



CSR-REPORT 2017-2018

Working together on livestock farming of tomorrow



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If you have questions regarding this report, please contact us via communication@denkavit.nl



‘Over the last few years there have been big developments within Denkavit in the area of sustainability.’



This is Denkavit’s third CSR report in which we look back on our activities concerning Corporate Social Responsibility (CSR) in 2017 and 2018. As well as taking a look back we also look forward to our CSR ambitions for the coming years.

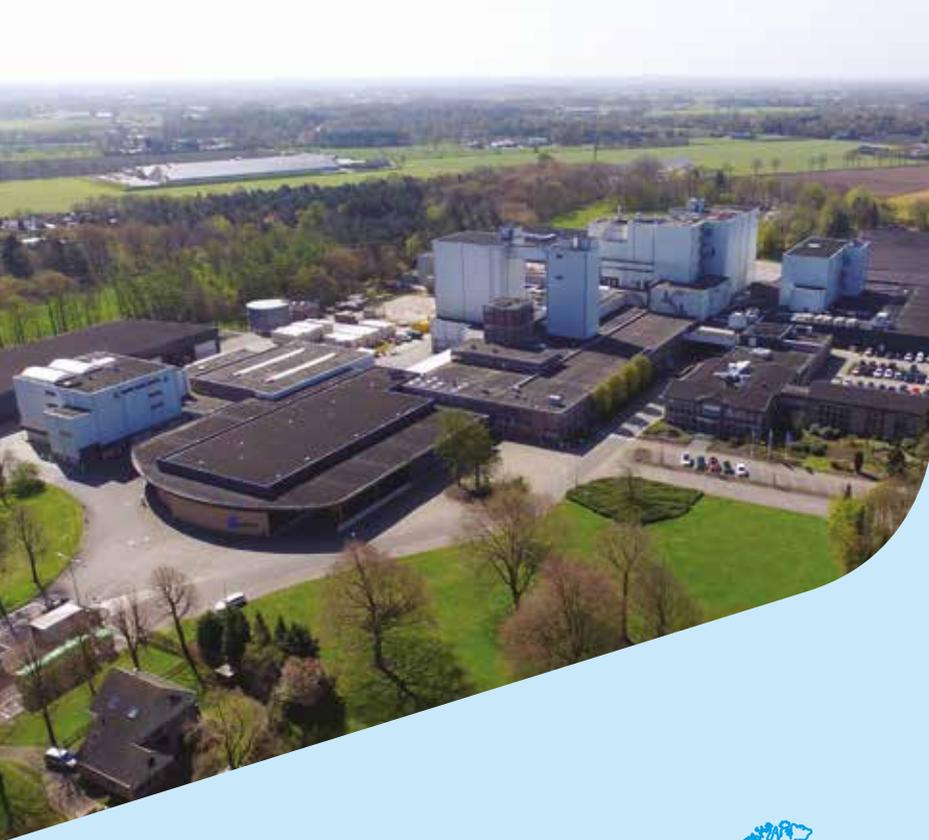
“Working together on livestock farming of tomorrow” is the title of this CSR report. As an innovative producer of high-grade feed and veal calves, Denkavit wants to contribute to the success of our partners and customers in the chain. We do this by working closely with all parties involved, in order to make a positive contribution to animal health and welfare, the environment and food safety.

In recent years, there have been many major developments in the field of sustainability within Denkavit. The launch of our vision ‘Veal the difference’ is a good example. Together with our partners, we want to bring calf farming on various fronts to a higher level. Quality improvement and sustainability are important pillars of this.

The opening of the Pig Farm, at our DenkaFarm Innovation Centre, also had a big impact. In this innovative pig farming unit we carry out intensive research into the use of different raw materials, feed compositions and feed concepts. We also conduct research into innovative farming systems, such as free-farrowing pens. We also welcome many visitors from within and outside the sector, which is made possible by the visitor’s corridor that runs the entire length of the barn. In this way we are able to connect different links in the food chain, from livestock farmer to consumer.

Over the coming years, sustainable use of raw materials will be one of our most important priorities. In order to make our use of raw materials even more sustainable we will focus on further extracting value from dairy products that are by-products of human food production and thereby contribute to a circular economy.

ERIK BUYS
DIRECTOR DENKAVIT GROUP



ABOUT DENKAVIT

Healthy young animals are the basis for a sustainable business operation in livestock farming. Denkavit specializes in the development of feeds especially for veal calves, rearing calves, piglets and goat kids and lambs.

In addition to a balanced diet that optimises healthy growth and performance of (young) livestock, Denkavit also develops Denkacare products. This is a product line for young animals that fulfils additional nutritional needs for optimal animal health. Denkavit Ingredients supplies high quality speciality ingredients and additives to compound feed producers and livestock farmers.

Growing together

Within the veal sector we work intensively with calf farmers and specialised calf slaughterhouses for the raising of veal calves and the production of high-quality veal.

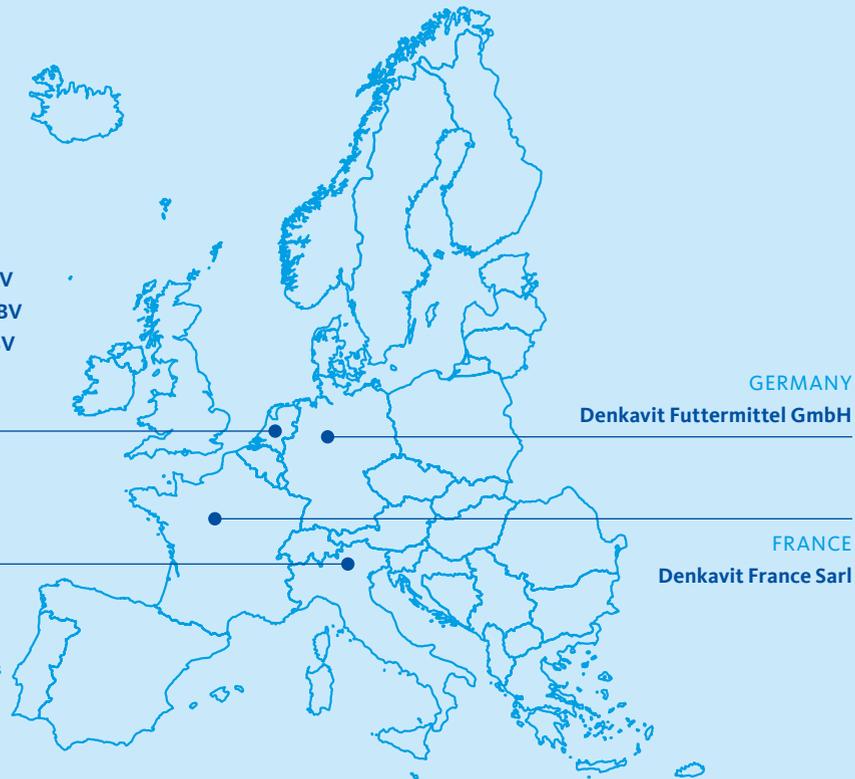
High quality and sustainable

We use raw materials that are high quality, sustainable and of traceable origin. It is our standard procedure to run extensive, in-depth quality control checks on these materials when they arrive. At the DenkaFarm Innovation Centre, our livestock farm for practical and innovative research, and in our laboratories we continually look for new and improved product concepts that we then extensively test in practice.

