
Increase/(decrease) in trade and other payables	-5,193	51,323
<b>Total cash flow from business operations</b>	<b>44,073</b>	<b>12,653</b>
Interest received	921	747
Interest paid	-5,716	-4,773
Income tax received/(paid)	-214	-2,458
<b>Net cash flow from operating activities</b>	<b>39,064</b>	<b>6,169</b>

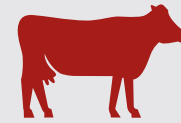
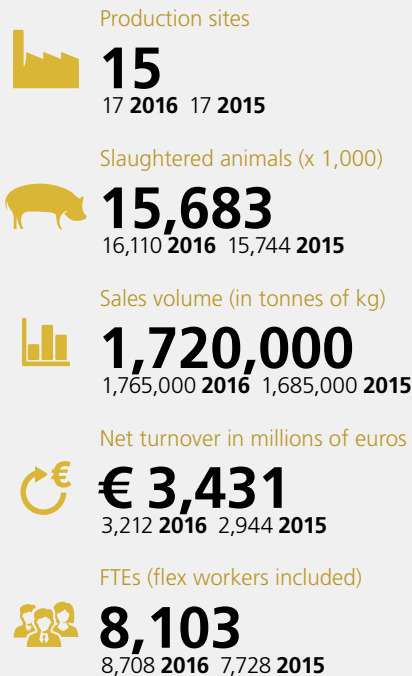
	2017	2016
<b>Cash flow from investment activities</b>		
Proceeds from sale of property, plant and equipment	14,724	1,894
Purchase of property, plant and equipment	-68,026	-61,755
Purchase of investment property	-	27
Purchase of intangible assets	-2,649	-319
Development expenditures	-8,600	-6,931
Proceeds from sale of financial fixed assets	9,937	650
Purchase of subsidiaries	-6,922	-
<b>Net cash flow from investment activities</b>	<b>-61,536</b>	<b>-66,434</b>
<b>Cash flow from financing activities</b>		
Proceeds from borrowings	-	10,186
Repayment of borrowings	-4,231	-360
Proceeds from non-bank debts	3,152	-
Repayment of non-bank debts	-	-542
Acquisition of non-controlling interest	-15,370	-6,711
Dividend paid to non-controlling interests	-2,643	-2,267
<b>Net cash flow from financing activities</b>	<b>-19,092</b>	<b>306</b>
Net increase/(decrease) in cash and cash equivalents	-41,564	-59,959
Net foreign exchange difference	-92	-105
Cash and cash equivalents at 1 January	62,514	122,578
<b>Cash and cash equivalents at 31 December</b>	<b>20,858</b>	<b>62,514</b>

# Three divisions

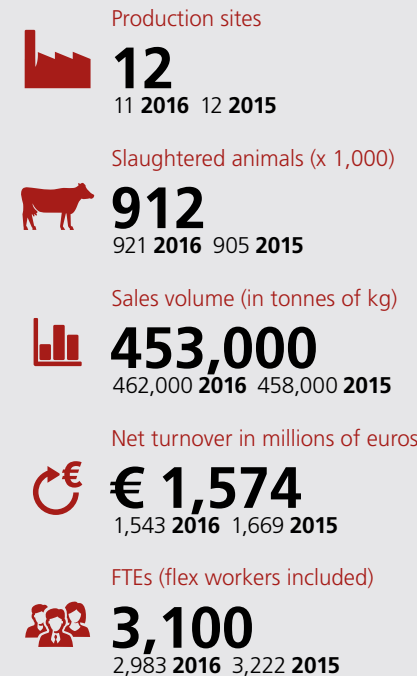
Vion has three divisions: Pork, Beef and Food Service, with 25 production sites located in the Netherlands and Germany and 14 sales support offices located in various European countries, China/Hong Kong and Singapore. We have invested in the expansion of our production site in Apeldoorn. In 2017, we concentrated our activities in Niedersachsen in Emstek and we closed our site in Zeven.



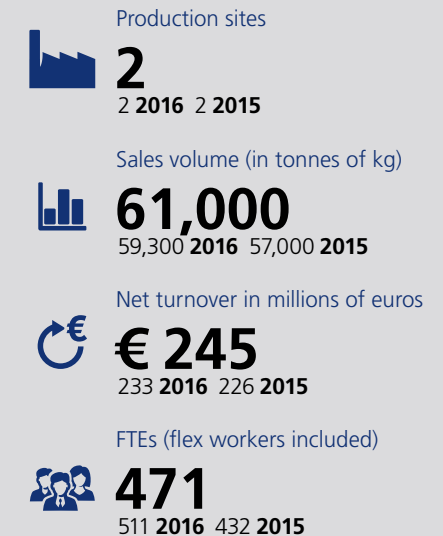
**The Pork Division** processes approximately 300,000 pigs per week. The resulting meat is supplied to national and international retailers, as well as food service and food processing companies. Basic raw materials are delivered to industrial customers who process the pork into a wide range of meat products. Besides this, fresh pork is processed by Vion into semi-finished and finished products for the domestic and export retail markets.



**The Beef Division** processes approximately 17,500 cattle per week. The resulting meat is supplied to national and international retailers, as well as food service and food processing companies. Basic raw materials are delivered to industrial customers who process the beef into a wide range of meat products. Besides this, fresh beef is processed by Vion into semi-finished and finished products for the domestic and export retail markets, including the Vion Food Service Division.



**The Food Service Division** operates two production plants: Großostheim for hamburger patties and Holzwickede for schnitzel, haxer and minced beef and poultry products. In addition, the division has long-term strategic alliances with external production partners in Europe as well as in Asia. At the production sites, meat is processed into products for predominantly the German market, with exports to the countries surrounding Germany.



# Production sites



# International sales support offices





# Markets served

Vion supplies the retail, food service and the meat processing industries in its home markets of the Netherlands and Germany, as well as in other countries in Europe and the rest of the world. Vion's operations have market access to all relevant global food markets.

## North America



**42,000**

46,000 2016  
32,000 2015

## Asia



**521,000**

507,000 2016 310,000 2015

## Other countries



**60,000**

46,000 2016 41,000 2015

Net turnover per market in thousands of euros

# Europe

4,160,000 2016 4,187,000 2015

Germany  
**2,051,000**

2,028,000 2016 2,061,000 2015

United Kingdom  
**205,000**

191,000 2016 199,000 2015

Netherlands  
**654,000**

557,000 2016 555,000 2015

Greece  
**180,000**

161,000 2016 155,000 2015

Italy  
**466,000**

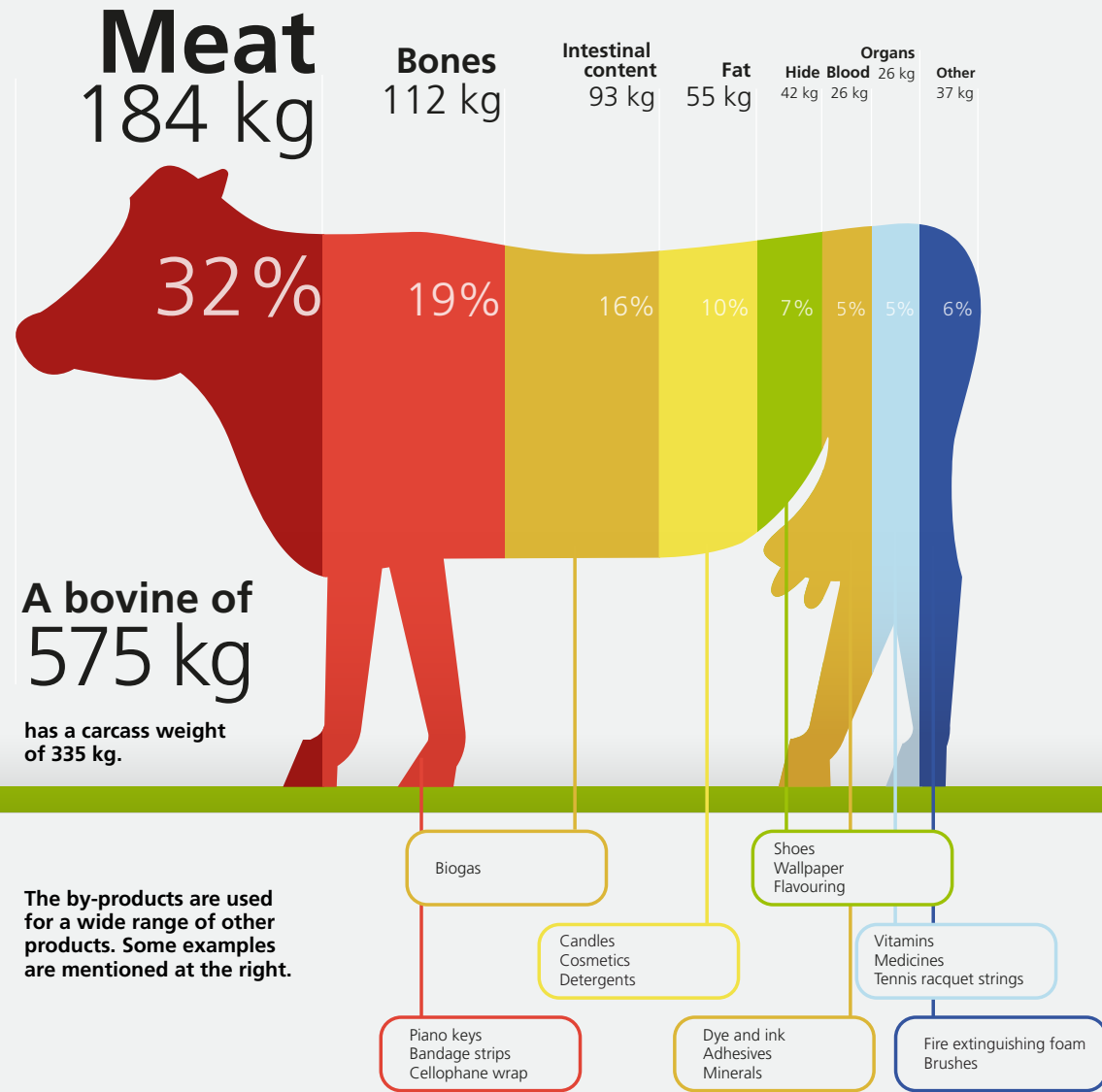
432,000 2016 424,000 2015

Other European countries  
**891,000**

791,000 2016 793,000 2015

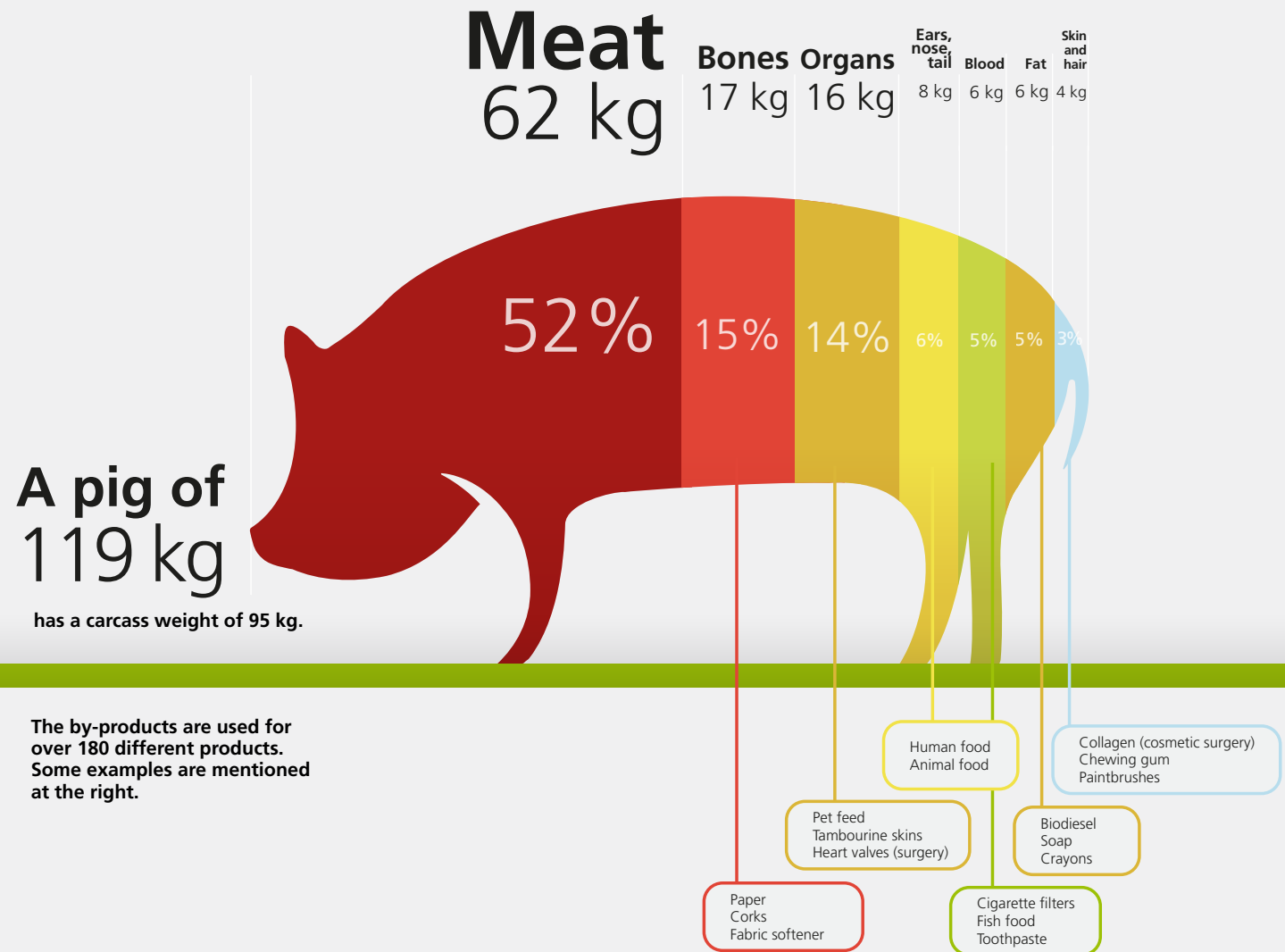
# Our products

Vion valorises all parts of the animal by utilising them in the best possible way. An average pig weighing 119 kg produces 55 kg of meat; and an average bovine weighing 575 kg produces 195 kg of meat. The remaining raw materials are used for a wide range of other products. In 2016, Vion invested in whole carcass use to realise an optimal income from each individual carcass. In the Pork Division, we improved the plants' flexibility to meet different market demands. In the Beef Division, we founded a central marketing and sales organisation for all beef specialties beyond the classic meat cuts. Vion is continuing on this path in 2017.



Besides beef, the by-products with the highest turnover are:

- Skin
- Organs
- Intestines



# Our brands



**Food Family** supplies fresh pork and beef of the highest quality. Food Family demands strict controls on raw materials, high processing standards and consistent quality.



Brands in the Netherlands



**Good Farming Star** offers premium pork which is supplied to the retail and meat processing industry and is characterised by the extra attention paid to animal welfare and sustainability. It meets the criteria for 1 star from Beter Leven Keurmerk.

The main differences from regular pork are:

- The pigs have more space.
- The animals have access to objects which create a more attractive environment for the animals to live in.
- Boars are not castrated.
- The transportation time to the meat processing plant is monitored and maximised.

Furthermore, the program complies with the sustainability requirements such as green energy and RTRS soy in the value chain. Good Farming Star offers known-origin meat from a selected group of farmers that is produced in a controlled and transparent supply chain.



**encebe Vleeswaren** supplies basic products such as cooked sausages, cooked hams, liver products, dry sausages and smoked (bacon) products, with in-depth knowledge of the products and extensive experience in traditional processing. In addition, specialties and client-specific products are developed in close cooperation with the customer. These are delivered to wholesalers, and retailers in the home market and abroad. For the industry, meal components are produced according to customer requirements.



**Weylander** products are made of premium beef that is matured in the packaging for flavour and tenderness. Weylander is available in various supermarkets in the Netherlands.



**Robusto** is a premium quality ham for the top segment of the Italian and Spanish market. The ham, originating from Vion's supply chain concept Good Farming Balance, is developed especially for the top producers of dried ham.



**De Groene Weg** has been the market leader in organic beef and pork in the Netherlands since 1981. This brand is supplied to customers in Europe. The products meet the European standards for organic production and the criteria for 3 stars from Beter Leven Keurmerk.

The main differences from the Beter Leven Keurmerk 1 star criteria for pork are:

- The pigs have extensive space and outdoor access.
- The pens have straw bedding.
- The pigs are fed with organic feed.
- The tails of the pigs are intact.
- The transportation time to the meat processing plant is limited to a maximum of 6 hours.

From January 1<sup>st</sup>, 2018, the pig farms of De Groene Weg also complies with the new EKO-label requirements. The EKO-label is a Dutch organic label that has requirements on 12 different themes that go beyond the European Organic label.



### Brands Germany



**Hackplus** products consist of meat combined with protein from vegetables or wheat and it contains less fat and salt. Hackplus is available in various supermarkets in Germany.



**Goldbeef** is high quality beef that is distinguished by its deep-red meat colour and fat marbling that indicates its quality. It is offered in different quality categories including 'dry aged beef' and from special breeds such as 'Simmental'.



**Schweinegold** represents fresh pork for exclusive markets and the meat industries in Japan and Korea.



**Otto Nocker** 'The gourmet professionals from the Allgäu region'.

Otto Nocker is a meat and sausage specialist from Germaringen (Bavaria, Germany). Otto Nocker covers a very wide range of classic Bavarian sausage specialties and tailor-made products for regional supermarkets, hotels and restaurants, international food service customers and business-to-business. The meat and sausages are sold among others through various meat markets in Bavaria.



**BestHides** is a globally active supplier of chilled & wet salted hides and wet salted calfskins from north, central and south Germany. Whether for high-class smooth grain leather articles in car interiors, for finest shoe- and garment-leathers or furniture leather, the product portfolio of BestHides provides a huge range of German and European hides and skins.



### Food Service brands



**SALOMON FoodWorld** offers a wide range of innovative burgers, centre-of-plate and finger food products for the out-of-home market in various European countries.

SALOMON FoodWorld's three successful concepts are Finger Food Hits, Handheld Snacks and Centre-of-Plate.



The **FVZ Convenience** brand offers schnitzel, poultry, minced meat, haxer and vital for caterers and the out-of-home market in Germany.

# Our people



**Many industries and companies can claim that their employees make the difference, but this is especially true for Vion. There are tangible reasons for this.**

To begin with, the nature of production operations is closer to *high volume craftsmanship* than automated line work. Every animal, every muscle is different and needs to be treated with know-how and manual skill. The output needed is different for every market served, as meat consumption habits differ. For this reason, Vion produces thousands of different products. Many positions in the line are crucial for creating those products. Most positions cannot be automated. Around the lines and in our storage rooms, other employees are continuously improving our semi-finished and finished products to select and make the perfect match between the products and the markets and/or customers.

Beyond the needed skills, discipline must be maintained to guarantee food safety at all times. Cold chains need to be contained, working protocols must be respected and some positions require craftsmanship and exercise. Vion is of course fully aware that these jobs are challenging.

In its operations in the Netherlands and Germany, workers have 41 nationalities. Vion has taken many initiatives to create a secure working environment such as its Safety Policy, VOS (Vion Operating System), the Good Business Practice Guide (translated in 12 languages) and acquisition possibilities for language courses. All the above explains that the health and safety of our workers in the processing plants and working conditions of third party labor are relevant and thus identified as material CSR topics.

Our middle management is equally crucial, because of the high level of complexity: our business is in essence a *disassembly operation* with the objective to create the maximum value out of a slaughtered animal. As butchers in past centuries, we do this with full respect for these animals and consider it our duty to use every part of it for an optimal value for our customers and the end consumers. In such an operation, we know the price paid for livestock but the determination of the price of components is the result of an allocation, which does not provide an as stable cost accounting as in assembly industries. To maximize this value, Vion sells these products to 6,500 active customers in 100+ countries. These customers are of very different nature such as retailers, traders, wholesalers or industrial customers that further process our products. Also, because of constant market fluctuations – typical for Agri-Food and perishables industries – this “valorization exercise” has different outcomes during the year. Because Vion handles large volumes, decisions have a big impact.

No need to explain that the above described complexity requests a high level of different skills such as intellect and stress resistance. Vion is therefore increasing its efforts in attracting and maintaining young talent that are attracted by the agri-food industry.

The upper layers of our management have to deal with a long list of parameters to make their decisions. The future purchase prices depend on herd levels, slaughtering numbers. Our sales prices in 100+ markets depend on demand levels (self-sufficiency rates and import needs, consumption, religious choices, exchange rates). For this reason, Vion needs managers than can deal with a vast amount of variables to make the crucial business decisions such as resource allocations and management of the business mix.

# Corporate governance and organisational structure



## Ownership

Vion's sole shareholder, Stichting Administratiekantoor SBT, is a trust office that has issued the depositary receipts for its shares to NCB-Ontwikkeling, which acts as the investment fund of ZLTO. ZLTO is an association for entrepreneurs working in the agricultural sector, and has approximately 15,000 members in Noord-Brabant, Zeeland and the southern part of Gelderland.

## Legal form and corporate governance

Vion Holding N.V. is a public limited liability company under Dutch law with a two-tier board. Because Vion is not listed on a stock exchange, the Dutch Corporate Governance Code does not apply to Vion. Nevertheless, Vion has chosen to voluntarily apply the principles and best practice provisions of the Dutch Corporate Governance Code.

## Organisational structure

There were no significant changes to the organisation's structure or ownership in 2017. The management board of Vion consists of the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO). The management board is supported by an executive committee. The executive committee consists of the CEO, CFO and the Chief Operating Officers (COOs) of the Pork, Beef and Food Service Divisions, and any others appointed as key officers by the management board. The executive committee is led by the CEO.

The management board is ultimately responsible for the actions and decisions of the executive committee and the overall management of Vion, including the decisions on all CSR topics. The management board is supervised and advised by a Supervisory Board, including on the CSR topics.

The management board and the Supervisory Board are accountable to Vion's General Meeting of Shareholders.

## Our employees

In 2017, Vion had 4,962 employees and 8,483\* third-party labourers working to build on Vion's success. The number of flex workers is quite high and is mainly due to the need for flexibility in the company's operations. Our third-party labour workers mostly work in the production, e.g. slaughtering, deboning, packaging and cleaning processes.

Around a quarter of our employees work part-time. Due to the nature of our production processes, most of the workers are male. Around a quarter of our employees are women.

For more details, see appendix 1 on page 122.

\* Average total number of employees in FTEs 11,800.

# Management board and executive committee

The management board of the company is comprised of Francis Kint (CEO) and Joost Sliepenbeek (CFO). The executive committee further includes Frans Stortelder (COO Pork Division), Bernd Stange (COO Beef Division), and Bernd Stark (COO Food Service Division).



*From left to right: Joost Sliepenbeek, Francis Kint, Bernd Stange, Bernd Stark, Frans Stortelder.*



# Mission, vision and strategy



## Mission

Vion wants to be a **global leader and reliable partner** within the food supply chain that provides people around the world with safe meat products.



## Vision

Vion's vision is to be a leading actor in the **consolidation** and **professionalisation** of the meat industry.



## Strategy

To increase the value of Vion, for the benefit of all stakeholders (shareholders, suppliers, customers and employees)

### 1. Continuously improve our infrastructure and results

Our industry calls for state-of-the-art infrastructure to guarantee food safety and a competitive cost structure. By working and investing to make itself more efficient, Vion is creating benefits for the entire chain and industry, not the least so for the primary (farming) sector.

### 2. Position Vion as a game changer in selected themes of our industry

The meat industry is the subject of tough societal debates, covering four important themes: animal welfare, supply chain (traceability, food safety and product integrity), sustainability of meat production and human health. Vion intends to be an actor in implementing solutions.

### 3. Change the business mix

The meat industry, in particular pork is volatile. We want to reduce the variability of the company's earnings through: a recalibration of the size of our three major businesses, implementing new methods that reduce the volatility in the value chain and increasing our activities in more value-added products.

#### Core values



Quality



Transparency



Sustainability



Ambition



Pride

# The way we do business

## Our core values

We have identified five core values, which we regard as part of our DNA.



### Transparency

Transparency is a key value that is not very common in our industry. We want to be the leader of this industry in terms of transparency. We are therefore taking the first initiatives in new ways of being open and providing information. Examples of this are the publishing on our website of the results of audits and other reports. When challenged, we commit to full cooperation and are always open for visits and discussions.



### Ambition

We acknowledge that we can improve our performance in many areas and have the ambition to do so year by year. The main areas for improvement are profitability, innovation and differentiation.



### Quality

Our entire supply chain and production is focussed on providing the highest quality standards. Vion strives to have a leading position with respect to the control of (micro) biological, chemical and physical hazards in its products. Vion expects the same high safety and quality standards from its suppliers. Besides food safety, the other consumer attributes of Vion products are also of major concern, such as the convenience of use, taste, colour and the aroma of the products. The continuous improvement of our products in this respect, e.g. through research and development, is of utmost importance.



### Sustainability

The production of meat requires a higher amount of natural resources than some other foodstuffs. However, this needs to be put into perspective by the high nutritional value of meat. Nevertheless, it is our duty to make progress on all major sustainability topics. For this reason, we report yearly on our progress and we have made 'sustainability' part of our DNA. All workers are required to act according to our CSR strategy and ambitions. We stimulate our workers to think and talk about CSR and the dilemmas they face when making decisions. In our internal means of communication, like the Vion app, personnel magazine, team meetings and town hall meetings, we pay attention to different CSR topics. We also stimulate our workers to discuss CSR topics externally, to distribute our CSR report and to ask for feedback.



### Pride

We are proud of the essential role that our company plays in the food industry. We realise that meat is the subject of societal debates and we do not shy away from this issue. To the contrary, we are contributing to it and we intend to be a leading company in providing solutions to these themes.

# The way we do business

## Our business principles

When doing business, we are guided by the following six business principles, which all of our employees are asked to put in practice.

### Economic fundamentals

Profitability is essential to fulfil all the responsibilities and to safeguard the continuity of our business. Vion competes on an international scale and intends to take up leading and/or unique market positions. Entrepreneurship, a market-oriented approach, efficiency and effectiveness are essential to our success.

### Animal welfare and animal health

Wholesome and safe animal products can only be derived from healthy livestock. The well-being and health of livestock are strongly linked to each other, and in addition, Vion also values the integrity of the animals. For this reason, Vion encourages measures that are aimed at enhancing animal welfare. Vion is committed to the ethically responsible treatment of animals, based on scientifically sound guidelines. This is also expected from the livestock farmers, intermediaries and the hauliers in the company's supply chain.

### Integrity

Correct ethical behaviour, sincerity, trustworthiness and integrity are the guiding principles for Vion in all aspects of its dealings. The company also expects these values from all its relationships. All transactions must be accurately and properly justified in accordance with prescribed procedures and be fully available for external audits.

### Human capital

Vion is fully aware that success is largely dependent upon the dedication and welfare of its employees. They are considered as the most important asset of the business. Vion offers its employees good and competitive working conditions, encourages their development and enables them to deploy their talents. Vion invests in the education and training of its employees and offers a working environment in which the conditions are safe and healthy.

### Social commitment

Vion contributes to the improvement of the quality of life and behaves as a good citizen of the communities in which it is active.

### Compliance

Vion endeavours to comply with all of the internal standards, legislation, and regulations in every country where it operates.

# The way we do business

## Our code of conduct and whistleblower procedure

**We have strict procedures for our employees, including temporary and contract workers.**



### Code of conduct

Vion's business principles and core values are laid down in a code of conduct. Together with the whistleblower policy, the code of conduct was updated completely in 2016.

In 2017, the code of conduct was reviewed, which led to the introduction of animal welfare and food safety and product integrity as separate sections and a clarified definition of our employees which includes temporary and contract workers.

Early in 2018, we will communicate the revised code of conduct together with our whistleblower policy and our approach to information security, data privacy and fraud prevention in a new version of our so-called Good Business Practice Guide that every employee receives.



### Whistleblower procedure

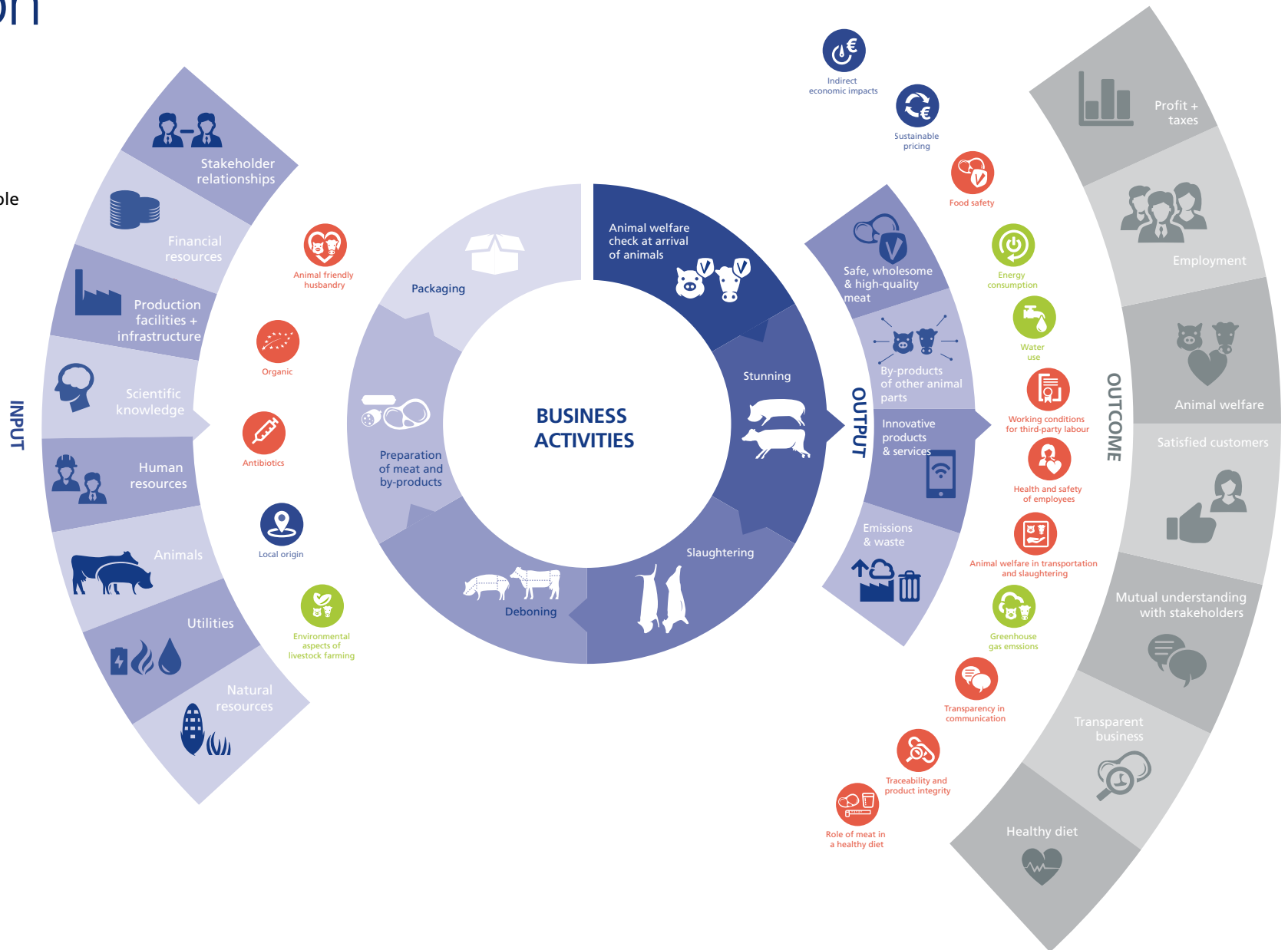
In 2017, we have received in total eight reports under the whistleblower policy (2016: 1). Six were related to human resources (e.g. relating to harassment, working conditions or salaries). The other two involved alleged fraud and violations against the hygiene and safety standards. All reports were followed up and the appropriate actions have been taken.

In 2017, we again received no notifications of corruption nor bribery. Our policy is that, in a case of proven corruption or bribery, the respective employee will be fired immediately.

The Vion whistleblower policy aims to support compliance with laws, integrity in financial management, a healthier and safer work environment, and effective corporate governance. We want to ensure that any employee of Vion can make a report without the risk of retaliation, and with the assurance that all reports are treated confidentially and are promptly investigated. In addition to reporting directly to management, human resources or the management board, employees can contact the whistleblower line, which is operated by an external service provider. This allows employees to report issues anonymously.

# Value creation model

Our value creation model shows how we create value and work on a sustainable future.



# Vion's context

ABOUT  
VION

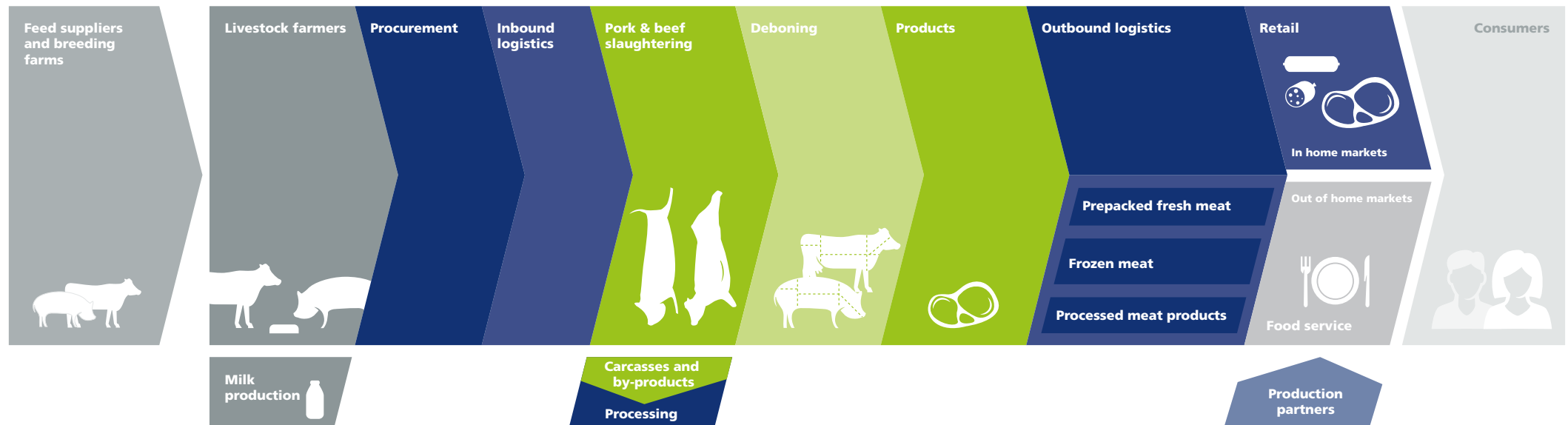
VION'S  
CONTEXT

CSR TOPICS

ABOUT THIS  
REPORT



# Value chain



Vion is a player in the middle of the meat supply chain. We have long-term relationships with our farmers, logistic partners and customers, to deliver safe and high-quality meat for consumers all around the world. There were no significant changes in the supply chain in 2017.

Almost all our live animal suppliers are located in our home countries of the Netherlands and Germany. The number of livestock farmers in our home markets is decreasing; while the average number of animals per farm is increasing. In 2017, over 10,000 pig farmers and over 53,000 cattle farmers delivered their animals to Vion.

