



In touch

CSR annual report 2018



Mission , vision, ambition

Our mission is to enable succesful sales of meat by our customers.

This is based on the vision that Van Loon Group, as a partner, provides customers with the best, most sustainable servings of meat every day. We act as chain manager, thus guaranteeing the quality of our products. Van Loon Group strives towards continuous improvement and maximum customer focus. Our employees are the heart of our company. They make the difference.

Our ambition is to be the most sustainable, customer-oriented and, therefore, best meat processor.

Contents

Foreword, DNA and Van Loon Group companies	4
Trends and Developments	10
Van Loon Group management on sustainability	12
Value chain, Shareholders, UN Sustainability Goals	16
Van Loon Group sustainability pillars and 2018 highlights	20
 Consumer and Health	24
 Chain management and Animal Welfare	30
 Employee Health and Safety	36
 Sustainable production	42



In touch

Realising sustainable entrepreneurship throughout the supply chain is not something you do alone. This requires transparency, partnership and commitment. We work closely with our chain partners to make advances in CSR every year. We are also taking substantial steps with our customers to bring sustainability in our sector to an even higher level. And finally, as management, we continuously stress how important sustainability is within our own organization. We want our employees to be aware of the importance of sustainable and safe business operations and act accordingly - day in, day out. Fortunately, we see our employees embracing and fully supporting our sustainability policies.

Investment fund for pig farmers

We set up an investment fund with MS Schippers and the Rabobank this year, to financially support our pig farmers if they want to switch to the HyCare methodology. The purpose of HyCare is to improve animal health, which may eventually lead to antibiotics-free pork. Next year we want to work on further optimization of the chain through collaboration with chain partners and HAS Hogeschool. For this, we aim to map our pig farmers' carbon footprint in detail so that we can adequately assess how we can structurally reduce it.

Van Loon Campus

2017 was an eventful year for Van Loon Group as a result of the large internal relocations. Partly for that reason, fewer employees received training at the Van Loon Campus. I am glad that the Campus was up to speed again in 2018 and that many of our employees successfully completed training.

Acquisition of Van de Raa Meat & More (Almere)

At the end of the year, we acquired Van de Raa Meat & More, a leading company in cooked products for the Out of Home market. This fits in with our ambition to grow further in the Out of Home market. Van de Raa has a strong position in this segment and their range and production facilities neatly complement those of Van Loon Group. Of course, we will align Van de Raa with our sustainability policies and objectives as soon as possible.

We have made progress on all four sustainability pillars in 2018 and there is a great deal in the pipeline for 2019. We are making CSR a success by keeping close to our customers, close to our chain and external partners and close to our employees.

Roland van Loon

Technical Director Van Loon Group





Our DNA

100% customer focus

Everything for our customers. That was our approach in 1971 and it still describes our way of working today. This requires leniency and accuracy from Van Loon Group. Our business processes are fully geared towards offering the best possible customer service. For our employees, focusing on customers is second nature. Van Loon Group has a great deal of knowledge regarding the industry and the supply chain. We are happy to share this know-how with our customers. Van Loon Group is, therefore, strong in innovation. We are continuously developing new concepts and products from which our customers may benefit.

Sustainable business

A sustainable approach and successful business go well together. SCSR is anchored in our business operations. For each pillar (Consumer and Health, Chain Management and Animal Welfare, Employee Health and Safety and Sustainable Manufacturing) we are constantly looking for ways of performing even better.

Keep it simple

Don't make things complicated when you might be able to find an easier solution. A no-nonsense mentality. Thinking in 'solutions' instead of 'problems'. A 'can do' approach. This is Van Loon Group in a nutshell.

The power of a family business

In 1971, Jos van Loon, father of Erik and Roland, became an independent meat supplier serving local restaurants in and around Eindhoven. A smart decision, as the company grew steadily and its clientele grew along with them. In 1987, Erik joined the family business, followed by brother Roland in 1993. This provided a solid foundation for the current Van Loon Group family business. The work ethic, long-term vision and 'always room for improvement' mentality can be felt everywhere today: these elements are part of the company's DNA. Employee involvement and pride are, therefore, considerable.



The Van Loon Group companies

Van Loon Group, headquartered in Eindhoven/Son, consists of several meat processing companies with locations all across the country. In December 2018, Van Loon Group took over Almere-based company Van de Raa Meat & More. This acquisition will allow us to expand in the Out of Home market, which is in line with our ambitions.



Van Loon Vlees, with offices in Son and Eersel, supplies an extensive range of pre-packaged meat products to the international retail market. In 2016, a great deal of work went into the new state-of-the-art Van Loon Vlees production site at Ekkersrijt industrial park in Eindhoven/Son. This was commissioned in 2017. www.vanloonvlees.nl



Meat Friends specializes in Ready to Eat products for food service companies and industry. Meat Friends also supplies pre-packaged meat products to the retail market. The company has production facilities in Beilen and Best and a cutting plant in Roosendaal. At this cutting plant, pork and beef are processed for all Van Loon Group companies. Meat Friends is all about the customer. The company is very flexible when it comes to (last minute) customer requests and extremely strong in developing new meat concepts. www.meatfriends.nl



Brandenburg Culinaire, a traditional, respectable family company based in Oudewater, offers customers customized meat concepts (BBQ, for example), culinary products and other specialties. With its Culinary Ham and Culinary Pork products, Brandenburg has acquired a leading position in the Dutch retail market. Brandenburg serves both retail and food service customers. A no-nonsense company with a strong customer focus and considerable innovation power. www.brandenburgculinaire.nl



Van de Raa Meat & More, caters from Almere to a large group of customers active in the 'Out of Home' market. Van de Raa is specialised in cooked quality products, relying on a variety of cooking methods. Van de Raa's cooked meat products are available in a wide variety of types, flavours and weights. www.vanderaameat.com



Sleegers Quality Meat Products is an innovative, traditional meat processing company based in Hapert, The Netherlands. The company offers customers a variety of cooked meat products. The product assortment largely consists of meat products but the company also offers pulled meat varieties and stews.

Trends and Developments

Consumers are increasingly nutrition-conscious. Meat is skipped more often. Furthermore, if someone decides to eat meat it will have to be especially tasty. People want to know whether products are healthy or whether they have been sustainably produced. More attention is being paid to (reduction of) specific ingredients such as salt, sugar and E-numbers.

Transparency

Where do product ingredients come from? How many 'food' miles does a product travel before it reaches its destination? Consumers want to know where their food comes from.

'Nose to tail'

Everyone agrees: (food) waste should be avoided to the greatest possible extent. It is vital that every part of a slaughtered animal will be used/processed, so that nothing is lost (nose to tail). The Taskforce Circular Economy in Food is an initiative set up by Wageningen University & Research, in collaboration with the Ministry of Agriculture, Nature and Food Quality and the Alliance Sustainable Food. Their ambition? 50% less waste throughout the food chain in 2030.