International family business

The Denkavit Group has offices in the Netherlands, Germany, France and Italy. The International family business is headquartered in Voorthuizen and it's from here that sales to more than 60 countries worldwide are coordinated.

“Growing together’ is Denkavit’s slogan. We believe it’s important to develop our products in close collaboration with our partners in the chain.”



NETHERLANDS

Denkavit Nederland BV
Denkavit Ingredients BV
Denkavit Specialties BV
Confeedent BV
V-Milk BV

GERMANY

Denkavit Futtermittel GmbH

FRANCE

Denkavit France Sarl

ITALY

Denkavit Italiana Srl
dWb Proteins Srl
processor liquid dairy products
Frabes S.p.A.
Calf milk factory and drying of liquid dairy products

OUR CHAIN GROWING TOGETHER

Every day we produce top quality feed for livestock producers of young animals; from piglets to calves, goat kids to lambs.

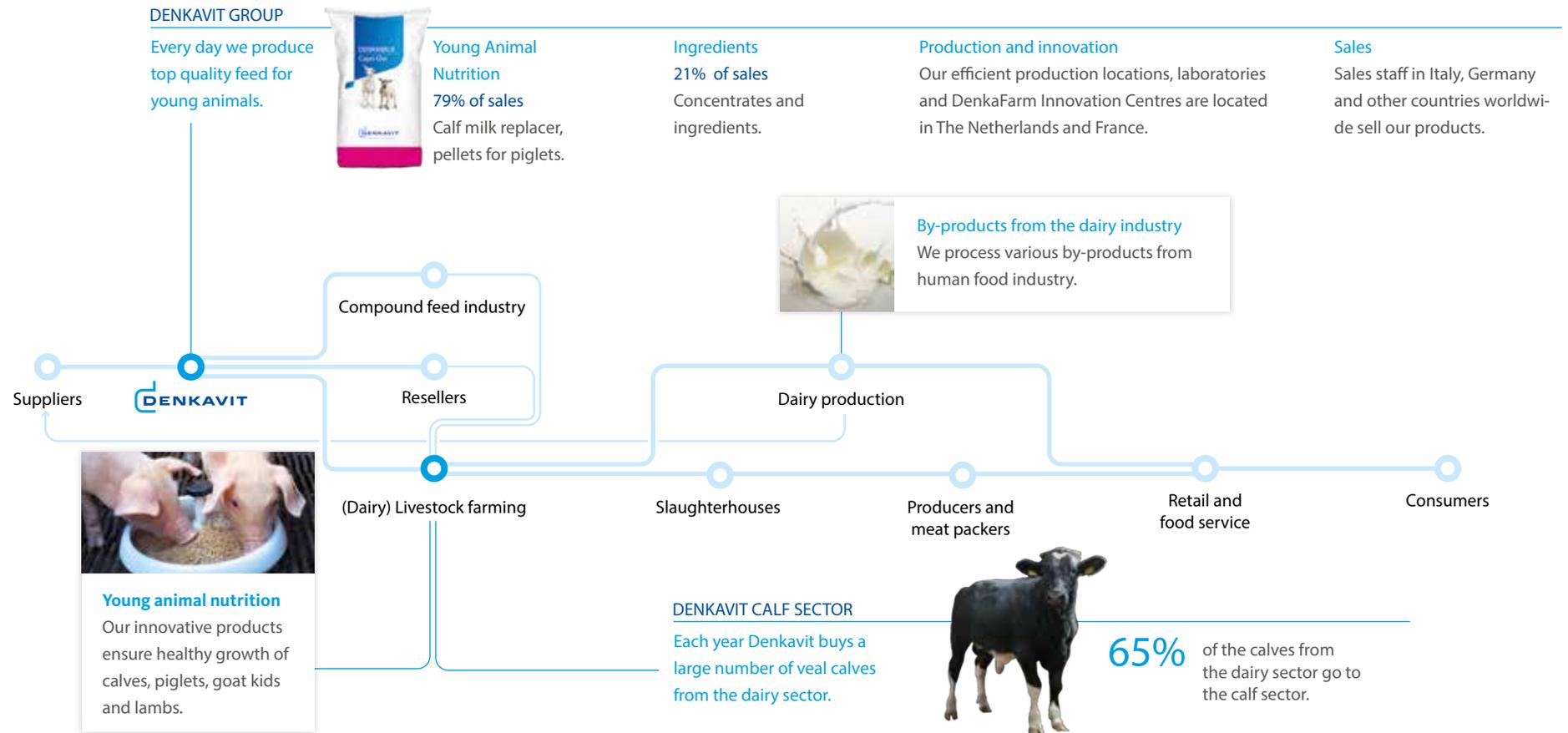
FEED FOR YOUNG ANIMALS

Suppliers

Carefully selected suppliers deliver high-grade raw materials, such as cereals, oils and fats and by-products of the food industry (dairy raw materials and liquid whey). Our raw materials include an increasing proportion of certified palm oil and soy.

Denkavit Group

The Denkavit group consists of production locations in the Netherlands and France. The head office is located in Voorthuizen, the Netherlands. At the DenkaFarm Innovation Centre (in the Netherlands and France) and in our laboratories we carry out extensive research into the composition and health effects of our feeds on young animals. Sales staff in Italy, Germany and other countries worldwide advise our customers and maintain close contacts with stakeholders.



Transport

Our own (France) and external (Netherlands) transporters ship our finished products and ingredients.

Customers

We deliver to customers in 60 countries worldwide covering Asia, Europe, South America, South Africa, Oceania, Central and North America, both directly to livestock farmers or through distribution partners. In addition, we also sell speciality raw materials and additives to the compound feed industry via Denkavit Ingredients.

THE CIRCULAR DAIRY CHAIN

Denkavit is inseparable from the dairy chain. This sector generates for example, dairy raw materials that remain after the production of dairy products for human consumption. And it creates calves that cannot be placed in dairy farming. Each year, Denkavit buys a large number of veal calves from the dairy sector to produce high-quality veal.

Veal the difference

With our vision 'Veal the difference' we actively connect all parties involved and strive for a transparent chain. We see opportunities to optimise the health and welfare of the calves throughout the entire chain which we are achieving by setting quality criteria for our suppliers of young calves and through the ProgrammeCalf project.

VALUE CREATION

Our aim is the optimal care of young animals through the production of innovative animal feeds and, together with chain partners in the calf sector, to work towards increasingly healthier calves. In this way we create value for both our customers and within the chains in which we operate.

Conscious of impact

We are conscious that the production of animal feed can have a negative impact on people and the environment. This can occur close to home due to the production and the transportation but also far away as we buy raw materials from abroad. Therefore efficient production and logistics and the buying of sustainable raw materials are our priorities. We want, in both the short and long-term, to create value and care for future generations, animal welfare and the environment.

In addition, we provide insight into the relationship between our (CSR) efforts and the level to which we create this social value. Thereby, we ensure that we use the (scarce) resources and commodities in a proper way and continue to make improvements towards a healthier calf.

INPUT

Financial resources

Social and intellectual capital

Talent and knowledge of 525 motivated employees.

Natural capital

- Raw materials.
- By-products of food industry.
- Gas, electricity and water.