In the Netherlands, around 90% of all meat products are sold through supermarkets, compared to 80% in Germany. Due to their concentration, the supermarkets have a strong buying power.

Parts of the value chain in which Vion is active ●●●  
 Partly active ●●●  
 Not active ●●●

# Our stakeholders

Besides our partners in the meat supply chain, Vion has many other stakeholders. We have identified Vion's stakeholders based on the existing direct and indirect relations. These stakeholders are plotted on a stakeholder map. This map differentiates the stakeholders according to:

- The extent to which the stakeholder is likely to show an active interest in the organisation's strategies.
- The stakeholder's influence on Vion's success.

The most important stakeholders are the ones that both show an active interest in Vion and have a high influence on our success. Examples of these are our consumers, customers, suppliers, employees and financial stakeholders. We want to involve these stakeholders actively in our CSR strategy and activities.

We are continuously monitoring the preferences and developments of the consumers with our Consumer Monitor. This monitor, conducted by GfK in our home markets of the Netherlands and Germany, reveals interesting information about the developments and requests of the entities we finally do our business for, the consumers.

On many material topics, we are working closely with our customers, suppliers, and other supporting stakeholders like ZLTO, to realise improvements and to reach our targets. To open a dialogue and to learn from each other, Vion organises stakeholder discussions about (material) CSR topics and participates in round table discussions. These dialogues lead to the selection of our material topics, which are the basis of our CSR strategy, and to refining our approach to these topics. In addition, Vion provides specific stakeholders with the opportunity share their opinion on the material topics in interviews for our quarterly German farmers' magazine proAgrar. See appendix 2 on page 123 for an overview of our stakeholders and how we engage with them.







# Trends in the market

There are ten trends that drive change in the global food market and that have an impact on Vion.

Source: Trends based on the Vion Sector Analysis, Roland Berger, 2016

## Trends

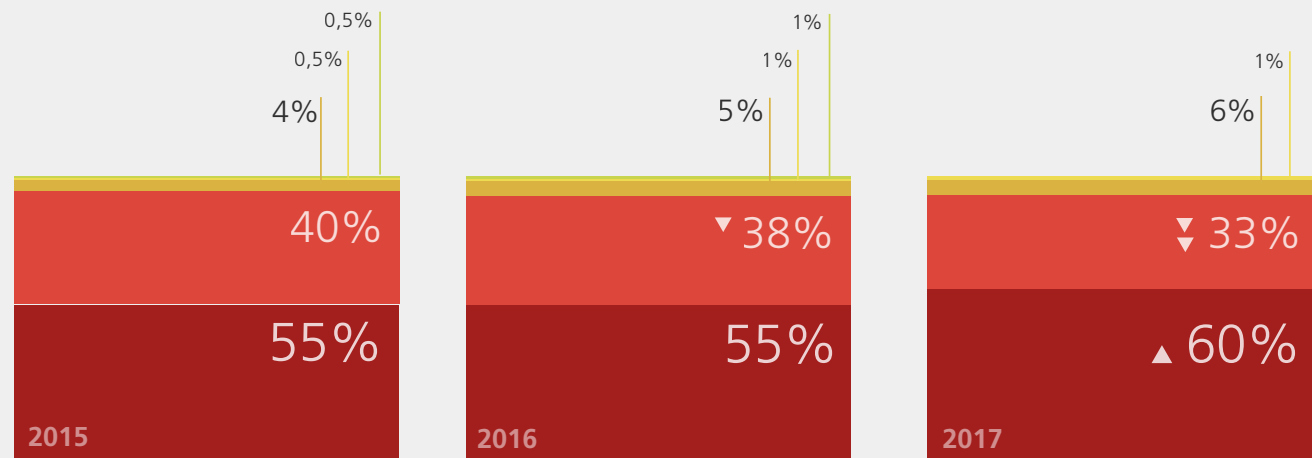
## Implications

1	<b>Growth in emerging markets</b>	Demand shift, changing diets
2	<b>Health</b>	Fitness & wellness, low-fat/sugar/sodium, pharma convergence
3	<b>Food safety</b>	Regulation, tracking & tracing, vertical integration
4	<b>Volatility</b>	Volume, quality, prices
5	<b>Production shift</b>	Upcoming processing infrastructure in emerging markets
6	<b>Differentiation</b>	Poor versus rich, premiumisation versus smart shopping, customisation
7	<b>Consumer activism</b>	Fair and sustainable products, transparency
8	<b>Sustainability</b>	Increasing pressure on land and water usage, biodiversity, greenhouse gas emissions
9	<b>Changing diets</b>	Dispersion of diets as a result of globalisation, migration, and alternative sources of protein
10	<b>Technological developments</b>	Genetics, crop yield, extraction, processing possibilities



# Trends in our home markets

**Did any members of your family change their meat consumption / or do they intend to change their meat consumption?**



- Yes** the consumption of meat will increase
- Yes** the consumption of meat has increased
- Yes** the consumption of meat will decrease
- Yes** the consumption of meat has decreased
- No**

Source: Vion Consumer Monitor in the Netherlands, 2017

# Relevant CSR topics

With regard to our business, and the effect of the other companies in the supply chain on our business, we have developed a list of the relevant CSR topics for Vion. Based on frequent contact with our important stakeholders, the key issues of other stakeholders and research among consumers, we defined the relevant CSR topics for each stakeholder group. For an overview see: appendix 3 on page 126. The sources used for this analysis are part of our daily business and are used for strategic decision making.

The meat industry has been receiving a lot of attention in recent years, especially on matters related to health, product integrity, animal welfare, environmental impact and pricing. These topics are of concern to a lot of our stakeholder groups and are covered in one or more topics.

We have listed 30 relevant topics:

- 18 social topics (including animal welfare).
- 9 environmental topics.
- 3 economic topics.

## Relevant social topics

- Food safety
- Animal welfare in transportation and slaughtering
- Transparency in communication
- Traceability and product integrity
- Animal-friendly husbandry
- Antibiotics
- Role of meat in a healthy diet
- Salt, fat and sugar content
- Additives
- Global food security
- Organic
- Employment
- Health and safety of workers
- Training and education of employees
- Diversity and integration
- Working conditions for third-party labour
- Nuisance for neighbours
- Community involvement

## Relevant environmental topics

- Environmental aspects of livestock farming
- Water usage
- Energy consumption
- Greenhouse gas emissions
- Waste management
- Sustainable packaging
- Food waste avoidance
- Sustainable feed
- Biodiversity

## Relevant economic topics

- Indirect economic impacts
- Sustainable pricing
- Local origin

# Materiality analysis

To define the most material topics out of all the 30 relevant topics, we performed a materiality analysis with the representatives of different departments. We evaluated each topic based on two dimensions:

- **The extent to which the topic has an influence on the assessments and decisions of stakeholders**

To determine the first dimension, we defined the importance of that topic per stakeholder group on a scale of one to ten. The most important stakeholder groups were given more weight than the other stakeholder groups. The weighted average determined the place of that topic on the y-axis of the materiality matrix.

- **The significance of Vion's social, environmental and economic impact on that topic**

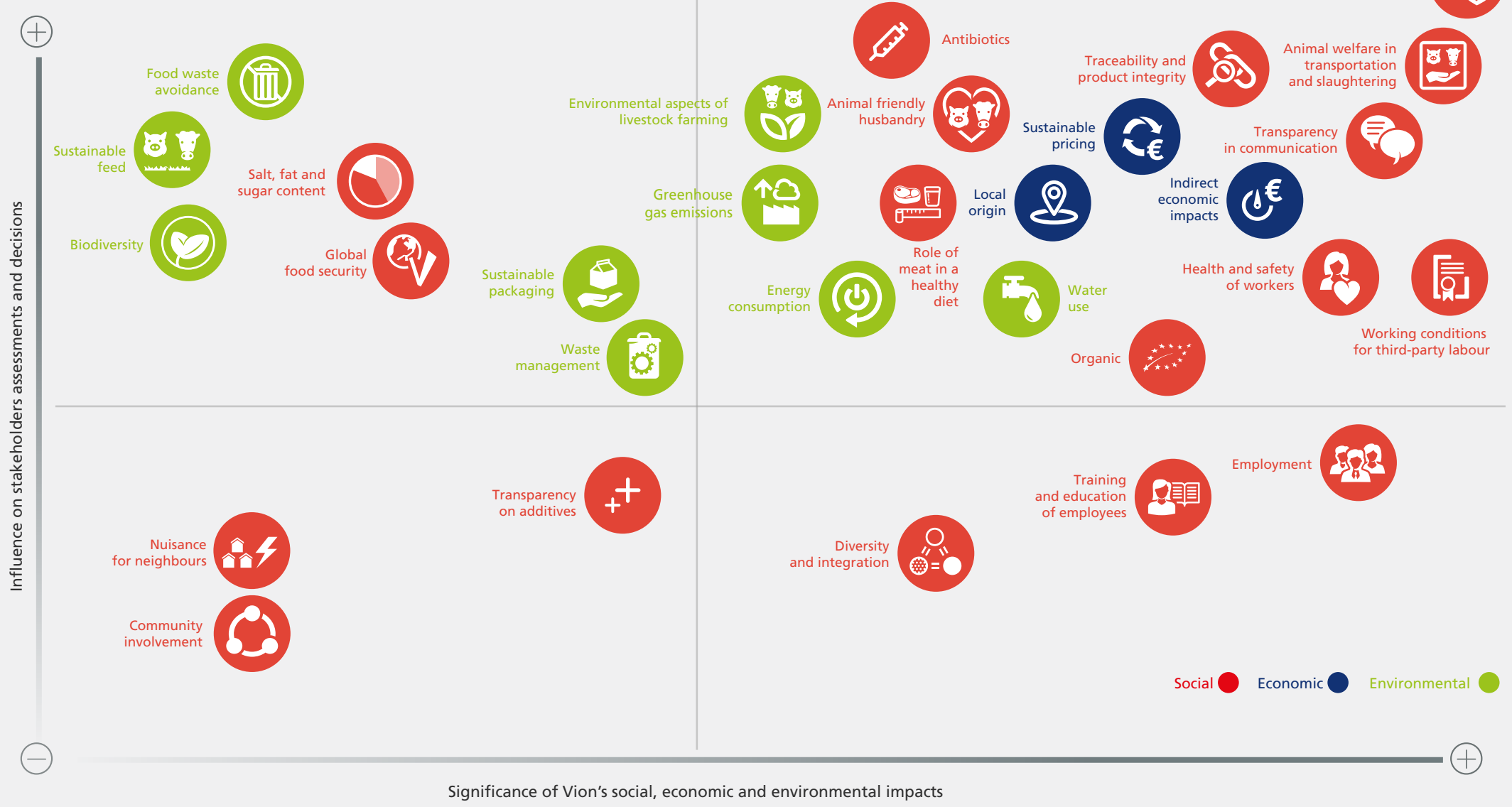
For the second dimension, we defined how much of an impact Vion can have on each topic, by itself or by influencing the other stakeholders. Each topic was evaluated as having a high, medium or low impact. The discussed outcome was plotted on the x-axis of the materiality matrix.

Some topics we can partly control ourselves, e.g. food safety and animal welfare in slaughtering. But for other topics, as we are in the middle of the food supply chain, we have an influence and we need to cooperate with others, e.g. our customers and suppliers, as is the case with the sustainable farming topics. These sustainable farming topics encompass a number of single social, environmental and economic topics. We will mention them separately because some aspects are more material than others.

Our topics related to sustainable livestock farming are:

- Animal-friendly husbandry
- Antibiotics
- Organic
- Traceability
- Environmental aspects of farming, like greenhouse gas emissions, water usage, energy consumption, waste management and manure storage
- Biodiversity
- Sustainable feed
- Local origin/regionalty
- Sustainable pricing

# Materiality matrix



Social ● Economic ● Environmental ●

# Vion's material topics

The seventeen topics that ended up in the upper right corner of the materiality matrix are the material topics for Vion and its stakeholders.

We added two topics to the list of material topics compared to 2016:

- Environmental aspects of livestock farming. Livestock farmers are the major "users" of resources in the full supply chain. Even though Vion has no activities in this area, there is a need – as a major player in the industry – to better understand and to quantify the issue.
- Our scope 1 and 2 greenhouse gas emissions to better measure our own environmental impact.

In 2017, we gained more insights into these topics. With these insights, we are now in a better position to influence and have an impact on these important topics.

We will share our approach to all the relevant CSR topics in this report. However, the most material topics are given more attention than the topics that are less material. Within the material topics, our strategy has prioritised three topics: food safety, animal welfare in slaughtering and transparency in communication.

## Social topics



**Food safety**



**Antibiotics**



**Animal welfare in transportation and slaughtering**



**Role of meat in a healthy diet**



**Transparency in communication**



**Organic**



**Traceability and product integrity**



**Health and safety of workers**



**Animal friendly husbandry**



**Working conditions for third-party labour**

## Environmental topics



**Energy consumption**



**Water use**



**Greenhouse gas emissions**



**Environmental aspects of livestock farming**

## Economic topics



**Indirect economic impacts**



**Local origin**



**Sustainable pricing**



# The view of...

## Phil Hogan

EU Commissioner for Agriculture and Rural Development



“Thanks to the CAP the EU farming sector is able to respond to citizens’ demands regarding food security, safety, quality and sustainability.”

**The meat industry lives in symbiosis with livestock farming. It processes either livestock that was purposely raised for the production of meat, or livestock that is a by-product, such as dairy cows at the end of their milk production cycle. Livestock farming is an important part of European agriculture, which is managed by the Common Agricultural Policy (or CAP). The CAP dates from 1962 and is the EU’s oldest agreement. The CAP continues to evolve along with the societal and economic needs and opinions.**

On 29 November 2017, the EU Commission published a report on “The future of food and farming”, which introduced the ideas that will guide the creation of a new CAP during 2018. It is crucial to understand the framework under which livestock farming will operate in the near future. The best person to ask about this is our EU Commissioner for Agriculture and Rural Development, Phil Hogan, who we know for relentlessly defending the agri-interests of EU members around the globe and explaining the global context.

### ***What have been the major benefits to society of the CAP since its inception in 1962?***

The CAP enabled the development of the most integrated single market. It is thanks to the CAP that the EU farming sector is able to respond to citizens’ demands regarding food security, safety, quality and sustainability. However, at the

same time the sector faces a number of challenges, including the EU’s high production standards, the high costs of the production factors and the fragmented structure of the primary sector. The sector now competes at world market prices in most sectors, and leads the field in terms of food product diversity and quality while achieving the globe’s highest agri-food exports (worth EUR 131 billion in 2016).

### ***What are the main characteristics of “a future-proof CAP”?***

The EU is strongly committed to action on the COP21 Paris Agreement and the United Nations Sustainable Development Goals (SDGs). Notably, the CAP underpins the policies spelled out in the 2030 Climate and Energy framework, which calls upon the farming sector to contribute to the economy-wide emission reduction target of -40% by 2030 and the EU

Adaptation strategy. European farming also needs to step up its contribution towards the EU environmental objectives. These commitments cannot be met without the farmers, foresters and other rural actors who manage over half of the EU's land, as they are the key users and custodians of the related natural resources and provide large carbon sinks as well as renewable resources for industry and energy. This is why a modernised CAP should enhance its EU added value by reflecting a higher level of environmental and climate ambitions, and should address the citizens' concerns regarding sustainable agricultural production.

***You plead for a smarter, modern and sustainable CAP. What are the key items needed to realise this?***

European citizens should continue to have access to safe, high quality, affordable, nutritious and diverse food. The way this food is produced and marketed should be adapted to the citizens' expectation, in particular concerning the impact on their health, the environment and the climate. To ensure this in the context of a growing world population, increased environmental pressures and climate change, the CAP has to continue evolving, while maintaining its market orientation and its support of the EU family farm model across all the regions of the Union. Similarly, the CAP needs to support and be compatible with efforts that address the root causes of migration towards the EU. Fulfilling these goals will be made possible by building on what the CAP has already achieved through its policy objectives, in a new economic, climate, environmental, social, technological, industrial and political context.

“Further liberalisation of trade and increased participation in global value chains will allow the EU agri-food sector to develop its exports even further”

***What are the main objectives of the future CAP?***

There are four main objectives:

- To foster a smart and resilient agricultural sector, both by ensuring a fair income for farmers and making investments to improve their business potential.
- To bolster environmental care and climate action and to contribute to the environmental and climate objectives of the EU.
- To strengthen the socio-economic fabric of rural areas, through growth and jobs in rural areas and by attracting new farmers.
- To address the citizens' concerns regarding sustainable agricultural production, including health, nutrition, food waste and animal welfare.

The CAP is one of the EU policies that is responding to societal expectations regarding food, in particular concerning food safety, food quality, environmental and animal welfare standards. Farmers are the real gatekeepers of the food production systems; as such, the contribution they can give to a sustainable food chain is crucial.

***Our company exports high quality meat to many parts of the globe. What is the opinion of the EU and the role of the CAP on exports of agricultural commodities?***

Thanks to the efforts of the EU's agricultural and food processing sector, with the support of the EU trade agreements and the CAP (including its promotion policy) the EU has become the world's largest agri-food exporter. Further liberalisation of trade and increased participation in global value chains will allow the EU agri-food sector to develop its exports even further, in response to the growing middle-class demand worldwide, as well as dietary changes. For the citizens, the further growth in international trade will improve the accessibility, variety and affordability of food. At the same time, it cannot be ignored that specific agricultural sectors cannot withstand full trade liberalisation and unfettered competition with regard to imports. We therefore need to continue to duly recognise and reflect the sensitivity of the products in question through trade negotiations, and to explore ways to address the geographical imbalances and the advantages and disadvantages that affect the farm sector within the Union as a result of the EU trade agreements.




# Our contribution to the Sustainable Development Goals

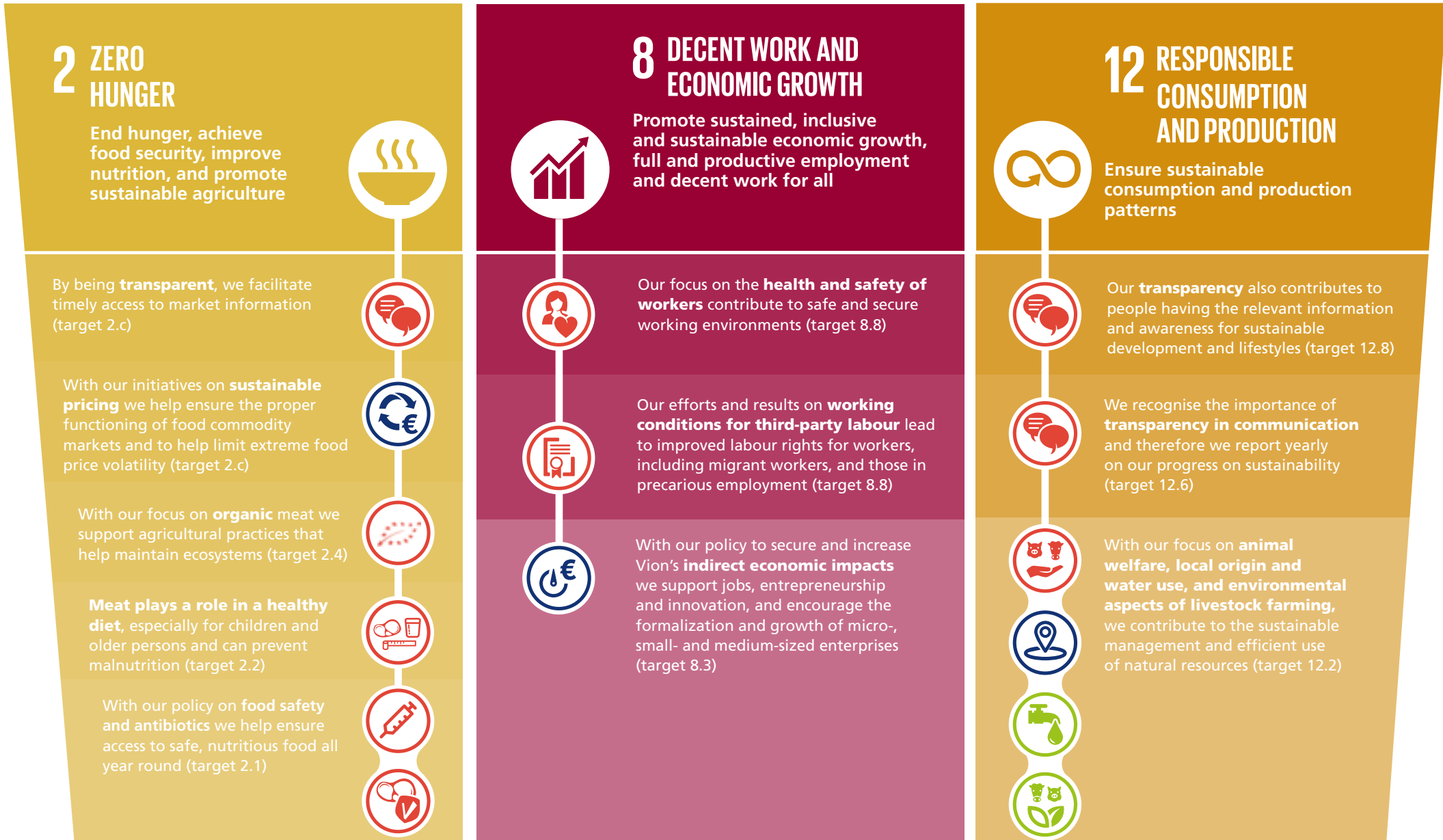


Our activities with regard to the material topics contribute to some of the Sustainable Development Goals. These 17 goals to be achieved by 2030 were set by the United Nations to create a better world for everyone. These goals can only be achieved if governments, companies, NGOs and individuals each take responsibility for their role and work together. We show how Vion's activities contribute to the Sustainable Development Goals.



Goal definitions	<p><b>2 ZERO HUNGER</b> </p> <p>End hunger, achieve food security, improve nutrition, and promote sustainable agriculture</p>	<p><b>8 DECENT WORK AND ECONOMIC GROWTH</b> </p> <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p><b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b> </p> <p>Ensure sustainable consumption and production patterns</p>
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How Vion's activities on the material CSR topics contribute to the Sustainable Development Goals





# The view of...

## Hugo von Meijenfeldt

Ministry of Foreign Affairs,  
Dutch SDG Coordinator

“For companies like Vion, the SDGs are a valuable addition to their financial reports.”



**“The 17 Sustainable Development Goals were drawn up in an endeavour to create a better world, and they were agreed by the then heads of government at the United Nations Sustainable Development Summit in New York in 2015. The United Nations played an instrumental role in this. The Netherlands has a duty to achieve these objectives as well.”**

### **Valuable addition**

“I see that businesses in the Netherlands are particularly active in including the SDGs in their social responsibility actions. Strangely enough, it’s politics that is lagging behind here; but I think that this will also be a trigger for the government. For companies like Vion, the SDGs are a valuable addition to their financial reports. This has to do with non-financial objectives that nevertheless have to fit in with the vision and mission of the company.”

### **Social discussions**

“Vion is like other companies which are often placed under pressure as a result of social discussions. Meat consumption has to be responsible and the sustainable development of the supply chain has to be placed in the context of deforestation, soya from distant countries, CO<sub>2</sub> emissions, animal welfare, scandals, etc., so the situation isn’t black and white.”

### **More sustainable processes**

“The SDGs ultimately have to contribute to the development that was launched by us all with the 17 goals. As a company, the production processes should be examined and made more sustainable. It is necessary to embed the company’s vision in the development that is being started.”

### **Internationally applicable**

“A good example of this is a large concern in the cleaning industry and health care, which has an extremely international workforce. Of its fifty thousand employees, about ninety percent come from abroad. The SDG’s are now a part of their DNA, in a manner of speaking; but because of that, they can be understood by everyone because they are so internationally applicable. The company sees that the happiness of their employees and stakeholders can’t just be expressed in their wage slip, but that sustainability needs to come more properly into its activities in every aspect.”

# CSR topics

ABOUT  
VION

VION'S  
CONTEXT

CSR TOPICS

ABOUT THIS  
REPORT



# CSR highlights of 2017

## Social Topics

### Food safety ●

99.9% of our sales volume came from IFS Food or BRC approved plants.  
The target for 2018 is 100%.

### Animal welfare in transportation and slaughtering ●

In 99.95% of the animals, no restunning was needed.  
The target for 2018 is 99.95%.  
All of the animals were stunned before slaughtering.

### Transparency in communication ▲

Vion's transparency initiative was extended into the Netherlands with the publication of [www.vion-transparantie.nl](http://www.vion-transparantie.nl)  
Vion won the "Crystal prize" for the fastest climber on the Transparency Benchmark of the Ministry of Economic Affairs.

### Traceability and product integrity ▲

79% of the sales volume originated from plants certified according to a specific product integrity standard.  
The target for 2018 is 80%.

### Animal-friendly husbandry ▲

19% of the animals supplied to Vion were raised under certified higher animal welfare requirements (Beter Leven, EU Organic, Tierschutzlabel or Initiative Tierwohl) (2.2 million animals).

### Antibiotics ●

Antibiotics were absent in 99.9% of the animals delivered for slaughtering.

### Role of meat in a healthy diet ▲

Benefits of meat: high quality protein, vitamins and minerals, which are essential factors for human nutrition.

### Organic ▲

0.7% of the animals supplied to Vion originated from organic farms (124,000 animals).

### Health and safety of workers ▲

The absentee rate of our employees was 4.5%.  
The target for 2018 is 4.3%.

## Environmental topics

### Energy consumption ▼

The energy consumption was 749 MJ per ton sold.

### Greenhouse gas emissions ▼

The greenhouse gas emission intensity (scope 1 + 2) was 79 kg CO<sub>2</sub>-equivalents per ton sold.

### Water use ▼

The total water usage was 1.95 m<sup>3</sup> per ton sold.

### Environmental aspects of livestock farming

We initiated a research project about the environmental impact of pig farming.

## Economic topics

### Indirect economic impacts ●

33% of Dutch and German cattle and pig farmers supplied animals to Vion (64,000 farmers).

### Sustainable pricing ▲

Introduction of Good Farming Balance.

### Local origin ●

93% of the animals supplied to Vion were raised locally (< 200 km radius).

### Trends versus 2016

▲ Better performance ▼ Lower performance ● Stable performance



# Food safety

## The topic

Control of food safety is fundamental for Vion. Every day, more than 100 million consumers eat products that have been processed by Vion. The customers and consumers expect these products to be safe and wholesome.

## Boundaries

All the different parts of the production chain can have an impact on food safety. Also, the handling of the products during food preparation can attribute to the safety of the food. In our management approach, we take a holistic view and take our own production plants, our suppliers, our co-producers and the intended use of our products by the consumer into account.

## Vion's approach

Wholesome and safe food is one of Vion's top priorities. Food safety and quality are part of the codes of practice at all our production sites. Process controls only function when they are embedded in a professional managerial structure that aims for continuous improvement and customer satisfaction. Vion has chosen to adhere to the ISO 9001 standard for quality-oriented organisations, and all Vion establishments are ISO 9001 certified. Additionally, all Vion sites have incorporated the Vion-HACCP, which is globally accepted by all the authorities. This common quality scheme paves the way for common monitoring processes and the effective benchmarking of the different operations for relevant items with respect to our customer demands and the control of crucial processes within Vion.

All of our meat processing plants are rigidly supervised by competent authorities. All these plants have, at all times of their operation, a minimum of two official veterinarians on site who organise ante and post mortem meat inspections, as well as hygiene supervision according to the relevant EU regulations.

To verify compliance with the food safety and customer requirements, Vion aims to have all the production sites certified according to the rules of the Global Food Safety Initiative (GFSI). The food safety standards that are used by Vion are: the British Retail Consortium (BRC) and the International Featured Standards Food (IFS Food). Vion publishes the quarterly inspection results and audit reports on its Dutch and German websites. In 2017, there was one public recall of one Vion product. The recall was initiated by Vion based on a signal from its own monitoring system. The recall was carried out successfully and no complaints were received from the customers nor consumers.

To control the risks in the supply chain, Vion requires its suppliers to adhere to and to certify their activities under a Good Agricultural Practice (GAP) scheme, such as GlobalGAP, the German QS (Qualität und Sicherheit), the Dutch Integrale Keten Beheersing (IKB), and Holland Pork. These schemes are independently organised, and on-farm audits are carried out by the independent certification bodies. As a major stakeholder, Vion contributes to the design and organisation of these schemes. A number of dairy companies have also organised their own quality schemes, where the design and on-farm controls are within their own hands. Vion procures dairy cows for slaughter from the farmers that are members of these dairy schemes.

Vion is active in initiating food safety research and contributes to the scientific research projects of various universities and agencies. In 2017, we started a research project together with IBM, ThermoFisher and Wageningen University to explore how new technologies can help us to further improve food safety. Research on the hepatitis E virus and *Toxoplasma gondii* continued in 2017. In addition, research on the foodborne transmission of antimicrobial resistance through pork and beef is discussed in the 'Antibiotics' chapter of this report.

### Reference

Kijlstra A, Jongert J. 2008. *Toxoplasma*-safe meat: close to reality? *Trends in Parasitol* 25(1): 18-22.

### Dilemma

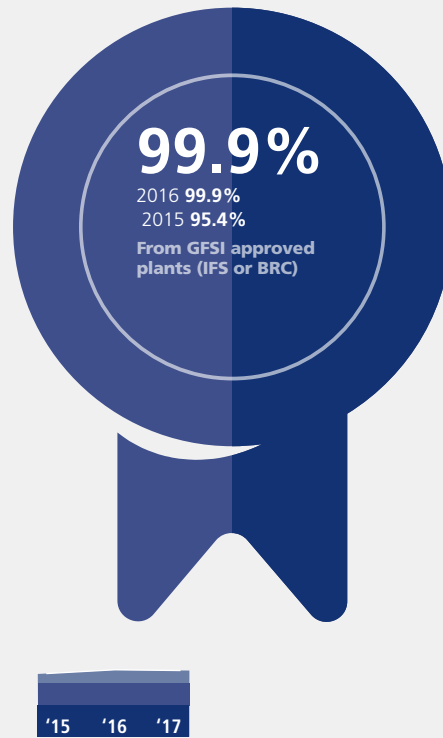
Allowing pigs outdoor access stimulates the natural behaviour of pigs and improves the welfare of the animals. The downside of outdoor access, however, is that exposure to pathogens can occur more easily compared to stables, where the biosafety systems reduce the risk of pathogen introduction. Depending on the pathogen, such exposure might negatively influence the food safety. Outdoor access is a risk factor for e.g. the foodborne parasite *Toxoplasma gondii* (Kijlstra & Jongert, 2008).



# Food safety

## Results

% sales volume



% of slaughtered pigs



% of slaughtered cattle





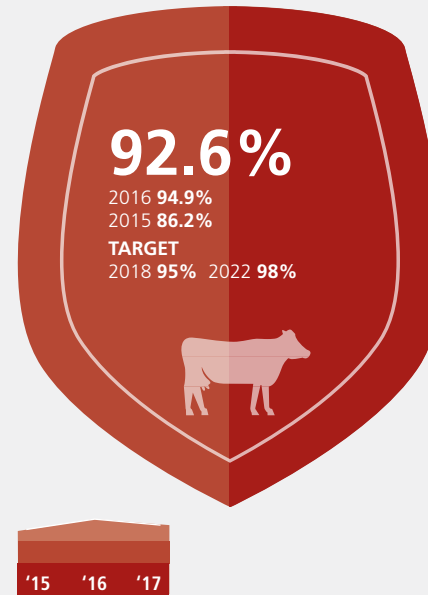
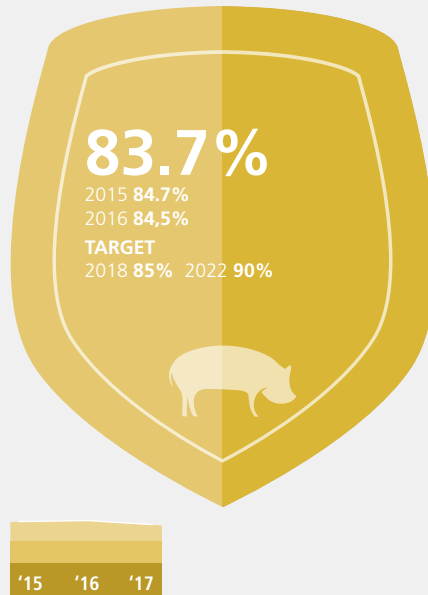
# Food safety

## ▶ Outlook and targets

- Food safety control will remain the top priority.
- We will continue to encourage farmers to work according to certified Good Agricultural Practice schemes.
- We will continue to improve food safety through, among others, research on the potential of using modern technologies in microbiology.
- We aim for compliance to the Vion internal standard of 85% and 95%, for pork and beef respectively, in 2018. We aim to increase this compliance further to 90% and 98%, respectively, in 2022. These internal standards go far beyond the norms in legislation, so compliance with legal standards is assured at any time.

## Results

% compliance with internal Vion microbiological standards for product hygiene



## Clarification of the results

Our target for 2017 was that 100% of the supplied product volume would originate from GFSI approved plants. We reached 99.8% of this goal because:

- Some minor Salomon Food World articles were produced by a co-producer without GFSI certification.
- A relatively low % of cattle came from farms certified under a third-party good agricultural practice scheme, which derives from the fact that dairy cattle farms are often under contract with dairy companies that operate their own private quality schemes. These good agricultural practice schemes are designed and implemented by the dairy company itself.

Products from live animals inevitably result in the presence of bacteria on the product. This in itself is not harmful and is a part of nature. However, monitoring the amount of these bacteria does provide a useful indication of hygienic working practices. We base our KPI for Food Safety on the microbiological load of the bacterium-family enterobacteriaceae during the final steps of production. There is no EU or national regulation specifying a maximum contamination level, yet Vion specifies an internal standard. It is unlikely that these products will ever be sterile and contain no bacteria; therefore, compliance to this internal standard will never reach 100%. However, by striving for a percentage that is as high as possible, we can continuously improve our way of working and continuously reduce any microbiological food safety risks.





# The view of...

## Professor Dr. Dr. Andreas Hensel

President of the German Federal Institute for Risk Assessment, German Federal Institute for Risk Assessment (BfR)



***Sustainable animal production continues to acquire more meaning in today's society. In which direction should the animal-based food production chains develop with regard to food safety? Which challenges do you see in this regard for the food producing companies?***

The food industry is facing enormous challenges. Sustainability, consumer health protection and the demands of an ageing society are increasingly becoming the central focal points. The animal welfare initiative of the BMEL also takes these central societal themes into account and is setting new challenges for both livestock owners and the meat processing industry. It is only when the sector intensively addresses these challenges that it will succeed in keeping the trust.

Let us take a look at the term 'sustainability'. This term is mainly attributed to ecological farming in the publicity. But sustainability includes more: it combines economic performance with the protection of the environment and resources, food safety and social justice. Sustainability is only achieved when there is a reasonable balance between these aspects. Therefore, it can only refer to the actual production processes and is specific to sectors and to products.

From a scientific point of view, the microbial safety of meat and meat products remains a central topic. An essential aspect in this, apart from the classic questions regarding

zoonoses, are the antibiotics resistance in livestock farming and the consequential contamination of meat and its subsequent products with antibiotic-resistant zoonotic agents such as MRSA or ESBL. With the German antibiotic resistance strategy, we are on the right path. Good husbandry conditions, improved stable hygiene and the restricted use of antibiotics must be the priorities.