Convenience

Consumers increasingly want convenience. People spend less and less time in the kitchen, and the number of single-person households is continuously growing. Purchasing behaviour is changing as a result (consider delivery services and ready-made boxes containing complete meal ingredients) and customer choices are

changing too (consumers will often opt for convenience products and demand variation).

Alternative sources of protein

There is currently a great deal of interest in sources of protein other than meat. Soy, beans, peas and seaweed, for example, as well as hybrid products that consist of meat combined with other protein components. The share within total consumption of meat and related products, however, is still low (around 4% of total consumption).

Local

Local products are on the rise. People are increasingly cooking more with home grown produce. Typically Dutch eating culture – 'Dutch Cuisine' – is gaining popularity.

Packaging

Packaging is also becoming increasingly important. Is it biodegradable? Is the packaging absolutely necessary? Can we avoid the use of plastics? More and more people value the responsible use of plastic.



“CSR is integral to our thinking and doing”

Erik van Loon
Chairman of the Board
Van Loon Group

“Around 2009, we started making sustainable business central to our business operations. At the time, our focus was on animal welfare. We were a front-runner in abolishing piglet castration. We now excel at all aspects of sustainability. This is not so much inspired by sales, but rather by the role we have created for ourselves in the market. Van Loon Group had no alternative, because we want to be a leading company.”

“In recent years we have put animal care on the agenda in Belgium. We are also working hard to realise 100% antibiotic-free meat, for example by financially supporting farmers who want to switch to HyCare stables. Van Loon Group continuously strives for an even more sustainable chain. We work closely with our chain partners on this.”

“Sustainable entrepreneurship is broadly anchored within our company and that is a good thing. Every employee needs to support it. The Board of Management and management team are, therefore, strongly focused on this. Together we constantly monitor the CSR concept.”



Sustainability and returns

“To be honest, I sometimes thought we might be taking things too far, but that has never been the case. Our investments in CSR and the returns they generate are in balance. We always remain critical – we only take an action if it contributes to improved conditions for humans, animals or the environment. After all, we are a commercial company that is responsible for a large group of employees.”

Developments in the sector

“Meat consumption is slightly declining. Like the rest of the world, we are looking for alternative sources of protein. We already have the logistics and production processes in place, so why not branch out? I also think it is important to make clear that a huge number of steps have been made throughout the entire business chain. There is too much unjustified negativity around the meat sector and livestock farming. Across the sector, we could be a little more proud of what we do.”

“No-one is against sustainability”

Cyril Claessens
CCO Van Loon Group



“Van Loon Group has well-organised processes in place in the area of sustainability. We control the entire chain. This is essential for our retail sector customers, but is becoming increasingly important to our Out of Home customers. They, too, need to account for sustainability and minimal waste and can benefit from the fact that we have arranged everything very well.”

“Following the slaughter of an animal, some 50% to 60% can be sold directly. The remaining kilograms are sent to industrial companies in The Netherlands and abroad. We have built up a great deal of knowledge about carcass balance and valorization. Together with our customers we are looking for opportunities to increase this percentage. The higher the percentage, the better we can compensate farmers’ additional costs across our total range.”

Distinctive

“Far-reaching sustainability initiatives and intensive cooperation around this throughout the chain have brought Van Loon Group a distinctive position in the market. We need to share our story time and time again. That is incredibly valuable. For me personally, this is great, because I not only get to talk about price with (potential) customers, but I can also share our closed chain story with them. This brings great opportunities. The approach also

requires more flexibility from customers, but time and time again I see positive reactions. I believe that the market is really picking it up. No-one is against sustainability. And now, we are also seeing this topic becoming increasingly important in Belgium and Germany.”

Improvements

“We are always aiming to reduce our footprint. We see raw materials traveling across Europe and then coming back again. We don’t want that and need to act on it. When it comes to packaging, there is certainly room for improvement, which we can realise together with customers. We have not yet found the magic solution, but we’re all working hard on this. On the other hand, a sense of reality is also required. The Netherlands is a very small country. We simply don’t have the space to let all pigs to roam free. Like everything else, you have to be transparent and honest about that.”

“Generally speaking, investments in sustainability only pay off in the long run. However, we are fully committed to this topic. We are aware of its importance and see that - more than anything else - such investments bind customers, chain partners and employees.”

“Over the past year, we have invested significantly in training (> EUR 1 million). This ranges from Dutch language lessons and e-learning programs to management training. A substantial sum, but we are convinced that this investment will pay for itself. We are now aiming to make progress in the areas of sick leave and proper accompaniment of older employees, so that they can continue to participate in the labour process for longer. In addition, we are focusing on making our locations and our chain more sustainable.”

“Of course, as a financial professional, I always closely examine costs and benefits. And I can see that sustainable business pays off. For example, we are currently

looking at the possibility of connecting to a wind farm, in addition to solar panels on the roof. We need to comply with the sustainability requirements set by the Dutch government, but these pose no problem at all. On the contrary, we like to turn these requirements into new opportunities.”

Subsidies and tax benefits

“We always study possibilities in the areas of subsidies and tax breaks for sustainability and innovation. We use these benefits to speed up implementation. Our bank also considers sustainability to be of paramount importance. Our partnership with them helps ensure we can conduct our business without any concerns.”

Power of collaboration

“At first, a smaller group drove ‘sustainability’. Nowadays, sustainability is a ‘license to produce’ and the bar is continuously being set higher. We are constantly on the lookout for new front-runners. Things are becoming increasingly complex, though, and success in sustainability is only possible if you work closely together with all your partners. For the younger generation, this has become easier, but it is vital that we all embrace this way of working.”



“Sustainable business requires employees’ knowledge and involvement”

Jan Weijers
CEO Van Loon Group

“Because we have been working on sustainability very actively for a long time, most of our employees are aware of our sustainability pillars and the importance of CSR policy for our business operations. However, it is important to keep emphasising and promoting this topic, especially now. Following an especially busy period with many changes (growth, takeovers, relocations) we want to focus more on our employees.”

“We’re seeing absenteeism and scarcity increase on the labour market. This can result in shorter duration of employment, which in turn makes it hard to establish a culture. Retaining and motivating employees is very important. The first step is establishing a good relationship between employees and managers. If a problem or question arises, employees must always be able to turn to their supervisor, who needs to be close by and easily approachable. This seems to be easier to realise at our smaller locations than at the larger ones. So we have work to do.”

Employee safety and well-being remain high on our agenda. Of course, our work in this area is never finished. The board and management need to set a good example in all areas. We must constantly demonstrate what we as a company stand for and

where we want to go. That takes time, but it’s the only sustainable approach.”

Consensus

“Looking at all of the sustainability pillars, I’d conclude that CSR is actually a lot like LEAN. Both approaches aim to avoid losses and deliver a better operating result. If you know which specific areas you are incurring losses in, you can work on improvement. I am pleased that the entire board and management team embrace our sustainability policies. From HyCare stables to more Beter Leven 2 star beef to solar panels and electric cars for employees... We do have internal discussions, but ultimately we reach full consensus and go for it. Why? Because we are convinced that sustainable business makes our company more successful.”