Innovation

Partnerships with Wageningen UR, KNMvD, RDA, GD-Deventer, Stichting Geborgde Dierenarts, SKV, University of Berlijn, Feed Design Lab, Dairy Academy.

Connections in the chain

Raw material suppliers, government, distributors, feed mixers etc.

Natural capital

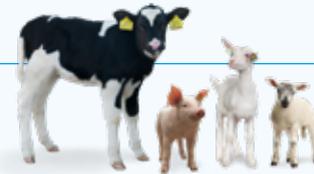
- Veal calves from the dairy sector.
- Feed for young animals.
- Gas, electricity and water.

ProgrammeCalf

- 10 agreements with dairy farmers including colostrum supply in the first period/
- Animal management and animal healthplan.

Research and innovation

Including with the Ministry of Agriculture, Nature & Food Quality.



FEED FOR YOUNG ANIMALS
Grwowing together

Priorities

- Care for young animals
- High value and sustainable raw materials
- Ability to control quality
- Track and trace to origin
- Research and development into feeds and raw materials of tomorrow



IMPACT ON CALF REARING
Working today on livestock farming of tomorrow

Within our integrated business we work closely with 95 Dutch, 40 German and 650 French veal farmers.

Priorities

- Care for young animals
- Connecting the chain
- Transparency
- Ability to control quality

OUTPUT

Financial resources

Social and intellectual capital

- Education and training
- Denkaday
- Wages and pensions

Products

- End products
- Ingredients

Emissions

- CO₂ emissions
- Waste water
- General compound waste
- Waste heat

Innovation

New feed concepts and farm building innovations.

Connecting the chain

- Distributor Days and organising symposia.
- Training at the Dairy Academy Oenkerk.

Products

Healthy, good quality calves for the production of veal.

Emissions

- CO₂ emissions
- Methane emissions
- Manure
- Waste water
- General company waste
- Waste heat

ProgrammeCalf

Collaboration and transparency between all links in the chain, for example the calf farmer providing feedback on weight, vitality, health of calf to the dairy farmer.

Research and innovation

Focus on improving animal health.

IMPACT

We contribute to the employment and development of employees.

Satisfied customer and through innovative products we contribute to animal welfare and health. Healthy animals use fewer antibiotics leading to better efficiency and better quality.

We strive to reduce the impact on the environment and cut our waste through efficient production and logistics.

Develop and share knowledge and together with our partners work on livestock production of tomorrow.

Upgrading of calves from dairy sector into veal.

We strive to reduce the impact on the environment and cut our waste within calf rearing sector.

Together with all parties we promote a healthy and strong calf in both dairy and veal farming. This contributes to fewer losses of young animals, less use of antibiotics, less transport mileage, quality improvement and better efficiency.

THE CSR PILLARS AT DENKAVIT

Denkavit is an innovative producer of high-quality feed for young animals. Caring for young animals is in Denkavit's DNA. With our products we want to make a positive contribution to healthy animals, animal welfare, environment and food safety. As a family business, sustainability is in our genes. Caring for the next generation is obvious to us. Future generations also want to be able to produce food in a sustainable and responsible way for a growing world population. We therefore invest in long-term relationships with employees, customers and partners in the chain. Sustainable success is more important than short-term profit.



CONNECTING THE CHAIN

As a company wanting to make a structural contribution to sustainably produced safe food, you need others. As a specialist in young animal nutrition, Denkavit strives for long-term cooperation with customers and suppliers. We share as much as possible our knowledge with the chain to make it stronger and more sustainable. We strive for satisfied customers by optimising the health and well-being of young animals in livestock farming.

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CARE FOR YOUNG ANIMALS

Healthy young animals are the basis for socially responsible livestock farming. Young animals that grow in good health are more productive for the farmer. This is good for animal welfare and contributes to reducing the use of antibiotics in livestock farming. Together with livestock farmers and veterinarians, our experts continuously work on innovation and product improvement.

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QUALITY AND FOOD SAFETY

Denkavit works according to high standards to ensure the safety of our feeds and veal. We work with high quality and sustainable raw materials. This is the only way to best care for young animals that are extra sensitive and therefore need high-quality feed of constant quality. To ensure the safety and integrity of our products, we check all the raw materials we work with and the origin is traceable.

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GOOD EMPLOYMENT PRACTICE

Together with our customers, suppliers and other relevant external parties, we want to grow sustainably. Of course, this is also true within our own organisation. We want to offer our employees a safe and pleasant working environment, with opportunities for personal growth. The employees form the strength of Denkavit and therefore it's our responsibility as a good employer to have this as a separate CSR pillar.

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SUSTAINABLE USE OF RAW MATERIALS

We intensively check the origin and sustainability of our raw materials. We are also constantly looking for more sustainable alternatives. These must of course comply with our principles of quality and safety. These can be regional raw materials with a lower environmental impact, by-products of the food sector, or new raw materials that are more sustainable than the known raw materials that we work with.

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EFFICIENT PRODUCTION AND LOGISTICS

During production, we measure our energy use and CO2 emissions, and we continually strive to reduce these values. Efficient processes are not only good for the environment, they also reduce our costs. We continually adapt our processes and work together with our suppliers and logistic service providers on lower energy consumption and smart logistics solutions.

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LINKING THE CHAIN

Healthy young animals form the basis of responsible livestock farming. We actively establish links between stakeholders in the chain and strive for a transparent chain. Together with our suppliers, customers and other partners we work on the sustainable use of raw materials of consistently high quality, efficient production and logistics. For our employees, we create space to maximise their potential.

‘Healthy young animals are the basis of responsible livestock farming.’

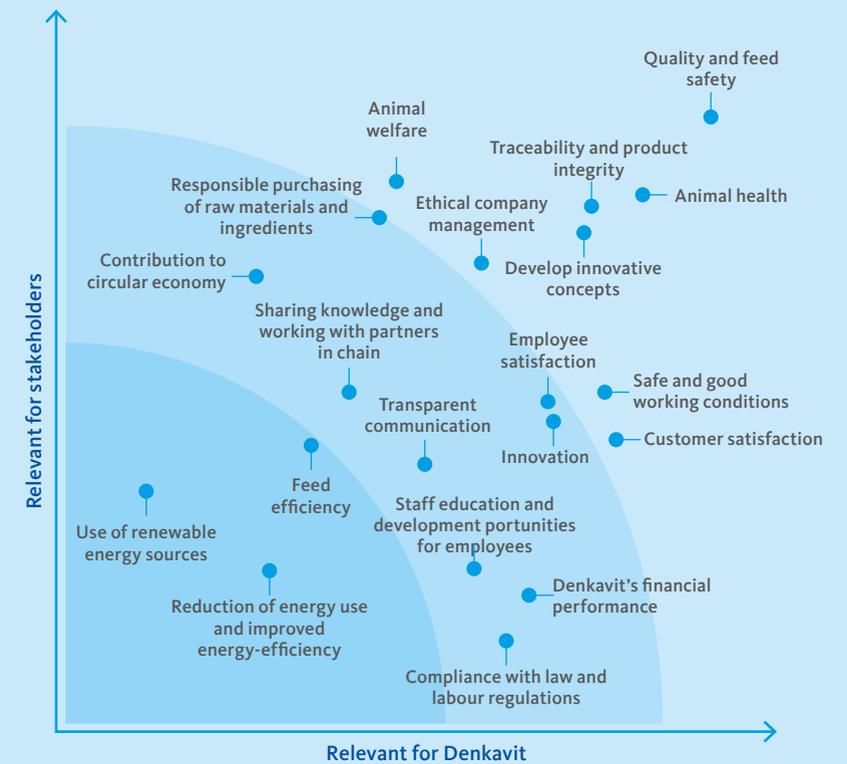
Social responsibility is increasingly a ‘license to operate’ for companies. As a family business, Denkavit takes this very seriously, and realises that you make the most positive impact by cooperating with third parties. CSR and ethical business management offer opportunities because our customers and consumers attach value to this. Reliability, transparency and partnership are our key core values.