We must continue to give considerable attention to the microbial contamination occurring during the obtaining of the meat, notwithstanding good standards. For example, to have optimal hygiene in the slaughtering process, we are continuing to develop the concept of the decontamination of production surfaces during operations, better known as "Cleaning in Place", and are also thinking about the automation of the slaughtering process with easily decontaminated slaughter robots, under the keyword "Abattoir 4.0".

A particular challenge is the scientifically based determination of animal welfare. This regards husbandry and the raising of food-producing animals, as well as the transport and a preferably stress and pain-free slaughtering process. It is desirable that ambiguous standards are developed, which can then be applied across the board. However, animal welfare is not the same as food safety. Both protection objectives must be equally taken into account. This will probably lead to additional costs, which can, however, be passed on to the consumers.

***How do you see the cooperation between public authorities, science and the food industry regarding the challenges facing food safety and consumer protection? What are the advantages of such research cooperation?***

In order to guarantee safe foods in the future, government and industry must invest more in research. Globalisation, climate change and worldwide population growth are just some of the challenges which we must face together. In "Horizon 2020", the framework programme for research and innovation of the EU, a close cooperation between commercial companies and governmental institutions is explicitly desired and even required. It would, for instance, be desirable that the industry makes available the existing data from the companies' internal control systems to use in the research regarding food safety.

***The demographic changes are continuing. Changes in society have an impact on the food industry. Which challenges do you think the food industry will have to face in the coming years?***

At this moment, the number of older people is growing in our country. To some extent, they have totally different nutritional requirements to younger people. Furthermore, in later life, certain chronic illnesses are a part of life. The food industry can adapt to this with appropriate products. Functional foods can be tailored to the elderly. Ready meals (convenience food) designed for specific nutritional needs can make life easier.

On the other hand, the industry will have to adjust to governmental control interventions, such as for instance, labelling requirements for foods, which are linked to diet-related illnesses such as diabetes, obesity or cardiovascular disorders.



# The view of...

## Geraud Dubois

IBM, Head of Science to Solutions & Consulting  
Associate Professor / MS&E Stanford University

“The globalisation of the food supply chain means that an issue in one part of the world can impact the whole supply chain.”



***What do you think are the current issues with respect to food safety for the society in general, and what is specifically relevant for pork and beef?***

The topic of food safety is central to our current society and to its future. The World Health Organization estimates that around the globe, 1 in 10 people fall ill every year from eating contaminated food and more than 400,000 perish as a result. Contrary to most beliefs, it is not a problem specific to underdeveloped countries as 1 in 6 Americans suffers a food-borne illness each year. Many factors pose challenges to global food safety, but among them, I would like to highlight both the increase in complexity through globalisation of the food supply chain and the emergence of antibiotic resistant or antimicrobial resistant bacteria.

The globalisation of the food supply chain means that an issue in one part of the world can impact the whole supply chain. To ensure safer food chains, improvement and innovations in the traceability needs to occur, such as through the use of blockchain technology. In addition, we need to be

able to identify and control potential issues quickly, to limit their global impact as much as possible. The probability of resistant livestock pathogens passing their resistance onto human pathogens is of great concern. As such, antimicrobial resistant bacteria that can cause serious and life-threatening infections are being carefully monitored by beef and pork producers. Vion, together with the Dutch government and Wageningen University, has spearheaded initiatives to reduce both the use of antibiotics and also tackle the tremendous challenge of eliminating antibiotic resistance.

***IBM Research, ThermoFisher, Wageningen University and Vion have a unique project underway, in which the next steps for the improvement of food safety are being explored. What value do you see in the cooperation for that project (Safer Food with Big Data)?***

The democratisation of sequencing technologies provides a unique opportunity for different stakeholders to improve

the surveillance, risk assessment and diagnoses of food borne pathogens in the food supply chain. This is the objective that IBM Research, ThermoFisher, Wageningen University and Vion have engaged in, by collaborating in the Safer Food with Big Data project. These four parties bring complementary strengths and assets to the work. Vion deeply understands

“The topic of food safety is central to our current society and to its future.”

the microbiology and the details of food production and food safety practices; ThermoFisher provides the chemistry and instrumentation for DNA/RNA analyses; Wageningen University brings its expertise in applying exploratory science to food safety matters; and the IBM Research expertise falls into the areas of data handling, data mining and data analysis specifically targeted to RNA/DNA analyses for food safety applications. IBM Research's interest in data

## Stakeholder dialogue

driven science for food safety applications dates back to 2015, when the Consortium for sequencing the food supply chain was founded by both MARS Incorporated and IBM Research. This collaborative food safety programme is similar in its endeavour to the Safer Food with Big Data project. It also leverages advances in next generation sequencing to map out the entire makeup of an environment and is predictive of food safety issues based on the changes within that environment.

### *What is the ambition of the project from your/ IBM Research's view? And how do you think this will work out for the different project partners?*

Our top goal, which is shared among all the partners, is to develop a novel approach to food safety surveillance in a food processing facility that offers a faster and more sensitive detection of emerging problems. Our technical objective is to use the metagenomic signature of samples as a sensitive and predictive indicator of problems. For example, equipment malfunctions could interfere with hygiene and increase the probability for pathogens to grow, which would result in food contamination. During the course of this collaborative project, IBM Research aims to create unique capabilities in data analytics, machine learning and artificial intelligence that will provide a superior insight for food safety applications.

### *How do you perceive your cooperation with Vion specifically?*

In terms of food safety, Vion is both forward-looking and practically oriented. There is a true willingness to invest real effort in innovative approaches that could make a difference. This investment is a commitment to their core quality values with respect to the control of biological, chemical and physical hazards in their products. The involvement from key staff and decision-makers in this cooperation will allow for the faster adoption of new ideas and processes into practical

“Vion is both forward-looking and practically oriented. There is a true willingness to invest real effort in innovative approaches that could make a difference.”

procedures that could be deployed in their production facilities. It is worth noting Vion's willingness to freely exchange data, which is a mindset that is key to the success of this project. I believe that Vion and IBM Research share the common vision that creating a big data culture in the food industry could enable significant advancements in global food safety.



# Animal welfare in transportation and slaughtering

## The topic

Transportation from the farm to the slaughterhouse, as well as the new environment within the meat processing plant, can be stressful for animals. Vion's plants receive many animals on a daily basis. It is our responsibility and that of our stakeholders to minimise the discomfort for the animals. This includes short transport distances to the slaughterhouse and an animal-friendly infrastructure in the meat processing plant to minimise discomfort.

## Boundaries

The transport of live animals from the farms to the Vion plants is done by external transport companies and sometimes by Vion itself. Slaughtering happens within our own operations. External companies and our own operations are both taken into account when setting and measuring our targets.

## Vion's approach

Animal welfare is one of the key issues for a meat producing company like Vion. We have strict guidelines and procedures for handling animals. This includes the effective control of transport activities to the slaughterhouse, the waiting time of the animals in the lairage and the slaughtering process.

### Animal welfare in transport

We control animal welfare during transport by:

- Having a decentralised network of appropriately-sized locations in relation to the livestock density in a given region. This enables animal transport distances with below 8 hours of transport time (legal requirement). Vion publishes the data on the livestock origins for each plant on its transparency website ([www.vion-transparenz.de](http://www.vion-transparenz.de) and [www.vion-transparantie.nl](http://www.vion-transparantie.nl)).
- Keeping Vion's own livestock transport logistics up to date by continuous investments in modern animal transport vehicles.
- Conducting standardised transport checks at every unloading of the animals.
- Measuring and controlling the transport fatality rates. In 2017, 99.98% of all animals transported for slaughter arrived alive at Vion's slaughter plants.
- Inspection of all animals by external official veterinarians during the ante mortem inspections at the time of unloading. We update the inspection findings on our Dutch and German transparency websites on a quarterly basis.

### Vion's slaughtering procedures

We control animal welfare at our slaughterhouses by, amongst other:

- Having animal welfare officers in every plant, who are specifically qualified to assess the process and ensure the animal welfare guidelines at our production plants are met. All animal welfare officers receive regular training.

- Training all our employees who interact with live animals in animal welfare. Only trained staff are allowed to handle live animals.
- Monitoring the animal handling in the lairage and during the slaughtering by trained Vion staff within our Welfare Standard Operating Procedures.
- Monitoring the effectiveness of the stunning by trained Vion staff.
- Evaluating the performance of the plants and the supplying farms by Vion's expert veterinary team. This team also leads research and development projects to define and develop the next steps in animal welfare control during slaughtering.
- Consolidating and reporting the animal welfare outcome data to our executive committee.
- Performing corrective and preventive actions in the case of non-conformities. This is mandatory for every production site of Vion.

The lairage, stunning and slaughter areas in all our plants are under continuous supervision during working hours by at least one official veterinarian.

All animals slaughtered at any Vion plant are, without exception, always stunned before slaughtering. All stunning methods used at Vion plants are compliant with the permitted methods, as laid down in the EU regulation 1099/2009. To assure that the adverse effects to animal welfare during stunning are kept to the minimum, Vion has entered into a public-private partnership with Wageningen University to further optimise the process of CO<sub>2</sub> stunning.



# Animal welfare in transportation and slaughtering



All animals are individually observed by trained staff between stunning and debleeding. With each sign (e.g. eye reflects) that could be related to consciousness a re-stun of a carcass is mandatory. The number of re-stuns that are made are recorded to calculate the percentage successful stuns as KPI.

The standard for pork is:

- CO<sub>2</sub> backloader with a minimum of 4 animals per gondola.
- CO<sub>2</sub> concentration above 90% so that the pigs are quickly unconscious.

The standard for beef is:

- Restraining box with a device that restricts both the lateral and the vertical movement of the head of the animal.
- In conjunction with this, a pneumatic captive bolt for a precise shot and continuous coverage by a CCTV (closed circuit TV) of the stunning process. This standard exceeds the current legislation and will guide Vion's investment decisions on slaughter equipment in the coming years. It will be reviewed in case better and practical options will become available.

Vion has been continuously investing in improving and standardising its slaughter infrastructure. In 2017, 7.4 million euros were invested in live animal treatment facilities. Important steps have been achieved to ensure the new Vion standards at all sites. These are, amongst others:

- A new lairage which fulfils the latest animal welfare requirements regarding the infrastructure in Waldkraiburg.
- Improvements on the automatic driving system for pigs in Crailsheim.
- A new restraining box for cattle and the use of a pneumatic captive bolt for stunning in Altenburg, Crailsheim and Buchloe.

At our pig slaughter plants in Altenburg, Emstek and Landshut, a pilot project has started. The weight of each stunned pig is determined before and after bleeding to assess the effectiveness of this process.

## Independent control

Similar to our food safety management, Vion has organised a layered and independent external control approach to our animal welfare operations during slaughtering. This is implemented in a four-fold manner:

- Public controls, according to EU and national legislation (during the operations at all plants, a minimum of one official veterinarian is present in the lairage for ante mortem inspections and animal welfare supervision).
- Compliance with independent certification standards that include animal welfare aspects (QS / IKB).
- Compliance with independent animal welfare standards based on stakeholder dialogue (Beter Leven Keurmerk/ Tierschutzlabel).
- Compliance with customer animal welfare standards (e.g. McDonalds, Tesco, Edeka Germany).

When the competent authorities issue warnings or fines for a specific element in our process which needs improvement, we always publish these inspection results on our Dutch website. In 2017, there were no incidents of non-compliance with the laws and regulations related to animal transport, handling or slaughtering that resulted in a fine, penalty or warning for Vion.

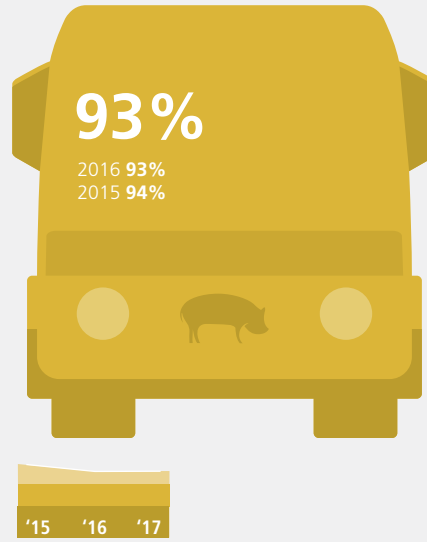


# Animal welfare in transportation and slaughtering

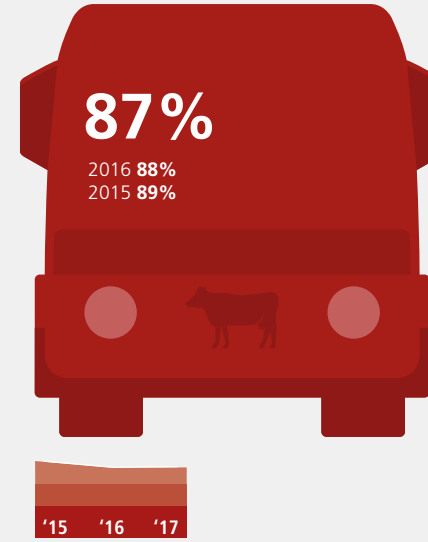


## Results

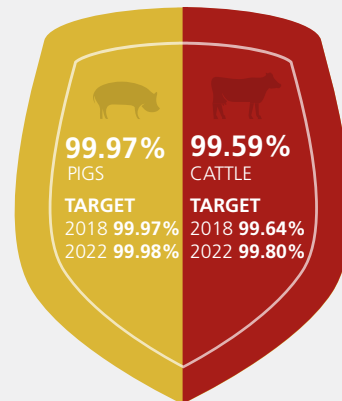
**% pigs transported ≤ 200 km**  
(radius from farmer to meat processing plant)



**% cattle transported ≤ 200 km**  
(radius from farmer to meat processing plant)



**No restun needed**





# Animal welfare in transportation and slaughtering

## Outlook and targets

Our plans for 2018 include the completion of our new beef slaughter plant in Leeuwarden that is designed by taking into consideration the latest knowledge on animal welfare at slaughter plants. This includes the animal handling concepts proposed by the well-known American animal welfare expert Temple Grandin.

There is an ongoing scientific and public debate on the performance levels and state-of-the-art slaughter technology. Vion is contributing to this debate by maintaining a close dialogue with the key experts and contributing to the research activities in this field.

## Results

### % animals slaughtered in meat processing plants with specific animal welfare standards



## Clarification of the results

When measuring the transport distance from the farmer to the slaughterhouse we use the radius, as we have the location data of our farmers available and not the actual transport distance travelled over the road. Due to the closure of our German plant in Zeven in 2017, pigs from Schleswig-Holstein are transported to our slaughter plant in Emstek. The transport distance for these animals is extended.

The percentage of animals slaughtered in the plants approved by the customers' animal welfare standards varies over the years. For commercial reasons, some of our activities have been bundled into fewer plants.

These very strict rules related to re-stunning will result in re-stunning of carcasses that in fact are effectively stunned. The biological nature of the animals that we slaughter will result in a certain percentage of carcasses that shows signs that could be interpreted as being related to consciousness despite effective stunning. The policy is better to be sure than wrong. This KPI therefore shows on one hand the effectiveness of the stunning and on the other hand the alertness of the workers on the line to take action when needed. The target for successful stunning will therefore never be 100%.

The increase in percentage of cattle needing >200 km transportation distance is due to the closure of regional plants between 2015 and 2017. To assure sufficient supply in the remaining plants, animals needed to be sourced over a larger distance.



# The view of...

## Dr. Karen von Holleben

Veterinarian & Managing Director,  
bsi Schwarzenbek: Training and Consultancy Institute  
for animal welfare at transport and slaughter

**“A slaughtering company will shoot itself in the foot if it tries to save money when building a new live animal area or renovating an existing one.”**

“When slaughtering cattle, companies face the challenge of treating and caring for animals that are often no longer used to close contact with people in an optimal manner. This leads to high requirements for not only the employees involved, but also for the design of the unloading area, the stables and the lining up of the animals to the stunning area. For this purpose, findings from both science and practice give valuable insights, which go beyond the legal minimum requirements.”

### ***The cattle can rest undisturbed***

“Stables can be built in such a way that the cattle can rest, irregardless of animal gender, separation according to special quality programmes or the number of animals

“Importance of lairage and animal handling for humane slaughtering.”



present. It is structurally and technically possible to design passageways such that cattle mainly progress on their own, without prods having to be used too often, also at higher slaughter speeds.”

### ***Central concern for slaughtering companies***

“The coordination of the slaughter capacity and speed with the number of unloading ramps, the size of the lairage and the layout of ramps, stable and driveways should be a central concern for slaughter companies. If this is not the case, cattle will often be left in the transport vehicle after their arrival at the abattoir and taken directly to slaughter without resting in the lairage. Waiting times in the vehicles, however, mean more stress for the animals, with consequences for animal welfare as well as the quality of the meat. In particular, weaker animals can then no longer be treated in line with their individual needs. In this regard there is need for improvement in many abattoirs.”

“When redesigning the ramps, lairage and driveways at the abattoir in Waldkraiburg, Vion had the foresight to not only ask for the minimum requirements but to give equal importance to the needs of the animals. As scientific recommendations regarding perception and natural behaviour of cattle were used when designing the passages, the cattle can be slaughtered at a comparatively high speed without this leading to limitations for the animals’ welfare.”

“Many of the points mentioned above are equally valid for the slaughter of pigs. I hope that the approach described above will become a model regarding the importance and design of the live animal areas at abattoirs.”





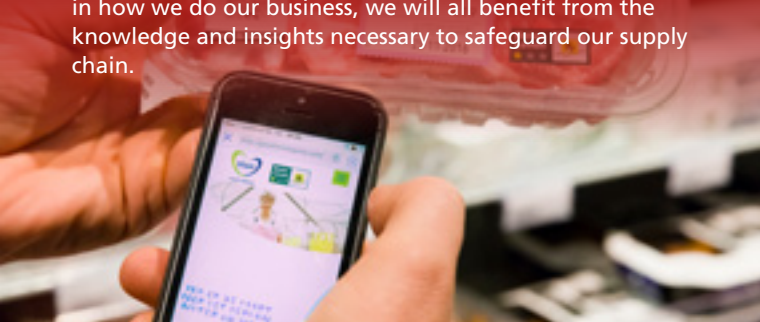
# Transparency in communication

## The topic

Meat is the subject of numerous societal debates that have derived from a series of scandals in the media. We believe that 'transparency' has been the weakest characteristic of this industry – and it has often rightfully been criticised for this. These scandals and their impact can lead to a 'live hidden to live happy' approach. We have decided to take a stand against this and have chosen not to hide our way of working from our stakeholders, but to be open and communicate with our stakeholders and the society at large.

## Boundaries

We know that every day, millions of consumers throughout the world eat some processed or unprocessed meat originating from Vion. With respect and together with our suppliers and customers, we believe that by being transparent in how we do our business, we will all benefit from the knowledge and insights necessary to safeguard our supply chain.



## Vion's approach

Vion was the first company in the industry to start publishing the official veterinary audits on its Dutch company website. Also, in 2016, we were the first in the German industry to launch our website [www.vion-transparenz.de](http://www.vion-transparenz.de), as a decisive step towards creating and almost forcing the transparency theme. The site received over 100.000 views in the first 6 months. In 2017, Vion opened the [www.vion-transparantie.nl](http://www.vion-transparantie.nl) website for the Dutch market. These websites are an instrument for communicating with the society at large and are built for dialogue. They provide neutral and objective information without direct judgments. On these websites we also publish, for the first time in the industry, insights into our production processes including audiovisual materials, photos and text stories. Moreover, we communicate the results of our official ante and post mortem meat inspections, as well as the residue monitoring and independent quality assurance audits from our production plants.

The transparency website and the publication of audits on our websites are part of our strategy. The new websites have received widespread attention in both public and industry media. We are especially happy that the farming sector is supporting our approach. Vion is stimulating open debates through social media postings and dialogues on several industry and consumer platforms, such as Nederland Voedselland and HAS Voedseldialoog, as well as being active as a speaker in several stakeholder dialogues and conferences.

## ZLTO

Together with the farmers organisation ZLTO we are working on concrete projects to share our knowledge and improve the sustainable work processes by using data from farms and from ante and post mortem animal and meat inspections. We are cooperating in creating solutions to issues including manure, CO<sub>2</sub> emissions and the use of antibiotics, and we are stimulating coordination in the chain from farm to plate. Our common projects are aimed at creating sustainable solutions for more circularity in the whole chain.

## Incidents and crisis situations

In 2017, the sector was faced with animal welfare incidents that occurred at specific slaughtering facilities in e.g. Belgium and France. The media attention and questions from governmental bodies on animal welfare and meat consumption that followed have confirmed our approach in taking the right measures to monitor our animal welfare processes and inform and train our employees in these topics. By being transparent about our processes, and by publishing our audit results and offering dialogue to all stakeholders through our transparency websites, we want to ensure that questions are answered and that our stakeholders have an opportunity to be involved in this dialogue.



# Transparency in communication

## ▶ Outlook and targets

Vion will continue to strive for openness and transparency, with a special focus on the following themes: food safety, animal welfare, traceability and product integrity, and transparency in communication. We believe that building strong supply chains, building trust between partners and open communication will facilitate the sustainable growth of Vion and its stakeholders.

### Dialogue with The Save Movement NGO

The Save Movement is composed of groups around the world who bear witness to pigs, cows, chickens and other farmed animals en route to slaughter. They want to raise awareness about the plight of farmed animals, to help people become vegan, and to build a mass-based, grassroots animal justice movement. The Save Movement visited Vion in Boxtel five times in 2017 to take pictures and video footage, and to invite the media and comfort the animals arriving in the trucks at the gate. They provided water to the pigs and communicated with the animals before entering the meat processing plant. After a few visits outside the facilities of Vion, The Save Movement was invited to comfort the pigs in the premises of Vion Boxtel. Close to the parking area of the trucks that transport the pigs, a designated area was created for The Save Movement to express their compassion to the animals. Compassion for animals is a fundamental principal that guides both The Save Movement and Vion in this dialogue.

### Dilemma

As any multinational company involved in food production and especially in meat production, we are being monitored by many stakeholders. We feel responsible to act as a good citizen in all the parts of the world where we are active. We also feel responsible for the well-being of our employees. Sometimes we are faced with scandals in our industry. The increasing attention of the media and politicians is often a result of these scandals and the industry we are active in. We understand this, and we respond with a high level of transparency about how we conduct our business and what measures Vion is taking to prevent mistakes and to promote a safe and good working environment for all concerned. We have chosen to have open communication with all our stakeholders and to act upon this by publishing this CSR report and by operating our websites on transparency [www.vion-transparantie.nl](http://www.vion-transparantie.nl) and [www.vion-transparenz.de](http://www.vion-transparenz.de). On these websites, direct dialogue is possible with veterinarians and specialists on all the topics concerning our processes and activities. We promote an open and transparent environment in our industry in several media outlets and at global seminars and congresses



# Traceability and product integrity

## The topic

Consumers want to know the origin of their meat and to receive information about the welfare of the animals. Traceability helps to provide these insights and thereby drives the improvement of animal welfare and sustainability in the supply chain.

Product integrity and the correct labelling of products are fundamental for being a trustworthy supplier for our customers and the 100 million consumers that consume our meat every day.

Traceability and product integrity are also instrumental to ensure food safety and to minimise the possibilities of food fraud.

## Boundaries

To provide insights to our consumers, we work together with our suppliers and our customers to improve our traceability and product integrity. For our targets, we look at our own operations as we can control this aspect ourselves.

## Vion's approach

### Traceability

Ensuring that products are traceable upstream and downstream in the supply chain is a relevant challenge for complex food companies. All our meat products are derived from animals that are fully traceable. Animals are clearly marked by ear tags or other unique forms of identification. The underlying databases allow for traceability to the place of birth for all the pigs and cattle that we slaughter.

After slaughter, the carcasses and deboned products are kept in separate batches, each with the same specifications. Typical batch specifications are: the same origin, quality programmes, breeds and production dates. All relevant information is to be placed on the consumer pack labels, which provides guidance in the consumers' choices. The end product is always traceable to a small group of livestock farmers.

Vion supports supply chain visibility systems and, together with key customers and farmers, we have set up specific websites. Here, you can trace the farmers that supply the animals for the Good Farming Star market programme.

Other generic technologies such as the GS1 system, Mynetfair or the proprietary systems of key customers are supported and enable our customers to communicate specific product related information, such as the origin of the animal and slaughterhouse, via the QR-code-based internet services. Vion has also developed systems that assure traceability of single steaks in consumer packages back to a specific farm; for example, this is offered for high-quality beef steak products in Southern Germany.

Traceability is routinely tested in all Vion plants as part of internal and external audits. Trace tests are initiated on a random product at the start of the audit, and the results are verified and reported.

### Product integrity

Organising product and process integrity, as well as supply chain transparency, are recognised as relevant challenges. To ensure that these processes are implemented effectively, efforts are being made to manage an honest chain of custody, and to guarantee to the consumer that the packaging contains the product that is specified on the label. In these efforts, Vion is working with many stakeholders, including the Dutch Standard Setting Agency (NEN-ISO), the German International Featured Standard (IFS Food), the German integrity system for beef Orgainvent, and the Herkunftssicherungssystem LQB-Herkunft of the LQB (Landwirtschaftliche Qualitätssicherung Bayern GmbH).

In recent years, Vion was pilot partner in developing and setting up the new Dutch Centraal Bureau Levensmiddelenhandel (CBL) Integrity standard. Independent external auditors supervise Vion's operations in relation to traceability and its product integrity processes in an integrated way. Vion is cooperating with these standard setting bodies to develop this CBL integrity scheme to be an internationally recognised standard within the IFS family. It is to be expected that, in 2018, the first IFS product integrity audits will be carried out at Vion's premises. These integrity standards require evidence on how the company assures and verifies the product related information on labels, such as:

- Sourcing (country of origin, country of slaughter).
- Content (type of animal, breed type, specific part of the animal).
- Storage guidelines (temperature).
- Animal welfare certification.
- Others.



# Traceability and product integrity

## Outlook and targets

Vion will continue to work according to independent integrity systems. Vion has made substantial investments to develop the integrity standard together with IFS, SIM and several certification bodies. Our ultimate target is to have all of our sales volumes approved under a specific integrity standard.

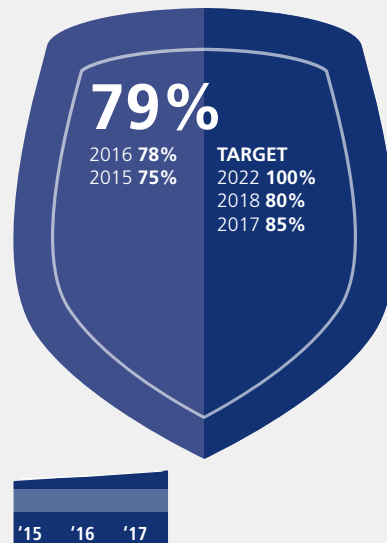
- Target 2018: 80%
- Target 2022: 100%

Vion maintains a whistleblower procedure to facilitate and encourage every employee to report misconduct, while ensuring there are no negative consequences for this reporting. Either a direct manager can be contacted,

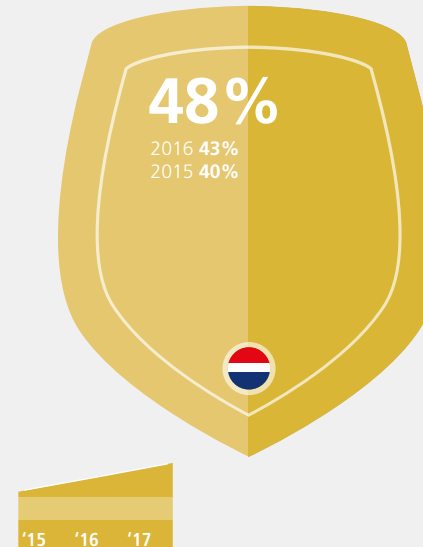
or issues can be reported through an external office that specialises in whistleblower procedures. The rights of the whistleblower are protected.

### Results

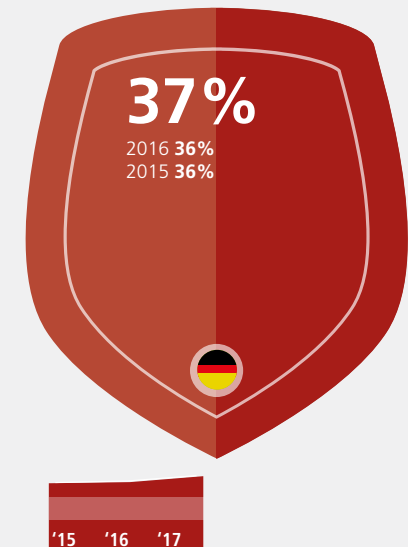
% external sold volume with a specific integrity standard



% external sold volume from plants with Dutch CBL product integrity standard



% external sold volume from plants with German Orgainvent integrity standard



### Clarification of the results

The CBL product integrity standard is demanded by Dutch retailers in the market programme "Varken van Morgen", which is adopted by all Dutch retailers for fresh pork. The translation of the CBL Integrity Standard into an independent standard within the International Featured Standards (IFS) family is delayed. Consequently, our target of 85% that was set for 2017 was not reached. It is expected that the Product Integrity Standard of IFS will be available for manufacturers outside the Netherlands from the second half of 2019 onwards.

So far, the Orgainvent 'Herkunft' Standard and the LQB-Herkunft are only operational in Germany and is mainly related to beef, respectively beef and pork. These standards offer state-of-the-art independent traceability and integrity certification.

Other certification standards that include requirements for traceability and product integrity are not considered in these topline results, but are in use by Vion. Therefore, all of Vion's sales volumes are subject to some form of external certification regarding traceability and product integrity.



# Animal-friendly husbandry

## The topic

Vion, as a processor of pigs and cattle, has an influence on improving the animal-friendly husbandry issues that are of public concern.

## Boundaries

Animal-friendly husbandry is of major concern at farms. In the supply chain of meat retailers, food services and producers are cooperating with other stakeholders to match the increasing demand for more animal-friendly meat in the market. This is resulting in an impressive improvement of animal welfare at the farms. However, as an entity in the middle of the supply chain, Vion can offer the market the choice of higher animal welfare. In the end, the market and the consumers will decide what kind of products end up on their plates.

## Vion's approach

Compliance with the legal standards for animal welfare in the handling of livestock within the food supply chain is integrated in the independent quality schemes of Good Agricultural Practice like QS, IKB and GlobalGAP. The compliance with the animal welfare requirements in these programmes is supervised by independent audits on all certified farms. Vion is working closely with its stakeholders in the supply chain to further elaborate and strengthen the relevant programmes for Good Agricultural Practice, especially IKB, QS and GlobalGAP.

To meet the societal demands for higher animal welfare standards in animal husbandry, Vion provides its consumers with the choice of buying meat produced in an animal-friendly manner. This choice can only be realised in close cooperation with the relevant stakeholders. Advanced animal welfare concepts, such as organic production, have been developed and offered to the market. Depending on the demand, products from certified farms can now be positively rewarded by Vion. Vion translates these schemes into market programmes such as 'Good Farming Star' (awarded '1 star' by Beter Leven Keurmerk) and 'De Groene Weg' (organic and awarded '3 stars' by Beter Leven Keurmerk). These programmes create a substantial and economically feasible market access for farmers that produce animals according to these animal welfare schemes.

### Improved animal-friendly husbandry through exchanges of data

Vion has made a commitment to report all relevant health information about slaughtered animals back to the farmer, thus providing the farmer with the tools to continuously improve the health and welfare status of the animals kept at the farm. Through 'FarmingNet®', an online information system, the farmer can consult data from the processing facility. The OPTIcow project, conducted in collaboration with ZLTO, aims to connect the dairy farmer to the slaughter data

of his individual cattle. With this data, the dairy farmer and the veterinarian can improve the health management of a herd.

### Pigs

#### Netherlands

In the Netherlands, together with several stakeholders and the Animal Welfare Organisation, Vion co-developed the Beter Leven Keurmerk. We started the marketing of pork with the Beter Leven Keurmerk in 2009. Our Good Farming Star concept meets the criteria of '1 star' from Beter Leven Keurmerk. The main differences between '1 star' by Beter Leven Keurmerk and regular husbandry are:

- The pigs have more space.
- The pens are enriched with objects to create a more attractive environment for the animals to live in.
- Boars are not castrated.
- The transportation time to the slaughterhouse is monitored and limited.

Under our Good Farming Star programme, 185 Dutch pig farmers deliver their pigs to Vion. This stimulates the full utilisation of the carcass of the pig. Vion is fully transparent in this market programme, and provides individual farmers with the possibility to tell their own story to consumers. When buying these products, the consumer can scan a QR-code on the product package and follow the end product back through the supply chain, right to the farmers ([www.goodfarmingstar.com](http://www.goodfarmingstar.com)).

Vion delivers organic pork via the 'De Groene Weg' market programme, which originated 37 years ago and is a steady market leader for organic meat. The pork produced under this programme fulfils the EU organic and the '3 star' Beter Leven Keurmerk requirements.





# Animal-friendly husbandry



The main advantages in the organic system are:

- The pigs have more space.
- The pens are enriched with straw bedding.
- The pigs have outdoor access.
- The transportation time to the slaughterhouse is a maximum of 6 hours.

The supply base has increased further as De Groene Weg has grown from 65 Dutch organic pig farmers in 2016 to 85 farmers in 2017. The organic pork is mainly produced for the Dutch and German markets.

### Germany

Since 2010, Vion has cooperated with the German Animal Welfare Society in a pilot market programme with an animal welfare label ([www.tierschutzlabel.info](http://www.tierschutzlabel.info)). The German market is offered pork with enhanced animal welfare. Similar to the Dutch approach, an independent label has been created. The market programme shows a proven concept, but the demand is not yet organised in a way that allows for a larger number of participants. In case of an increasing market demand, Vion and the farmers will be able to increase the volumes.

Vion has used the experience of this animal welfare label to provide input as a partner of the 'Initiative Tierwohl!' (animal welfare initiative) in the development of the concept, which is being implemented together with retail partners ([www.initiative-tierwohl.de](http://www.initiative-tierwohl.de)). Within this system, several German retailers annually collect € 80 million that is transferred to the 2,248 participating pig farmers who raise their pigs with the additional requirements that they can choose from a set of modules concerning animal welfare and sustainability. In Germany, we slaughter organic pork for a dedicated customer.

### Public debate on pigs

To improve animal welfare on farms, Vion contributes through many years of research and development, and actively participates in the public debate. In support of raising entire boars, Vion supports scientific studies in which a system to detect tainted boars was developed to prevent any

negative organoleptic effects on the meat. Our detection system allows Vion to accept all the pigs from farmers that raise entire boars, reducing the need for castration. Furthermore, to minimise the welfare impact of tail docking, Vion has entered into a public-private partnership with Wageningen University on this theme.

In 2017 Vion continued to contribute to specific public debates, mainly through round table discussions, conferences and R&D projects. The main areas have been: ways to minimise the tail docking of piglets; organ findings and their use for health management in pigs; transport of animals at extreme temperatures; and the good health of animals with reduced antibiotic use.

### Cattle

Vion mainly slaughters dairy cattle and the offspring of dairy cattle. As such, Vion contributes to the use of by-products of dairy production.