“Any investments you make must, of course, pay off.”

Pieter Geraerts
CFO Van Loon Group

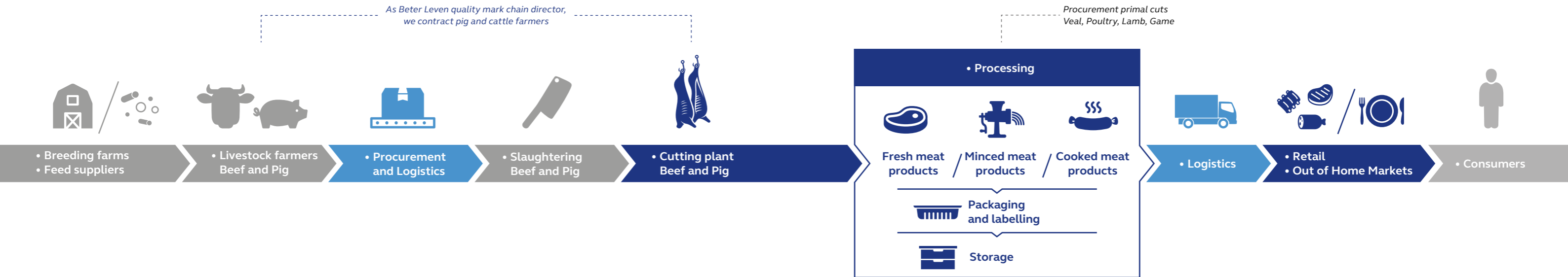


Value chain



As Beter Leven quality mark chain director, we contract pig and cattle farmers

Procurement primal cuts Veal, Poultry, Lamb, Game



Elements of the value chain in which Van Loon Group is ■ active ■ partially active ■ not active

Stakeholders

In addition to our supply chain partners, we have defined the following stakeholders within Van Loon Group:



Contributing to the United Nations Sustainable Development objectives

As a company Van Loon Group is a part of society and the world. We want to contribute to the 17 Sustainable Development Goals drawn up by the United Nations in any way we can. These goals determine the global sustainable development agenda for the year 2030 and are in from 2016 to 2030.



Van Loon Group is contributing to development objectives 2, 8 and 12.



Pillars of Van Loon Group



Consumer and Health

An increasing number of people in The Netherlands and other countries are making a conscious choice for a healthy lifestyle. More exercise, not smoking and healthy eating are all part of this. As a meat-processing company, we play an important role in guaranteeing food safety. Consumers and customers need to have confidence in our products and processes. What's more, we are also constantly working on ways of making our products healthier. By using fewer allergens, fat, nitrite and sodium in products, for example, but also through reduced use of antibiotics by our cattle and pig farmers.



Chain Management and Animal Welfare

Success in sustainability and animal-friendly business practices can only be ensured if secured throughout the chain. Animals must be housed, treated, cared for, fed and transported with care. From birth to slaughter. The Netherlands is definitely a front-runner when it comes to animal welfare, but there is always room for improvement. Van Loon Group ensures that the required processes are adequately executed by each link in the chain and monitors this. With a focus on sustainability and animal welfare. We aim to realise optimal transparency for our customers and consumers.



Employee Health and Safety

Our people are our most important asset. Van Loon Group will do whatever it takes to create a healthy, safe working environment. This means that we are committed to ensuring work is safe and enjoyable whilst also stimulating a healthy lifestyle. In 2014 we started the Van Loon Campus with these goals in mind. Education and training provided help employees carry out their jobs adequately and safely. In addition, the Van Loon Campus facilitates employees' personal growth and development.



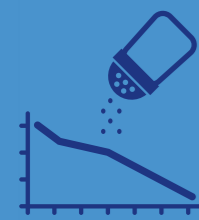
Sustainable production

From rooftop solar panels and stimulating 'sustainable behaviour' amongst employees to heat recovery and reducing wastewater contamination levels. Sustainable production offers companies a wide range of possible measures and that goes for the Van Loon Group, too. We are committed to reducing our footprint without compromising the continuity of our organisation. The construction of our new, highly sustainable production site in Son is a prime example.

Highlights 2018

Consumer and Health

- In collaboration with MS Schippers and Rabobank, Van Loon Group has started an investment fund to financially support pig farmers who want to work with the HyCare method. The goal: Work towards antibiotics-free pork.



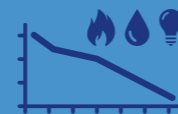
- The salt, sugar and nitrite content of a selection of our products has been reduced. Furthermore, we have reduced the use of E-numbers and removed allergens from various products.



- We have set up a new system to monitor the use of salt and sugar at each Van Loon Group company.

Sustainable production

- Energy audits have been carried out at most of our locations (European Energy Efficiency Directive/EED) with associated savings reports.



- A switch has been made to an external data centre, which means more efficient power usage.



- IT equipment that we no longer use is refurbished by the Solid Circle company for further use or recycled.

Chain management and Animal Welfare

- All BLK pigs and piglets in our Belgian chain are now 100% of Belgian origin.

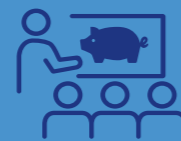
100%

- The number of pig farmers with Beter Leven quality mark (BLK) 1 star and BIO certification increased again in 2018. In addition, the number of cattle farmers with BLK 2 star certification has increased.



- A newly approved and introduced conversion factor for antibiotics usage means that data from the Dutch and Belgian registers may be compared directly.

1 = 1



- We have made it possible for all of our pig farmers in The Netherlands and in Belgium to follow the basic course on Human-Animal Interaction.

Employee Health and Safety



- Risk assessment and evaluation (RI&E) renewed at Van Loon Vlees in Son, at the Meat Friends locations in Best and in Roosendaal and at Brandenburg Culinair in Oudewater.

- Van Loon Campus operating at full steam again.



- 0 reports of sexual intimidation or discrimination.

- New employee manual and introduction film for new employees.



- A pallet lifter (to make work less physically taxing for employees) and air curtains (for prevention of draughts) have been installed.



Consumer and Health

One of the most important topics within this pillar is the use of antibiotics – with good cause. This has been reduced again in 2018, compared to 2017. However, we are not there yet. We expect the HyCare concept to play a major role in the coming years and trust that farmers will increasingly switch to HyCare. The investment fund that we provide for this with MS Schippers and Rabobank will contribute to this.