MATERIALITY

In 2018 we carried out a materiality (accounting) analysis. In this, both internal and external stakeholders talked about the items that they consider most important for the societal impact of Denkavit (more on the analysis on p. 40).

The results of this analysis confirm to a large extent our existing priorities and are in line with our CSR pillars. We choose to add good employment practise as a separate pillar to our CSR structure. In addition, we see the subject of ethical business operations as an umbrella principle for our activities to which the six CSR pillars contribute.

MOST RELEVANT SUBJECTS FOR DENKAVIT AND OUR STAKEHOLDERS





CONNECTING THE CHAIN

Denkavit wants to make healthy and safe products and promote animal welfare. We consider these to be critical success factors that we can only achieve by sharing knowledge and working together in the chain with suppliers, customers and other relevant stakeholders. Customer satisfaction is always foremost.

OUR AMBITION

Society increasingly demands sustainably produced food, for man, animals and the environment. Together with our chain partners, government and public organisations, Denkavit wants to make an active contribution. In cooperation with sector-colleagues, farm builders, researchers and the government, we want to develop new, efficient farming systems that reduce emissions of ammonia and CO₂, and improve the health and environment of both humans and animals.

Connecting the chain

Raw materials suppliers, the dairy industry, livestock farmers, veterinarians, compound feed manufacturers, government, transporters, slaughterhouses, distributors and other stakeholders (e.g. E.D.V.I., SNIA and SDVF in France).

Care for young animals

Wageningen UR, KNMvD, RDA, GD-Deventer, Stichting Geborgde Dierenarts, SKV, Universiteit Berlijn, Feed Design Lab, Dairy Academy.

Quality and food safety

GMP+ B1, GMP+ B10, GMP+ M102, GMP+ M103, GMP+ C7, GMP+ BCN-NL1, OQualim (F), NWVA, DUCARES, A-Futter (D), ISO 22000: 2005, ISO 9001: 2015, SKV 2005, NL-BIO-01.

Sustainable use of raw materials

Nevedi, FEFAC, BEMEFA, SDVF, SBK, LTO, Ministerie van Economische Zaken, Feed4Foodure, Food Valley, Assalzo, Nourri sans OGM (F), DVT, Bundesverband der Kälbermäster, BVK, Duralim.

Efficient production and logistics

Evofenedex.

'By sharing knowledge with partners in the chain, we are working on innovations for sustainable livestock and calf production.'

PARTNERS AND MEMBERSHIPS

In 2017 and 2018 Denkavit was actively involved in various (sector) initiatives, listed here under each CSR Pillar.



TRAININGS



trainings sessions were given at the Dairy Academy of Royal A-ware in 2018

PRIORITIES

- Organise network meetings – ourselves and with third parties – in which suppliers and customers can exchange knowledge.
- Together with knowledge partners develop new products and services which we then test in practise in cooperation with dairy farmers.
- Through our ‘Veal the difference’ program bring livestock farming in various fields to a higher level (quality, sustainability, extra yield, better image and public support, more work satisfaction and pride).
- In 2018 we joined Duralim, France, an organisation that strives for sustainability of the animal feed industry.

COLLABORATE AND SHARE KNOWLEDGE

Denkavit Distributors Days 2018

Every 2 years Denkavit, together with its knowledge partners, organises the Denkavit Distributors Days for all our partners worldwide. The goal is networking, strengthening relationships and exchanging and transferring knowledge. This theme in 2018 was ‘Discovery Days’ and was attended by 55 (potential) partners from 32 countries. They discussed market developments, R&D and important topics such as antibiotic reduction, blockchain and new protein sources.

Denkaday

Denkavit organised the 10th edition of Denkaday in May 2017, a biennial symposium for the Dutch and Belgian compound feed industry. In the context of ‘Create knowledge, share knowledge’, Denkaday 2017 focused on the pig sector. Some 65 participants visited the Denkavit Pig Farm and attended presentations from various scientific researchers on subjects such as the use of zinc oxide and its alternatives, supplementary feeding of piglets with milk and with extra colostrum.

Visit by French calf farmers & agricultural advisors

More than 50 French Denkavit calf producers visited the headquarters in Voorthuizen in April 2017 to hear about developments in the Netherlands and Germany. The French farmers also visited two Dutch veal farms. Also, in April 2017 representatives of the French Livestock Research Institute (Institut de l'Élevage, Idele) joined Denkavit to visit a pig farm and veal farm with the Beter Leven (Better Life) quality mark.



Goat Symposium

On the first day of the Cattle & Mechanization Exhibition in Gorinchem (29 November 2018) Denkavit, together with Agrifirm and Lely Nederland, organised a symposium for goat farming. The theme was ‘The power of data!’. More than 100 attendees received various presentations about the importance of data in the goat sector and how this can contribute to the development of their business.

Information evenings Dairy Academy

In November 2017 we announced our partnership with the Dairy Academy, the knowledge platform for dairy farmers of Royal A-Ware. Through workshops, trainings and information evenings, we share our knowledge about the rearing of young cattle with the dairy farmers affiliated with Royal A-Ware. In 2019 we will organise 10 trainings and workshops in cooperation with the other partners.

SATISFIED CUSTOMERS

Customers expect high-quality products and personal advice from Denkavit. We are constantly working to improve customer satisfaction and this is always front of mind when talking to customers personally. To serve customers optimally and respond quickly to questions, in 2017 we launched a new complaints management system. Through a digital structure, complaints are handled centrally and we efficiently collect the correct information. Based on a problem analysis, we formulate a solution and link it back to the customer. Quality coordinators from each department gain insight into the nature of the complaints from which we learn.



CARE FOR YOUNG ANIMALS

Caring for young animals (calves, piglets and lambs) lies at the heart of Denkavit. With high-quality feed and innovative concepts, Denkavit works to improve animal health and welfare. We pay special attention to reducing the use of antibiotics in young animals.

OUR AMBITION

Our aim is to develop and establish feeds and concepts that support health. This includes contributing to the better health and well-being of young animals in the first stage of life. Over the coming years, we will continue to work in close cooperation with the dairy sector and calf farmers. We conduct research at our DenkaFarm Innovation Centre and participate in research on tomorrow's farming systems for calves, sows, piglets and lambs.

FEED CONCEPTS TO SUPPORT HEALTH

Progres

In 2017 we started to add the ingredient Progres to the milk for veal calves and since 2018 we also add it to the milk for rearing calves and lambs. This addition of resin acids, an extract from conifers from Finland, to the milk powder promotes a balanced microbiome in the intestines and leads to a better feed efficiency. Our research indicates that the feed conversion improves by 3.3%. This innovation was awarded Best idea of 2017 by The Kalverhouder, a well-known magazine within the calf sector.