Animal welfare and the health of livestock are strongly linked to each other, especially in conventional beef production; therefore, we encourage farmers to invest in robust breeds. Dual-purpose breeds, such as Simmental, are not only seen as providing more tasty beef and their production as being more environmentally-friendly, but their robustness also generally related to fewer diseases and a longer lifespan of the cows. More than 45% of our cattle are either pure Simmental or are cross-breed dairy/beef. Vion pays a higher price for these animals and sells the Simmental beef through special meat quality programmes.

To develop systematic approaches for enhanced animal welfare concepts in the segment between conventional and organic production, Vion contributes to the development of independent animal welfare labels in dairy and beef production. This process is ongoing with our stakeholders.

### Netherlands

Vion delivers organic beef through the 'De Groene Weg' concept, in which beef is produced according the EU organic requirements. These are likely to become premium levels



# Animal-friendly husbandry



within the animal welfare label, as the organic requirements already contain a number of advanced animal welfare requirements including the requirements for floors, larger spaces in stables and mandatory outside access.

### Germany

In Germany, Vion is contributing to the project of a stakeholder group for the development of an animal welfare label for dairy cattle within the 'Tierschutzlabel des Deutschen Tierschutzbundes'. The first animals are expected to become available within this segment during 2018.

The volume of organic beef that is marketed by Vion has been continuously growing over recent years, by 4% between 2016 and 2017.

### Public debate on cattle

Within the beef sector, there are also several debates related to animal welfare. The slaughtering of cattle in the last third of their pregnancy is one of these issues. Vion is monitoring and recording the animals in this phase and provides this information as feedback to the farmers. During 2017, 0.5% of all female cattle processed in Germany were diagnosed as being pregnant in the third trimester. Together with the farmers and the Bavarian Farmers Association we have implemented a reporting system to further reduce this figure. Moreover, Vion has contributed to a three-year research project by the University Hamburg and Leipzig and other partners, called 'SIGN'.

## Vion's performance in the Business Benchmark on Farm Animal Welfare

The Business Benchmark on Farm Animal Welfare (BBFAW) evaluates the world's leading food producers, retailers and service companies regarding their management and reporting of farm animal welfare. In 2017, Vion improved its performance to Tier 3 of the Benchmark. With this ranking, Vion is one of the three best European meat processing companies in this analysis.

The BBFAW has been designed to encourage higher farm animal welfare standards across the food industry. The Benchmark is the first global report concerning farm animal welfare management, policy commitments and disclosures by food companies, and is designed for use by investors, companies, NGOs and other stakeholders interested in understanding the relative performance of food companies in this area. For more information on the programme, and to read the full report, visit [www.bbfa.com](http://www.bbfa.com).

### Dilemma

The introduction of a substantially higher level of animal welfare in meat supply chains has shown to be successful when the retailers, meat processors and food service creates a market with a product that is recognised for its higher level of animal welfare by the consumer. Cooperation with animal welfare NGOs is absolutely necessary in this respect. But the consumers also need guidance when choosing a product on the shelf. Transparency of the farmers with all kind of communication instruments, such as websites, is needed, and all the stakeholders really need to cooperate before this will fly.

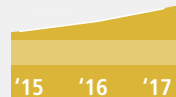
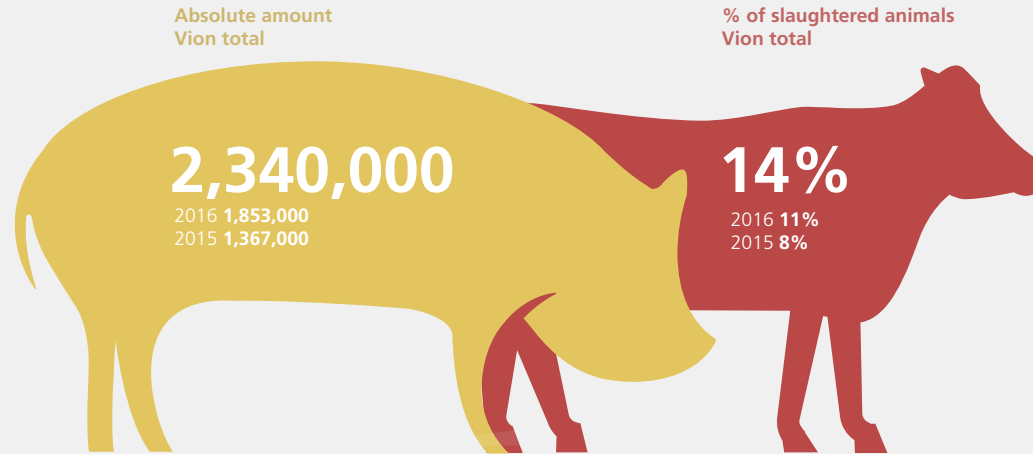


# Animal-friendly husbandry



## Results

Animals raised under certified higher animal welfare requirements (EU Organic, Beter Leven, Tierschutzlabel or Initiative Tierwohl)



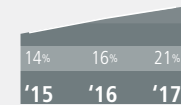
### Absolute amount the Netherlands

Year	Absolute amount
2015	1,001,000
2016	1,156,000
2017	1,526,000



### % of raised under certified higher animal welfare requirements in the Netherlands

Year	% of raised
2015	14%
2016	16%
2017	21%



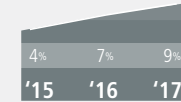
### Absolute amount Germany

Year	Absolute amount
2015	366,000
2016	697,000
2017	814,000



### % of raised under certified higher animal welfare requirements in Germany

Year	% of raised
2015	4%
2016	7%
2017	9%





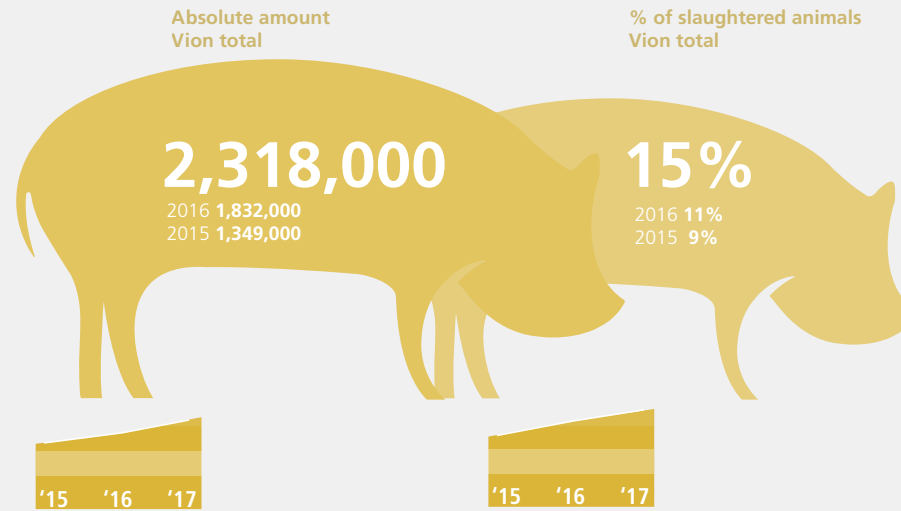


# Animal-friendly husbandry



## Results

### Pigs raised under certified higher animal welfare requirements (EU Organic, Beter Leven, Tierschutzlabel or Initiative Tierwohl)



#### Absolute amount the Netherlands

2015	2016	2017
1,000,000	1,155,000	1,523,000



#### % of raised under certified higher animal welfare requirements in the Netherlands

2015	2016	2017
14%	16%	22%



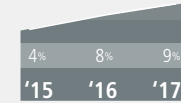
#### Absolute amount Germany

2015	2016	2017
350,000	677,000	795,000



#### % of raised under certified higher animal welfare requirements in Germany

2015	2016	2017
4%	8%	9%



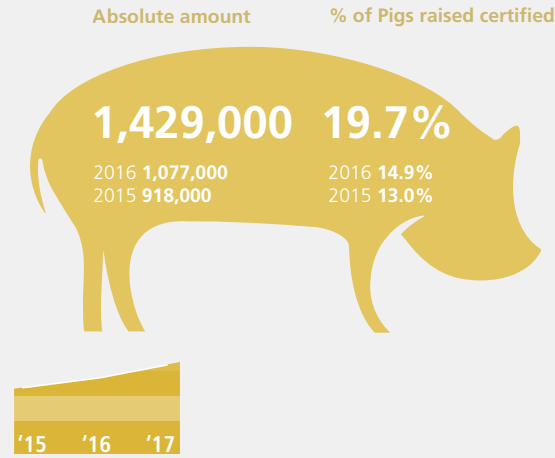


# Animal-friendly husbandry

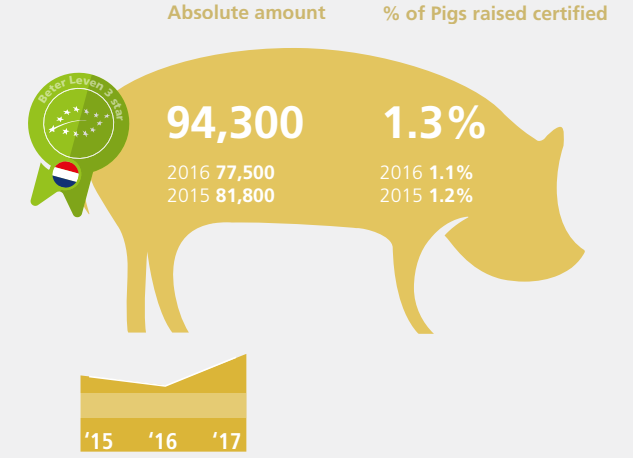


## Results

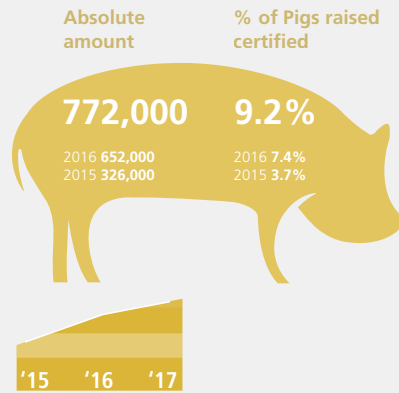
### The Netherlands: Beter Leven 1 star



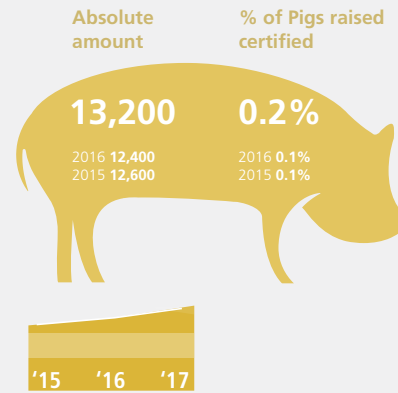
### The Netherlands: Beter Leven 3 stars / EU Organic



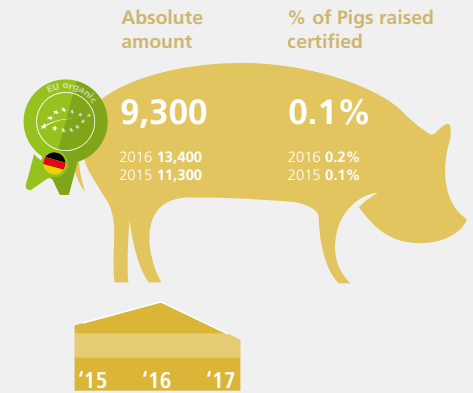
### Germany: Initiative Tierwohl



### Germany: Tierschutzlabel 'Einstiegsstufe'



### Germany: EU Organic





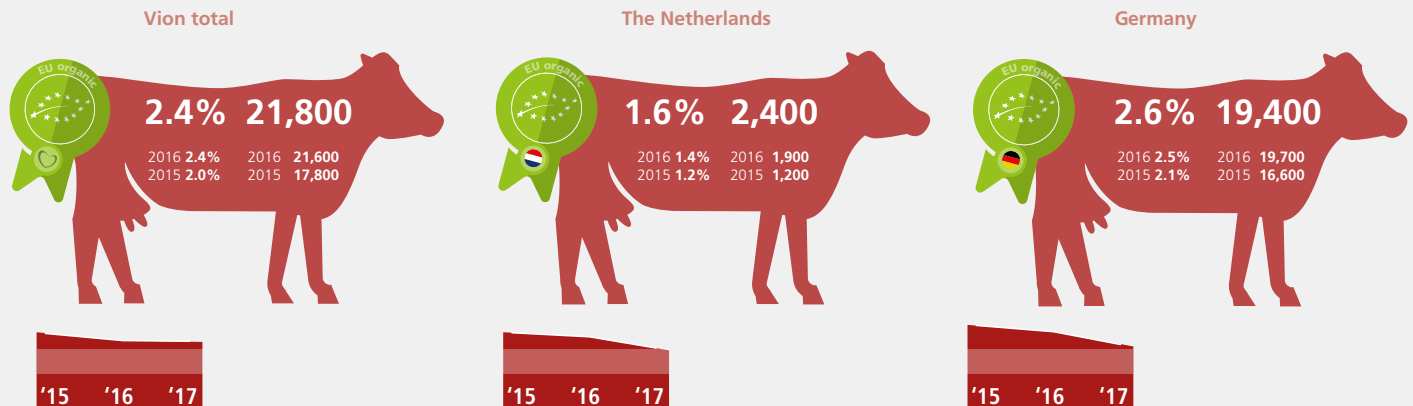
# Animal-friendly husbandry

## Results

### Entire boars (not castrated) of total male pigs slaughtered



### Cattle raised under certified higher animal welfare requirements (EU Organic)





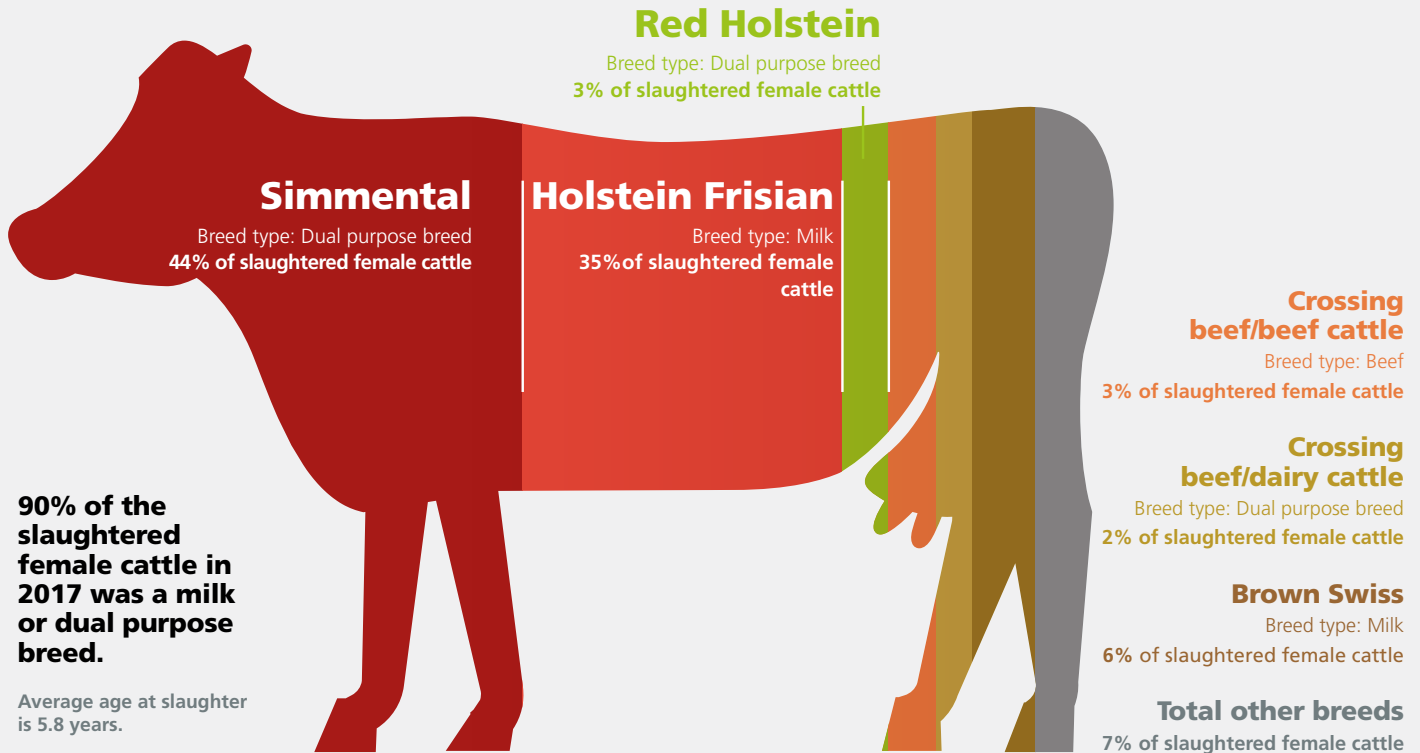
# Animal-friendly husbandry

## Outlook and targets

- Enhance our role as the market leader of animal welfare certified pork and beef in our home markets of Germany and the Netherlands. Explore the market possibilities in other markets.
- Seek further opportunities to enlarge the percentage of animals that are raised under animal welfare programmes by bringing the demand and the production to a higher level.
- Play an active role in animal welfare topics of public concern, and contribute to practical solutions through our own research and development.
- Continue to dialogue with NGOs on animal welfare issues in the entire supply chain.

## Results

### Breed types slaughtered female cattle



## Clarification of the results

The Dutch figures for organic pork slaughters slightly declined in 2016 due to a change in the De Groene Weg association's membership. The slaughter figures rose in the second half of 2016 and in the whole year for 2017. Vion expects them to continue to grow in 2018.

The organic pigs slaughtered in Germany are for one dedicated customer.

The ambition for 2017, to develop and operationalise the Dutch Beter Leven Keurmerk for dairy cattle, was shown to be too ambitious given the complexity of the sector. Nevertheless, Vion is still striving to realise such an animal welfare label for cattle during the coming years.

In the Netherlands, we only slaughter Holstein Frisian dairy cattle.



# The view of...

## Annemarie Noordman

Pig farmer,  
Good Farming Star



"We have invested heavily over the past years and our pigs are doing well."

*"I go back 30 years when I see a sow building a nest."*

I continuously try to improve our work. In fact, our new experimental barn with a self-sufficient green oasis and plenty of space for the piglets and sows is great for exploring, especially the section where they farrow their litter. When I look at that I always notice new things. I go back 30 years seeing a sow building a nest for her piglets. It's wonderful! Every day I keep a sort of diary and write down anything special that has happened during the day so that I can learn from the experience and can pass it on. For example, when I teach, I have many students on internship who come here for practical training. I put them straight to work in our special 'star' stables and our new 'Varkenshof' stable. 'You, fetch the female piglets, and you fetch the males', I say, and if they look at me with big eyes then I know enough. In the barn I can show them a lot. These students on internship are doers and so this practical training is very useful.

*"I can get very annoyed with colleagues who set the wrong examples."*

Because we have an educational barn, we also host groups and I often get visitors who have never been on a pig farm. Most of them are very impressed by our care for the pigs and how they are kept. They don't have a clue, or they have heard stories that are quite different from the reality. That's why I can get very annoyed with my colleagues who set the wrong example, such as those that leave dead animals on the road side without covering them up. This image takes us back to square one.

*"We do great work, so let's spread the word and show it."*

We have invested heavily over the past years and our pigs are doing well. We make these investments so that we stand out and to further develop our work. This is why we were one of the first in 2010 to join Good Farming Star. We follow the guidelines of the '1 star' Beter Leven Keurmerk criteria (Better Life Quality Label) for our pigs, with more space and activities in the barn. After 8 years, it's time for a follow-up. We need to continue to develop and talk about our work. We do great work, so let's spread the word and show it. The willingness is there: look at all those Good Farming Star farmers. We are concerned about the pricing though. Stable pricing for pork would help a lot. We are a cost driven industry with enormous ups and downs, which does not help. This makes us anxious because it affects our livelihood. While we work more and more in cooperatives, we need to collaborate and do something about this because stability is needed for all of us.



# Antibiotics

## The topic

Bacteria can become resistant to antibiotics, making 'simple' infections life-threatening. Antibiotic resistance develops in humans and animals due to antibiotic use. Consumers fear that meat could transmit antibiotic resistance to the human population.

## Boundaries

Antibiotics are administered to animals on the farms for veterinary reasons. Vion monitors the antibiotic residues in meat and studies the transmission of antimicrobial resistance through its supply chain to understand the transmission pathway and to intervene where needed.



## Vion's approach

### Antibiotic use on farms

To reduce the use of antibiotics, strict regulations are enforced in today's livestock production. The administration of growth promoting substances, or the preventive use of antibiotics is not allowed. Prescriptions of antibiotics and their administration can only be performed by veterinarians after visiting a farm, and last-resort antibiotics can only be used under strict regulations. The registration of the antibiotic use per farm in a central database is mandatory, and a specified withdrawal period, i.e. a period without antibiotic administration, needs to precede the slaughter, so that residues are absent or are below the Maximum Residue Limit (MRL) as prescribed in the regulations.

Vion's management strategy regarding the antibiotic use on farms involves a use of antibiotics that is as low as realistically possible, while maintaining a balance between public health, veterinary health and animal welfare. Pigs from herds that have been treated with antibiotics that are critical to humans, such as 3<sup>rd</sup> and 4<sup>th</sup> generation cephalosporins, are not accepted by Vion. Farmers are required to declare the use of antibiotics and veterinary drugs to Vion prior to slaughter.

Furthermore, the competent authorities, as well as Vion, run monitoring programmes on the presence of antibiotic residues in pork and beef. Close to 100,000 pork and beef samples from 50,000 animals are taken in Germany and the Netherlands in 2017 for the testing of antibiotic residues. Of these samples, >99.9% had no detectable antibiotic residues, or had residues at a level below the maximum allowed limit as described in the European legislation (see the charts for the results). In 2017, the most frequently found residues in pigs above the MRL were oxytetracycline (4) and benzylpenicillin (3). In beef, marbofloxacin was found to be above the MLR four times and enrofloxacin once.

Farmers that supply animals exceeding the MRL are contacted to ascertain the cause and are prompted to take measures to prevent this from happening again in the future. Meanwhile, the deliveries from those farms to Vion are put on hold until these measures are effective.

### Transmission of antimicrobial resistance to the human population

Vion is actively involved in different scientific projects concerning antimicrobial resistance. We cooperate with universities throughout Europe to increase knowledge about food-related antimicrobial resistance, and the control of transmission of antimicrobial resistance to the human population via food.

In 2017, a 5-year project on the transmission of antimicrobial resistance to humans was finalised. Different transmission routes, including those via the environment, human and animal contact and foods of animal origin were considered. It was estimated that >50% of the transmission occurs among humans<sup>1</sup>, and the remainder is caused by all other transmission routes. Transmission through food was concluded to occur also, but it is responsible for a small contribution compared to the other transmission routes<sup>1</sup>. Our scientific research carried out together with several veterinary public health institutes during the past 5 years shows that when animals are slaughtered according to the Vion hygiene standards and critical antibiotics are not used, there is no relevant transmission of antibiotic resistance through the consumption of pork and beef. Nevertheless, vigilance is needed and Vion will continue to promote a prudent use of antibiotics and support further reductions in unnecessary antibiotics used in livestock production. For instance, through our cooperation with ZLTO, Vion supports research related to ways to further reduce antibiotic use on pig farms.



# Antibiotics



For our focus on the health of animals, we work closely together with the Dutch farming organisation ZLTO, the Dutch authorities, and the universities of Utrecht and Wageningen. An example is our contribution to the joint research programme 1Health4Food, also focussing on antibiotic resistance. Another approach is taking place in our project, together with ZLTO, for providing good quality drinking water that leads to a reduction in the need for antibiotics.

#### References

1 ESBLAT consortium, 2018. [Rapport ESBL-Attributieanalyse (ESBLAT)]. Mevius D, Heederik D, Van Duijkeren E, eds. Projectnr. TKI-AF 12067. 73pp.

#### Dilemma

The main item of concern for public health is the spread of antibiotic resistant bacteria. The risks need to be mitigated, resulting in a demand to reduce antibiotic use as far as possible. However, such a reduction needs to be conscientious, and not lead to animal suffering. Figures have shown that a multi-effort control programme in the full supply chain is effective in reducing the need for antibiotic treatment. With this effective programme, it is still possible to cure sick animals for reasons of assuring animal health and welfare and preventing the spread of disease.



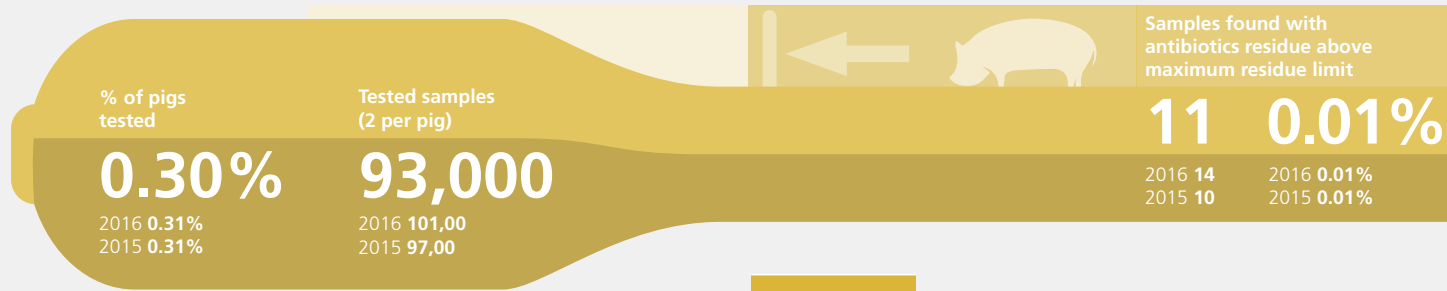
# Antibiotics

## Outlook and targets

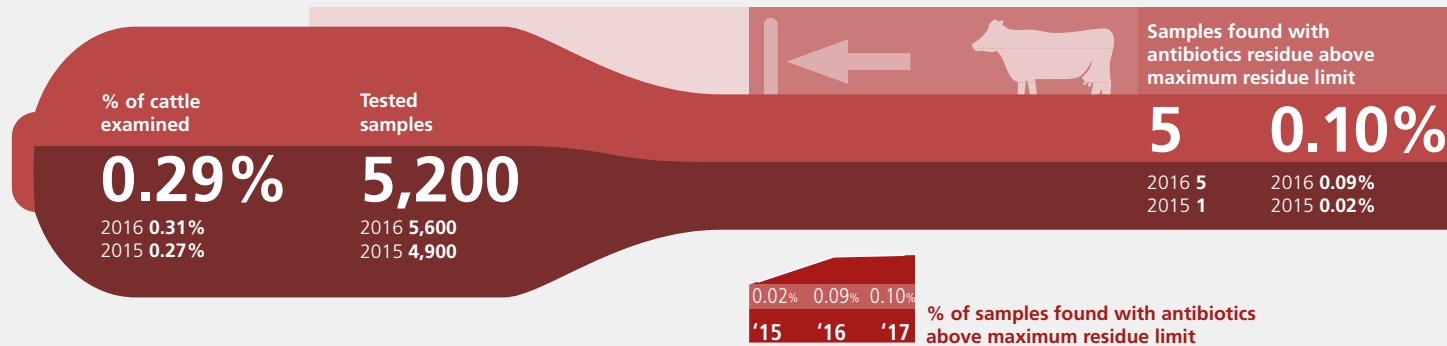
The data on antibiotics shows that the clear majority of farms now reach acceptable levels. The relatively small proportion of farms that have not been able to do so will be supported and stimulated further. In Vion's strategy, critical antibiotics are restricted from use on farms and the antibiotic usage is further reduced as far as possible, while balancing safe antibiotic usage with animal welfare. Vion will put an emphasis on increasing knowledge on the health protection of livestock using innovations to guarantee the welfare of the animals. One of the benefits of such an approach will be a further reduction in the use of antibiotics.

### Results

#### Pigs found with antibiotics residue above maximum residue limit



#### Cattle found with antibiotics residue above maximum residue limit



### Clarification of the results

When monitoring antimicrobial residue levels, not all animals can be sampled from a logistical point of view. Therefore, around 0.3% of the slaughtered animals are tested. The animals are selected through a risk-based approach using the historical carcass inspection data with respect to health. Farms exceeding (a) benchmark(s) are amongst the others selected for sampling.





# Role of meat in a healthy diet

## The topic

Meat and protein of animal origin are an important part of our diet. Public knowledge about the role of meat in our diet is important, and consumers should receive information that is based on science.

## Boundaries

The impact is made by both scientists and the media. Vion collaborates with science and the media to show the role of meat in a healthy diet.



## Vion's approach

Vion supports scientific fact-finding about the role of meat in a healthy diet, and we actively collaborate with independent research institutes. We think it is important that consumers receive a full picture of scientifically valid information; therefore, we provide our stakeholders with the outcomes of these research projects.

### Meat contains several important ingredients for a healthy diet

#### Proteins

The essential amino acids that are present in meat are major ingredients in a healthy diet. The protein content of lean meat is about 26 to 27% and is of a high quality, containing all 8 essential amino acids needed for the growth and maintenance of our bodies. It helps to build and repair muscles, as well as helping to maintain healthy hair, bones, skin and blood. Due to its high biological value, the protein obtained from meat is more easily digested and absorbed quickly and effectively by the body when compared to plant proteins<sup>1, 2</sup>. Meat also contains creatine, a nitrogen-containing compound that improves protein synthesis and provides the muscles with energy, encouraging healthy muscles.

#### Vitamins and minerals

Other important ingredients in meat are vitamins and minerals. Vitamins are vital for maintaining a healthy body. Meat is a particularly good source of vitamin E, and of B vitamins including B2, B6 and B12. Meat contains minerals that are relevant for muscle growth like zinc, which promotes muscle repair, and iron, which boosts energy levels and combats fatigue.

### Role of meat in muscle growth and strength

Amino acids are used in your body to build proteins. In 2017, Vion has been focussing on the impact of essential amino acids on the muscle protein turnover in relation to muscle strength.

#### Children

For children, it is essential to grow muscle mass. An 80-100 gram portion of most types of meat contains about 20 grams of protein, and is a simple way to help children achieve their daily protein intake of essential amino acids. In addition to this, a correct intake of vitamin B12 is essential for neurological development and cell growth. Iron and zinc are important for the growth and development of infants and children<sup>3</sup>.

#### Adults

As an adult, it is important not to increase too much in weight, because being overweight and obese are associated with an increased health risk. Meat, given its high nutritional density, can therefore be of help in limiting calories but not essential nutrients. If we want to cover our protein needs by using only plant-based foods, we need to consume between 3 to 5 times more calories than the calories obtained from foods of animal origin, particularly from lean cuts of meat. Obesity has been increasing in our modern society, and several studies suggest that diets with a higher proportion of protein are effective for a healthy body weight. Meat, due to its protein, may also contribute to satiety and therefore may reduce the overall food and energy intake.

#### Elderly

Our muscles are constantly under construction and are being refreshed by so-called catabolic (breakdown) and anabolic (build up) processes. Every two months, we basically construct a new set of muscles. Our muscles need building blocks for this protein turnover. Meat proteins are broken down into amino acids that are used as these building blocks. Meat is the matured muscle of an animal, and therefore it provides the perfect amino acid composition.



# Role of meat in a healthy diet



When we get older, our muscle mass begins to decline. The muscles represent about 45% of the body weight between the ages of 20 and 30; dropping to only 27% at the age of 70. When you get older you need fewer calories, because of lower levels of activity and the metabolism slowing down. But to remain healthy, a body still requires the same amount of some nutrients; while some nutrients, like proteins, are required at even in higher levels. Meat is part of a balanced diet for the elderly as it provides high biological value protein. There is good and consistent evidence that the consumption of 1.0 to 1.3 g of protein per kg of body weight per day, combined with twice-weekly progressive exercise, reduces the age-related muscle mass loss<sup>4</sup>.

## Protein enriched product development

The main protein uptake of senior citizens occurs at the evening meal. Vion is studying the possibility to produce protein enriched meat products that can be consumed during the day. There is growing scientific evidence that the age-related reduction in muscle mass can be slowed down with a proper intake of protein throughout the entire day. It would be beneficial to eat a protein enhanced snack later in the evening to have sufficient essential amino acids available for the muscle protein turnover during a night's sleep.

## Dilemma

The dilemma with the development of protein enriched products is that an increase in the protein content leads to tougher and drier products. The challenge is to produce protein enriched products that at the same time have a reduced in fat and salt content, while maintaining the good sensory characteristics.



# Role of meat in a healthy diet

## ▶ Outlook and targets

Vion will continue to follow the health impact of meat and meat products, to provide scientifically-based answers concerning the healthy eating habits in our society. While the health benefits of meat outweigh the negatives, it is recommended to maintain a balanced diet according to the required needs per age group.

### Meat consumption in relation to diseases

Meat products belong to one of the six major food groups, which provide the body with the essential nutrients, minerals and vitamins to remain healthy<sup>5</sup>. Recently, however, there has been public controversy concerning health and meat, especially red meat and processed meat products. It is argued that the consumption of red meat is directly linked to heart disease and cancer.

Fears have grown about the amount of fat in all meats, particularly saturated fat. Meat is often viewed with concern for the health of the heart, but not all the scientific studies agree on this point. Traditionally, too much saturated fat was thought to increase the risk of cardiovascular disease and high cholesterol. However, progressing research suggests that individual saturated fatty acids have their own important biological functions in the body and may play a role in cancer prevention by stopping the development of cancer cells, as well as being involved in the cell messaging and immune functions<sup>6</sup>.

In 2017, the World Cancer Research Fund (WCRF) published updated data that shows a relative reduction of the risk of developing colorectal cancer as a result of the consumption of red meat in general compared to their previous reports. The WCRF concluded that there is convincing evidence for an increased risk for cancer only with the consumption of more than 50 grams of processed meat per day<sup>7</sup>. The meat industry has been reducing the salt and nitrite levels in most meat products. These new figures suggest that the reduction of salt in processed meats, and specifically, the substantial reduction in the use of nitrite and nitrate salts, is starting to have an effect on the cancer risk reduction. The dilemma is that a further reduction in nitrites is difficult to achieve without increasing other bacterial related health risks.

The consumption of 50 grams of processed meat on average per day is not common in European meat consumption. Vion advises all consumers to eat moderately and consume a large variation of food items, together with sufficient exercise for the body.

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- 7 World Cancer Research Fund International/American Institute for Cancer Research. Continuous Update Project Report: Diet, Nutrition, Physical Activity and Colorectal Cancer.2017. Available at: [wcrf.org/colorectal-cancer-2017](http://wcrf.org/colorectal-cancer-2017)



# The view of...

## Henk Kivits

Founding father, FoodForCare



“Following the pilot, we saw the use of nausea medication decrease by half.”

**FoodForCare is an initiative that includes young cancer patients, Radboudumc Hospital and the catering and food company Maison van den Boer. It provides fresh, high-quality meals and drinks daily for the patients' well-being and recovery. The food formula consists of personal, sustainable, fresh and healthy ingredients for patients with six or seven meals or snacks during the day.**

As the Founding Father Henk Kivits explains, “In 2013, a pilot programme was set up with young cancer patients being treated by the Oncology Department at Radboud Hospital. These patients often experience nausea as a result of their chemotherapy. Smaller and more frequent meals, with a tailored energy and protein content, were better suited to this group of patients. After the pilot, we saw a significant improvement in the patients' well-being and a halving in the use of anti-emetics (nausea medication). This was an

eye-opener for the doctors, particularly since alternative medicine and the effects of nutrition are not their specialism.”