- We have been able to reduce the use of salt and sugar in our products again this year. We have also set up a new system to monitor daily usage of salt and sugar at the Van Loon Group companies.
- We have adjusted our recipes. Using a different type of lactate means listeria can grow much less quickly. We have adjusted the recipes of all ‘ready to eat’ products in such a way that they definitely do not exceed legally established limit values for listeria growth. In fact, they are well below these levels.
- In Belgium, reporting guidelines for the use of antibiotics were not directly comparable to those in The Netherlands. We have introduced a Daily Animal Dosage (Dier Dag Dosering/DDD) conversion factor recognized by the Beter Leven certification schemes.
- The Veterinary Medicine Authority (Autoriteit Diergeneesmiddelen/SDA) has established new action values for the Animal Day Dosage (DDD) of antibiotics: 5 DDD for sows and meat pigs (until 2024) and 20 DDD for suckling piglets (until 2019/2020). This implies introduction of an action plan from our side. We keep a list of farmers who exceed these values and together investigate how we can find a solution quickly. If the values are excessively high, we ask the farmers to participate in our HyCare concept. If the farmers do not want to take part and cannot manage daily doses according to the guidelines, they are removed from our supply chain.



Ambitions

- Continue to roll out HyCare with the help of the investment fund: 20 participating farmers in 2019 and 40 participating farmers in 2020 (60 participants in total). The overall goal: antibiotic-free pork.
- Increased use of natural ingredients in our products.
- Quality certification at the highest level.
- Anchoring quality awareness in all layers of the organization.
- Further shaping health policy together with our departments Quality Assurance: adjustments in the field of salt and sugar use, E-numbers and reducing allergens (if part of a product).



• Antibiotics use by pig farmers (2018 compared to 2017)*:



Fattening pigs*	+7%*
Suckling piglets + fattening pigs	-/-3%
Breeders (sows/piglets)	-/-9%

* Use of antibiotics was further reduced in 2018. We only saw an increase in fattening pigs. For other animal categories, usage has dropped. Please note: the 80/20 rule applies here too - 80% of all animals are under a DDD of 3.

• Allergens removed from around 10 products

• The salt content of 92 products has been significantly reduced



This year, we focused on reducing salt levels. In this way, we are acting on the Product Composition Improvement Agreement (Akkoord Verbetering Productsamenstelling) between, amongst others, CBL and FNLI, to make the entire product range healthier. For the product groups bacon-wrapped mincemeat, meat strips, sausages, meatballs, Hamburgers and 'ready to go' chicken products we surpass the requirements of this agreement.

• Usage of E-numbers reduced in approximately 20 products

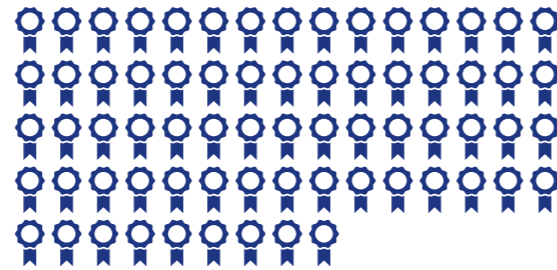
• Reduction of nitrite content in around 4 products

• Reduction in sugar content in around 6 products

• 26 unique quality certifications (such as IFS, Beter Leven, Bio etc.) (+15 compared to 2017)



• 69 certificates spread over 9 locations (+16 compared to 2017)



• Continuous monitoring on food safety and quality

• 78 audits by external parties (customers, government, certification schemes, others)



• 410 internal audits on HON: Hygiene, Order and Neatness



• 59 additional internal audits



** HON audits decreased compared to 2017 because our audits are more risk-oriented. Are things going well? That means fewer audits. Is anything not quite as it should be? Then we carry out more audits.

• More than 31,000*** microbiological analyses:



12,722 raw material analyses

16,485 end products analyses

1,969 environment analyses (air, water)

*** The number of microbiological analyses has decreased compared to 2017 because we focus less on analyses and more on on-site audits at our suppliers' locations.



HyCare method Investment fund



Van Loon Group and preventive healthcare specialist MS Schippers are working together intensively to improve animal health. With this in mind, we aim to roll out the HyCare method among Beter Leven-certified pig farms in our chain on a large scale. To financially support our pig farmers in realizing this, MS Schippers, Rabobank and Van Loon Group set up an investment fund in 2018.

This investment fund provides financing, under favourable conditions, that allows pig farmers to coat their stables.

HyCare is a way of working/method that focuses on optimum hygiene and hygiene management in stables, to protect animal health and structurally improve animal welfare.

HyCare is based on five pillars

- Germ-free/low-germ environment
- Optimum drinking water quality
- Pore-free living environment
- Pest control
- Structured working method around personal hygiene



Mark Schippers
MS Schippers

René Coppens
Rabobank

Roland van Loon
Van Loon Group

Nutrition is one of humankind's most essential needs. How do you deliver what Mother Nature has provided to consumers in a good, responsible way? That is what I work on every day - with great pleasure.

Unlike many other countries, the availability of food in The Netherlands is a given. As a result, we are more focused on food safety and sustainability, and whether our food has been produced with integrity. Companies such as Van Loon Group and Lamb Weston/Meijer need to take leadership in this area.



Bas Alblas
CEO Lamb Weston/Meijer
Chairman Dutch Food Industry Federation
(Federatie Nederlandse Levensmiddelen
Industrie/FNLI)



Working on a nuanced story

“ Climate transition. Globalization of chains. Health aspects. These things affect us all. Many food companies are taking responsibility and working on these themes with a great deal of energy. However, this is complicated by the fact that many opinions and a significantly smaller number of facts about the food (processing) industry are being communicated. There is definitely a task for the Dutch Food Industry

Federation (FNLI) here, but also for companies in the sector itself. The nuance in the story is often missing. Industry front-runners must tackle this. They need to work on transparency, integrity and trust, and actively promote this. In that way, everyone gets a clearer, more honest picture of what we do and consumers can make the right decisions.

Chain management and control on food safety and quality

Just like Van Loon Group, we work directly with farmers and customers. That keeps the lines of communications short and allows us to act quickly. Over the past ten to twenty years, the Dutch government has taken a step back when it comes to monitoring food quality and safety. However, as a result, the government has become further removed from what is actually happening and, due to this, quality is reduced. Here, too, it is important that lines of communication are short and there is sufficient insight and understanding to make informed (risk) assessments.

Sustainability approach

The following applies to every company that is serious about sustainability: make sure your people embrace it. Our Sustainability Leader constantly promotes our sustainability programme internally and acts as an ambassador to the outside world. We have also

defined clear objectives in the field of sustainability and report extensively on results achieved. As a company, it is important that you define your own sustainability themes and that you also continuously develop initiatives around them. You need to do whatever you can reasonably do as a company.

Developments in meat consumption

It is a fact that in our society meat currently features less prominently in a (recommended) diet. Alternative sources of protein will become increasingly common and that is a good thing. For Van Loon Group, this is a reality to be dealt with. Meat may, however, remain part of a responsible diet. I believe in the holistic approach: healthy food in combination with a healthy lifestyle. It is not black or white. There's nothing wrong with enjoyment. Eat consciously and live consciously. Or, as my mother always used to say: "Too much of anything is a bad thing." I still fully endorse that. ”

Chain management and Animal Welfare



As a chain director, we constantly work on optimizing every link in the supply chain. This naturally concerns animal welfare but also working on solutions for social themes such as manure problems or odour (nuisance). We are also reducing the carbon footprint of our pig farmers. All of this requires smart collaboration with all chain partners. We are, therefore, fully committed to this.