Mellow Go

Due to the ever-increasing litter size, young piglets are fed additional milk during the first days of life in addition to the colostrum from the mother. In 2017 after extensive research we launched the new feed Mellow Go to ease the transition to prestarter feed. The size and softness of the pellet means that even the youngest piglet eats this feed from day 4 onwards. It leads to a higher feed intake, healthier piglet and higher weaning weight, and it prepares the piglet for the feed it receives after weaning.

'The goal of our high-quality feed and innovative concepts is to improve the health and wellbeing of young animals in the first phase of life.'



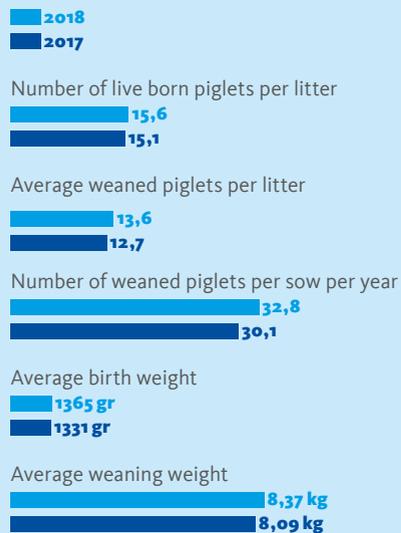
PRIORITIES

- Develop innovative feed concepts for better health and welfare of young animals during the first phase of life.
- Together with the dairy sector and dairy farmers work on a transparent, closely knit chain and exchange knowledge to realise a healthier and stronger calf.
- Develop optimum farming systems for the better health and welfare of young animals.

PIG FARM FIGURES

260 sows
8.000 piglets per year
2 farrowing units
36 pens per farrowing unit and various feeding systems

PIG FARM RESEARCH RESULTS



This product was awarded the INNOV'SPACE 2018, an award for the best innovation within the sector.

Denkapig Safe Start

A good start to life and optimal animal health contributes to lower antibiotic use. In 2017 we developed the Denkapig Safe concept for good growth and optimal safety. The independent research institute Schothorst Feed Research carried out research and concluded that the performance of piglets improved throughout the trial. The positive effect on intestinal health is similar to the action of zinc oxide, which since January 2018 is prohibited in feeds in the Netherlands. This was already the case in Belgium, Denmark and Germany. Also, since 2019, the copper content in livestock feed has been lowered. This increases the need for high-quality piglets. The special feed composition leads to less antibiotic use and fewer losses. In France and Italy, less antibiotic use is also moving higher up the agenda. We are able to advise our customers in those countries about the right products and concentrates that contribute to animal health.

Explanation

The basis for good performing piglets during the rearing period is established in the farrowing pens. Healthy and fast growth of the piglets is therefore essential. With ever increasing litter sizes, feeding in the farrowing pens is becoming increasingly important. At the Pig Farm we carry out research into different ways of feeding. The figures show that we are able to achieve higher growth in the early stage with larger litters. We will continue to investigate this in the future.

OPTIMUM FARMING SYSTEMS

DenkaFarm Innovation Centre

Denkavit has two Innovation Centres: in the Netherlands and France. Here we carry out intensive research into the use of different raw materials, composition of products and feed concepts. The research centre in the Netherlands consists of a pig unit for sows and piglets, with research aimed at piglet rearing, and calf farms for research aimed at calf and partly dairy farming. In France we have a farm for calves.

At the end of 2016 we opened the Pig Farm, our new research building in the Netherlands for pigs. This innovative unit is designed with a clear vision of the future, with lots of light, space and a good overview; good for the pigs and the staff. Special attention is given to animal welfare with the free-farrowing pens. The sows are temporarily penned just after farrowing. After that they suckle the piglets in a free-running pen of almost eight square meters. The pen has a clever layout, with space for the sow and the piglets, and optimal climate management. Here we investigate different feeds and feeding systems and monitor the health and performance of the piglets. The results show that the sows produce more milk.

Practical trials

Denkavit collaborates with several pig farmers in order to trial new products and concepts before they are introduced to the market. In 2018, we started an in-depth study involving 30-35 sow herds into the extent and potential causes of piglet losses.

Farm building innovations

As a sector, we face the challenge of reducing ammonia emissions from farm buildings. Denkavit supports research being carried out on calf rearing farms in North Brabant, the Netherlands, where alternative floor/pit systems are being tested. The aim is to reduce emissions at source (for the welfare of the animal, livestock farmer and local residents). This study started in 2018 in collaboration with the province of Brabant, several parties from the calf sector, the association of veal farmers and the HAS University of Applied Sciences. The results are expected at the end of 2019.





WISHES OF DENKAVIT

- Calves born in clean spacious pen.
- After being licked dry by the mother calf housed separately.
- Properly cleaned and disinfected, individual straw pen
- Good supply of colostrum (research IgG and/or TE)
- Intensive milk scheme
- Correct birth date
- Age 14-21 days for transportation
- IBR/BVD-free, participate in programme or imminent participation
- Calf visibly free of disease (such as lung infection, naval infection, diarrhoea, joint inflammation).
- Intention to form long-term partnership (minimal 1 year)

WORKING TOGETHER FOR A HEALTHIER AND STRONGER CALF

Every year Denkavit buys a large number of calves for veal production and thereby is inseparable from dairy farmers. We see opportunities to optimise the health and welfare of calves throughout the whole chain. With our vision 'Veal the difference' we actively bring together the parties involved and strive for a transparent chain. We do this, for example, via the quality criteria placed on our suppliers and the project ProgrammeCalf.

Quality criteria for suppliers

At the start of 2017 we placed extra requirements on our suppliers of very young calves regarding the quality of calves delivered and the administration associated with it. These criteria are used as a tool to assess the suppliers. Since 2019 we have included this step to assess all young calves within the calf integration programme. The results are fed back to the supplier.

Control of animal welfare

Denkavit implements the Safety Guard policy, an animal welfare check for veal, based on the demands of the slaughterhouse. The scoring method, developed with Wageningen University, assesses farmers based on, for example, rejects, calf behaviour and lung problems. Denkavit carries this out based on random checks and the results provide an important signal.

PROGRAMMECALF

The mission of ProgrammeCalf is to give the calf the optimum start. Circumstances such as gestation, birth, care on the dairy farm and transport are strong determining factors for the welfare, health and performance of a calf. We started this programme in January 2017 in two pilot regions, one in the Netherlands and one in Germany. All calves not required as replacements for the dairy herd on the participating farms are taken to our calf rearers. We measure the colostrum supplied to these calves and feed this information, together with data on weight, vitality and health, back to the participating dairy farmers.

In addition, we do research, together with the Ministry for Agriculture, Nature and Food Quality into the impact of the milk given during the transport, the transport and the care given at the calf rearing unit on the animal's health. Based on this we anticipate improving the health of the calf in 2019

Guidelines

Denkavit makes strict agreements with dairy farmers on colostrum supply and care of the calves because if a calf does not receive sufficient colostrum during the first phase of life it has a negative impact on its health. The performance of the calves (such as vitality, colostrum supply, abnormalities and losses) is fed back to the dairy farmers. This gives new information that eventually leads to healthier animals and less use of antibiotics. It also helps dairy farmers to optimally rear young livestock that will be used as replacement stock on the dairy farm.