“In 2014 and 2015, the FoodForCare concept was developed and extended to other departments. In addition, research has revealed that around 25-40 percent of patients admitted to hospital are undernourished. This produces a greater risk of complications and more medicines being required. We encourage and entice the patients to choose a personal menu containing energy, proteins and carbohydrates with important nutritional values. They do this in conjunction with our nutritional consultants. This also puts food back on the table as a topic of discussion. And it concerns much more than food alone. It's also about culture, emotion, sociability and enjoyment.”

### **Hotchpotch with beef stew from a straw**

“In the meantime, we have produced more than a million meals and we score high in patient-satisfaction surveys. We have dishes for every diet and variety is the key, because there are no certitudes. The average animal-protein content

is around 100 grams per day, but we also provide fantastic vegetarian dishes. And if a patient fancies hotchpotch with beef stew from a straw, that's no problem.”

### **'Eat yourself better'**

“As we are heading for one million patients with Type 2 diabetes, the health issues of the future are arousing the interest of health insurers in our concept. They also want to improve the resilience of their policy holders. If we can reduce insurance premiums by encouraging the right eating habits, which are also varied and delicious, then what are we waiting for? To this end, we will be working with the Emté supermarket chain through the 'Eat yourself better' campaign in May this year. We are also supplying food daily to the Centre for Top Sport in Eindhoven, in the form of personal diets tailored to the needs of strength and endurance athletes.”

“And we are continuing our research. The relationship between nutrition and measurable recovery is central to what we're doing and produces only winners.”



# Organic

## The topic

Society is changing – consumers want responsibly produced foods from sustainable food supply chains and a high level of animal welfare. That is why Vion is active in the growing market of organic meat. The turnover of organic meat in the Netherlands is consistently increasing by on average 6 to 7 percent a year. In the Scandinavian countries and France, the growth of the organic market is currently even higher, with more than 20% per year. In the South European countries, the demand for organic meat is also increasing. Next to the direct benefits, the experience gained in our organic market concepts will also lead to new insights and possibilities that the company can apply in other market concepts.



## Vion's approach

### The Netherlands

#### Vion's organic concept De Groene Weg

To guarantee a certified value chain, Vion organises the organic husbandry at De Groene Weg. De Groene Weg is fully dedicated towards producing organic meat; both pork and beef. As a central player in the organic supply chain, with an integrated approach from the pig-breeder to the end-consumer, Vion has had the opportunity to develop best practices for the supply chain management, pricing models and type of farming. The integrated approach of De Groene Weg for the production and marketing of meat ensures an optimal tuning of the demand and supply. For that purpose, the company works closely with both organic livestock farmers and market parties such as (its own) butcher shops, retail outlets and the Vion international sales agencies. The 85 farmers who supply their pigs to De Groene Weg are members of a suppliers' association. The processing of the organic pigs occurs in Vion's specialised meat processing plant located in Groenlo. In addition to this, De Groene Weg also processes organic beef. These are mainly dairy cows that for the most part originate from organic dairy farms in the Netherlands, Germany, and Austria.

#### Demand-driven way of working

The market for organic meat is growing rapidly, by on average 7% annually. With 12 butcher shops in the Netherlands, and as a supplier of various large retail chains, De Groene Weg is by far the market leader in the organic meat sector in the Netherlands in 2017, and the second largest in Europe. Market demand is the basis for the success of De Groene Weg. The company grows in harmony with the market, and in this way maintains its leading position. Vion sells organic pork partly outside the Netherlands, mainly in North Western Europe; whereas the market for organic beef is predominantly domestic.

#### Requirements for organic farming

The differences in organic pig and beef farming, compared to regular animal husbandry, are based on the EU legislation for organic livestock production. The main differences are:

- For growing feed, only organic seed is used.
- Only permitted fertilisers and plant protection products can be used.
- Animals are from an organic origin.
- Specific standards for the housing of animals, such as daylight, space, ventilation and the possibility to conduct natural behaviour.
- Feed is organic, and only a limited part of the feed may consist of concentrated feedstuffs.
- Natural/homeopathic veterinary medicines can be used on the prescription of a veterinarian, and only in specific circumstances will the use of regular veterinary products or antibiotics be allowed.

On top of the EU organic requirements, Vion requires its Dutch organic pork and beef suppliers to comply with the norms of the '3 stars' Beter Leven Keurmerk label, which are:

- Outdoor grazing must be possible for breeding sows.
- The maximum transportation distance of the piglets is 60 km.

#### Contribution to animal welfare

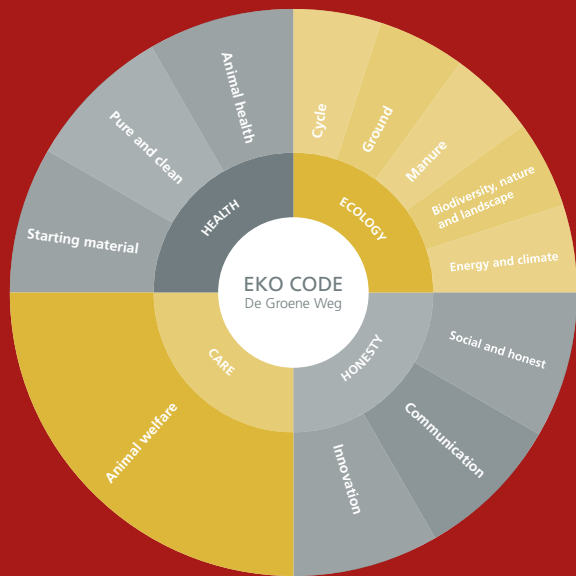
With De Groene Weg, Vion contributes to animal welfare. Organic meat of De Groene Weg has received '3 stars' from Beter Leven Keurmerk (Better Life quality label) of the Dierenbescherming (Dutch Society for the Protection of Animals). Vion is transparent about the story behind the De Groene Weg meat. Information about the organic farmers within the De Groene Weg suppliers' association is shown on the website of De Groene Weg. De Groene Weg uses a maximum transportation distance for piglets of 60 km to minimise the negative effects on the piglets' health as much as possible. De Groene Weg prefers suppliers who maintain all the stages of a fattening pigs' life on one farm – from birth to the end of fattening – as this reduces the number of transport movements.



# Organic

## Boundaries

The organic husbandry of animals occurs at the farm, but the whole value chain needs to be certified in order to market the products as organic.



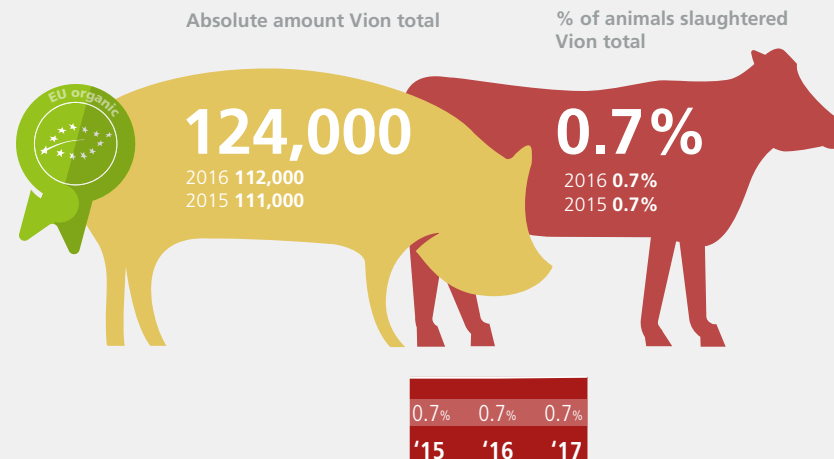
Eko code for Dutch pig suppliers within De Groene Weg

**Eko code for Dutch pig suppliers within De Groene Weg**  
De Groene Weg has developed a so-called EKO-code, together with the base of pig suppliers and the 'EKO' foundation. This foundation promotes the development of activities to improve the biological and ecological quality of products, including certification with an EKO quality label. With the introduction of the EKO-code, De Groene Weg gives a proactive interpretation to the new requirements of the EKO label (quality mark).

From 1 January 2018, the foundation forms the EKO-label in accordance with the 4 principles of the international organic umbrella movement IFOAM: the principles of Honesty, Care, Health and Ecology. In order to achieve this, the foundation has formulated twelve themes. The EKO-code is a scoring instrument based on these twelve themes, for example the use of renewable energy, soil use, biodiversity and circular economy. Every supplier is expected to set at least two objectives each year, resulting in a higher score in the next year when these objectives are achieved. This approach

## Results

### Animals slaughtered with EU organic certificate



ensures a continuous improvement of the sustainability of the organic pork chain at De Groene Weg.

### Germany

The slaughter numbers for organic pork in Germany are dedicated to one customer. Apart from this, we provide some of our customers with organic pork from the Netherlands. In recent years, our German beef operations have steadily increased their slaughter numbers and the sales of organic beef. From 2016 to 2017, the amount of organic beef increased by 44%. We will strive to develop this market segment according to the market demand.

### Dilemma

Allowing pigs outdoor access stimulates the natural behaviour of pigs and improves the welfare of the animals. The downside of outdoor access, however, is that exposure to pathogens can occur more easily compared to stables, where the biosafety systems reduce the risk of pathogen introduction. Depending on the pathogen, such exposure might negatively influence the food safety.

### Absolute amount the Netherlands

Year	2015	2016	2017
Absolute amount	82,900	79,300	94,900

### Absolute amount Germany

Year	2015	2016	2017
Absolute amount	27,900	33,100	28,700

### % of animals slaughtered the Netherlands

Year	2015	2016	2017
% of animals	1.2%	1.1%	1.3%

### % of animals slaughtered Germany

Year	2015	2016	2017
% of animals	0.3%	0.3%	0.3%



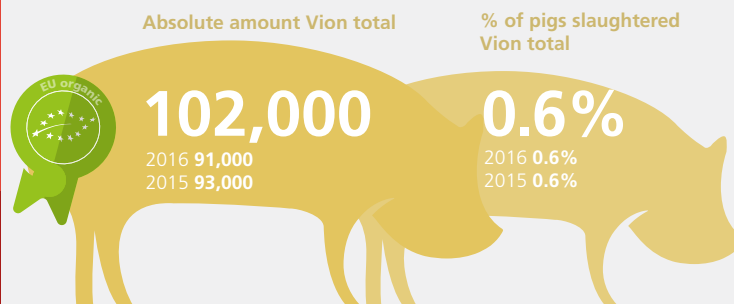
# Organic

## Outlook and targets

Vion will potentially seek to grow this special market segment further in a market-driven way. The expectation is that there will be more than 90 suppliers within the suppliers' association by the end of 2018. The ambition of De Groene Weg is to continue growing over the coming years. We expect De Groene Weg to slaughter more than 100,000 organic pigs per year before 2020. This year's amount is over 92,000. Compared to 2016, the 2020 target is a growth of approximately 25%.

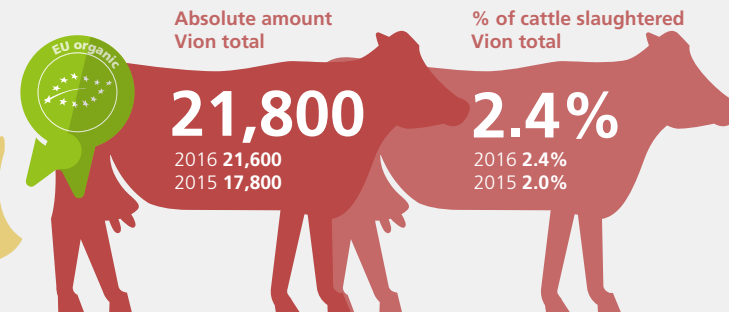
## Results

### Pigs slaughtered with EU Organic certificate



Year	2015	2016	2017
% of pigs slaughtered	0.6%	0.6%	0.6%

### Cattle slaughtered with EU Organic certificate



Year	2015	2016	2017
% of cattle slaughtered	2.0%	2.3%	2.4%

#### Absolute amount the Netherlands | % of pigs slaughtered the Netherlands

Year	2015	2016	2017	Year	2015	2016	2017
Absolute amount	81,600	77,400	92,500	% of pigs slaughtered	1.2%	1.1%	1.3%

#### Absolute amount Germany | % of pigs slaughtered Germany

Year	2015	2016	2017	Year	2015	2016	2017
Absolute amount	11,300	13,400	9,300	% of pigs slaughtered	0.1%	0.2%	0.1%

#### Absolute amount the Netherlands | % of cattle slaughtered the Netherlands

Year	2015	2016	2017	Year	2015	2016	2017
Absolute amount	1,200	1,800	2,400	% of cattle slaughtered	1.2%	1.4%	1.6%

#### Absolute amount Germany | % of cattle slaughtered Germany

Year	2015	2016	2017	Year	2015	2016	2017
Absolute amount	16,600	19,700	19,400	% of cattle slaughtered	2.1%	2.5%	2.6%

## Clarification of the results

Overall, we are seeing growing organic volumes in a growing organic market. In total, Vion's organic sales volume grew in 2017 by ~10% compared to 2016. The Dutch figures for processed organic pigs show an increase of 18% from 2016 to 2017 as a result of a positive development of the consumers' demand. Also, the processed organic cattle in the Netherlands increased from 2016 to 2017 by 14%. We expect these numbers to continue growing in 2018. The organic pigs slaughtered in Germany are currently dedicated for a single customer. To fulfil the demand for organic beef in the Netherlands, we also debone the cattle carcasses originating from other regions (mainly from Germany and Austria).

The number of organic fattened pigs raised in the EU, as recorded by Eurostat, was 450,000 and 475,000 in 2015 and 2016, respectively'. Based on these numbers, Vion slaughtered 20% and 21% of the organically raised fattened pigs in the EU in 2015 and 2016, respectively. Similarly, Vion slaughtered about 2% of the recorded (by Eurostat) organic dairy cattle in these years.

*Reference: 1 Eurostat. Statistical office of the European Union. Organic livestock of animals database. Available at <http://ec.europa.eu/eurostat/data/database> [Accessed on 20 Feb. 2018].*



# The view of...

## Bavo van den Idsert

Stichting EKO-keurmerk  
Managing Director

“Doing more than the law strictly demands.”



***The organic meat market is growing. Its total market share in the Netherlands is between 2.5 and 3%. Do you think that this growth will continue, and if so, why?***

“The large banks (Rabobank, ABN-AMRO and ING) all expect organic agriculture and food to continue growing over the coming 5 to 10 years. This is in line with my expectations. Over the past 15 years, the organic sector has quadrupled in size worldwide. The ambition is to become one of the main agriculture and food systems of the future. In countries like Denmark, Sweden, Austria, Switzerland and southern Germany, this is already happening as we speak. The market share of organic agriculture in these countries is between 10 and 20%, and the consumption share is approaching 10%. Large countries like Italy, Spain and France are experiencing strong growth and this is also possible in the Netherlands. The autonomous growth of organic farming will continue, but greater progress would require a new vision with regard to agriculture and food. In particular, it would need to be a caring vision; one which no longer revolves around efficiency and price alone, and which does not transfer the costs to the society.”

***The EKO Label has been renewed. What does this mean for farmers trying to meet its standards?***

“The EKO Label is a standard for organic farmers, merchants, brands, shops and restaurants that want to keep developing and innovating. The organic EU-label represents a good

legal foundation, but its continued development has been bogged down in political inefficiency and national interests. Meanwhile, many organic farmers and companies are actually doing more than the law strictly demands. A movement has begun among organic farmers and companies, which have discussed and established their extra-statutory surpluses in various sub-sectors and have linked them to EKO. For example, the organic pig farmers at De Groene Weg have adopted three extra-statutory standards: mother sow grazing, organic straw and limiting the transportation of piglets from the breeder to the pig farmer to a maximum of 60 kilometres, or a one-hour drive. In addition, more than forty development points have been defined for everyone to put into action. As of 1 January, additional standards apply to all EKO licence holders – from the farmers to the shops – concerning socially responsible and fair trading. Moreover, all individual entrepreneurs will make two additional sustainable steps each year. Each company records and displays all of these ambitions on [EKO-keurmerk.nl](http://EKO-keurmerk.nl).”

***How is this organised in other sectors, such as in dairy farming?***

“Other sectors have also defined their extra-statutory standards or are busy doing so. In the organic dairy sector, this process has already been going on for several years. As many as eight extra-statutory standards have been established there, along with firm goals for the near future. The additional standards vary from greater details regarding cow grazing to more biodiversity on the land and the goal to make the organic dairy sector entirely energy neutral in

2021. EKO Holland, the co-operative of more than 180 organic dairy farmers, joined the surplus programme on 1 January and has also joined EKO. Arable farmers have also made great progress in defining additional standards in several areas, including biodiversity and soil fertility.”

***What is the power of the EKO Label in the Netherlands and are there any similar labels in other EU countries?***

“The power of the EKO Label lies in the fact that different sub-sectors have the ability to establish and implement their own innovations and development agenda. They could have chosen to sit back, since the legislation on organic farming is already in place. This may be a high standard, but the world of organic farming is constantly developing and is becoming more sustainable. Moreover, the organic farming legislation covers only two of the four organic principles: ecology and animal care. There is no legislation concerning the principles of ‘fairness’ and ‘health’, and the same applies to the sustainability themes, such as energy and packaging. Farmers and companies use EKO to pick up these missing principles and, in turn, use them to steer their own development. The same also happens in other countries. Germany has the private standards Bioland and Naturland with extra-statutory requirements, while Scandinavia has KRAV, the UK has the Soil Association and Switzerland has Bio-Suisse. Similar private standards can also be found in Austria, Spain, Italy and France. Together, we form the Leading Organic Alliance, which is aimed at stimulating the development of organic farming.”





# Health and safety of workers

## The topic

The health and safety of employees is important to us, due to their hard work and the use of possibly dangerous tools. Also, more and more customers are requiring workplace accountability assessments to ensure a safe workplace.

## Boundaries

We take the employees of all our own operations into account.



## Vion's approach

Vion provides and ensures a safe and healthy workplace. This means that we have procedures, manuals, general documents and instructions in place. Regarding the prevention of accidents, it is mandatory for all of our plants to use the Vion incident management procedure. Besides this, there are structural 'Arbo' and 'Berufsgenossenschaft Nahrungsmittel und Gastgewerbe' (BGN) audits and management reviews.

Despite all of our precautions, accidents unfortunately happen. In 2017, there were again no fatalities at our plants. As in 2016, the most frequent types of injuries were: knife cuts; injuries caused by slipping, stumbling or falling; and injuries caused by internal transport.

Every accident is examined and is regarded as an occasion to look for improvements. Workers handling a band saw now have to wear a flexible metal glove to prevent cuts. In 2016, we had a severe accident caused by a reverse driving forklift. In order to prevent similar accidents occurring in the future, all of our forklifts are now equipped with loud acoustic signals and blue lights for reverse driving. In 2017, we had an accident involving an employee who was working alone and was found injured only after some time. This led to the decision to equip all employees who work alone and out of sight of their colleagues with beepers which will trigger an alarm signal if not pressed regularly. The alarm signal rings out at a gate that is occupied 24/7. Furthermore, we replaced the apron with a shirt to protect workers handling knives, because the aprons were uncomfortable and could slide down.

Vion employs a considerable number of foreign employees who don't understand well the language of their country of employment. We noticed that these employees tended to affirm that they understood the health and safety briefing, even when they did not. Therefore, we now use pictograms and translate all the main health and safety briefings into the respective native languages, to make sure the main risks are understood.

In order to increase the awareness of the management on health and safety as a top priority, in 2017, health and safety was chosen to be one of the main themes of the annual top management meeting. The discussions showed clearly that most accidents are the result of wrong behaviour on behalf of the employees. This led to the conclusion that the training hours on safety have to increase, and that the disregarding of accident prevention regulation services has to be punished by consistent disciplinary measures.

In recent years, several A-brand clients have implemented their own standards to verify Vion's performance in terms of occupational health and safety, to ensure they are treated fairly and provided with a safe and healthy work environment. The number of Vion plants that are certified against one of these independent standards is continuously growing.

Vion puts workplace safety first, as part of Vion's good governance measures. In the end, it is also an economic way of working by having less lost time from injuries. This means working at a speed that is efficient, and which simultaneously allows us to meet all safety regulations.

### Dilemma

Due to the nature of our business, which includes the usage of sharp knives and machines, our workplaces involve the risk of injuries. Our business also demands a very efficient and fast way of deboning and processing meat. Speed and time pressures increase the risk of injuries, so we have to constantly strive for the right balance between an efficient way of working and minimising the risk of injuries.



# Health and safety of workers



## The Netherlands

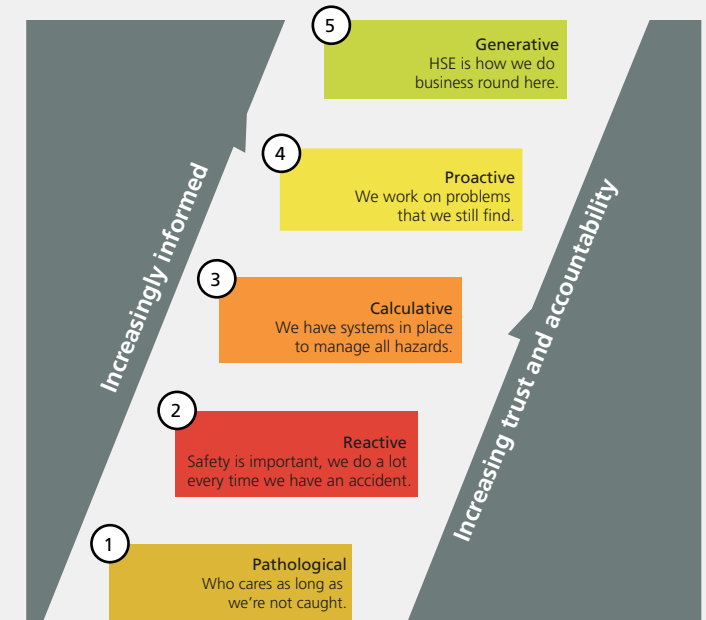
At all Dutch plants the 'Arbo' management system is applicable. In 2017, all Dutch managers (over 200 managers) completed the 'Arbo' Conscious Management course, which including self-studying, 1 day of training and an exam on 16 themes.

Every Vion plant in the Netherlands has a works council. These works councils participate in different health and safety working groups. Besides this, the works council is represented in each plant's 'Arbo' committee.

In the Netherlands, we use the 'Safety Culture Ladder' to assess and improve the consciousness of safe working conditions. The higher the level of safety consciousness, the higher is the score on the ladder, ranging from 1 to 5. Each year, we conduct an internal audit in every plant to measure the level of consciousness. The average level improved from 2.7 in 2016 to 3.06 in 2017. Our target is to eventually reach level 4.

To investigate the mental pressure for our workers at the first phases of the slaughter process, we hired an external agency. This was a pilot in Boxtel and the first results show that there is no structural emotional overpressure or blurring of moral standards. What does come out of the research is the fact that these workers want to feel more part of Vion. This is due to the fact that they have a separate canteen, for hygiene reasons. Vion will invest to take measures on these outcomes.

## Safety Culture Ladder





# Health and safety of workers



## Germany

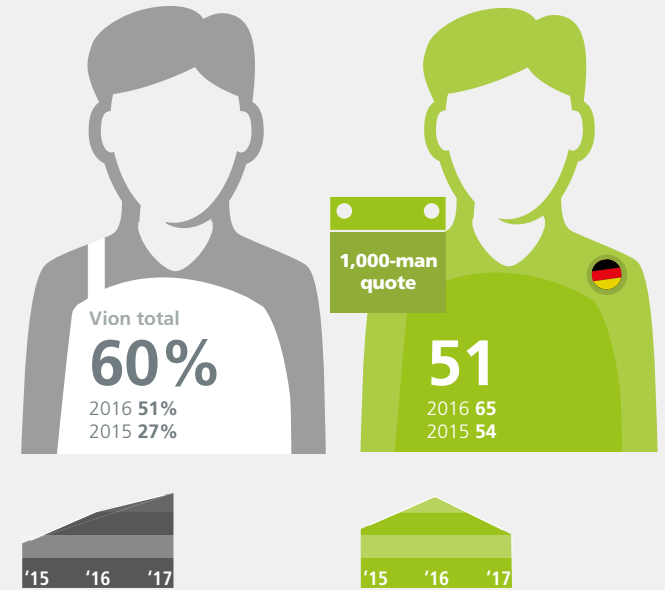
In Germany every plant has an 'Arbo' committee which consists of the plant manager, the Health & Safety officer and a member from the local works council. They meet at least once every quarter.

All of our German plants cooperate intensively with the 'Berufsgenossenschaft Nahrungsmittel und Gastgewerbe' (BGN), the employers' liability insurance association. The plant managers in Germany attend annual workshops on health and safety hosted in cooperation with the BGN to exchange best practices.

In 2017, all of our German plants underwent internal cross audits on workplace safety in order to prepare for the certification with the workplace safety management system. This is a system for the meat industry in Germany, offered and certified by the BGN, which is the public organisation responsible for Health & Safety in the food industry. The audit results were mainly positive but showed also that some plants had not yet reached the desired standard to receive the certification. In 2017 almost 50% of all Vion plants in Germany are certified and the missing plants are currently prepared to receive this certification in the first half of 2018. The workplace safety management system goes far beyond the legal standards of workplace safety.

## Results

External sold volume produced by production plants with independent supplier work place certification.



## Dilemma

Vion works with third-party labour providers in its production sites. Due to legal reasons in Germany, Vion cannot interfere in the affairs of the third-party labour providers, including with regard to health and safety issues. However, Vion feels responsible for the workplace safety of the third-party labour employees. Therefore, the contracts with these providers stipulate the compliance with all workplace safety regulations and the necessity to have proper documentation, including risk analysis and accident records and reports. This includes Vion's right to inspect

the documentation and to indicate violations of the safety regulations, but a direct interference with the third-party labour employees is not allowed. We have still noticed that not all third-party labour providers regard health and safety as a top priority, and are not compliant in reporting the KPIs.

In 2018, Vion plans to solve this dilemma in part by also training third-party labour employees and by regarding the compliance with safety regulations as a selection criterion for the prolongation of contracts and future cooperation.



# Health and safety of workers

## Outlook and targets

Vion strives to reduce the number of accidents and to ensure a safe workplace for all employees, by continuously creating awareness. Vion is also striving to reach an overall absentee rate of 4.3% in 2018.

### Netherlands

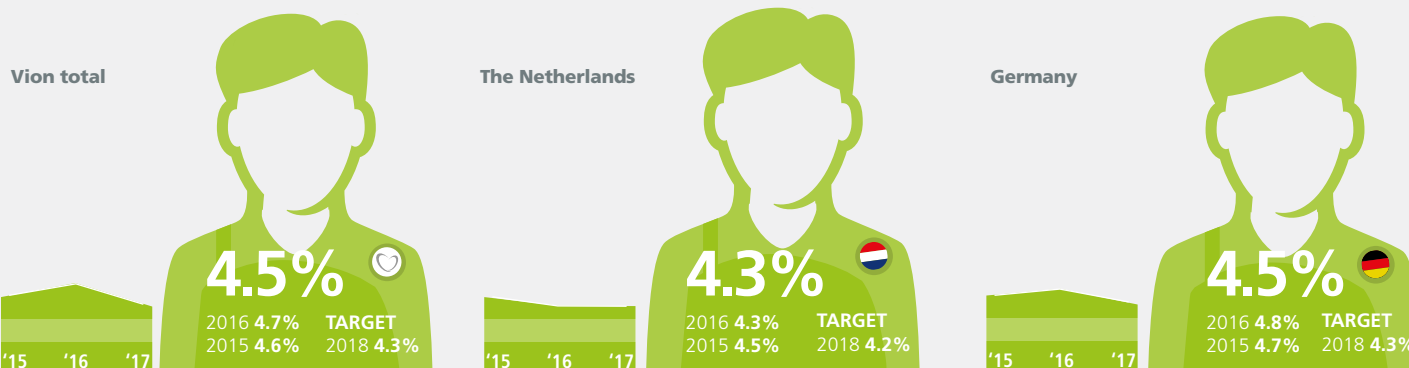
- In 2018, we will focus on making all of our workers (employees and third-party labour) more 'Arbo' conscious. Besides this, all managers will complete the 'Arbo' Conscious Management exam again. The target on the Safety Consciousness Ladder for 2018 is 3.28.
- Despite an ageing workforce, we have managed to keep the absentee rate low. Our target for 2018 is 4.2%.
- Vion Netherlands intends to reduce the LTI rate in 2018 by 8% compared to 2017.

### Germany

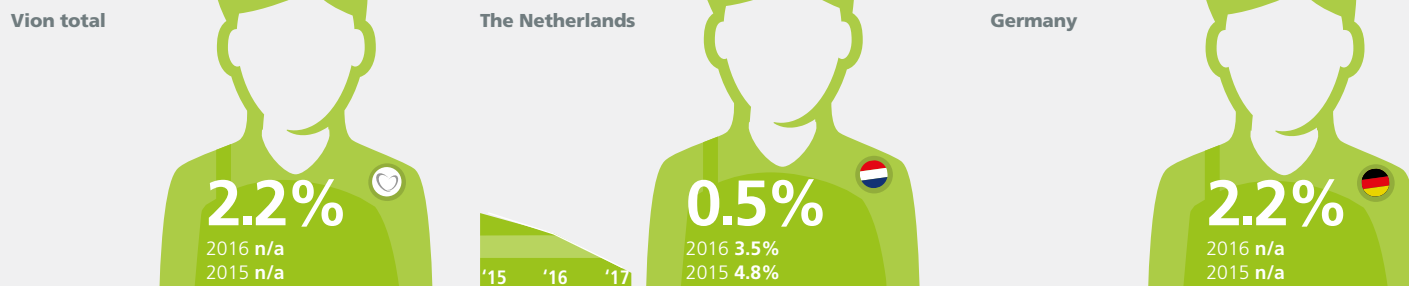
- Vion Germany strives to perform better than the meat industry 1000-man quote (TMQ). In 2016, the TMQ of the meat industry was at 56, whereas Vion's TMQ was at 65.
- The 2018 target for the absentee rate in Germany is 4.3%.

## Results

### Absentee rate



### Lost day rate (LTIs)



## Clarification of the results

Due to increased awareness for health and safety, the overall absentee rate declined from 4.7% to 4.5%, with 4.3% in the Netherlands and 4.5% in Germany. The average absentee rate in the Dutch industry in 2016 was 4.8%<sup>1</sup>. The average absentee rate in the meat industry in Bavaria, Germany was 4.3%<sup>2</sup>.

In the Netherlands, Vion's own employees and the flex employees are not registered separately regarding accidents.

In Germany, only the injuries of the company's own employees are registered by Vion. Due to legal reasons, third-party employees' injuries can only be registered by the third-party labour providers. Therefore, we

cannot yet report on these figures. In order to receive the KPIs from our third-party labour providers, we will stipulate in all new or prolonged contracts the obligation to report these figures. Currently, more than 60% of our plants already receive plausible reports on accidents and injuries from their third-party labour providers. We plan to receive plausible reports from all of the third-party labour providers in 2018 by enforcing our new standard contract.

### References:

- 1 CBS ziekteverzuimpercentage per bedrijfstak, 22 december 2017
- 2 AOK Bayern (statutory health insurance in Bavaria, Germany)



# Working conditions for third-party labour

## The topic

Approximately 60% of the workers at Vion are hired via third-party labour. The legal settings for these workers differ in the Netherlands and Germany. Especially in Germany, this is a topic of public debate.

## Boundaries

In this report, we take into account the third-party workers at our own operations.



## Vion's approach

Vion uses work-sharing and cooperates with third-party labour companies in most of its plants. This is a common practice in the meat industry. The regional labour markets in Germany and the Netherlands do not provide a sufficient number of workers; therefore, the third-party labour workforce consists mainly of employees from Eastern European countries.

### The Netherlands

In the Netherlands, Vion uses third-party labour for its flexible work. To provide security for these flexible workers, Vion has installed the 'Erkenningsregeling voor Vion-inleenbedrijven' (ERVI) policy a qualification system for Vion third-party labour agencies. This policy ensures that Vion works only with reliable agencies. The main prerequisite is that all the agencies must comply with the Dutch NEN-4400 rules and accommodate their employees in SNF-approved houses.

In accordance with 'ERVI', the parties are systematically checked for their compliance with the collective agreements and the applicable elements of the Statutory Minimum Wage, Working Hours Act and other legislation. This is checked by retrieving and archiving documents, and by external and internal audits. The flexible workers are informed of this legislation by Vion during the introduction session and at the handover of the 'Working at Vion for Flexible Workers' folder.

In 2017, the ERVI has improved by adding e.g. selection criteria for third-party labour providers, targeted checks of the third-party workers' pay slips to check compliance with the collective labour agreement (CLA), and housing.

We started a pilot in Boxtel to have less rotation on these key job positions. On the key job positions in the production area we want to have own employees, or third-party workers with a permanent or long-term temporary employment at the third-party labour provider.

Third-party labour providers which comply to the CLA of 'Algemene Bond Uitzendondernemingen' (ABU) or 'Nederlandse Bond voor Bemiddelings- en Uitzendondernemingen' (NBBU), can offer long-term temporary employment contracts of 5.5 years. Vion works with these providers in Enschede and Scherpenzeel.

Lastly, we developed an action plan to:

- Intensify the contacts with third-party labour providers and their job coaches.
- Improve the on boarding of third-party labour workers by appointing one mentor for these new colleagues.
- Intensify contacts with schools.
- Recruitment of more own employees for the stables and slaughter lines.

### Germany

In the past, there were some grievance cases in the German meat industry concerning inadequate accommodation or wages. Vion supports vigorous but fair competition, which also includes the fair and respectful treatment of its internal and external employees. Therefore, Vion and the trade union 'Nahrung Genußmittel Gaststätten' (NGG) have started an initiative to introduce a minimum wage and a code of conduct for the German meat industry. Based on this initiative, a minimum wage for the meat industry was introduced as of July 2014.

Furthermore, Vion initiated a code of conduct for the meat industry to further improve the conditions for foreign third-party labour employees regarding payment modalities, accommodation standards and the auditing of third-party labour companies by externally-certified public accountants. This code of conduct soon developed into a standard in the meat industry and was signed by all the major meat companies. Vion also assigned an auditing company to check the compliance of its third-party labour providers with the



# Working conditions for third-party labour



code of conduct. So far, there have only been a very small number of cases of non-compliance, which were remedied immediately.

In 2015, Vion was one of the authors of the self-commitment for more attractive working conditions in the meat industry. This commitment includes the obligation to integrate foreign employees and to cooperate only with third-party labour providers who don't expatriate their employees, but instead employ them under the rules of the German social and labour law as of July 2016. Most Vion plants had already fulfilled this commitment in 2015, and the rest were duly converted by July 2016.

In September 2017, Vion insourced 15 Hungarian employees from a third-party labour provider who was occupied in the beef quartering department in the plant at Crailsheim. This opportunity arose as the third-party labour provider had ceased his business. This project also provided Vion with experience for further insourcing. It showed that insourcing is only possible with the cooperation of the third-party labour provider, in order to convince the employees to work for Vion directly, and to keep up the support services beyond workplace related issues, e.g. accommodation, public authority matters and tax affairs.

