

ABOUT FORFARMERS' 2020 SUSTAINABILITY REPORTING

ForFarmers aims to provide a balanced, reliable and clear view of its sustainability approach and performance. This document provides specific information on the management and reporting methods used to arrive at the externally assured sustainability data, results and topics included in the sustainability reporting.

Sustainability reporting content and scope

The content disclosed in the sustainability reporting is based on the material topics identified by ForFarmers and its stakeholders following its materiality assessment. It is also shown in which part of the value chain the material topic has an impact. These material topics and related boundaries define the sustainability reporting content.

Materiality determination process

ForFarmers held a comprehensive stakeholder survey in 2019 to gain and measure feedback from its external and internal stakeholders on ForFarmers' most material economic, social and environmental impacts. Almost 400 internal and external stakeholders participated. By means of a quantitative questionnaire and qualitative, in-depth interviews and round-table meetings they were asked to rank sustainability topics in order of importance on 23 relevant topics. In the survey the question was asked whether topics were missing, in order to ensure completeness. Customers and members of Cooperative FromFarmers, suppliers, processing companies, retailers, NGOs and other external stakeholders (e.g. sector organizations) all made an important contribution to this survey. Employees of all countries and all departments also participated in the

study. The outcomes of the stakeholder dialogue were used to update the y-axis of ForFarmers materiality matrix. The x-axis of the matrix was updated using the expertise of ForFarmers Sustainability Task Force. The new materiality matrix was subsequently validated by the Executive Committee.

The sustainability information in the annual report includes the sustainability performance of all operating segments, business units and group departments of ForFarmers. The reporting includes all entities in which ForFarmers, directly or indirectly, exercises management control. For some of the sustainability KPIs, the scope is more narrowly defined, as is shown in the table below.

ForFarmers excludes companies or businesses acquired during the current and prior reporting period from the reporting scope. The reason behind this is that newly acquired companies or businesses first need to be integrated into the ForFarmers organisation and become familiar with the ForFarmers way of working, before the reliability of the reported figures can be ensured. ForFarmers' business in Poland (Tasomix) has been integrated into the sustainability reporting cycle in 2020.

Sustainability reporting criteria

The sustainability reporting has been prepared in accordance with the GRI Standards and is presented in accordance with the 'core' option. Details regarding compliance with GRI (GRI content index) can be found in the sustainability section on the corporate website.

For each externally assured sustainability KPI, ForFarmers has defined specific reporting criteria, see table below:

| Sustainability KPI | Definition used | Specifics on scope |
|---|--|--|
| Phosphate efficiency | The calculated value for phosphate efficiency indicates the amount of phosphate which is taken up via feed deposited in animals and animal products. In other words, the phosphate efficiency value informs about the phosphate utilisation on the farm. ¹ | The scope of the phosphate efficiency calculations is restricted to dairy cows, swine and poultry in the Netherlands. ² |
| GHG emissions | Greenhouse gas (GHG) emissions are emissions related to gas that contributes to the greenhouse effect by absorbing infrared radiation. The GHG emissions are categorized by scope: <ul style="list-style-type: none"> • Direct (scope 1) GHG emissions: GHG emissions from sources that are owned or controlled by ForFarmers (production and logistics). For the diesel emissions, the tank-to-wheels cycle is applied; • Energy indirect (scope 2) GHG emissions: GHG emissions that result from the generation of purchased or acquired electricity consumed by ForFarmers. The market-based method for reporting on scope 2 GHG emissions is applied as of 2019. • In the full tables, the total GHG/tonne shown is calculated using the volume produced using each energy type (not total volume). | ForFarmers only reports on scope 1 and scope 2 GHG emissions from ForFarmers controlled compound feed plants. The emissions from the blend plants in the United Kingdom and the pet food factory in Calveslage (Germany) are therefore excluded from the scope. |
| Responsible sourced soy bean meal and palm oil purchases | <ul style="list-style-type: none"> • ForFarmers considers soy meal sustainable when certificates are bought from soy programmes that have successfully passed the benchmarking process against the baseline criteria established in the FEFAC Soy Sourcing Guidelines and displayed on FEFAC's customised page on ITC Standards Map.³ • ForFarmers considers palm oil & palm oil derivatives sustainable when RSPO (Roundtable on Sustainable Palm Oil) certificates are bought for the equivalent tonnage of palm oil included in the raw materials used by ForFarmers. | Organic soy meal used (e.g. Reudink, ForFarmers UK organic) or sold (e.g. as straights) is excluded from the scope of the sustainable soy meal target as certificate schemes are only applicable to conventional soy and it is therefore not logical to buy conventional certificates against organic soy used/sold. |
| Lost time incidents | Any unplanned event that results in personal injury, where the injured party is unable to work during their next scheduled day. This also includes employees, contractors and visitors who have an accident on our (customer's) premises, at a company organised event or during driving on our (contractor's) lorries. Excluded are driving to and from normal or contracted place of work. | No specifics. |
| Lost Time Incident Frequency Rate | The LTI Frequency Rate per quarter is calculated by the following formula: $[200.000 \text{ hours} \times \text{LTIs per quarter}] / \text{total hours worked} [= \text{contract hours} + \text{overtime hours}]$ per quarter. This is in line with the formula used in GRI, the international standards for sustainability reporting. | |
| Feed safety incidents | An incident is considered a feed safety incident when human health and/or animal health is at risk. Total number of feed safety incidents regarding non-compliance with regulations and voluntary codes concerning the health and safety impact of products and services, resulting in a fine or penalty; resulting in a warning or via external audits (minor incidents excluded). | No specifics. |