The impact

Good animal health contributes to lower antibiotic use, more work satisfaction for the farmer, better welfare of the calf and a better financial result. Improved animal health is one of the factors that has contributed to a reduction in the use of antibiotics in the Netherlands, Germany, France and Italy over the last few years. With this programme we aim to continue along this line and together ensure healthier animals throughout the entire chain.

'Good animal health contributes to lower antibiotic use, more work satisfaction for the farmer and better welfare of the calf.'



QUALITY AND FOOD SAFETY

Denkavit works with high quality and sustainable raw materials that are quality controlled and of traceable origin. Only then can we best take care of young animals, which are especially sensitive and require high-quality food of consistent quality. To guarantee the safety and integrity of our products, we check all the raw materials we work with.

OUR AMBITIONS

We guarantee the quality and safety of our feed and veal farms by integrating the requirements laid down by law with our own conditions into our company-wide quality system. We place high demands on both the origin of raw materials as well as our finished product. The raw materials that we process to formulate products can be traced back within four hours to the batch they came from.

All encompassing quality system

Young animals need feed of a constant and high quality. Ensuring quality and food safety during the production of feed is therefore essential. In recent years we have worked on the integration and optimization of our own overall quality management system. This Denkaveal Quality System includes our additional requirements. Over the last few years we have implemented the new version of ISO 9001 (2015) in which the quality management better connects with the way we run the rest of the organization. In this way all staff are involved.

The quality system ensures the food safety aspects of our feed production as well as animal welfare aspects on the farm. In this way we work according to the highest standards and we deliver high quality and safe products. An overview of our certificates for quality and food safety are in Chapter 3, page 15.

‘Thanks to our extensive checks at entry we work only with high quality and traceable raw materials.’



QUALITY AND FOOD SAFETY

PRIORITIES

- Optimisation of legal with our additional requirements and the company's own elements into our overall DenkaVeal Quality System.
- Guarantee the traceability of raw materials for animal feeds.
- Deliver high quality, safe veal.

Quality coordinators

In order to guarantee the level of quality within the organisation, each department has its own quality coordinator. These 14 coordinators monitor quality requirements via internal audits and deal with complaints. The quality coordinators investigate the cause of complaints and establish a plan of action to prevent problems in the future.

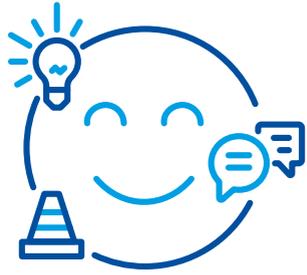
Health and safety impacts on the young animal

We extensively test the impact of our diets on young animals because the composition, amount and method of administration in the first phase of life can have significant effects on the animal's health. We test this in our DenkaFarm Innovation Center. We measure for example, feed intake, growth and feed conversion. We also carry out digestive trials and study the impact of diet on animal behaviour. Read more about our health supportive feed concepts on page 19.

Traceability

An important prerequisite for the quality of our feed products is traceable origin of the raw materials. We are able to trace the origin of the raw materials within four hours of a final product being made. Because we have invested heavily in recent years in the processing of by-products from the human food industry, traceability has become more complex. By working closely with our suppliers, we can continue to provide our customers with a guarantee.





GOOD EMPLOYMENT PRACTICE

We want to grow sustainably with our customers, suppliers and other relevant parties. The same is true from within our own organisation. We want to offer our employees a safe and attractive work environment with opportunities for personal growth. In addition we believe it's important that everyone feels committed to our joint mission.

OUR AMBITIONS

By properly assessing and evaluating the safety and health risks we are working on a safe and healthy working environment. In the coming years, we will focus on implementing improvements and rolling out the management-of-change system. Personal development and training of staff in future is structurally assured with the new competency management system.

SAFE AND PLEASANT WORK CONDITIONS

With a total of 525 (end of 2018) employees, we are committed every day to supplying quality products and developing innovative concepts. See page 41 for detailed figures about our employees. We do this from our offices, production facilities, laboratories and livestock pens at the DenkaFarm Innovation Centers. For years already we have ensured a safe working environment and since 2017 we have structured and streamlined all guidelines.

Safe working environment

In order to ensure safety, we conduct an annual risk assessment and evaluation (RAE). The points for improvement that result from this are managed via a dynamic top 10-approach. For example, in 2017 and 2018 we worked on providing more personal protective equipment and the structural use of this equipment. Now all pedestrians on our premises must wear a safety vest and we use lines to streamline traffic on the premises. In 2018 the level of particulates arising from production was a focus point for improvement. During 2019 we have been investigating how to achieve this.

'We give special attention to prevention and evaluation of the health risks in the work place at the Dutch and French production locations.'



PRIORITIES

- Create safe and pleasant working conditions in all Denkvit locations.
- Training and education for optimum development of employees.
- All employees committed to the Denkvit slogan: Growing together.

TRAININGS

2018

13 participants for ADR training
11 certificates for staff in technical department.

2017

14 participants in ATEX training
3 certificates for staff in technical department

COMPANY ACCIDENTS

2018

	NL	FR	Total
Accidents without consequence	5	3	10¹
Accidents with consequence	0	2	

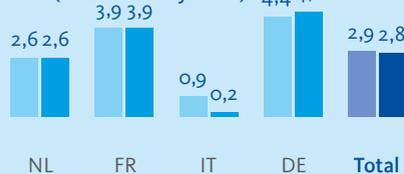
2017

	NL	FR	Total
Accidents without consequence	5	4	13²
Accidents with consequence	1	3	

1 10% female, 90% male
2 100% male

AVERAGE ABSENCE THROUGH ILLNESS

in % (excl maternity leave)



2017
 2018

Because of new ingredients and food concepts we regularly change our processes. In 2018 we started a management-of-change process for the technical department. This means that when we carry out planned changes to our processes, we identify the possible consequences beforehand. Thus, we can preventively deal with issues such as quality, safe working conditions and fire safety.

Employees at the production facilities are trained on the job in health and safety requirements. We offer additional external training courses in the field of ADR (carriage of dangerous goods by road), ATEX (situations where there is a risk of gas and other explosive atmospheres) and emergency services. In addition, we provide external training for the staff in the technical department.

Safe and pleasant working atmosphere

Denkvit implements a number of standards and rules governing behaviour to create a safe and pleasant working environment for everyone. These house rules include a number of codes of conduct regarding, safety, leave, development and privacy. The basic principles in these codes of conduct are mutual respect and equality between colleagues. Denkvit has a whistleblower policy whereby colleagues can anonymously report incidents. No one used this facility in 2017 and 2018.

In 2017 and 2018 there were some minor accidents at Denkvit Netherlands. However, with the exception of one, work was able to continue. Based on an evaluation of the (near) accidents, we have taken measures where necessary to prevent these situations occurring in the future. After a near-accident involving the sampling of trucks delivering fats, we designed, for example, in 2018 a system to make this procedure safer.

Health of staff

To monitor the health of employees, in 2018 our Dutch production workers received a preventive medical examination (PME). This year employees at our French production site will also receive a PME. This examination identifies, per function and work location, the physical burden on the employee, the level of movement, the risk of allergies, the ergonomics within the work environment, etc. From 2018 we will not only examine people in the production facilities, but also employees in the offices and in the laboratory. With the resulting information, we will try to reduce and prevent health risks for all our staff.