Ambitions

- In collaboration with HAS Hogeschool we will start mapping pig farmers CO₂ footprint and working on an action plan to reduce this.
- Set up a 2-star beef chain in Portugal.
- Further integration of the pig chain. We want to see if we can work together with feed suppliers (who often visit the farmyard) to support farmers by advising on genetics, feed, housing (HyCare) and medical (veterinary) care of the animals.

- All BLK pigs and piglets in our Belgian chain are now 100% of Belgian origin.



- The number of pig and cattle farmers in our chain with Beter Leven quality mark (BLK) or BIO quality mark certification increased significantly again in 2018.



- A newly approved and introduced conversion factor for antibiotics usage means that data from the Dutch and Belgian registers may be compared directly.



- We have organized several meetings for our pork and cattle farmers in The Netherlands and Belgium.



- We have made it possible for all our pig farmers in The Netherlands and Belgium to follow the basic course in Human-Animal Interaction.



- Together with the Belgian training institute PCLT we have developed a Rodent Control Course for Agricultural Companies which has been given to our Belgian pig farmers. This course has been approved by the appropriate legislative body (Bureau Erkenningen).



- We have designed Beter Leven quality mark signage and distributed this to participants amongst our pig farmers in The Netherlands and in Belgium.



Number of pig farmers
BLK 1 star total **277**
(+41)



Number of pig farmers
BIO total **34**
(+2)



Number of pig farmers
BLK 1 star Netherlands **185**



Number of pig farmers
BIO Netherlands **28**



Number of pig farmers
BLK 1 star Belgium **92**



Number of pig farmers
BIO Belgium **6**



The number of cattle farmers
BLK 2 stars total **171**
(+35)

Taking steps together



When it comes to animal husbandry, the Animal Protection Agency looks at a wide range of topics. For example, we want to replace livestock transport as much as possible with the transport of carcasses and meat and improve remaining livestock transports. We are also constantly working on reducing physical interventions (such as clipping animals' horns, tails and beaks). We strive to greatly reduce the risk of stable fires. We want to reduce mortality rates among young animals as much as possible. Furthermore, we want to improve farmer's incomes. Not only for the farmers themselves, but also because this will allow them to invest in animal welfare. I, Bert van den Berg, work on these topics every day in my capacity as a program manager for livestock farming.

Bert van den Berg
Animal protection
Program manager
Livestock farming

“ I applaud the fact that more permanent chains are being set up in the industry. This makes it easier to add value when it comes to animal welfare. And, in the end, it also benefits farmers. Every year, the Animal Protection Agency develops a new animal husbandry programme, in which we establish both our strategic and our animal-related policies. We consciously seek dialogue with

the sector in order to achieve concrete results. In the past, our concerns may have been trivialized and denied in livestock farming, but this has changed in recent years. A positive development. The Animal Protection Agency has been working closely with the industry since the 1980s. A typically Dutch approach, perhaps, but one that works.



BETER LEVEN QUALITY MARK

Van Loon Group has encouraged pig and cattle farmers to participate in the Beter Leven quality mark, nationally as well as internationally. All raw materials from our own chain meet 1 or 2 star Beter Leven criteria. Van Loon Group holds a unique position, as we have worked with the Animal Protection Agency to implement improvements from the very beginning and we will certainly continue to do so.

Stan Quinten,
Managing Director Meat Friends Roosendaal

Beter Leven quality mark

In 2007, we introduced the Beter Leven quality mark. This became successful because we are an independent organization and the population has confidence in us. The sector could not have realised this on its own. In the meantime, the Beter Leven quality mark is a familiar sight on supermarket shelves. The share of certified products is still growing. For example, 75% of pork is now sold in The Netherlands with (minimum) Beter Leven 1 Star certification.

Tipping point

We are now at a tipping point when it comes to meat consumption. More people in The Netherlands consciously eat less meat for health or animal welfare reasons, or from a sustainability perspective. This will encourage companies, such as the Van Loon Group, to think about meat products that, for example, partially consist of plant-based ingredients. Or perhaps consider producing meat substitutes.

New awareness

In the past, farmers were mainly seen as the providers of our food. Today, farmers have a less positive image, largely related to the environmental impact of their activities and the handling of animals. It is a good thing that more and more consumers want to know where their food comes from and whether it is has been sustainably produced, and support this by purchasing products that come with a production guarantee, such as our Beter Leven quality mark. The Animal Protection Agency carries out announced and unannounced inspections to check whether farmers, meat processors and retailers are acting in accordance with our quality mark stipulations. Only companies that meet the criteria of the quality mark may continue to participate.

Hygiene

Which historical developments have given public health the biggest boost? Clean water, sewers and minimum requirements for housing. Hygiene has brought us a great deal. So the HyCare concept for cleaner pig housing, which Van Loon Group is now promoting among its pig farmers, makes perfect sense. If basic hygiene is not up to scratch, germs can spread like wildfire. There is still plenty of room for improvement in this area.

In addition, I think that production chains can become even shorter and more transparent. Van Loon Group can play an important role in this. Parties within the chain must make clear agreements with each other about how to divide margin fairly.

Openness

The sector is gradually becoming more transparent, but can do even better. I think that all parties in the sector must actively promote what they are doing and what they are working on and offer guarantees around these activities. They must also share their dilemmas. In that way, you really build trust.

Over the years, the Animal Protection Agency has achieved real successes, even in the face of great difficulty. I'm proud of what we've achieved, but at the same time we still have a long way to go. I like to walk through stables with farmers to see how things are going. I always take a nuanced view and don't judge: my aim is simply to take steps together. We've noticed that farmers are increasingly seeing us as an organization that dares to take risks. An organisation they can talk to. That helps.

”





Employee Health and Safety

After a hectic 2017, we were able to fully focus on working safely and pleasantly and on properly informing and training our employees in 2018. Unfortunately the absence due to illness exceeded our 4.5% limit. We are planning to work hard on staying below that limit in 2019.



Ambitions

- We aim to reduce absenteeism caused by illness: <4.5% in 2019 and <4% in the following years.
- We want to further reduce the number of accidents in our company by:
 - introducing dynamic Risk Inventory and Evaluation (RI&E)
 - redesigning the health and safety organization: we want to increasingly bring health and safety to the work floor. This is intended to give the Technical Department, production managers and team leaders a greater sense of ownership and help them take more initiative.
 - repeating the 'Internal Transport' Occupational Health & Safety campaign.
 - making safety even more visible and important in the workplace.
 - further mechanization in order to reduce, among other things, repetitive actions.
- We aim for 0 lost-time accidents.
- We continuously strive for well-trained, healthy and satisfied employees.

- We have updated our Risk Inventory and Evaluation (RI&E) at Van Loon Vlees in Son, Meat Friends in Best and Roosendaal and at Brandenburg Culinaire in Oudewater.



- Reclassification of the NEN3140 organizational structure.