In November, Vion terminated a contract for the beef deboning department in Bad Bramstedt with a third-party labour provider. Vion received complaints from several employees of the provider about inadequate accommodation and defaults of the correct wage payments. As the provider refused to cooperate with Vion to investigate these complaints, Vion decided to cease working with the provider and selected a more reliable partner, and managed to transfer the deboning activities to this new partner during the high season. The respective third-party workers could still work for Vion via another provider. This incident involved some decrease in production, but this was absorbed quite quickly. This incident shows the importance of using social criteria when selecting third party labour suppliers.

In 2018, we intend to implement a selection criteria catalogue which includes the following social criteria:

- Compliance with the Vion code of conduct and the code of conduct for the meat industry, especially with regard to paying the minimum wage and providing reasonable accommodation, and supplying information to the employees on the whistleblower procedure.
- Compliance with the meat industry's self-commitment for more attractive working conditions, especially when employing a workforce under the rules of the German social and labour law.
- Implementation of health and safety standards and proper documentation, including the reliable reporting of accidents and injuries.
- Good cooperation with an external auditor for the minimum wage, especially the timely and proper documentation of the payroll.
- Proper organisation and administration of employees.



# Working conditions for third-party labour

## ▶ Outlook and targets

Vion strives to reduce its number of external employees and to insource parts of the external workforce. This is a step-by-step process and implies finding a new cooperation model with the current external workforce providers. This involves highly complex legal issues and the factual situation. Possible solutions include a joint venture with one or more of our current reliable third-party labour providers, or the insourcing of the external workforce step-by-step in cooperation with the current providers and simultaneously changing their business model into that of a recruiting agency.

### Dilemma

We have noticed that other industries are tending to increase their external workforce. In combination with a general shortage of the workforce in Germany, this leads to a workforce shortage for our external service providers. We are putting efforts into integrating the Eastern European workforce in Germany, e.g. by offering language courses. But the better they are integrated, the more attractive they become for other industries which can offer them more attractive working conditions. This puts us in a dilemma, as our efforts on integration raise the fluctuation rate of the external workforce, thereby intensifying the shortage of the workforce. However, we have not decided to limit our integration efforts.

This shortage of workforce leads us to another dilemma in terms of insourcing employees. The meat industry relies heavily on external third-party labour. The workforce demand cannot be satisfied on the regional labour market and is dependent on a workforce from Eastern Europe. Also, even after the introduction of the minimum wage, the costs for third party labour are still

lower than for employing internal employees. To insource all of the workforce externally would lead to a significant cost disadvantage and would compromise the competitiveness of Vion. Therefore, Vion's main focus is on raising the industry standards for employing an external workforce and gradually aligning the wages and working conditions for the external workforce with the internal workforce in the industry, up to a point where the difference is negligible. Vion actively participates in the negotiations on the raising of the minimum wage.


At the same time, we are looking for a deeper cooperation with reliable third-party labour providers, as only these have experience with, and consistent access to the labour markets in Eastern Europe. Trying to insource an external workforce without the cooperation with our current service providers would involve the high risk of losing the majority of the workforce, and therefore reaching a production standstill, as the providers would withdraw their employees and turn to our competitors or other industries to continue their business.



The view of...

## Amanuel (Weldo) Gebrekidan

Acting Head of Slaughter at Vion Landshut



“I am definitely very proud when my Vion colleagues describe me as an engaged and reliable employee.”

**“My road to Vion started almost 22 years ago with a coincidence: an acquaintance asked me to drive him to a job interview. This took place at the Landshuter abattoir. While I waited for him, I had the spontaneous idea to present myself too. I literally had a meeting with the current Manager of Vion SBL Landshut GmbH, Hans Auer, straight away. Luckily, he immediately gave me a job.”**

### My road to Vion

“My road to Vion entailed many upheavals: I originally come from Eritrea, where I was born in 1970. When I was 18, I moved to Russia. I actually wanted to become a veterinarian. In Russia, I studied Agricultural Sciences, until

the political situation forced me to leave the country. In 1990, I applied for asylum in Germany, and finally arrived in Landshut via Berlin. I have now held German citizenship for about 10 years. I live in Landshut with my wife and our three children.”

### Able to learn all the necessary skills

“At Vion, I initially worked in the cooling facilities. There, I sorted pork and beef carcasses in accordance with the individual customer requests. I have always carefully observed what was happening around me. My colleagues always helped me with advice and support. In this way, I was able to learn all the skills necessary for my job. This has paid

off: since 2017, I have worked as the Acting Head of The Slaughter Department at Landshut.”

### Pleasant working environment

“I particularly like the pleasant working atmosphere at Vion. We are a good team, with a good team spirit. This is why working here gives me much joy. I would sometimes like to see exchanges between the heads of the slaughtering departments in the individual sites more often.”





# The view of...

## Berislav (Berry) Juric

Foreman and Deputy Manager at Vion Boxtel

“Every day, we discuss new potential improvements within the team.”

**“As a boy, I studied at the basic education for mining and engineering in the former Yugoslavia. When the war broke out in 1991, it soon arrived at our doorstep, in Bosnia, where I was born. After three years of war, I fled the country and went to the Netherlands, because I had an uncle who had lived there for quite some time. Just like every refugee, I had to go through several years of asylum procedures before I could really settle down and start working. In 1997, I started working at the Dumeco deboning facility in Den Bosch, after my practical training in butchery (at SVO). In 2002, the company became Vion and I worked at Boxtel from then on.”**

### It all starts with knowledge about meat

“I am someone who never gives up; I want to develop and grasp opportunities. For us, it all starts with knowledge about meat. I always used to watch the Dutch professionals standing behind the cutting table and paid attention to the

way that they moved and worked. In those days, we used to debone large pieces of meat at the cutting tables. These days, we use a processing line with the meat on a conveyor belt and around twenty colleagues standing in a row. Everyone performs a very specific task during the butchering, so the entire team works in a much more specialised way and everyone is more dependent on each other.”

### Build a better life

“The Dutch professionals have disappeared over time. There is now only one processing line left with Dutch workers. The younger, new colleagues are usually from Poland, Romania, Hungary, Lithuania or Slovakia. They come here to build a better life and have often received good training in their home countries, but they get more opportunities and often make better money here.”

### The team has to be just right

“After many years on the processing line, I started working as a process operator. I first completed the ‘Practical Management’ training course, and then ‘Middle Management’. Three years ago, I became a foreman and I am now also the Deputy Department Manager. I had the experience and the abilities, and my managers recognised this. In May last year, I was given the assignment

to examine the efficiency of a processing line. It was the line for the export market to Japan. All products for the Japanese market have to meet very stringent requirements. Therefore, the work needs to be evenly distributed in order to balance the line; the team has to be just right to get the best results. The beginning of the line determines the speed of the rest of the line and the more balanced it is, the better the final product and the higher the yield. Thanks to our efforts, we were able to increase the speed of the line by 50% and to improve efficiency while operating with a better balance within the team. This has enabled us to produce significant cost savings.

### New potential improvements

“Every day, we discuss new potential improvements within the team. And we are succeeding in this step-by-step. I am truly proud of what we’re doing, and that’s why I enjoy my work so much. Together, we have created a system that works, and our continued improvement is highly motivating. We have respect for each other and you don’t come across that too often.”

“Finally, every year we go on holiday to visit my family in Bosnia but, after spending two weeks there, I soon start to miss my home in the Netherlands.”



# Energy consumption

## The topic

Fossil fuels are limited, and the burning of fossil fuels causes greenhouse gas emissions and climate change. The reduction of the use of fossil fuels and the transition to renewable energy are matters of global concern. Vion uses quite a lot of energy in its operations, for example, for cooling the meat and to ensure appropriate cleaning and disinfection.

## Boundaries

For energy consumption, we take into account all of our own operations. The energy consumption of the farmers is a part of the environmental aspect of farming.



## Vion's approach

The use of energy plays a prominent role in Vion's production processes. We try to minimise our impact by using as little energy as possible within our operations. We continuously invest and implement efficiency improvements to reduce our gas and electricity consumption. In our German operations, we have certified our energy management systems in 13 plants following the international energy management norm ISO 50.001. This has led to improved insight and a clear overview of energy reduction potential.

A number of Vion plants have implemented the latest energy efficiency technology. These include plants with combined heating and power systems, 15 plants with heat recovery systems, a plant using heating from an biogas plant that utilises the organic waste of the plant, and one plant that uses district heating. With its combined heating and power plants, Vion is also an energy producer.

In 2017, the following main investments were implemented to improve our energy efficiency:

- New efficient cooling systems for the cooling tunnel were installed in Crailsheim and Perleberg.
- The air pressure system was improved in 3 plants.
- Seven plants introduced the Knife disinfection system that no longer requires a water temperature of 82°C.
- Apeldoorn has been modernised with an investment plan of 8 million euro. New cooling systems are installed, and the heat recovery system has been revised.
- All Dutch Vion plants have been audited externally in 2017 following the Energy Efficiency Directive. This has led to a clear overview per location with potential to reduce the energy consumption.

In 2018, additional major investments on energy efficiency are planned, including improvements to the cooling systems in selected sites, improvements to the steam boiler system in Buchloe, finalisation of the new beef slaughter plant in Leeuwarden according to the latest energy efficiency technology, introduction of the Knife disinfection system in one more plant, and the implementation of energy saving measures based on the outcomes of specific energy management audits.

### References

*Hernieuwbare energie in Nederland 2016, CBS, 2017, page 19.*

### Dilemma

For food safety reasons, it is hard to reduce our energy consumption. The more intensively the meat processing plants are cleaned; the more energy is consumed. Lower temperatures in the production area also correlate to a higher energy consumption. The quick cooling of all slaughtered animals from 37°C to < 7°C is a fundamental pre-requisite for food safety and a long shelf life. Thus, the possibilities of a reduced energy consumption are not infinite.



# Energy consumption

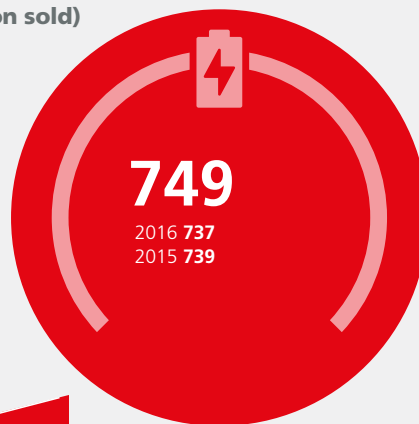
## Outlook and targets

Vion significantly invested in the modernisation of multiple plants in the last year, this will lead to improvements on energy consumption.

The coming years, Vion will continue to improve its energy monitoring systems and will continue to improve via investments, best practices and good housekeeping.

### Results

#### Energy efficiency (in MJ / ton sold)



Electricity consumption in MJ / ton sold			
2015	2016	2017	
322	349	348	

Fuel (gas + oil) consumption in MJ / ton sold			
2015	2016	2017	
406	388	402	

Total electricity consumption (in GJ)			
2015	2016	2017	
726,000	776,000	757,000	

Non-renewable electricity (in GJ)			
2015	2016	2017	
726,000	776,000	757,000	

Renewable electricity (in GJ)			
2015	2016	2017	
0	0	0	

#### Total energy consumption (in GJ)



Total fuel (gas + oil) consumption (in GJ)			
2015	2016	2017	
887,000	864,000	875,000	

Non-renewable fuel (in GJ)			
2015	2016	2017	
876,000	845,000	854,000	

Renewable fuel (in GJ)			
2015	2016	2017	
11,000	19,000	21,000	

Energy purchased for consumption (in GJ)			
2015	2016	2017	
1,594,000	1,623,000	1,598,000	

Self-generated energy consumption (in GJ)			
2015	2016	2017	
19,000	16,000	34,000	

Self generated energy sold (in GJ)			
2015	2016	2017	
0	0	0	

### Clarification of the results

Unfortunately, there is no meat industry benchmark to compare our energy efficiency. In our previous report we stated that Vion uses 19.9% renewable electricity. This statement was a misinterpretation of delivered data, the overall renewable production mix of our energy suppliers was 19.9%. During tenders Vion takes this production mix of the participating energy suppliers into consideration when the financial impact of the best proposals does not lead to a financial difference. Vion does not use renewable electricity yet. The weighted overall average country production for renewable electricity is 12.3% in the Netherlands (2016)<sup>1</sup> and 38.3% in Germany (2017)<sup>2</sup>.

#### References:

- 1 *Hernieuwbare energie in Nederland 2016*, CBS, 2017, page 19.
- 2 [https://www.energy-charts.de/ren\\_share\\_de.htm?source=ren\\_share&period=annual&year=all](https://www.energy-charts.de/ren_share_de.htm?source=ren_share&period=annual&year=all)



# Greenhouse gas emissions

## The topic

Greenhouse gas emissions cause global warming. The reduction of greenhouse gas emissions is a matter of worldwide concern and according to the Paris Agreement, we must strive to reach the target of a maximum temperature increase of 1.5°C to slow global warming by 2050. The CO<sub>2</sub> emissions need to be drastically reduced in order to reach that target. Vion needs quite a large amount of energy in its operations; for example, for cooling the meat, for cleaning and for transportation. As such, Vion has a role in reducing CO<sub>2</sub> emissions.

## Boundaries

The main contributors to greenhouse gas (GHG) emissions in the meat industry are the production of feed, husbandry of animals and manure emissions (see the topic on 'Environmental aspects of livestock farming'). The greenhouse gas emissions from Vion's operations originate from the transportation of animals, meat and employees, methane emissions from the animals, and the energy used in the meat processing plants. For the greenhouse gas emissions, we take into account all of our own operations. The greenhouse gas emissions at the farms are a part of the environmental aspects of farming.

## Vion's approach

Energy use is needed to produce the meat in our production sites. The meat needs to be cooled to preserve the quality and ensure food safety to our customers and consumers. Our processing plants need to be cleaned thoroughly each day for the same reasons. Also, the animals and products need to be transported to and from different sites to reach their destinations. Vion follows two strategies to use energy wisely and to reduce CO<sub>2</sub> emissions by:

- Increasing the energy-efficiency of processes and machines.
- Exchanging energy sources with sources that emit less CO<sub>2</sub>.

### Increasing the energy efficiency

Examples of the increase in energy efficiency include investments in new cooling processes and refrigeration techniques. At Apeldoorn, the cooling unit was replaced from traditional cooling to an evaporation cooling system, leading to a higher efficiency in energy use and thus a lower total energy consumption.

Furthermore, as of 1 September 2017, Vion started to transport reefer containers via inland shipping instead of by truck from its meat warehouses in the Netherlands to the Port of Rotterdam. Inland ships have 5 to 10 times lower CO<sub>2</sub> emissions per ton transported compared to trucks travelling

via the road<sup>1</sup>. In 2017, this inland shipping process was used for about 10% of the reefer containers shipped to Rotterdam. Vion has the ambition to increase this percentage further to at least 20% in 2018.

### Changing to energy sources that cause less CO<sub>2</sub> emissions

97% of the trucks from our top eight transport companies comply with the Euro5 or Euro6 classification (a classification based on the emission norms specified in the European guidelines). Trailers that are used for temperature-controlled transport are now being fitted with electrical cooling systems instead of systems based on fossil fuels. Furthermore, long-distance trucks are being replaced with trailers on trains in the Netherlands and in Germany where feasible. Transportation of products to Italy, for instance, is performed partly by train.

Lastly, Vion is examining the possibility to introduce electric cars into its fleet of company cars in 2018. The ranges of electric cars are increasing continuously, thus improving the feasibility of using electric cars.

#### Reference

<sup>1</sup> [https://co2emissiefactoren.nl/lijst-emissiefactoren/#totale\\_lijst](https://co2emissiefactoren.nl/lijst-emissiefactoren/#totale_lijst)



# Greenhouse gas emissions

## ▶ Outlook and targets

- At least 20% of the cargo shipped from Rotterdam will be transported within the Netherlands by inland shipping.
- Vion has the ambition to increase the volume of empty containers among the cargo shipped from Rotterdam further to 50%.

## 🎯 Clarification of the results

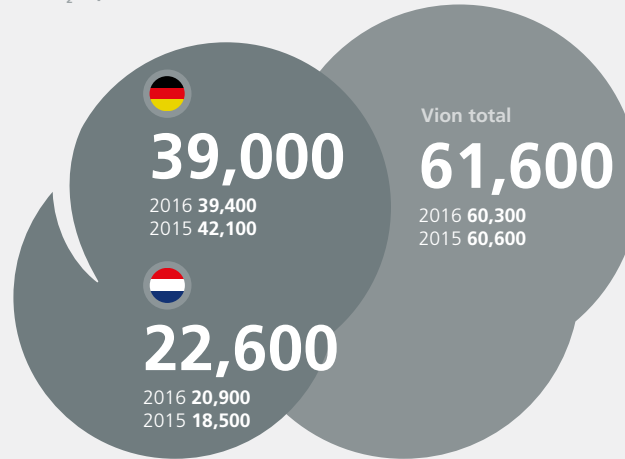
For the calculation of our scope 1 GHG emissions we took into account the gas and fuel consumption as reported at the topic 'energy consumption', transportation of workers, animals and products owned or controlled by Vion, and methane emissions. The emissions of transportation have increased as we in-sourced a bigger part of the transportation. Excluded at this stage are the use of refrigerants. Our scope 2 emissions are based on our purchased electricity consumption. The consolidation approach is based on operational control.

The sources for the CO<sub>2</sub> emission factors used to calculate the CO<sub>2</sub>-equivalents are:

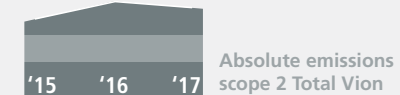
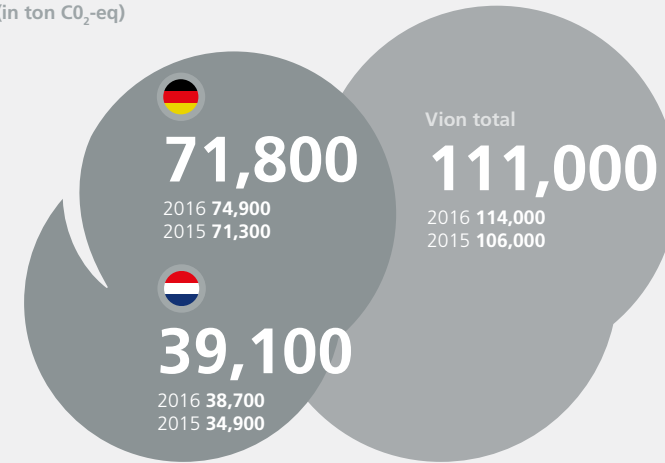
- For NL: <https://co2emissiefactoren.nl/>
- For Germany: <https://www.umweltbundesamt.de/en/publikationen/co2-emission-factors-for-fossil-fuels>

The Global Warming Potential (GWP) rates used are obtained from the Intergovernmental Panel on Climate Change (IPCC).

### Absolute direct GHG emissions (scope 1) (in ton CO<sub>2</sub>-eq)



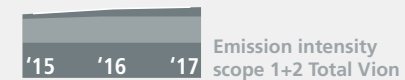
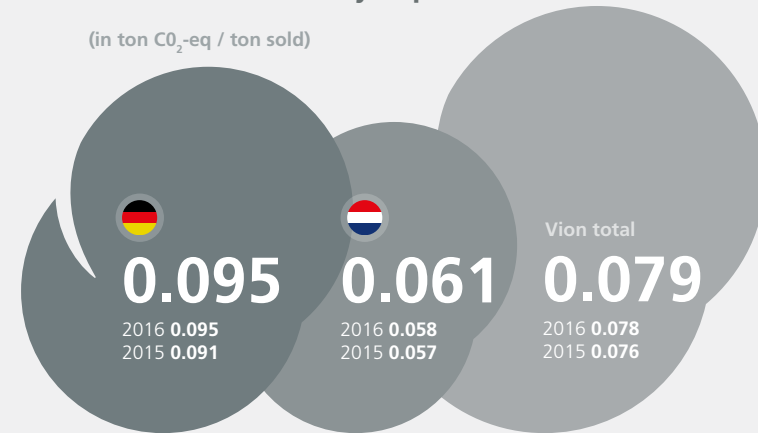
### Absolute indirect GHG emissions (scope 2) (in ton CO<sub>2</sub>-eq)



### Vion total scope 1 GHG emissions (in ton CO<sub>2</sub>-eq)

	2015	2016	2017
Own generation of electricity, heating, cooling, and steam	46,200	44,800	45,500
Transportation	13,700	14,800	15,400
Fugitive emissions	700	700	700
<b>Total</b>	<b>60,600</b>	<b>60,300</b>	<b>61,600</b>

### GHG emissions intensity scope 1 + 2 (in ton CO<sub>2</sub>-eq / ton sold)





# Water use

## The topic

Slaughterhouses use a lot of water. This water needs to be cleaned and transported, which is energy consuming.

## Boundaries

For the water usage, we take into account all of our own operations. The water usage of the farmers is a part of the environmental aspects of farming.

## Vion's approach

Water is an important resource for many of Vion's production processes. Therefore, Vion has the social obligation to minimise its water usage. For this reason, the water consumption levels at our production sites are always recorded and optimised.

Besides saving water, Vion only discharges purified water to the surface water. Depending on the production site, we either clean the water that is used in the production processes in our own wastewater purification plants, or we utilise the municipal wastewater plants that have enough capacity to organise the wastewater treatment for Vion.

In 2017, the following main investments were implemented to reduce water consumption:

- In Altenburg, a tank for rainwater was installed to use this water for the cattle car wash station.
- In 2018, some plants want to optimise the wastewater treatment system to improve their wastewater quality.

### Dilemma

Water is an important resource required to ensure a high level of food safety. Daily cleaning and the disinfection of all production utilities and rooms is a fundamental pre-requisite for all food safety activities. Therefore, the possibilities of a reduction of water consumption in a meat processing facility are not infinite.





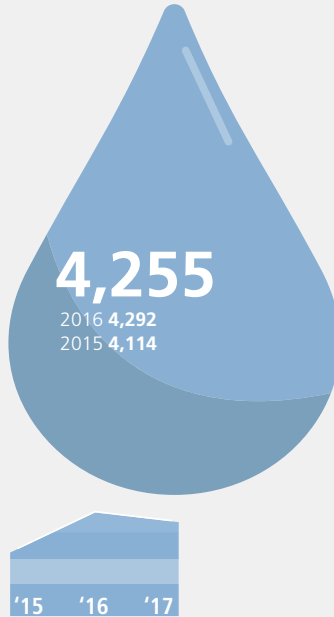
# Water use

## ▶ Outlook and targets

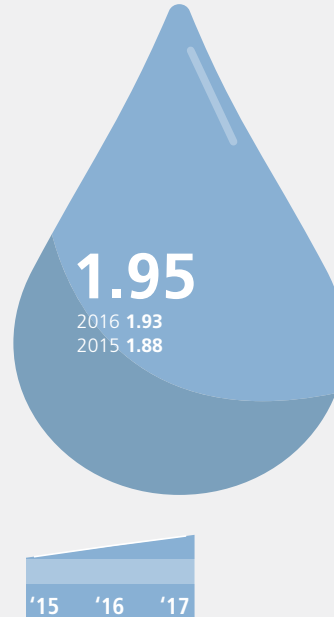
Vion will strive to improve the efficiency of its water usage and to implement improvements in the purification of wastewater wherever this is feasible.

### Results

Total volume of water used (in hm<sup>3</sup>)



Water intensity (m<sup>3</sup> water used / ton sold)



Water use withdrawn from municipal water supplies (in hm<sup>3</sup>)

Year	Volume (hm <sup>3</sup> )	Percentage
2015	3,186	77%
2016	3,431	80%
2017	3,402	80%



Number of plants with own water source (ground water)

Year	Count
2015	2
2016	2
2017	2



Water use from own ground water wells (in hm<sup>3</sup>)

Year	Volume (hm <sup>3</sup> )	Percentage
2015	928	23%
2016	861	20%
2017	853	20%



Number of plants without own water source

Year	Count
2015	25
2016	25
2017	25



# Environmental aspects of livestock farming

## The topic

Meat is a commodity that has an environmental impact in various ways. The production of meat is associated with greenhouse gas emissions due to the production of ammonia, phosphate, waste production, energy consumption, water usage and land use. Overall, the footprint of pigs is lower than that of beef cattle, as ruminants emit more greenhouse gasses and their feed requires more land for the animal's growth. However, whereas the footprint for beef cattle is completely attributed to meat, the footprint of the dual-purpose cattle that Vion slaughters is divided between milk and beef.

## Boundaries

This topic explicitly concerns the environmental aspects of livestock farming at the farms. Other environmental aspects of meat production are described in other topics, such as sustainable feed and biodiversity. The greenhouse gas emissions associated directly with Vion's own operations are explained in the topics of energy consumption, water usage and greenhouse gas emissions.

## Vion's management approach

The environmental impact of meat consumption is the subject of continuous debate, which shows there is an urge for change. Different reports claim different impacts of livestock production. The public claims regarding the contribution of meat to GHG emissions vary between 3%<sup>1</sup> and 51%<sup>2</sup>, while the Food and Agricultural Organisation (FAO) has estimated the contribution of livestock to be 15%<sup>3</sup>. The range of these estimates has many explanations, including the choices regarding the modelling approach, the choices regarding the GHG allocation to different products, and whether or not the uptake of CO<sub>2</sub> by the agricultural soil and plants is discounted. Such important drivers of the results should ideally be openly and transparently communicated, but often they are lost in translation and the estimates are mentioned – and believed – without understanding the context.

Vion is devoted to using the most objective and accurate approach in calculating the footprint of meat. Only then can we commit to reducing that footprint effectively. To this end, several partnerships with external parties were initiated in 2017 to assess the value of a number of different approaches. The first approach was a partnership with ZLTO and environmental consultants that focussed on the CO<sub>2</sub> footprint of pig farms. Its first results showed that feed contributed most to the CO<sub>2</sub> emissions (see page 97). Adding the CO<sub>2</sub> equivalents emitted at Vion's sites (see the topic on greenhouse gas emissions) increased the total amount by 3% (see page 97).

A second initiative was started in 2017, in cooperation with BASF, that involved using their AgBalance™ tool that was originally developed for crops and was now further expanded to extend to the raw materials for pig feed. This tool calculates the sustainability footprint, extending beyond CO<sub>2</sub> and also including, amongst others, the land and water usage. Together with ZLTO, quantitative data from a cohort of farmers and their feed suppliers was collected and will be analysed by BASF.

In discussions on the CO<sub>2</sub> footprint, it is often mentioned that less meat consumption contributes to a more sustainable agriculture and world. In contrast, scientists from, amongst others, the United States government claim that eating less meat will not necessarily contribute to more sustainability, because essential nutrients can then only be consumed in sufficient amounts by eating more plants/vegetables. This increased consumption was estimated to generate more GHG than eating less meat<sup>4</sup>.

These views indicate the difficulty of knowing the 'absolute truth', and of acting according to that knowledge. Nevertheless, by reducing the emissions of GHG in the present production processes, a positive contribution to the prevention of global warming can be achieved. By reviewing the best practices to calculate the CO<sub>2</sub> or sustainability footprint, and subsequently making that method available to our suppliers, Vion will contribute to reducing the GHG emissions in the whole supply chain.

### References

- 1 Environmental Protection Agency, 2017. Inventory of U.S. Greenhouse Gas Emissions and Sinks, 1990-2015. Report ID EPA 430-P-17-001. [https://www.epa.gov/sites/production/files/2017-02/documents/2017\\_complete\\_report.pdf](https://www.epa.gov/sites/production/files/2017-02/documents/2017_complete_report.pdf)
- 2 Goodland R, Anhang J. 2009. Livestock and Climate Change: What if the key actors in climate change were pigs, chickens and cows? Worldwatch, pp. 10-19. <http://www.worldwatch.org/files/pdf/Livestock%20and%20Climate%20Change.pdf>
- 3 Food and Agricultural Organisation of the United Nations (FAO), 2006. Livestock's long shadow.
- 4 White RR, Hall MB. 2017. Nutritional and greenhouse gas impacts of removing animals from US agriculture. Proceedings of the National Academy of Sciences 114(48); E10301-E10308.





# Environmental aspects of livestock farming

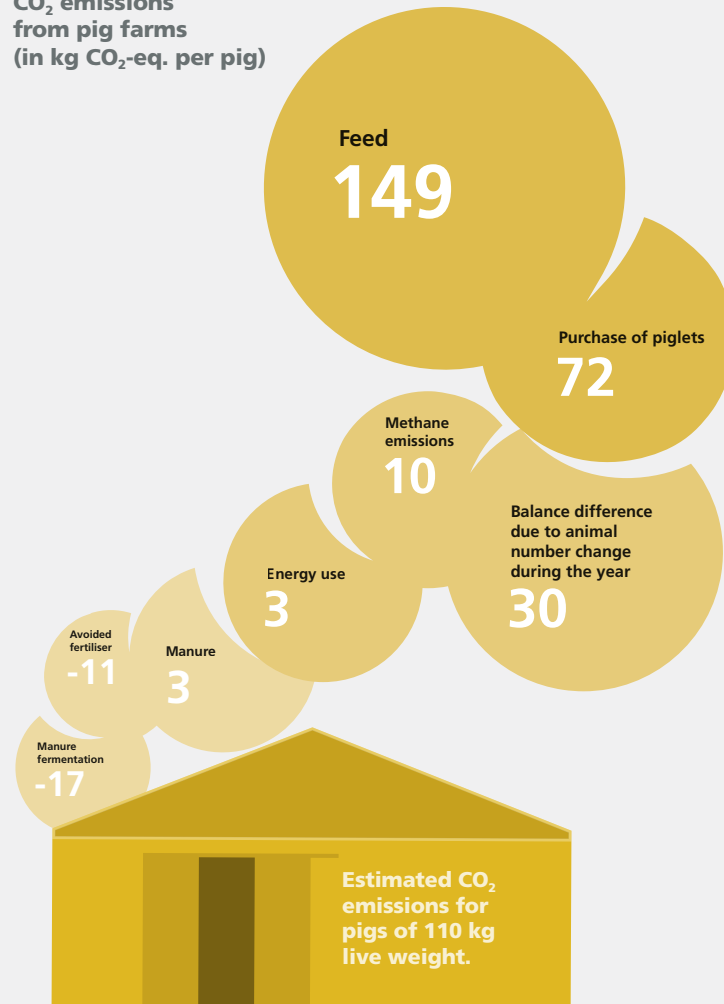
## ▶ Outlook

- High focus on the CO<sub>2</sub> and sustainability footprint calculation.
- Seek cooperation with partners to establish the best practices.
- Identify the optimal measures to reduce our footprint and set targets accordingly.



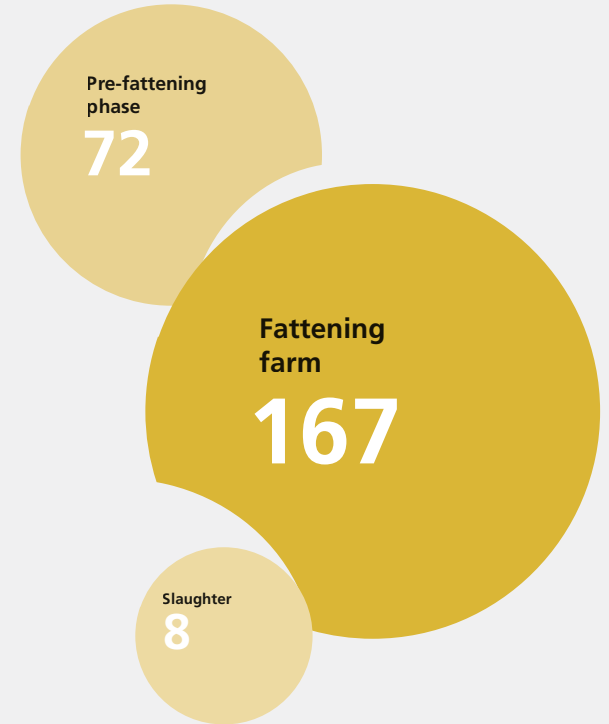
### ☰ Results

CO<sub>2</sub> emissions from pig farms (in kg CO<sub>2</sub>-eq. per pig)



Estimated CO<sub>2</sub> emissions for pigs of 110 kg live weight.

CO<sub>2</sub> emissions from different phases in the production chain (in kg CO<sub>2</sub> eq. per pig)



### 🎯 Clarification of the results

The estimated CO<sub>2</sub> emissions from the pigs slaughtered by Vion are extrapolated from farm data. The estimates for the pre-fattening and fattening phase are an example of a particular farm. The total emission for

a pig is based on 110 kg live weight at slaughter. Pre-fattening and farm phase are based on the estimates of environmental consultants; slaughterhouse phase based on our scope 1+2 GHG emissions disclosure.



# Indirect economic impacts

## The topic

Vion's activities in processing meat on a large scale provide an income and livelihood to many thousands of local farmers, feed producers and sectors of the service industry such as distribution and supervision. The meat industry in the Netherlands (including poultry) is an important employer with 13,300 jobs in the industry itself, and another 33,250 jobs in its related activities. The turnover of the Dutch meat industry is worth € 10 billion, and another € 25 billion is earned by the related activities<sup>1</sup>. The German meat industry employs 58,000 people with a turnover of € 18 billion<sup>2</sup>. More than 1 million people are working in the agricultural companies<sup>3</sup>. As one of the main players in the meat industry, Vion has a significant impact on the national economy with regard to agriculture and food in both the Netherlands and Germany.

## Boundaries

The impact of Vion's existence occurs at the level of the farmers, our primary suppliers, but also among secondary suppliers like feed suppliers and service suppliers. It is almost impossible to take everything into the scope, so we will focus on our direct suppliers.

## Vion's approach

The high food safety and animal welfare standards lived within Vion are a strategic choice, as these provide us with the opportunity to sell products in all relevant global food markets. The existence of a meat company of a good size that is able to bundle the animals, process the meat and organise the sales and distribution to clients all over the world, is very important for a vital farmerhood. Therefore, Vion's management is aimed at continuity and growth in its core production regions. This is in the interest of not only the farmers, but also of their service suppliers, feed companies, technology companies and many more entities that sell their products to the farmers. Additionally, it is in the interest of our major stakeholder ZLTO, the banks, the governments in terms of tax income, and thus indirectly of all the citizens of the Netherlands and Germany. All these parties benefit from a financially stable Vion with an up-to-date slaughtering and processing infrastructure.

In 2017, Vion invested € 8 million in its production location in Apeldoorn for modernisation and expansion. Now, the location complies with the highest certification requirements necessary for global sales. With this investment, Vion is able to respond even better to the specific demands of customers worldwide.

Vion has closed its operation in Zeven. The farmers now supply their pigs to Vion's plants in Emstek and Perleberg. These plants have become increasingly efficient. Strategy investments were also made in Emstek, Perleberg and Groenlo, increasing the production standards and yields.



Besides the improvements from investments, Vion has been successful in improving its net value by an integrated operational approach in combination with the development of product market portfolio strategies. Several initiatives that were started in 2016 paid off in 2017 by optimising the customer and product mix, or by the increasing efficiency in, for example, Crailsheim, Altenburg and Landshut. After its introduction in the Netherlands, the German plants started to work according to the lean methodology of the 'Vion Operating System'. Efforts have also been increased to improve the operational, commercial and back-office processes and management systems.