Fair wages to our transport partners

In the Netherlands we work with four transport partners for the transportation of our products to customers. Denkvit checks that these partners pay their employees a fair wage. All our operators are 'PayChecked in Transport' certified. This certificate demonstrates that hauliers pay their employees the wage agreed in the collective agreement and that their personnel and payroll administration is in order.

TRAINING AND EDUCATION

As an employer, we support our employees throughout their careers and give them the opportunity to develop. Together with knowledge institutes we offer our employees guidance and training. In 2018 Denkvit launched a competence management system that will be expanded in 2019. This includes all the job descriptions of all functional groups, together with the corresponding specific training plans, covering for example, quality, safety, health and environment.

Denkvit College

We train all employees who sell our products to farmers, including our distributors. They need extensive knowledge about feed ingredients and the welfare of young animals during the first stage of life. Besides classroom training, we also provide training in practice and in our laboratory.

COMMITTED EMPLOYEES

We strive for optimum collaboration and knowledge-sharing between employees. Therefore we organise annual meetings for employees to meet each other and our partners. Each year has a different theme which is 2019 is team building.

Denkupdate

In 2017 information exchange was the central theme during the DenkUpdate. Employees were given the opportunity to deliver any burning questions to the management team and the directors.

Denconnect

In 2018 Dutch colleagues visited each other's work place, in the factory and in the office. During the session the question posed was: "What can I do for you to make it better". The aim of the session was to understand each other's work processes and thereby achieve better and more efficient cooperation.



SUSTAINABLE USE OF RAW MATERIALS

The use of renewable raw materials is a prerequisite for the sustainable production of food. To monitor the sustainability of our raw materials, we work closely with our suppliers. We do intensive checks and are constantly alert regarding new materials and regions of origin to see if these are sustainable alternatives that can meet our high standards of quality and safety.

OUR AMBITIONS

In collaboration with our suppliers, we want to optimise the sustainability of our raw materials by paying attention to renewable alternatives and the value of by-products.

Renewable cereals and oils

Our ambition is to buy more sustainable maize, soybean and palm oil. For maize, we buy mainly from suppliers of non-GM product in north-west Europe (the Netherlands, Belgium and Germany). We prefer to buy from this region to keep the mileage low.

Regarding soy, deforestation is a particular social issue. Therefore we buy and process certified soy that complies with internationally recognized standards or industry agreed codes of conduct. For Denkamilk- and Denkapig products for the Dutch and Belgian market, we have purchased RTRS credits according to the Book & Claim principle. The rest of the soy that is processed in Voorthuizen conforms with the Nevedi-Covenant on the Soy Sourcing Guidelines of FEFAC (European Feed Manufacturers' Federation).

There is also much public concern about the environmental impact in the countries producing palm oil and increasingly coconut oil. The palm oil that is used for the Dutch market is certified by the Roundtable on Sustainable Palm Oil (RSPO) and thus follows the guidelines of the Nevedi-Covenant Sustainable Palm Oil in the Netherlands. Since 2018, we have also followed these guidelines for the feeds produced in Voorthuizen for the German market and for all products that we produce in Montreuil-Bellay for Denkavit France.

'By upgrading by-products from human food production into high value raw materials we contribute to a circular economy.'



SUSTAINABLE USE OF RAW MATERIALS

PRIORITIES

- Upgrading by-products from the food sector into raw materials for feed.
- Research into new raw materials or regions of origin (regional purchasing) for sustainable alternatives.

SHARE OF TOTAL PURCHASE VOLUME

Palmoil with RPSO-credits

2018 NL: 38%^{1,2} FR: 100%

2017 NL: 6,6%¹ FR: 0%

Soy with RTRS-credits

2018 NL: 24,6%³ FR: 0%

2017 NL: 28,4%³ FR: 0%

Soy credits according to other sustainability programmes such as FEFAC Soy Sourcing

2018 NL: 25,0%⁴ FR: 100%

2017 NL: 23,4%⁴ FR: 0%

- ¹ Conform to Nevedi Covenant Sustainable palm oil in the Netherlands: 100%.
- ² Including products for the German market (100%).
- ³ Everything done to meet requirements of GMP + FRA MI 102 and MI 103.
- ⁴ Everything done to conform with Nevedi Covenant on purchasing sustainable soya.

From 2019 onwards we will buy RPSO-credits for all the palm oil used at our production locations in Voorthuizen and Montreuil-Bellay.

Upgrading by-products

Safety and quality are always paramount for Denkavit. With our new X-line, we can process by-products from the food industry into high quality raw materials and still maintain the highest food safety standards and guarantee good and consistent quality.

Feed efficiency

Good feed efficiency means that a young animal efficiently converts feed intake into growth. This not only means a healthier animal at lower cost, but also efficient and sustainable use of resources. For customers in the livestock sector feed efficiency is an important factor. Denkavit therefore conducts a lot of research into improving the feed efficiency of young animals.





EFFICIENT PRODUCTION AND LOGISTICS

A socially responsible organization cannot exist without sustainable business management. Optimization of the operating efficiency is good for the environment and it cuts costs. Based on an efficiency plan, Denkavit was able to assess where saving could be achieved in energy consumption through smart operations and investments, and by working with our suppliers and logistics partners to take advantage of opportunities.

OUR AMBITIONS

Continual attention is given to process optimization of our production lines and implementation of energy saving measures so that our feed production becomes increasingly energy efficient. In addition, in 2019, we are installing 6,000 to 7,000 solar panels at Denkavit Netherlands. We are also further reducing transport kilometres in 2019 by expanding our storage facilities at Denkavit Netherlands.

Optimal utilization

In recent years Denkavit has stepped up the scale of production which has increased the utilization of the lines at the Dutch production location. This scaling-up has had a positive effect on the number of mega joules (MJ) consumed per tonne feed (see p. 38). In addition, the production capacity of this line increased last year due to process optimization. This means that a larger amount of product is manufactured on the same production line because it runs more efficiently, optimally and faster.

Energy reduction through process saving measures

Since 2013, Denkavit has participated in the long-term agreements (MJA3) made by Nevedi. In this way we are committed to improving energy efficiency by 2% per year, an improvement which is achieved by implementing such measures (see p. 38).

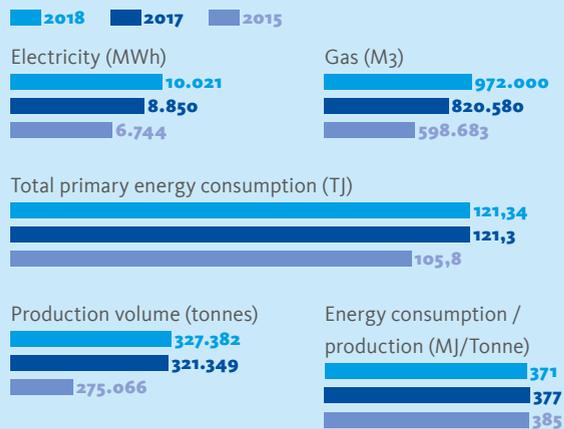
'We are lowering our energy consumption by optimally utilising the production lines and by making processes more and more efficient.'