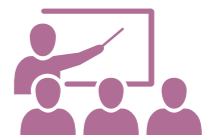
- Production of a new Van Loon Group employee manual and a new Van Loon Group introduction film.



- We have introduced a pallet lifter to make work less physically taxing for employees (at Van Loon Vlees Son) and air curtains for prevention of draughts.



- The Van Loon Campus is fully up and running again with many employees completing training. A positive ending:
 - 158 employees participated in the emergency response course Basic certificate (or a refresher course).
 - 56 employees completed their Internal Transport training.
 - 85 employees followed a workplace-related training via the Campus.
 - 51 employees obtained a certificate after taking Dutch lessons.



• Van Loon Group employs **1965** FTEs. Including flex workers

• New employees in 2018 **25**

• Own employees **991**

• **60%** of the employees are men



and **40%** are women



• The average age is **41** for men and **38** for women



• Average number of years in employment (own employees) **4,7** years

• There were **0** cases of discrimination in 2018



• **0** cases of (sexual) harassment were reported in 2018



• The number of accident resulting in absenteeism was **34**



• Lost Workday Cases (LWC) amounted to **1.98** accidents per 200,000 hours worked

• Absenteeism due to illness was **5,4%**



• Employees trained at the Van Loon Campus

2018: **85**

2017: **39**

2016: **94**

2015: **75**

Total 2015-2018: **293**



Clear and unambiguous communication is essential to the wellbeing and safety of our employees. Therefore, we make sure our employees are well informed on all essential matters related to themselves and their work.

Employee Manual

Every year, we present a copy of our annually updated employee manual to every employee. In this manual (available in Dutch, Polish and English) we set out our company policy, Code of Conduct and agreements related to the General Regulation Data Protection (AVG). In addition, our manual details our whistleblower policy, rules governing hygiene and absenteeism, working conditions and environmental regulations. Finally, we also explain our procedure related to undesirable behaviour and our alcohol and drug policies.

Introduction film

Every new Van Loon Group employee is asked to watch our introduction film and answer some questions about the film afterwards. Various topics related to safe and pleasant working are presented such as:

- What to do in the event of an accident or disaster?
- Hearing protection
- Blade safety
- Working safely with particulate matter
- Information about protective and warm clothing for work in production rooms or freezer rooms
- Machine safety
- Working hygienically
- Manners and interactions

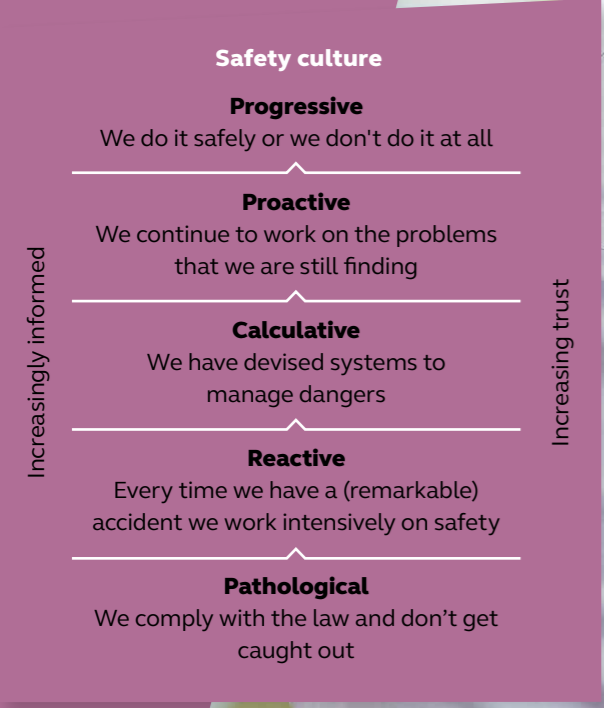




"Safety doesn't cost money, but actually makes money"



Eddy van Waalwijk van Doorn
Owner of General Safety B.V.



As a safety expert, I supervise and carry out audits in the areas of Safety, Health and Environment (SHE), compile Risk Inventories and Evaluations (RI&E) and provide safety training. My company, General Safety, does this for several firms, including Van Loon Group since the autumn of 2018. Of course, each company is different. However, there is a clear common theme when it comes to employee safety and wellbeing.

It's all about awareness

“Did you know that human behaviour is a contributing factor in 80% of all accidents? And that if we examine different types of accidents, the causes are often the same? Significant steps are to be taken in this area. Looking at Van Loon Group in particular, machine safety, good (non-slip) floors and hygiene are very important. And here, too, human behaviour makes all the difference. Employees must be fully aware of what they are doing and why they are doing it in a particular way. Van Loon Group employees are trained in this on the Van Loon Campus. But of course, there is always room for improvement. For example, I think that it should be obvious that employees should talk to each other when they see unsafe or undesirable behaviour. Today, that does not always happen. In addition, many people working at Van Loon Group are not Dutch native speakers. We try to take this into account with clear visual communication, but that's not always enough. I want to stimulate employees to really SEE what is written on a notice board. And not just walk by without really noticing it.

Company growth and employee wellbeing

Van Loon Group has a pretty good track record when it comes to safety. If I rate the company according to the 'safety ladder', Van Loon is somewhere between 'calculative' and 'proactive'. However, the company's

strong growth and relocations have affected employees and their wellbeing. That is why it is important to once again place a strong focus on safety and wellbeing. This is beneficial to employees and, therefore, good for the company. Company management also plays a crucial role in this. Management has to be visible in the workplace and continuously invest in and propagating the importance of working safely.