### References

1 COV, 2025: *De Nederlandse vleessector in balans, December 2016*

2 [http://www.v-d-f.de/zoom/jahrestagung\\_2016\\_bild](http://www.v-d-f.de/zoom/jahrestagung_2016_bild)

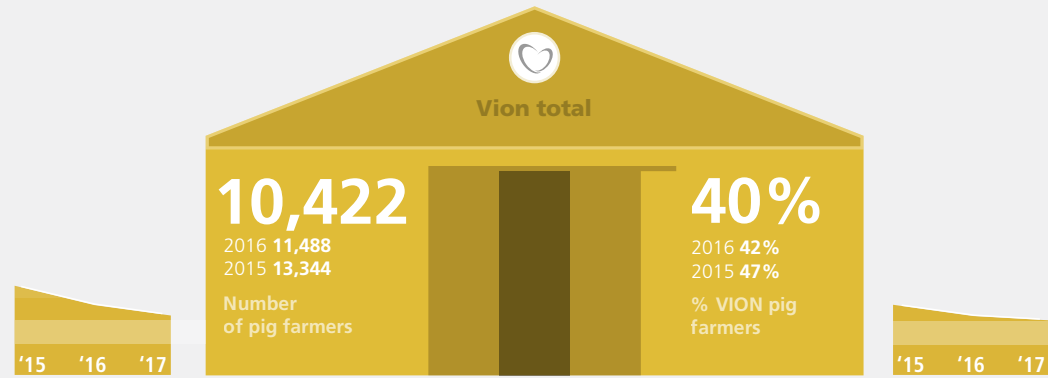
3 <https://www.destatis.de/DE/ZahlenFakten/Wirtschaftsbereiche/LandForstwirtschaftFischerei/LandwirtschaftlicheBetriebe/Tabellen/LandwirtschaftlicheArbeitskraeftenachBundeslaender.html>



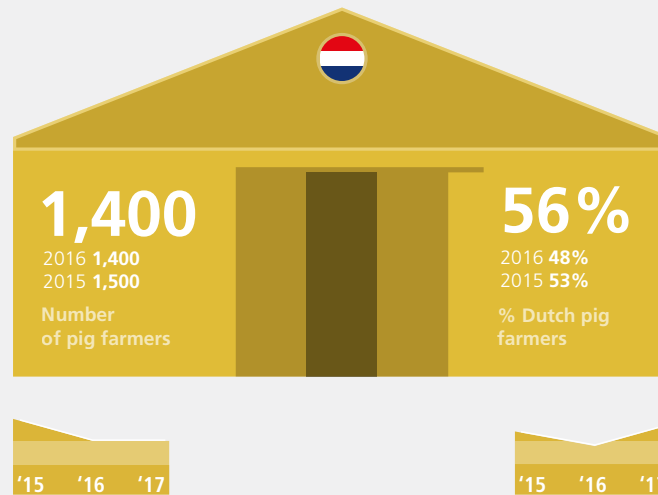
# Indirect economic impacts

Results

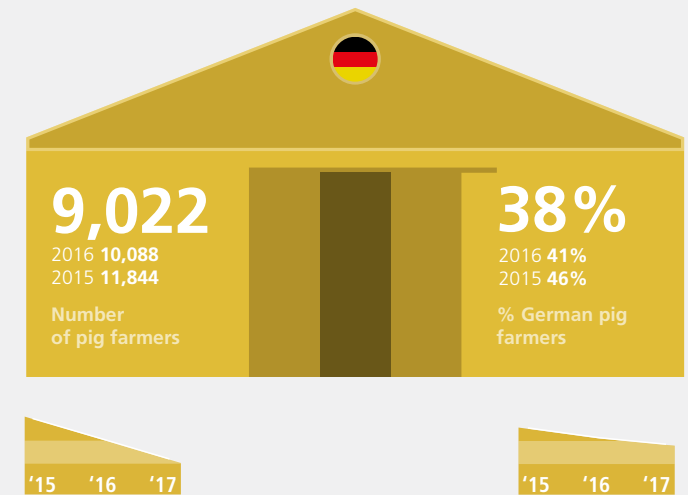
Total Vion  
Pig farmers that supply their animals to Vion



The Netherlands  
Pig farmers that supply their animals to Vion



Germany  
Pig farmers that supply their animals to Vion





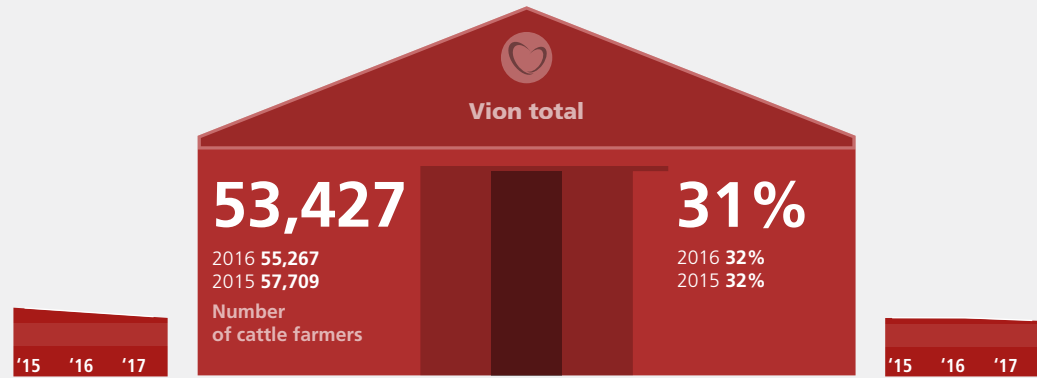
# Indirect economic impacts

## Outlook and targets

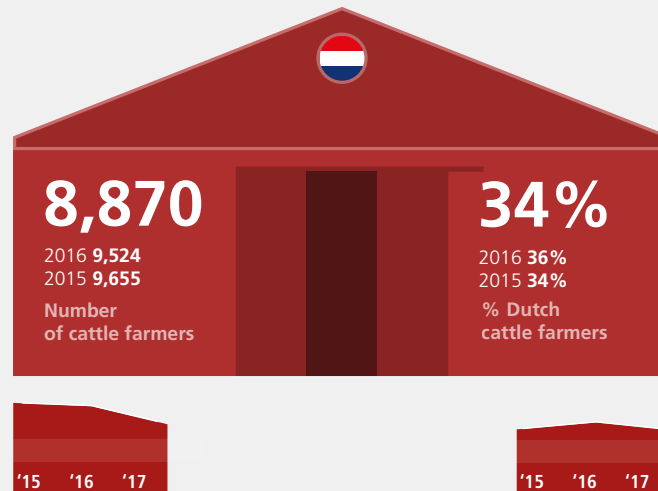
Vion aims to continue its growth activities in 2018.

### Results

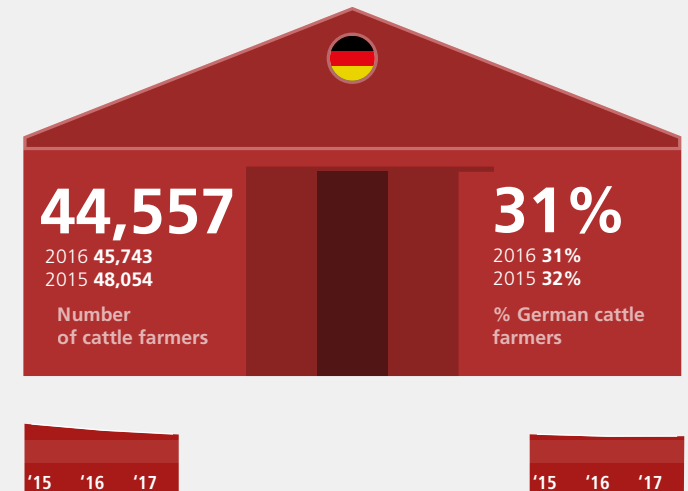
#### Total Vion Cattle farmers that supply their animals to Vion



#### The Netherlands Cattle farmers that supply their animals to Vion



#### Germany Cattle farmers that supply their animals to Vion



### Clarification of the results

The number of farmers is decreasing, and the farms are getting bigger (the exact number of farmers is an estimation). Therefore, the number of

farmers delivering animals to Vion has decreased; however, the percentage of farmers delivering to Vion has stayed stable.



# Sustainable pricing

## The topic

The way value is being distributed among partners in the chain is significantly influenced by the market. One of Vion's targets is to improve our pricing and contracting models, in order to support a fair distribution of value in the production chain, and to minimize the price risk related to the traditional pig cycle. This includes the purchase pricing of animals, which supports the success and continuity of the farmers' businesses.

## Boundaries

The price paid to farmers is indirectly but heavily dependent on the market's willingness to pay a fair price, and consequently on the readiness of Vion's customers to accept the price levels. We therefore cooperate intensively with both our customers (retail, processors, and food services) and farmers to develop innovative and sustainable pricing models.

## Vion's approach

Traditionally, the prices of slaughter animals (cows and pigs) are volatile, with spot-prices and traders dominating the market. Vion's ambition is to have more stability and transparency in this market. For this reason, we develop pricing models that support a fair distribution of value in the production chain. This specifically includes the farmers who deliver their livestock to Vion.

A more predictable supply of animals, and less price volatility, are in the interests of all parties in the chain. For both Vion and the farmers, it can be a good instrument to manage their risks.

Our pricing approach in the organic concept 'De Groene Weg' is an example of our contribution to a better value distribution throughout the chain. The core of this strategy is more long-term commitment from all the parties concerned, resulting in less volatility and a better foundation for continuity. Four times per year, the fixed prices are set together with the 'De Groene Weg' association of suppliers. For Good Farming Star, together with the 'StarFarmers' association of suppliers, we started a pilot with fixed prices for a period of 4 weeks, in 2016. This test was continued and evaluated in 2017. The number of pilot price mutations was limited to 9 times in 2017. The result of this evaluation is more focus on continuity and long-term performance.

In March 2017, Vion introduced a new concept for the international markets to its Dutch pig suppliers: Good Farming Balance. This concept includes three new delivery modules and new pricing systems. The delivery modules comply with the specific demands of customers in international markets. Among other things, the delivery weight and fat layer thickness vary per module.

Within Good Farming Balance, the suppliers can choose from three pricing systems:

- The Vion weekly price - which fluctuates weekly on the basis of supply and demand.
- The Vion Price Index Guarantee (PIG), an average price based on a combination of a representative international price portfolio.
- The Vion long-term price (LTP), where the price of pork is fixed for a longer period.

The primary objective of the LTP-system is to offer the farmer the opportunity to fix its margin for part of the pigs produced. Implicitly the downside price risk of his total herd will therewith be diminished.

The new concept and pricing approach has been a success. At the end of 2017, more than 50% of all Vion suppliers chose to participate in the Good Farming Balance concept. Over 90% of them choose the PIG price system. At the end of January 2018, farmers with a Good Farming Balance contract based on this PIG-system got an additional payment, as a compensation for underperformance of the PIG-price compared to the benchmark portfolio.

Apart from pricing, the timing of the payment is an important issue. Vion pays the farmers within a shorter period than the payment periods of our customers. Contrary to normal international business practises, Vion decided to pay its farmer suppliers at 7 days after delivery; therewith significantly contributing to decrease the working capital situation at farmers' level.



# Sustainable pricing

## ▶ Outlook and targets

Within its Good Farming Balance concept, Vion will introduce a pilot programme with regard to a Vion long-term pricing system (LTP) in 2018. Besides this, Vion will seriously investigate the possibilities to introduce the principles of Good Farming Balance in Germany as well.

### **Optimal valorisation supports innovative pork chain concepts**

It is the aim of Vion to develop and introduce innovative pork chain concepts. The introduction and full implementation of the 1 star Beter Leven Keurmerk (Good Farming Star) for its Dutch retail sales, is an example of being a game changer in the supply of pork to retailers in the Netherlands.

One critical issue related to producing pork from distinctive production chains that produce above basic specifications, is the unbalanced and unpredictable sales of fresh pork. Vion has developed and implemented an innovative allocation model that improves the sales balance and therewith significantly decreases costs of unbalanced sales positions. Together with one of its major customers, this optimization model has been meanwhile implemented. Consequence thereof is a revolutionary improvement of balance in the allocation of several cuts, lower opportunity cost and a sustainable future for the 1 star Beter Leven Keurmerk, in combination with a fair price premium for farmers.



# Introduction Good Farming Balance



**In March 2017, Vion organised several meetings with its suppliers and stakeholders to present a new concept for the international markets: Good Farming Balance. More than 600 pig suppliers were present to discuss the new Vion approach. The launch of the Good Farming Balance concept was very successful, amongst other reasons because an open dialogue was established with our partners. The meetings are an example of how Vion is striving for transparency in the supply chain. Vion believes that good communication with its partners and stakeholders is crucial.**

## Good Farming Balance

On the worldwide pork market, Vion perceives that there are interesting sub-markets for a specific quality of pork. These are the traditional markets within the EU; but the fast-growing supply to countries outside the EU also offers opportunities. Examples include the Asian countries such as

South Korea and Japan. “Better adaptation of our production to the needs of these sub-markets offers a new perspective, for the Vion company as well as for Dutch pig farmers,” said Frans Stortelder, COO of Vion Pork. “With the Good Farming Balance concept, Vion is responding to specific demands in the international markets.”

## Meetings with suppliers and stakeholders

The Good Farming Balance concept was launched in March 2017. Vion introduced the new approach to its pig suppliers at three meetings. After that, other stakeholders – like the feed companies, pig breeding companies, banks and accountants – were informed of the concept. The programme started with a guided tour of Vion’s production location in Boxtel. The new demand driven concept was then presented to the visitors by Frans Stortelder.

## Delivery modules and pricing systems

To be able to comply with the specific demands of a number of international market segments, a broader delivery of pigs is desirable. For this reason, Vion has introduced three new delivery modules within the Good Farming Balance concept. In addition to the ‘Basic’ module, there is also the ‘Wide’ module (with a better distribution of the weight and the fat layer thickness) and the ‘Robust’ module (for pigs with a

thicker layer of fat). Besides this, Vion has introduced new pricing systems. Next to the present weekly quotations, two new methods for the purchasing of pigs have been offered to the suppliers: the Vion Price Index Guarantee system (PIG) and the Vion Long-Term Pricing system (LTP).

## Trusted partner

Good Farming Balance is one of the concepts within Vion’s Good Farming system. According to Stortelder: “Food safety and integrity, product quality, sustainability, animal welfare and transparency form the foundation on which Vion works. Vion Pork’s Good Farming system forms the basis for an assured and fully traceable supply chain.”

## Results

The new Good Farming Balance concept has been well received by Vion’s suppliers and stakeholders. At the end of 2017, more than 50% of all Vion suppliers had already signed up for the Good Farming Balance concept. Stortelder said: “We are proud of these first results. Good Farming Balance offers the pig farmers more flexibility and at the same time, more security. The combination of market access, the products of a specific quality and the offer of continuity makes Vion a ‘trusted partner’ for its customers and suppliers.”



# Local origin

## The topic

Meat from local farmers is recognised by consumers as a product they can trust. When the farmers are part of the same local community, less transportation and supporting the local economy are the main drivers. The Vion Consumer Monitor shows that this trend is still increasing.

## Boundaries

To sell products from a local origin, Vion local market concept supports short supply chains.



## Vion's approach

Vion is matching the growing demand for local meat with a decentralised network of meat processing plants that procure livestock mainly from regional sources. Vion's target is to procure the animals from a radius of within 200 km of the meat processing plant. The beef plant in Leeuwarden will become operational in early 2018, to process dairy cattle locally from the famous Friesland dairy region.

Vion is fulfilling the consumer demand for market concepts with local products in three ways:

1. More transparency of the origin of the meat by means of Vion's own transparency website, or through relevant supply chain visibility programmes such as <http://www.goodfarmingstar.nl/>
2. Offering pork and beef in local market programmes with clearly defined and certified integrity systems (Specific Integrity Protocols). These are, e.g.:
  - Geprüfte Qualität Bayern (Certified Quality Bavaria).
  - Bavarian Beef (protected geographical indication (PGI)).
  - German regional labels under the 'Regionalfenster' title.
  - 'Dutch Waddenrund'.
3. Offering specific market concepts for our regional retail customers.

### Dilemma

Vion is committed to whole carcass use for optimised valorisation and to avoid food waste. Local demand is often targeted to specific, premium parts of the animal. Therefore, longer-distance transport will inevitably be required for those parts of a carcass that cannot be sold within these local market concepts. Furthermore, worldwide differences in preferences for certain meat-types and meat quality, and the willingness to pay extra for these preferences, sometimes make global sales necessary.

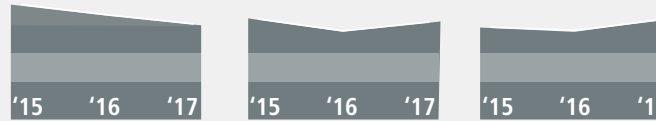
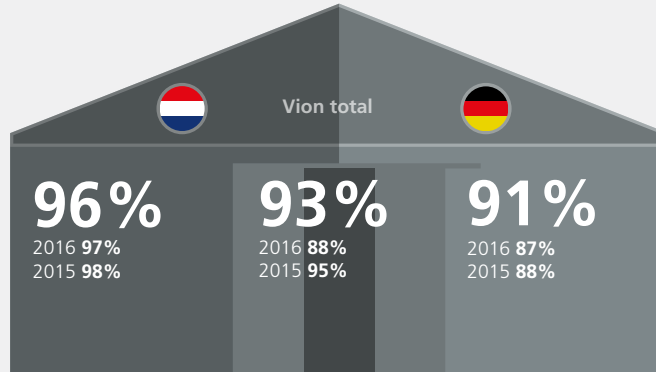




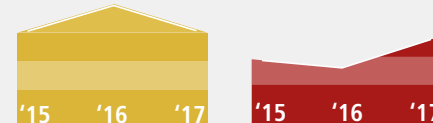
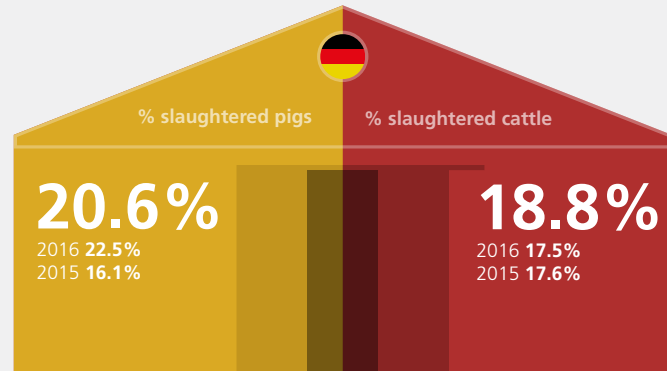
# Local origin

## Results

Slaughtered animals raised locally  
< 200 km radius to production plants



Slaughtered animals in independently certified regionality programs - Germany





# Local origin

## Outlook and targets

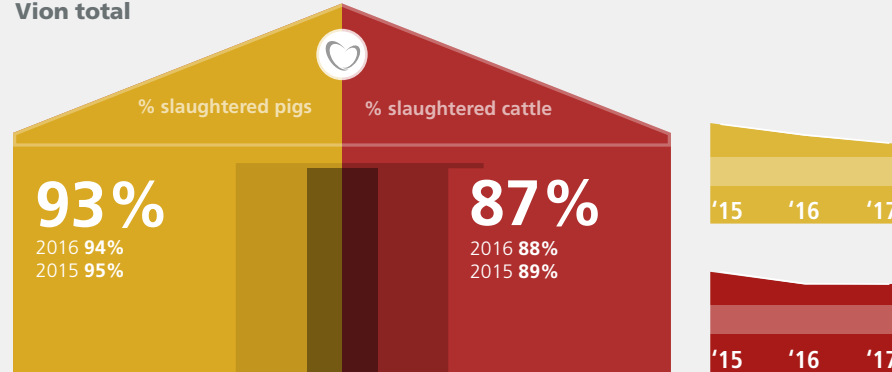
Vion will continue to seek for local sourcing and as a demand-driven company will continue to develop market concepts to offer regionality in the market.



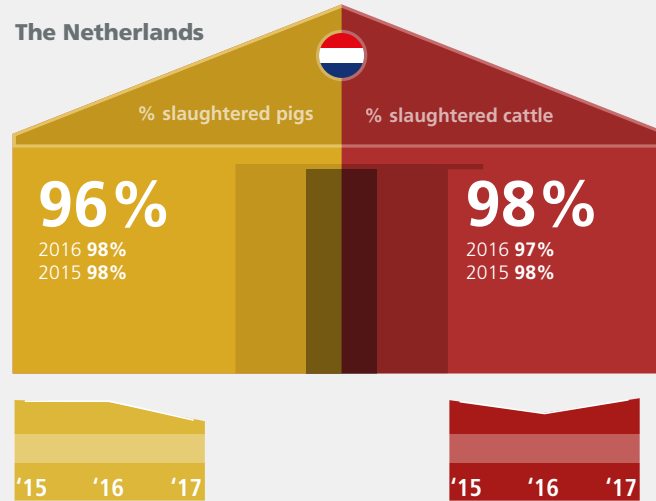
### Results

#### Slaughtered pigs and cattle raised locally < 200 km radius to production plants

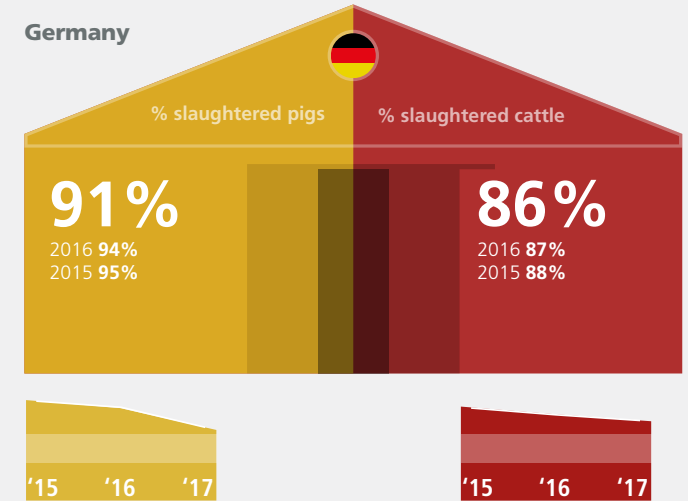
##### Vion total



##### The Netherlands



##### Germany



### Clarification of results

In Germany, Vion supplies meat under independently certified regionality concepts such as Geprüfte Qualität Bayern, Bavarian Beef, Edeka Gutfleisch and Regionalfenster.

The decline in the percentage of pigs transported < 200 km in Germany was due to the closure of Zeven, which led to longer transport distances to another meat processing plant. In the Netherlands, the meat processing plants are dedicated to certain market programmes, such as Organic and Good Farming Star.



# The view of...

## Monika König

Pig farmer

"Through my contact with consumers, I know how highly people prize a good level of animal welfare."

**Loading pigs in the morning, hosting the prime minister of Bavaria in the afternoon. That's what Monika König does, or rather, those are her jobs. The 52-year-old farmer and mother of four adult children is keeping her inherited family farm going in the village of Weihmichl/Edenland in Lower Bavaria, working on a part-time basis. She fattens up to 2,000 pigs a year on 700 spaces and, via the Erzeugergemeinschaft Südostbayern (South-East Bavaria Producer Organisation), she supplies the Vion abattoir in Landshut. "Only to Landshut," she says, "as this corresponds with our claim to regional and sustainable production."**

What does this entail? She gets the piglets always from the same nearby farm, that is only about 40 km away. The pigs come in lots of 250 from a producer in Straubing. Monika König is enthusiastic: "The standard of health is always the same – we don't have any problems whatsoever." Not mixing the livestock with animals from other farms naturally makes rearing easier. "A Bavarian piglet also costs significantly more," says König, but she also earns more when she delivers gQB (geprüfte Qualität Bayern / Certified Quality Bavaria) animals for slaughter.

The König pig farm takes part in the gQB marketing programme. In other words, the meat comes from Bavaria. The pigs are born, raised, slaughtered and processed in Bavaria, and the meat is also sold in markets between Aschenburg and Passau. The regional value-added chain is implemented in an exemplary manner under the gQB label. Farmer König ensures that the criteria for rearing will be maintained. The result speaks for itself: she is proud of an average lean-meat proportion of 59%. gQB pigs must weigh no less than 86 kg. This gives on average 3.8 cents more per kilo – which is worth it.

Regional matters aren't the only things that interest Monika König and her husband Andreas, who works alongside her in agriculture. The König farm has also applied to take part in the Initiative Tierwohl programme (Animal Welfare Initiative). Some investment is needed in the barn for this - more air,

more light, more room - but this is planned. Through her daily contact with consumers, Monika König knows how highly people prize a good level of animal welfare.

In her second job, she is manager of the Landshuter Bäuerinnen Service (Landshut Female Farmers Service). These are nine women from Lower Bavaria who provide 130 events a year with their delicious homemade products. In this catering business, the women from Landshut and their culinary services get around "80% of their customers in Munich". This includes private and business events, as well as state receptions in the Residenz. Naturally, Monika König has already catered for the prime ministers of Bavaria, both old and new.

# Other relevant CSR topics

## Global food security

### The topic

The human population is growing and there is a demographic movement towards (big) cities. This is a tremendous challenge for food producers, as more food is needed and the big cities need to be provided with fresh food. Specifically for the producers of animal protein, there is another challenge in that the consumers have more money to spend and tend to consume more products of an animal origin.

### Vion's approach

It is imperative that Vion is committed to an effective use of resources, such as the land to produce food. Vion sources its beef mainly from cattle that has been producing milk for many years, resulting in their so-called dual-purpose use. Meadows in the region of North-Western European produce grass very effectively. This grass is not edible for humans, but it is converted by cows into high quality dairy and beef products.

Fertile soils are also available in our production countries that enable the growth of the bulk feed materials for pigs (maize, barley and others).

Additionally, the food industry in our region produces a lot of by-products, such as brewers' grain and whey from the cheese production. These by-products are not suitable for human consumption but are an indispensable part of the feed for our cattle and pigs. The manure from the cattle and pigs is in return a necessary and valuable organic fertiliser for the soil. All parts of the animals being slaughtered will be used, either for human or for animal consumption. For hygiene reasons, some by-products are processed into biodiesel or other products. Therefore, nothing is wasted, and the slaughter process is truly circular.

## Salt, fat and sugar content

### The topic

Too much salt, trans fat and sugar can have a negative effect on human health.

### Vion's approach

Vion does not use much salt and sugar, as we deliver mainly pure natural products. However, Vion has lowered the salt content in its consumer products by between 10% and 50%. There is a growing demand for lean meat (low energy and high protein), which Vion is fulfilling by offering specific cuts. Also, the raising of entire boars supports the production of lean meat and reduces the environmental footprint of pork when it is compared to raising castrated pigs. Entire boars need less feed and less time to achieve the same weight.

## Additives



### The topic

Consumers prefer natural products without the use of chemical additives and E-numbers.

### Vion's approach

Vion is a producer of real food; pure meat that is not supplemented with additives. Only in restricted cases will Vion apply additives to control the wholesomeness and safety of the final product. Wherever we use additives, a clear label will be used to properly and meaningfully inform the customer and the consumer.

## Employment



### The topic

In 2017, Vion provided an income and livelihood to: 4,962 employees and 8,483 third-party workers\*.

### Vion's approach

Vion is an ambitious employer and provides a safe and comfortable work environment with competitive benefits. We offer a trainee program which enables us to attract new talent.

*\* Average total number of employees in FTEs.*

## Training and education of employees



### The topic

To ensure that all processes meet the legal standards and are carried out at a high professional level, Vion needs a qualified and skilled workforce.

### Vion's approach

We develop and train our employees and encourage them actively to develop their personal and professional skills constantly. We also invest in language courses. In this way, Vion promotes the employability of its workforce.

We take our responsibility seriously to provide all relevant staff with the skills to ensure the best animal welfare. All our employees who interact with live animals receive specific animal welfare training.

In our own Vion Academy, we train to develop and extend skills and keep our employees updated in knowledge. Employees get training in, for example, the Vion Operating System (VOS), a system for process optimisation. Through a diverse set of practical tools and methods (like the 5S-model and lean management) we work in a structured manner to make improvements. Our Dutch finance professionals had their own finance academy, where skills were updated, and best practices were shared. Additionally, we also offer external trainings and qualifications.



## Diversity and integration

### The topic

Equally-skilled people should receive the same opportunities, independent of their nationality, race or gender.

### Vion's approach

We treat every employee equally, independent of his/her gender, age, nationality or religion. The topic is one of the pillars of our Good Business Practice. Especially in Germany, we actively promote the integration of refugees in the labour market by offering jobs and language courses, which are also provided to other foreign employees.



## Nuisance for neighbours

### The topic

Neighbours can experience nuisances caused by odour, noise or traffic.

### Vion's approach

Vion's production plants are designed and operate in accordance with national and local environmental regulations that include the interests of neighbours related to nuisances and odours. However, it is obvious that food production companies of this size will have an effect, for example, on traffic. Vion tries to prevent and to solve these nuisances by finding appropriate solutions in dialogue with its neighbours, local communities and the competent authorities.



## Community involvement

### The topic

Vion and its stakeholders, including our own employees, value social engagement.

### Vion's approach

In the Netherlands, five large Vion plants are active in social communities. This means that a number of employees at the plants spend their spare time helping others, e.g. through various foundations. Examples are: the Salvation Army, Duchenne Heroes and the Alpe d'Huzes project.

In Germany, most Vion plants are socially active in their communities and donate money to social establishments (e.g. hospices, handicapped persons and retirement homes), as well as sponsoring local sport activities and team.

## Sustainable packaging



### The topic

Fresh meat is a volatile food item that needs cooling and hygienic packaging to ensure a high level of food safety. For its packaging, Vion uses mainly plastic packaging materials. Plastic packaging materials are made with fossil fuels and the plastic does not perish.

### Vion's approach

To use the packaging materials as efficiently as possible, Vion takes the following steps. Vion collaborates with its clients and peers in a system of reusable plastic crates and big boxes. Within this system, Vion maintains more than 1.2 million E2 crates and more than 10,000 big boxes in the reuse circle. This effort enormously reduces the need for primary and secondary packaging materials. Broken crates are delivered to recycling companies to produce other materials out of them.

Where a single use packaging system cannot be avoided, Vion strives to procure packaging materials that ensure the intended level of protection in the most resource-efficient way. A part of the packaging material is made of paper instead of plastic, in order to reduce the production of plastic waste. Several consumer products are packaged in bio-degradable plastics.

## Food waste avoidance



### The topic

In general, 1/3 of the food produced in the world is wasted. Food waste is created all throughout the supply chain, starting with losses at harvesting, during storage and ending with the consumers.

### Vion's approach

Vion has a strong focus on avoiding waste when the product is under our own responsibility. This has resulted in hardly any waste of animals, as all the parts are valorised. Animal by-products not used for human consumption are used for animal feed or other purposes. However, food is often wasted in the downstream supply chain, and at the level of households before or after cooking.

Within Vion's food safety management we have a strong focus on minimising microbiological contamination. This supports a longer shelf life and enables our customers to be more flexible in selling the meat to the final customers.

To avoid people cooking too high quantities of food that they cannot eat, Vion supports activities for appropriate package sizes at the end-consumer level.

Moreover, Vion is an advocate of frozen food, as the shelf life of frozen food results in less waste. Vion Food Service is a specialist in frozen food, supporting food service professionals to serve a broad range of meals and giving them the flexibility to adjust to the number of guests and their preferences. By producing single consumer portions, Vion is helping gastronomy to avoid unnecessary leftovers.

## Waste management



### The topic

Avoidance of waste should be realised as the first priority. The unavoidable waste should then be disposed of in the most sustainable way.

### Vion's approach

Vion has hardly any waste from animals, as all the parts are valorised. Animal by-products not used for human consumption are used for animal feed or other purposes. The immature manure from the animals' bowels is a valuable ingredient for biogas operations. Vion offers this manure, that before was often left unused, to interested biogas plants to produce renewable energy.

Plastic and other technical waste is avoided where possible. Whenever unavoidable, it is separated and disposed of according to the national disposal legislation in our production countries.

## Sustainable feed



### The topic

Production and use of animal feed has an influence on the sustainability of meat. Feed ingredients that are at risk need special attention, such as those used in soy production. Soy plantations may be associated with deforestation, loss of biodiversity and extensive water usage.

### Vion's approach

Vion advocates the use of Round Table Responsible Soy (RTRS) certified soy. The RTRS certification includes strict requirements on the preservation of natural forests and other natural resources. All pigs from Vion's Good Farming Star programme are fed with RTRS certified soy.

We also advocate the efficient use of animal proteins in feed and the reacceptance of safe animal by-products that are unfit for human consumption, to be converted into 'processed animal proteins'. These are a very valuable raw material in the feed for pork and poultry.

Locally available proteins that are not fit for human consumption can play a major role as the feed constituents for pig feed.





# Biodiversity

## The topic

A substantial part of the cattle originates from areas where nature conservation, including biodiversity, is a relevant item.

## Vion's approach

Within organic production the use of insecticides is widely restricted, thus resulting in substantial benefits for biodiversity. Please refer to the 'Organic' material topic for further information.

Both in Germany and in the Netherlands, Vion is involved in sourcing cattle from areas where nature preservation is an important issue. In the mountains of south Germany (Bavaria) and on the meadows of the Wadden Sea, a Unesco World heritage region, the cattle can enjoy grazing in harmony with the unique flora and fauna.

Nature preservation is actively promoted by the farmers in these regions, and Vion makes it transparent to the market that this specific beef originates from these wonderful regions. With this transparency in the supply chain, Vion can enhance the awareness of the consumers about these unique regions of Europe.

# About this report

**This report has been prepared in accordance with the GRI Standards Core option. The content of the report was defined by giving the most attention to the material CSR topics. We will now explain how we implemented the four reporting principles for defining the content of the report.**

## Stakeholder inclusiveness

In defining the material topics and the content of the report, we considered the interests of our stakeholders. These interests are well known to us through the stakeholder engagement that occurs as part of our regular activities. One of the key elements is the continuous monitoring of our consumers' preferences. Besides this, we monitor the media and engage with the scientific community. To open a dialogue and to learn from each other, Vion organises stakeholder discussions and participates in round table meetings. In addition, Vion provides specific stakeholders with the opportunity to raise topics in interviews that are included in our quarterly German farmers' magazine proAgrar. See page 32 and appendix 2 for more information about our stakeholder engagement.

## Sustainability context

In cases where the information was available at Vion, we have presented our performance in the wider context of sustainability. We did this for the social, environmental and economic topics. Some examples are:

- For the organic topic, we mentioned the effects on animal welfare and that organic livestock farming has both positive and negative effects on the environment.

- We explained the role of meat in a healthy diet.
- We showed our part of the renewable energy in relation to the countries' averages.
- For our indirect economic impacts, we showed our animal suppliers as a percentage of the total pig and cattle farmers in our producing countries.

## Materiality

With regard to the impacts resulting from our business activities, or those we are linked to through the supply chain, we have developed a list of the relevant CSR topics for Vion. To define the material topics out of all the relevant topics, we performed a materiality analysis with representatives of the different departments. The influence of a CSR topic on the decisions and opinions of the stakeholders was assessed based on the existing stakeholder information. The impact Vion has on a particular topic was based on the actual or potential impact Vion can make and how much influence Vion has on that topic. See page 36 for more information about our materiality analysis and its outcome.