PRIORITIES

- Optimal utilisation of production capacity through scaling up and process optimisation.
- Energy reduction through process saving measures.
- Use of renewable energy.
- Limit transport kilometres

ENERGY CONSUMPTION AT THE DUTCH PRODUCTION SITE



MEASURES FOR ENERGY EFFICIENCY IMPROVEMENT

Frequency adjustment applied to fan:

5,9 % applied in 2013

Prevent empty lorries by collecting raw materials on the return journey :

2,11 % applied in 2013-present

Replacement of compressed air compressor:

0,38 % applied in 2017

Installation of more efficient boiler with heat recovery:

1,29 % applied in 2018



EFFICIENT PRODUCTION AND LOGISTICS

future, 15% of the total energy consumption will be generated in this sustainable manner. This is the most efficient and effective way of deploying renewable energy, because consumption takes place as close as possible to the source and it prevents losses during transport.

Reduce transport mileage

To reduce the number of transport kilometres, it is necessary to expand the storage capacity for packaged raw materials: Denkavit maintains large stocks to compensate for fluctuations in available volumes and prices in the commodity market. By storing this on our own premises instead of at external sites, we avoid additional transportation. This applies even more to the partially processed feeds which currently are often stored externally for several months due to limited storage capacity. Therefore in 2019 Denkavit will invest in a major expansion of warehouse facilities at its Dutch site.

In addition to the process steps mentioned on the left pages, in 2019 Denkavit is going to do research into reducing the zero load consumption as well as the reduction of compressed air leaks. The zero load consumption is the energy used by a production line when it is not running.

Use of renewable energy

In 2019 Denkavit began investing heavily in renewable energy. We are already planning to install 6,000 to 7,000 solar panels on the Denkavit premises in Voorthuizen and its associated research centres. So, in the near

ORGANISATION AND CSR ASSURANCE

In 2018 we invited our employees and stakeholders to help us determine the focus of our CSR. Via an online survey we assessed 30 subjects that are relevant to our company, the sector and society in general. In total 31 colleagues provided their input. Members of the management team and managers from our offices in Italy, Germany and France also took part.

OUR CSR FOCUS

We selected a broad range of external stakeholders based on the impact they have on our decisions and the impact that we have on them based on our business management. In the four countries where we operate, we invited farmers, suppliers, transporters, neighbours, councils, knowledge institutes and NGOs to rank the subjects and to provide explanations. The result is summarized in the materiality matrix (page 13). This highlights nine CSR issues that are of priority for Denkavit and our stakeholders. It is Denkavit's aim in 2019 to establish a concrete approach to each of these subjects with an objective and measurable KPIs.

STEERING AND ASSURANCE

The board of directors, together with members of the management team are responsible for the interpretation and progress of the CSR policy within Denkavit. Alongside this, various colleagues are involved in the implementation of all initiatives and projects that are mentioned in this CSR report. We are committed to ethical business conduct, and therefore adopt a set of

internal regulations. Our manufacturing processes and facilities comply with various certifications (see page 15). This ensures that we maintain our high standards for quality and food safety.

ABOUT THIS REPORT

The CSR report is intended for (potential) customers and clients, employees, suppliers, stakeholders, supply chain partners and interested parties. This report has been prepared according to the standards of the Global Reporting Initiative (GRI) and we report in line with GRI Core Standards. The report covers the period January 1, 2017 to 31 December 2018. During this period no significant acquisitions and divestments took place. Unless otherwise stated, the results in this report relate to the activities of the Denkavit Group as a whole: the Dutch, French, German and Italian offices. The scope and definition of the content based on the material issues and the information needs of stakeholders. The results for 2013-2014 can be found in the CSR report, published in July 2016. Our aim is to further develop the quantitative data collection for our material issues in 2019.

The results have not been verified externally. The content experts within Denkavit are responsible for data collection and check the contents of the report. The external consultancy Schuttelaar & Partners is involved in the reporting process.

NUMBER OF EMPLOYEES

2018	Total	NL	FR	IT	DE
Employees	525	236	195	42	52
Male	74%	72%	76%	69%	75%
Female	26%	28%	24%	31%	25%
Employees with permanent contract	485	205	189	41	50
Male	76%	76%	75%	80%	78%
Female	24%	24%	25%	20%	22%
Employees with permanent contract for limited time	42	31	7	5	2
Male	55%	52%	100%	60%	0%
Female	45%	48%	0%	40%	100%
% employees with collective labour agreement	99%	99%	100%	100%	100%
2017	Totaal	NL	FR	IT	DE
Employees	513	225	193	45	50
Male	74%	74%	74%	69%	76%
Female	26%	26%	26%	31%	24%
Employees with permanent contract	483	207	185	41	50
Male	74%	74%	75%	71%	76%
Female	26%	26%	25%	29%	24%
Employees with permanent contract for limited time	30	18	8	4	0
Male	67%	78%	50%	50%	-
Female	33%	22%	50%	50%	-
% employees with collective labour agreement	100%	100%	100%	100%	100%

GLOSSARY

A-Futter German quality system for animal feed producers.

ASSALZOO Associazione Nazionale tra i Produttori di Alimenti Zootechnici.

BEMFEA Trade Association of animal feed producers (Belgium).

Bundesverband der Kälbermäster German trade association of calf rearers.

BVK Trade association for the calf sector.

Dairy Academy Platform for training and innovation in dairy farming and dairy production.

Denkaveal Quality System Quality management system to ensure animal welfare and feed safety aspects of animal feed production and calf farming.

DUCARES Control organization for feed safety, feed fraudulence, animal health and welfare.

Duralim French association to promote and improve the sustainability of the feed.

DVT Deutsche Verband Tiernahrung e.V.

E.D.V.I French association of integrated calf rearers.

Evofofedex Organisation for businesses using transport/freight services.

Feed Design Lab Research and education centre for innovation and sustainability in the animal feed sector.

FEFAC European Feed Manufacturers' Federation.

Food Valley Foundation Food Valley, stimulates innovation in the Dutch Agri-sector.

GD Health services for animals.

GMP+ Good Manufacturing Practices.

GRI Global Reporting Initiative, international guideline for reporting on sustainability and corporate social responsibility.

HAS College for applied sciences in agri, food and environmental sectors.

idele Institut de l'Elevage. French Livestock Research Institute.

INRA French National Institute for Agricultural Research.

ISO International Organisation for Standardisation. ISO 22000 is a standard covering feed safety. ISO 9001 is a standard for quality management systems.

KNMvD Royal Dutch Society for veterinary science, association for veterinarians.

LTO Agri- and Horti-cultural Organisation.

Microbioom Gut microbiota. The microorganism population in the gastro-intestinal tract of animals and man.

Ministry of EZ Ministry of Economic Affairs and Climate.

CSR Corporate Social Responsibility.

Nevedi Dutch Association of animal feed industry.

Nourri sans OGM French label for feeds without genetically modified ingredients.

RDA Council on Animal Affairs.

Royal A-Ware Chain partner in dairy sector

SBK Dutch foundation for calf sector.

SDVF Syndicat De la Vitellerie Française.

SNIA Syndicat National de l'industrie de la nutrition.

SKV Foundation for quality control of veal.

Wageningen UR Wageningen University & Research Centre.

COLOPHON

October 2019

We are interested to hear your reactions and to talk about our approach and ambitions for the future.

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