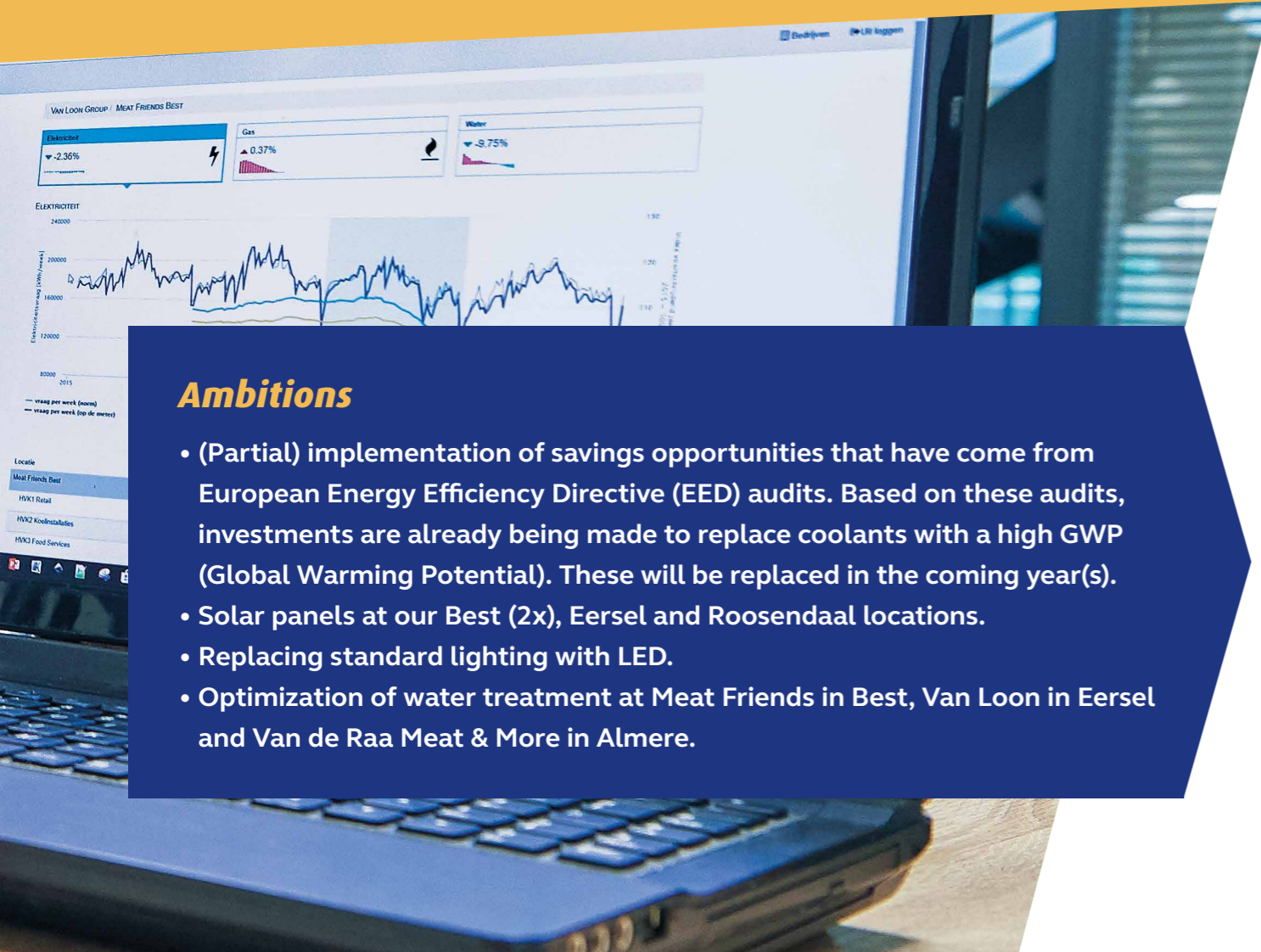
Common Sense

In the petrochemical industry, the enormous number of rules and regulations can lead to employees no longer thinking for themselves. They come to work conditioned, which is undesirable. You must always rely on your own common sense. I always try to challenge people to think about solutions themselves. There is nothing better than allowing people to make their own discoveries, which allows them to improve and appreciate their work more. An example: employees at Meat Friends in Roosendaal were lifting excessive weights "because that's how we have always done it". I want to trigger them by asking what approach they would take to lifting something if they couldn't lift it themselves. That's important, because you might be capable of a great deal at a young age, but you will face the consequences later. That, too, is awareness. ”



Sustainable production

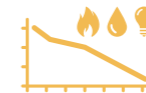
In 2018, we continued to look into ways of organizing our business operations in a 'greener', more sustainable way. From consuming less electricity, gas and water to critically examining the amount of non-recyclable waste produced. External parties are supporting us in these areas and it remains essential that employees endorse our sustainability ambitions and act accordingly. Board, management and team management are continuously working towards this goal.



Ambitions

- (Partial) implementation of savings opportunities that have come from European Energy Efficiency Directive (EED) audits. Based on these audits, investments are already being made to replace coolants with a high GWP (Global Warming Potential). These will be replaced in the coming year(s).
- Solar panels at our Best (2x), Eersel and Roosendaal locations.
- Replacing standard lighting with LED.
- Optimization of water treatment at Meat Friends in Best, Van Loon in Eersel and Van de Raa Meat & More in Almere.

- Performing EED audits at our locations.



- IT equipment that is no longer in use is restored by the company Solid Circle for new use or recycled.



- Switch to external data centre leads to more efficient power usage.



- 2% reduction of CO₂ footprint compared to 2017.



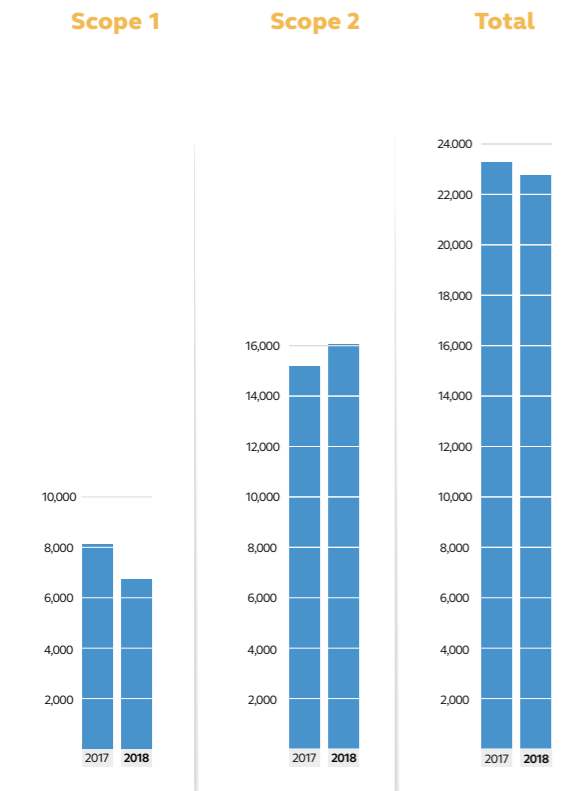
In the short and longer term we will also focus on:

- Even greater energy and water savings
- Exclusive use of energy from renewable energy sources
- Reduction of the amount of non-recyclable waste
- Make the greatest possible use of packing material that can be recycled or composted
- Reduction of our CO₂ footprint.



Greenhouse gas emissions

Absolute greenhouse gas emissions* in tonnes of CO₂ equivalent

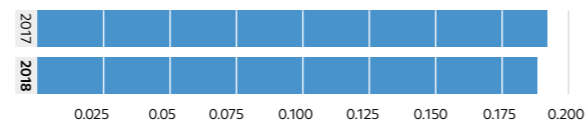


Scope 1 covers direct CO₂ emissions from sources within the organization.

Scope 2 includes indirect CO₂ emissions resulting from electricity or heat that we have purchased and used. Our organization uses this energy Internally, but we do not generate it ourselves. Power is generated elsewhere, for example in a power station.

Scope 1	2017	8,112 tonnes
	2018	6,732 tonnes
Scope 2	2017	15,171 tonnes
	2018	16,032 tonnes
Total Scope 1 + 2	2017	23,283 tonnes
	2018	22,764 tonnes

Greenhouse gas emissions intensity* in tonnes of CO₂ equivalent per ton of product sold



* Excluding Meat Friends Beilen

To calculate our footprint according to the CO₂ Prestatieladder** we can only call electricity 'green' (i.e. zero footprint) if it is has been produced in The Netherlands. For example, if you buy Norwegian hydropower certificates, your electricity consumption is still listed as 'gray' (high footprint). Van Loon Group focuses on generating as much energy as possible ourselves (using solar panels). We are also investigating whether we can participate in wind turbines.