## Completeness

Vion's management approach and its performance with regard to the list of material topics has received the most attention in this report, as these reflect Vion's significant impacts. Besides this, we have also included a short summary of our approach to the less material topics, because we realise that for some stakeholders a topic that is defined as less material can nonetheless be important. We invite our stakeholders to react to our report and to share their expectations with us via their regular contact person or at [csr@Vionfood.com](mailto:csr@Vionfood.com). In describing the impacts, we have considered not only the impacts occurring during the reporting period but also the possible future impacts. We defined the boundaries for each topic by the entities where the impact occurs and where Vion can report upon them.

## How we organise CSR

We have established a CSR core team consisting of managers from the Communication and Quality Assurance Departments, the CEO and an external consultant. The CSR strategy proposals made by the CSR core team were approved by the executive committee and supervised by the Supervisory Board. The CEO has the final responsibility for the CSR strategy and its results.

For reporting the results on our material topics, we developed a KPI (Key Performance Indicator) dashboard. This dashboard contains all of the CSR KPIs which we are able to disclose. For some of the KPIs, we have set ourselves targets. The setting of these targets was done in cooperation with the responsible departments, the CSR core team and the executive committee. To monitor our progress on these targets, we have the ambition to report internally on the results several times per year and to discuss these in the executive committee. In cases where the results are falling behind the target, the executive committee will decide if they need to make more resources available to reach the objectives, or if we need to adjust the objectives.

The published data on the material topics in this report are compiled by the responsible departments. They are responsible for the management approach, including the concrete actions that have been or shall be taken, and the results on these topics. The CSR core team has managed the process and the compilation of this report. This final report has been positively received by the Supervisory Board and approved by the executive committee.



# The view of...

## The CSR report core team members

We speak with five key team members of Vion's CSR efforts: Bert Urlings is Director of Quality Assurance and Public Affairs, Nancy Aschman is Communication Director and led the CSR project and report, Anne Hiller is Director of Quality Assurance Germany, Martijn Bouwknecht is Research Manager Food Safety, and Marja Vermeulen is external advisor for CSR.

***Bert, the initiatives related to many of the CSR topics fall under your final responsibility. What are the first thoughts that come to your mind, now that the second report is almost ready?***

CSR is first and foremost a way to operate the business and is increasingly a part of our company's DNA. Publishing an annual status report has an important role in this process. It provides a structure to our way of thinking and the document expresses our know-how and opinions. It forces us to review all the relevant topics and to measure the progress. But we have to consider this report as the visible tip of the iceberg. To improve on the various topics many tangible

initiatives are taken throughout the whole organization that actually transform our company. In my role I am aware that we could one day in some place not fully act according to the standards set in the CSR Reports. It keeps me and my team vigilant.

***Nancy, the values described in the CSR reports are becoming part of Vion's DNA. How is this process managed?***

I believe that all communication, including CSR of Vion, should be aligned with the company culture and strategy. It provides clarity and purpose for our people and stakeholders. We are part of society and our stories need to mirror our activities. We are all citizens and therefore aware of the debates around big food companies and meat in particular in all parts of the world. All of our management is very supportive of our desire of continuous improvement, while – of course – also pointing to practical and economic issues to implement them. This is where it becomes even more interesting: how do you make CSR part of your DNA, while working within the rules of the free market economy? In our internal communication we frequently discuss what tools we need to develop to help all layers in the organisation to make the right decisions. In our external communications we focus on topics that we can influence through our people, policies

“We are headed in the right direction and together we will create a transparent and better understood industry.”

and strategy. Our transparency approach is really helping this industry to take responsibility. Winning the Crystal award for fastest climber on the Transparency Benchmark also proved we are on the right track. I now regularly meet colleagues who ask, how can I help?

***Anne, what topics of Vion's list have the highest priority in German society and what impact did Vion's initiatives had in the German meat industry?***

In German society the same topics are being discussed with probably more focus on food safety, product integrity and animal welfare at slaughter as a result of negative media coverage in previous years. What are the processes in the meat industry like nowadays? Vion therefore started its transparency offensive in Germany ([www.vion-transparenz.de](http://www.vion-transparenz.de)) in November 2016 to respond to a real demand of society. The true interest is confirmed by the more than 10,000 hits, which is a lot for a corporate website. The first CSR report has triggered comments from different stakeholders, such as farmer cooperative and customers. We are also happy to see that some of our competitors in the meat industry are following our lead and take similar initiatives. We are headed in the right direction and together we will create a transparent and better understood industry.

***Martijn, you worked on the topics that concerned the entire meat value chain. How difficult was and is it to grasp that full picture?***

The first report focused purposely on Vion's own activities. In the second, we take a bolder step to visualize and state our opinion on the full value chain. It is a bold step because it requires us to gather data "outside our house" and voice an opinion on the activities of other actors in the chain. There are no universally accepted recipes yet for assessing the sustainability or CO<sub>2</sub> footprint of amongst others animal husbandry and the production of meat. Reviewing the different methodologies and outcomes is both challenging and rewarding. We were happy to work with ZLTO to gather data at the farm level and with BASF to examine the use of their tool to estimate environmental footprints. Now, exploring the possible assessment approaches is only the first step. The next step, namely to work with chain partners, such as feed and livestock companies, on initiatives to reduce the footprint, will be of course even more interesting. I am very much looking forward to that next step.

***"Setting targets, which we did this year, helps to focus and stimulate progress."***

***Marja, what is your view as specialist in CSR reporting on the development of Vion in CSR?***

Most and for all, I am glad that CSR is becoming more and more a theme of discussion within the different departments of Vion, and not only for a selective group that is busy with CSR because of their profession. The first CSR report last year created internally more awareness around CSR topics. Secondly, I am happy with the progress Vion made on many of the material topics, as the goal of CSR is not making the report but making progress in the good direction. So, attention during the year for this progress is very important. The management board and executive committee play a big role in this. Setting targets, which we did this year, helps to focus and stimulate progress. For me, it is very interesting and rewarding, to see that Vion's management doesn't shy away from complex themes, public debate, and transparency. I encourage Vion to monitor and stimulate their progress more extensively during the year and to extend their leading role in stimulating progress throughout the value chain.

GRI Standard	Disclosure	Page	Remarks/Reason for omission
<b>GENERAL DISCLOSURES</b>			
<b>Organisational profile</b>			
GRI 102: General disclosures 2016	102-1 Name of the organisation	1, 130	
	102-2 Activities, brands, products, and services	15-21	<ul style="list-style-type: none"> <li>Due to its high sensitivity in the areas of food safety and animal health, the international meat trade is regulated by bilateral and multilateral trade agreements. Vion has gained export access to all the destination countries where pork and beef exports from the Netherlands and Germany are possible.</li> </ul>
	102-3 Location of the headquarters	7	
	102-4 Location of the operations	16	
	102-5 Ownership and legal form	23	
	102-6 Markets served	17	
	102-7 Scale of the organisation	10	
	102-8 Information on the employees and other workers	122	
	102-9 Supply chain	31	
	102-10 Significant changes to the organisation and its supply chain	31	
	102-11 Precautionary principles or approach	94	
	102-12 External initiatives	123-125	
	102-13 Membership of associations	123-125	
<b>Strategy</b>			
GRI 102: General disclosures 2016	102-14 Statement from the senior decision-maker	4-5	
<b>Ethics &amp; integrity</b>			
GRI 102: General disclosures 2016	102-16 Values, principles, standards, and norms of behaviour	26-28	
<b>Governance</b>			
GRI 102: General disclosures 2016	102-18 Governance structure	23-24	
<b>Stakeholder engagement</b>			
GRI 102: General disclosures 2016	102-40 List of the stakeholder groups	32	
	102-41 Collective bargaining agreements	122	
	102-42 Identifying and selecting the stakeholders	32	
	102-43 Approach to stakeholder engagement	32, 114	
	102-44 Key topics and concerns raised	123-125	

GRI Standard	Disclosure	Page	Remarks/Reason for omission	
<b>GENERAL DISCLOSURES</b>				
<b>Reporting practice</b>				
GRI 102: General disclosures 2016	102-45	Entities included in the consolidated financial statements	10-14	<ul style="list-style-type: none"> <li>All activities of Vion Holding N.V. are included in the consolidated financial statements.</li> <li>This year we clearly defined and used for each topic the same calculation of e.g. external sold volume and number of slaughtered animals. We recalculated the previous years which resulted in some changes versus the results mentioned in the previous report. The KPIs at the topic antibiotics differ from previous year to make the results clearer. We recalculated them for the previous years.</li> <li>Due to a calculation error, the reported 2015 and 2016 figures for energy consumption and water usage differ slightly from the previous report. In our previous report we made a wrong statement about our renewable electricity use, which we corrected in this report.</li> <li>There are two new material topics: Greenhouse gas emissions and Environmental aspects of livestock farming</li> </ul>
	102-46	Defining the content of the report and the topic boundaries	114	
	102-47	List of the material topics	38	
	102-48	Restatement of the information		
	102-49	Changes in the reporting		
	102-50	Reporting period	1	
	102-51	Date of the most recent report		
	102-52	Reporting cycle		
	102-53	Contact point for questions regarding the report and its contents	114	
	102-54	Claims of reporting in accordance with the GRI standards	114	
	102-55	GRI content index	117-121	
	102-56	External assurance		

GRI Standard	Disclosure	Page	Remarks/reason for omission
<b>MATERIAL TOPICS</b>			
<b>GRI 200 Economic topics 2016</b>			
<b>Indirect economic impacts</b>			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its boundary	98
	103-2	Management approach	98-100
GRI 203: Indirect economic impacts 2016	203-2	Significant indirect economic impacts	98-100

GRI Standard	Disclosure	Page	Remarks/reason for omission
<b>MATERIAL TOPICS</b>			
<b>Local origin</b>			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its boundary	104
	103-2	Management approach	104-106
GRI 204: Procurement practices 2016	204-1	Proportion of spending on local suppliers	104-106 • We take the proportion of slaughtered animals coming from local suppliers, because these data are available.
<b>Sustainable pricing</b>			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its boundary	101
	103-2	Management approach	101-102

GRI Standard	Disclosure	Page	Remarks/reason for omission
<b>GRI 300 Environmental topics 2016</b>			
<b>Energy consumption</b>			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its boundary	90
	103-2	Management approach	90-91
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	91 • The energy used for heating and cooling is included in the fuel and electricity consumption, as we cannot monitor that separately.
	302-3	Energy intensity	91
<b>Water usage</b>			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its boundary	94
	103-2	Management approach	94
GRI 303: Water 2016	303-1	Water withdrawal by source	94
<b>Greenhouse gas emissions</b>			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its boundary	92
	103-2	Management approach	92-93
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	93
	305-2	Energy indirect (Scope 2) GHG emissions	93
	305-4	GHG emissions intensity	93

GRI Standard	Disclosure	Page	Remarks/reason for omission
<b>GRI 300 Environmental topics 2016</b>			
<b>Environmental aspects of livestock farming</b>			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its boundary	96
	103-2	Management approach	96-97

GRI Standard	Disclosure	Page	Remarks/reason for omission
<b>GRI 400 Social topics 2016</b>			
<b>Health and safety of workers</b>			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its boundary	81
	103-2	Management approach	81-84
GRI 403: Occupational Health and Safety 2016	403-2	Types of injury and rates of injury, occupational diseases, lost days and absenteeism, and the number of work-related fatalities	81-84 <ul style="list-style-type: none"> <li>We do not register incidents by gender, as we do not experience that this is as a dominant factor in the amount or types of incidents.</li> <li>Injuries with no absence are not monitored, so we can only report on the lost day rate and not the injury rate.</li> <li>Occupational disease rate: it is not monitored whether diseases are occupational or not.</li> </ul>

<b>Traceability and product integrity</b>			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its boundary	59
	103-2	Management approach	59-60
GRI 417: Marketing and labelling	417-1	Requirements for product information and labelling	59
<b>Food safety</b>			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its boundary	46
	103-2	Management approach	46-48
GRI G4: Sector disclosures for food processing	FP5	Percentage of the production volume manufactured in sites certified by an independent third party according to internationally recognised food safety management system standards	47

<b>Animal friendly husbandry</b>			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its boundary	61
	103-2	Management approach	61-68
GRI G4: Sector disclosures for food processing	FP11	Percentage and total of the animals raised and/or processed, by species and breed type, per housing type	64-68



GRI Standard	Disclosure	Page	Remarks/reason for omission
<b>GRI 400 Social topics 2016</b>			
<b>Organic</b>			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its boundary	77
	103-2	Management approach	77-79
GRI G4: Sector disclosures for food processing	FP11	Percentage and total of the animals raised and/or processed, by species and breed type, per housing type	78-79
<b>Antibiotics</b>			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its boundary	70
	103-2	Management approach	70-72
GRI G4: Sector disclosures for food processing	FP12	Policies and practices in antibiotic, anti-inflammatory, hormone, and/or growth promotion treatments, by species and breed type	70-72
<b>Animal welfare in transportation and slaughtering</b>			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its boundary	52
	103-2	Management approach	52-55
GRI G4: Sector disclosures Food processing	FP13	Total number of incidents of significant non-compliance with laws and regulations, and adherence with voluntary standards related to transportation, handling, and slaughter practices for live terrestrial and aquatic animals	52-55
<b>Role of meat in a healthy diet</b>			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its boundary	73
	103-2	Management approach	73-75
<b>Transparency in communication</b>			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its boundary	57
	103-2	Management approach	57-58
<b>Working conditions for third party labour</b>			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its boundary	85
	103-2	Management approach	85-87

## Appendix 1 – Employees and third-party workers

Vion	2015	2016	2017
Total number of Vion's own employees with a permanent employment contract	3,989	4,122	4,392
• Male	3,126	3,210	3,344
• Female	863	912	1,048
Total number of Vion's own employees with a temporary employment contract	484	534	570
• Male	318	357	362
• Female	166	177	208
Total number of full-time employees	3,055	3,456	4,013
• Male	2,583	2,874	3,271
• Female	472	582	742
Total number of part-time employees	1,419	1,201	949
• Male	861	693	429
• Female	657	507	520
% of total employees covered by collective bargaining agreements	94.6%	94.2%	92.5%
Total number of third party labour workers	6,649	7,732	8,483
• Male	N.A.	N.A.	N.A.
• Female	N.A.	N.A.	N.A.
% of total third party labour workers covered by collective bargaining agreements	45.9%	47.9%	55.4%

Vion Netherlands	2015	2016	2017
Total number of Vion Netherlands's own employees with a permanent employment contract	1,664	1,772	1,852
• Male	1,282	1,358	1,408
• Female	382	414	444
Total number of Vion Netherlands's own employees with a temporary employment contract	213	228	214
• Male	103	115	100
• Female	110	113	114
Total number of full-time employees	1,337	1,447	1,474
• Male	1,159	1,237	1,251
• Female	178	210	223
Total number of part-time employees	540	553	592
• Male	226	236	251
• Female	314	317	341
% of total employees covered by collective bargaining agreements	100%	100%	96.1%
Total number of third party labour workers	2,711	3,444	4,257
• Male	N.A.	N.A.	N.A.
• Female	N.A.	N.A.	N.A.
% of total third party labour workers covered by collective bargaining agreements	100%	100%	98.8%

Vion Germany	2015	2016	2017
Total number of Vion Germany's own employees with a permanent employment contract	2,325	2,350	2,437
• Male	1,844	1,852	1,878
• Female	481	498	559
Total number of Vion Germany's own employees with a temporary employment contract	271	306	355
• Male	215	242	261
• Female	56	64	94
Total number of full-time employees	1,718	2,009	2,442
• Male	1,424	1,637	1,962
• Female	294	372	480
Total number of part-time employees	879	648	350
• Male	635	457	177
• Female	343	190	173
% of total employees covered by collective bargaining agreements	86.9%	86.2%	89.9%
Total number of third party labour workers	3,938	4,288	4,226
• Male	N.A.	N.A.	N.A.
• Female	N.A.	N.A.	N.A.
% of total third party labour workers covered by collective bargaining agreements	8.6%	6.1%	11.6%

In 2017, we had 103 extra employees in our sales support offices outside the Netherlands and Germany.

The workers from our 3<sup>rd</sup> party labour providers are mostly working in the production, e.g. slaughtering, deboning, packaging and cleaning processes. The number of flex workers is quite high and has to do with the need for flexibility in the operations and also with the costs of our operation workforce.

Due to the nature of our production processes the majority of the workers are male. In the Netherlands, all operational third-party labour workers are covered by collective bargaining agreements, the 3.9% not covered by collective bargaining agreements is corporate staffing.

## Appendix 2 – Stakeholder engagement

STAKEHOLDER	SPECIFIC EXAMPLES OF STAKEHOLDERS	ENGAGEMENT FREQUENCY AND METHOD	RESPONSIBLE UNIT AT VION
<b>Consumers</b>	<ul style="list-style-type: none"> <li>Consumers in our home markets of the Netherlands and Germany</li> <li>Consumers around the world</li> </ul>	<ul style="list-style-type: none"> <li>Yearly Consumer Monitor in the Netherlands and Germany</li> <li>Yearly Food Service Consumer Trend Analysis</li> <li>Questions and remarks from consumers; each remark from a consumer is answered personally</li> </ul>	<ul style="list-style-type: none"> <li>Marketing Department</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>Retail outlets</li> <li>Industry (manufacturers)</li> <li>Food services</li> </ul>	<ul style="list-style-type: none"> <li>Ad hoc direct talks by the Sales and Quality Assurance Departments</li> <li>Biennial Client Satisfaction Analysis</li> </ul>	<ul style="list-style-type: none"> <li>Sales / Marketing / Quality Assurance Departments / CEO</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Animal suppliers: Farmers, De Groene Weg, Waddenvleesgroep</li> <li>Food suppliers</li> <li>Non-food suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Ad hoc dialogues by the Purchasing and Quality Assurance Departments</li> <li>Workshops</li> <li>Yearly farmers' association meetings</li> </ul>	<ul style="list-style-type: none"> <li>Public Affairs / Farming Department / Purchasing / Quality Assurance / CEO</li> </ul>
<b>Farmer associations</b>	<ul style="list-style-type: none"> <li>LTO (Landen Tuinbouworganisatie)</li> <li>ZLTO (Zuidelijke Landen Tuinbouworganisatie)</li> <li>NVV (Nederlandse Vakbond Varkenshouders)</li> <li>POV (Procentenorganisatie varkenshouderij)</li> <li>Regional farmers' associations</li> <li>StarFarmers</li> <li>De Groene Weg suppliers' association</li> <li>DBV (Deutscher Bauernverband)</li> <li>ISN (Interessengemeinschaft der Schweinehalter Deutschlands)</li> <li>ZDS (Zentralverband der Deutschen Schweineproduktion)</li> <li>Breeding farm associations</li> <li>NAJK (Young Farmers Association)</li> </ul>	<ul style="list-style-type: none"> <li>Ad hoc bilateral meetings</li> <li>Yearly sector meetings</li> <li>Yearly farmers' association supervisory boards</li> <li>Presentations at annual meetings</li> </ul>	<ul style="list-style-type: none"> <li>Public Affairs + COOs</li> <li>Purchasing Departments</li> <li>CEO</li> </ul>
<b>Financial stakeholders</b>	<ul style="list-style-type: none"> <li>Shareholder ZLTO</li> <li>Banks</li> <li>Shareholders of parts of Vion's subsidiary companies</li> </ul>	<ul style="list-style-type: none"> <li>Ad hoc direct talks by the board</li> <li>Quarterly supervisory board meetings</li> </ul>	<ul style="list-style-type: none"> <li>CFO / CEO / Public Affairs Department/ Treasury-Insurance / Group Communication and CSR Team</li> </ul>
<b>Public authorities</b>	<ul style="list-style-type: none"> <li>National, regional (provincial) and local governments</li> <li>Public auditors like NVWA</li> <li>Transparency Benchmark</li> </ul>	<ul style="list-style-type: none"> <li>Ad hoc direct talks by the Public Affairs and Quality Assurance Departments and the Line Management</li> <li>Engagement in Topsector Agri &amp; Food, as well as round table discussions on other specific projects and dialogues</li> <li>Yearly benchmark on the CSR in the Netherlands</li> </ul>	<ul style="list-style-type: none"> <li>Public Affairs / Quality Assurance Departments / Line Management</li> </ul>
<b>Round table groups</b>	<ul style="list-style-type: none"> <li>RTRS: Round Table Responsible Soy</li> <li>National technical workgroup</li> <li>Varken van Morgen</li> <li>Topsector Agrifood</li> <li>SAI Beef Working Group (SAI Platform)</li> <li>Runde Tische Tierschutz</li> <li>Initiative Tierwohl</li> <li>Koordinierungsplattform Ferkelkastration</li> <li>SPA = Sozialpolitischer Ausschuss der Fleischindustrie</li> <li>ViVa (Coalition Vitalisering Varkenshouderij)</li> <li>Boehringer Ingelheim Pork Sustainability Platform</li> <li>Boars 2018</li> </ul>	<ul style="list-style-type: none"> <li>Round table meetings and technical advisory group meetings</li> <li>Member of the Steering Committees</li> </ul>	<ul style="list-style-type: none"> <li>Public Affairs / Quality Assurance / Human Resources / Purchase Departments</li> </ul>

## Appendix 2 – Stakeholder engagement

STAKEHOLDER	SPECIFIC EXAMPLES OF STAKEHOLDERS	ENGAGEMENT FREQUENCY AND METHOD	RESPONSIBLE UNIT AT VION
<b>NGOs</b>	<ul style="list-style-type: none"> <li>Animal welfare NGOs: Dierenbescherming, Eyes on Animals, Wakker Dier, Compassion in World Farming, Deutscher Tierschutzbund, Pro Vieh,</li> <li>Environmental NGOs: Stichting Natuur &amp; Milieu, WWF, Milieudefensie, BUND</li> <li>Consumer protection NGOs: Consumentenbond, Voedingscentrum, Foodwatch, Verbruucherzentrale Bundesverband</li> <li>VNONCW</li> </ul>	<ul style="list-style-type: none"> <li>Ad hoc direct talks, council or round table discussions with some NGOs</li> <li>Collaboration in the European Animal Welfare Platform</li> </ul>	<ul style="list-style-type: none"> <li>Public Affairs / Quality Assurance / Farming Departments / Group Communication and CSR Team</li> </ul>
<b>Employees and works councils</b>	<ul style="list-style-type: none"> <li>Own employees</li> <li>Flex employees</li> <li>Corporate works council</li> <li>Local works councils</li> </ul>	<ul style="list-style-type: none"> <li>Frequent (at least) monthly informal meetings</li> <li>Annual performance planning and review meetings</li> <li>Town hall meetings</li> <li>Annual Top 150 management meetings</li> </ul>	<ul style="list-style-type: none"> <li>Human Resources Department</li> </ul>
<b>Trade unions</b>	<ul style="list-style-type: none"> <li>Corporate and local works councils</li> <li>Trade Unions: FNV, CNV, de Unie, NGG</li> </ul>	<ul style="list-style-type: none"> <li>Frequent (at least monthly) informal meetings</li> <li>Quarterly formal meetings</li> <li>Collective bargaining agreements</li> <li>FNLI Taskforce Human Capital Agenda Food</li> </ul>	<ul style="list-style-type: none"> <li>Human Resources Department</li> </ul>
<b>Trade organisations</b>	<ul style="list-style-type: none"> <li>COV (Centrale Organisatie voor de Vleessector)</li> <li>VNV (Vereniging van Slachterijen en Vleesverwerkende bedrijven)</li> <li>CBL (Centraal Bureau Levensmiddelenhandel)</li> <li>FNLI (Federatie Nederlandse Levensmiddelenindustrie)</li> <li>VDF (Verband der Fleischwirtschaft)</li> <li>German Meat</li> <li>GS1 Working Group</li> <li>European Meat Network</li> </ul>	<ul style="list-style-type: none"> <li>Membership on the Board of COV and VDF</li> <li>Membership on the Board of FNLI and Innofood Twente</li> </ul>	<ul style="list-style-type: none"> <li>COOs / Group Communication and CSR Team</li> </ul>
<b>Competitors</b>	<ul style="list-style-type: none"> <li>Tönnies</li> <li>Danish Crown</li> <li>Westfleisch</li> <li>Müller</li> <li>Gosschalk</li> <li>Compaxo</li> <li>Van Rooij</li> <li>Food service competitors</li> </ul>	<ul style="list-style-type: none"> <li>Ad hoc or in trade organisations</li> <li>SAI Platform</li> </ul>	<ul style="list-style-type: none"> <li>CEO / Sales / Marketing / Public Affairs Departments / Group Communication and CSR Team</li> </ul>
<b>Certifications schemes</b>	<ul style="list-style-type: none"> <li>IFS (International Featured Standards) Food</li> <li>GlobalGAP</li> <li>BRC Global Standards</li> <li>ISO (International Organisation for Standardisation)</li> <li>Stichting Beter Leven Keurmerk</li> <li>IKB (Integraal Ketenbeheer)</li> <li>Chain of Custody Standard</li> <li>QS (Quality Scheme)</li> <li>Skal</li> <li>Tierschutzlabel</li> <li>Initiative Tierwohl</li> <li>Regionalfenster</li> <li>Geprüfte Qualität Bayern</li> <li>Orgalvent</li> <li>Milieukeur</li> <li>NEN-ISO Dutch mirror group for Animal Welfare</li> <li>NEN-ISO Dutch mirror group for the Chain of Custody</li> </ul>	<ul style="list-style-type: none"> <li>Yearly audits</li> <li>Direct membership in the governing bodies or technical advisory groups of a number of certification schemes</li> <li>Chair of the Dutch mirror group NEN-ISO for Animal Welfare</li> <li>Member of the Board of GlobalGAP and IFS</li> </ul>	<ul style="list-style-type: none"> <li>Quality Assurance / Purchase Departments</li> </ul>

## Appendix 2 – Stakeholder engagement

STAKEHOLDER	SPECIFIC EXAMPLES OF STAKEHOLDERS	ENGAGEMENT FREQUENCY AND METHOD	RESPONSIBLE UNIT AT VION
<b>Science</b>	<ul style="list-style-type: none"> <li>Governmental research agencies like RIVM (Rijksinstituut voor Volksgezondheid en Milieu)</li> <li>University research agencies like Wageningen University and Research Centre, University Utrecht, Uni Kiel, Uni Göttingen, Uni Bonn, Uni Witzenhausen, LMU München, Uni Hohenheim, FH Weihenstephan, FH Neubrandenburg, and TiHo (Tierärztliche Hochschule) Hannover</li> <li>Veterinary University Utrecht</li> <li>IRAS (Institute for Risk Assessment, Utrecht University)</li> <li>TiFN (Top Institute Food and Nutrition)</li> <li>TNO</li> <li>BFR (Bundesinstitut für Risikobewertung)</li> <li>FLI (Friedrich-Loeffler-Institut, Federal Research Institute for Animal Health)</li> <li>MRI (Max-Rubner-Institut)</li> <li>GIQS (Grenzüberschreitende Integrierte Qualitätssicherung)</li> <li>DIL (Deutsches Institut für Lebensmitteltechnik)</li> <li>EU-Effort project (on antibiotic resistance)</li> <li>ECVPH (European College of Veterinary Public Health)</li> <li>SVEPM (Society for Veterinary Epidemiology and Preventive Medicine)</li> <li>VMT / Food Safety</li> <li>Society for Risk Analysis (US)</li> </ul>	<ul style="list-style-type: none"> <li>Ad hoc direct talks</li> <li>Joint research projects</li> <li>Scientific publications</li> <li>Diplomats and residents of ECVPH</li> <li>Member of the Editorial Board</li> </ul>	<ul style="list-style-type: none"> <li>Research / Quality Assurance / Public Affairs / Purchase Departments</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>European Association of Communication Directors EACD</li> <li>Media in the Netherlands, Germany and Belgium</li> <li>Trade media in the Netherlands, Germany and Belgium</li> <li>SAN</li> </ul>	<ul style="list-style-type: none"> <li>Yearly congress and workshops</li> <li>Regular meetings and open communication</li> <li>Proactive dialogues and messaging</li> <li>Daily answering of media requests</li> <li>Member of the jury</li> </ul>	<ul style="list-style-type: none"> <li>Group Communication and CSR</li> </ul>
<b>Neighbours</b>	<ul style="list-style-type: none"> <li>Participating in municipal committees</li> </ul>	<ul style="list-style-type: none"> <li>Open days in the case of (re)new(ed) production sites</li> <li>Formal dialogues in the case of specific enlargement approval procedures</li> </ul>	<ul style="list-style-type: none"> <li>COOs / Local Line Management</li> </ul>

### Appendix 3 – Relevance of the CSR topics to our stakeholders

RELEVANT SOCIAL TOPICS	STAKEHOLDER GROUPS THAT RAISE THESE TOPICS																	
	Consumers	Customers	Suppliers	Farmer's associations	Financial stakeholders	Public authorities	Round table groups	NGOs			Employees	Trade unions	Trade organisations	Competitors	Certification schemes	Scientists	Media	Neighbours
								Animal welfare	Environment	Consumer protection								
Food safety	•	•	•		•	•				•	•		•		•	•	•	
Traceability and product integrity	•	•	•		•	•	•	•	•	•	•		•		•	•	•	
Transparency in communication	•	•	•		•	•	•	•	•	•	•		•				•	
Animal welfare in transportation and slaughtering	•	•	•	•	•	•	•	•			•		•	•	•	•	•	
Animal-friendly husbandry	•	•	•	•	•	•	•	•					•	•	•	•	•	
Antibiotics	•	•	•	•	•	•	•	•		•	•	•	•	•	•	•	•	
Role of meat in a healthy diet	•	•	•	•	•	•				•	•		•	•	•	•	•	
Organic	•	•	•	•	•	•		•	•				•	•	•	•	•	
Health and safety of workers		•			•	•					•	•		•	•			
Working conditions third party labour		•			•	•					•	•	•	•				•
Global food security			•	•	•	•	•		•				•			•	•	
Salt, fat and sugar content	•	•	•			•				•			•	•		•	•	
Transparency on additives	•	•	•							•							•	
Employment			•		•	•					•	•		•				
Training and education of employees		•	•	•	•			•			•	•		•	•			
Diversity and integration						•					•	•						
Nuisance for neighbours						•												•
Community involvement	•																	•

## Appendix 3 – Relevance of the CSR topics to our stakeholders

RELEVANT ENVIRONMENTAL TOPICS	STAKEHOLDER GROUPS THAT RAISE THESE TOPICS																	
	Consumers	Customers	Suppliers	Farmer's associations	Financial stakeholders	Public authorities	Round table groups	NGOs			Employees	Trade unions	Trade organisations	Competitors	Certification schemes	Scientists	Media	Neighbours
								Animal welfare	Environment	Consumer protection								
Energy consumption	•	•			•	•			•						•			
Water usage	•	•			•	•			•						•			
Environmental aspects of farming	•	•	•	•	•	•	•		•				•	•	•	•	•	
Sustainable packaging	•	•			•	•			•		•							
Greenhouse gas emissions	•	•			•	•			•				•	•	•	•		
Food waste avoidance	•	•	•		•	•	•	•	•		•			•		•	•	
Waste management	•				•	•			•						•	•		
Sustainable feed	•	•	•	•		•	•	•	•	•				•	•	•		
Biodiversity			•	•		•	•		•						•	•	•	

## Appendix 3 – Relevance of the CSR topics to our stakeholders

RELEVANT ECONOMIC TOPICS	STAKEHOLDER GROUPS THAT RAISE THESE TOPICS																	
	Consumers	Customers	Suppliers	Farmer's associations	Financial stakeholders	Public authorities	Round table groups	NGOs			Employees	Trade unions	Trade organisations	Competitors	Certification schemes	Scientists	Media	Neighbours
								Animal welfare	Environment	Consumer protection								
Indirect economic impacts		•	•	•	•	•								•				
Sustainable pricing models	•	•	•	•	•	•	•	•					•	•				•
Local origin	•	•	•	•		•	•		•					•	•			



<b>1000-man quote (TMQ)</b>	The number of work accidents resulting in more than three calendar days of absenteeism or death, based on 1000 fulltime workers.
<b>Absentee rate</b>	The actual absenteeism days during continued remuneration (the first six weeks of each sickness), expressed as a percentage of the total days scheduled to be worked by these workers in the same period. In the calculation we only take into account our own employees, not third-party workers.
<b>Amino acids</b>	A large proportion of our cells, muscles and tissue is made up of amino acids. Amino acids are used in your body to build proteins. Amino acids bond together to make long chains. Those long chains of amino acids are called proteins.
<b>Boundary</b>	Description of where the impacts occur for a material topic, and the organisation's involvement with those impacts.
<b>Direct (Scope 1) GHG emissions</b>	GHG emissions from sources that are owned or controlled by an organisation.
<b>Employee</b>	An individual who is in an employment relationship with the organisation, according to the national law or its application.
<b>Energy indirect (Scope 2) GHG emissions</b>	GHG emissions that result from the generation of the purchased or acquired electricity, heating, cooling and steam consumed by an organisation.
<b>Energy intensity</b>	Absolute energy consumption divided by the production volume.
<b>Energy reduction</b>	Amount of energy no longer used or needed to carry out the same processes or tasks.
<b>External sold volume</b>	The total volume of meat and by-products that are sold to external customers. Internal sales within divisions are excluded.
<b>Greenhouse gas (GHG)</b>	Gas that contributes to the greenhouse effect by absorbing infrared radiation.
<b>Injury</b>	Non-fatal or fatal injury arising out of, or in the course of, work activities.
<b>Lost day rate</b>	The number of LTIs (lost time injuries with an absence of at least 1 scheduled work day) at all production sites divided by the total number of employees (own and flex).
<b>KPI / Key Performance Indicator</b>	A quantifiable measure used to evaluate our performance.
<b>Location-based</b>	For the CO <sub>2</sub> emissions, we use the average grid emission factors for the country in which the material is purchased/produced.
<b>Management approach</b>	Narrative description about of how Vion manages its material topics and their related impacts.
<b>Material topic</b>	Topic that reflects Vion's significant economic, environmental and social impacts; and that substantively influences the assessments and decisions of our stakeholders
<b>Maximum Residue Limit (MRL)</b>	The maximum concentration of residue accepted within the legislation. This can be the residue of an environmental contaminant, such as lead, or the residue of a crop protection or animal protection agent.
<b>Non-renewable energy source</b>	An energy source that cannot be replenished, reproduced, grown or generated in a short time period through ecological cycles or agricultural processes.
<b>Remuneration</b>	Basic salary plus the additional amounts paid to a worker.
<b>Renewable energy source</b>	Energy source that is capable of being replenished in a short time through ecological cycles or agricultural processes.
<b>Scope of the GHG emissions</b>	Classification of the operational boundaries where the GHG emissions occur.
<b>Second party certification</b>	Certification, e.g. by a customer, or a party that is not independent in the supply chain.
<b>Slaughter weight</b>	The weight of a carcass after slaughtering, without the blood and skin.
<b>Stakeholder</b>	An entity or individual that can reasonably be expected to be significantly affected by Vion's activities, products and services; or whose actions can reasonably be expected to affect the ability of Vion to successfully implement its strategies and achieve its objectives.
<b>Sustainable development/sustainability</b>	Development that meets the present needs without compromising the ability of future generations to meet their own needs.
<b>Third party certification</b>	Certification by an external independent party.
<b>Third-party worker</b>	Flex workers hired via temporary employment agencies.

## Vion

Vion Holding N.V.  
Boseind 15  
5281 RM Boxtel  
The Netherlands

Tel.: +31 88 995 3555

[www.vionfoodgroup.com](http://www.vionfoodgroup.com)

Chamber of Commerce: 17053901



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