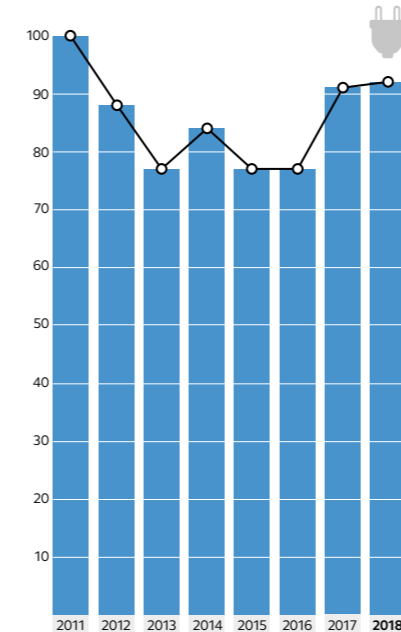
**CO₂ Prestatieladder = "CO₂ performance ladder", a management system for carbon emissions.

The 2017 annual report listed an incorrect value for our CO₂ footprint. This was given as was 0.162 tons of CO₂ equivalent per tonne of product sold, whereas it should have been 0,192 tonnes of CO₂ equivalent per tonne of product sold.

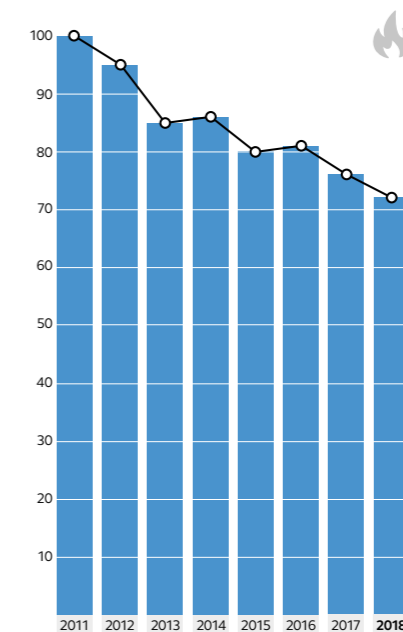


In 2018 we experienced considerable leakage from an older cooling installation. Without this leakage, Scope 1 + 2 CO₂ footprint would have amounted to 0.173 tonnes of CO₂ equivalent per tonne of product sold.

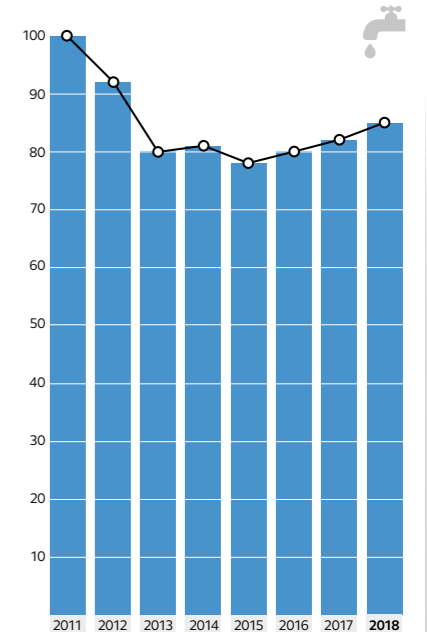
Electricity*** kWh per tonne sold of final product (index: 2011-100)



Gas consumption*** m³ per tonne sold of final product (index: 2011-100)



Water consumption*** m³ per tonne sold of final product (index: 2011-100)



*** De The graphs are related to the following Van Loon Group companies: Meat Friends in Best and in Roosendaal, Van Loon Vlees in Son and Eersel, Slegers in Hapert and Brandenburg in Oudewater. Van de Raa has not yet been included because this company only became a part of Van Loon Group this year.

- We generated **1,223 MWh** of power ourselves in 2018. This amounts to 4.5% of total consumption.
- The decrease in gas consumption per tonne sold of end product was primarily the result of our completely gasless factory in Son.



The increase in electricity and water consumption per tonne sold of end product from 2017 has various causes:

- due to relocations in 2017 we had to keep multiple locations open for longer, which is less efficient.
- in 2017 the slaughter and deboning of Dutch pigs was centralized in one location. This means that fewer kilos were processed at Meat Friends' own premises in Roosendaal, which has a negative effect on consumption per tonne sold of end product.

Carel van Lange, owner of Intotrend, has been active in the area of energy supply throughout his career. His company Intotrend aims to optimize companies' energy management by introducing the most appropriate analysis techniques. Intotrend relies on knowledge and technology to uncover relationships between data flows, in order to make (energy) trends as transparent as possible for customers that need management information. Since 2018, Intotrend has providing this service to Van Loon Group.

Energy efficiency

“ Intotrend has developed a model that indicates whether a company is improving its energy efficiency. This takes factors that influence energy demand into consideration. Production quantities, for example, or the number of hours worked per day. Based on this data, we predict the energy demand and then compare it with the energy actually used. Together, these factors have a predictive value, which we record in formulas. Then, we figure out whether deviations will arise in the future, and find the nature of these deviations. This gives us a clear understanding of whether a company is saving energy or using more energy than predicted. Standard use is offset against measured use. Structural deviations become visible, which can be used to take actions that may improve energy efficiency.

Van Loon Group KPIs

Van Loon Group needs solid KPIs to base efficiency improvements on. They want to see energy usage trends and properly compare energy usage at the various Van Loon Group companies. In other words: how to improve your performance based on existing business circumstances? That's what it's all about.

And, of course, this information is also required for the EED Energy Audit, which the Dutch government requires Van Loon Group to undergo. We link these requirements to defined KPIs.

What does it bring?

Once you have insights into (fluctuations in) energy demand, you can take steps based on this information. The system then clarifies what these steps will bring. You can also cross-examine your suppliers: are they really doing what they've promised? For example: does the energy usage of a machine really correspond with figures quoted by the manufacturer?

The human factor

One thing I've noticed when I compare Van Loon Group with other clients is the enormous enthusiasm amongst employees. They genuinely enjoy working on saving energy. For me, that's great to see. After all, the process works in both directions. Employees have extensive knowledge of products and production processes and know all of the do's and don'ts. We, in turn, need this input to offer solid advice. It is a joint effort.



Carel van Lange
Owner of Intotrend



“One thing I've noticed is the enormous enthusiasm amongst employees”

Great job

As an energy consultant, I get to visit many companies, take a look behind the scenes and think about ways in which things can be improved. I'm also making a contribution to a better environment. What's more, I love working in the industrial sector. I like environments in which things are made. Working for Van Loon Group is, therefore, perfect for me. Together, we can raise Van Loon Group's energy management to an even higher level.

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Van Loon Group

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