With respect to the KPI reporting, there is one change in the scope of external assurance compared to 2019:

LTI Frequency Rate has been added to our disclosures. As the sustainability data is derived from various sources across the value chain and differs in maturity, ForFarmers continues to work on improving the sustainability data collection processes and control environment. In this respect, the Executive Committee asked ForFarmers' external auditor (KPMG) to provide

limited assurance on the above sustainability KPIs in the 2020 annual report. KPMG's assurance report, including details of the work they carried out, can be found in the Annual Report 2020.

Furthermore, ForFarmers has several environmental certifications: in Germany ForFarmers is ISO 50001 certified and in the UK there are ISO 50001 and 14001 certifications. ISO 50001 supports ForFarmers to use energy more efficiently through the development of an

energy management system and ISO 14001 helps ForFarmers to enhance the environmental performance through the development of an environmental management system.

Background KPI phosphate efficiency

The phosphate efficiency indicators in dairy, swine and poultry production systems for the Netherlands are designed by ForFarmers. The calculated value for phosphate efficiency indicates the amount of phosphate which is taken up via feed deposited in animals and animal products. In other words, the phosphate efficiency value informs about the phosphate utilisation on the farm.

Calculation method for dairy production systems:

Dividing the net phosphate value in the product by the phosphate in the feed: $P \text{ efficiency (\%)} = (P \text{ in milk} \times \text{milk production}) / (\text{feed intake} \times P \text{ in diet}) \times 100\%$

- The calculation of the phosphate level in milk (referred to as P in milk in the mentioned formula) is based on an academic study of Klop et al (2014), researcher at the Wageningen University. For the calculation of this KPI the original formula has been altered and the lactose levels are replaced by the fat levels, as this data is available (i.e. this is always measured at the milk intake at the farm by the dairy company). The change in the formula has been agreed with Ms. Klop and validated by Schothorst (external research organisation).
- The phosphate levels in the diet are determined based on the dry matter intake in the diet advised by the account manager of ForFarmers. The inherent uncertainty is that the actual feed intake may deviate from the advised diet.

Calculation method for swine production systems:

Dividing the net phosphate value in the product by the phosphate in the feed: $P \text{ efficiency (\%)} = (P \text{ in animals} \times \text{number of animals}) / (\text{feed intake} \times P \text{ in diet}) \times 100\%$

- The phosphorus percentages in the animals are based on the weight of the animals conform the MINAS tables of 2004.
- The phosphate levels in the diet are determined by the laboratory of ForFarmers as part of the legal MINAS requirements.

Calculation method for poultry production systems:

Broilers

Dividing the net phosphate value in the product by the phosphate in the feed: $P \text{ efficiency (\%)} = (P \text{ in meat production (delivered to slaughterhouse) and dead animals}) / ((\text{feed intake} \times P \text{ in diet}) + P \text{ in day old chickens}) \times 100\%$

- The phosphorus conversion factors are based on the weight of the animals (meat production), the number of dead animals and day old chickens conform the most recent RVO Dutch Standard Guidelines.
- The phosphate levels in the diet are determined by the laboratory of ForFarmers as part of the legal MINAS requirements.

Layers

Dividing the net phosphate value in the product by the phosphate in the feed: $P \text{ efficiency (\%)} = (P \text{ in egg production} + P \text{ in hens out}) / ((\text{feed input} \times P \text{ in diet}) + P \text{ in hens at beginning of flock}) \times 100\%$

- The phosphorus conversion factors are based on the weight of the eggs and the number of hens conform the most recent RVO Dutch Standard Guidelines.
- The phosphate levels in the diet are determined by the laboratory of ForFarmers as part of the legal MINAS requirements.

The input data is derived from a number of ForFarmers customers in The Netherlands for which complete data sets could be derived, approximately 2,300 customers for dairy and approximately 400 customers for swine and around 40 flocks for layers and around 650 flocks for broilers.

Governance related to Sustainability

ForFarmers has a two-tier governance approach to sustainability in the form of the Sustainability Advisory Board and the Sustainability Task Force. In 2020 both committees had a similar composition and way of working as last year to ensure consistency and relevant expertise.

The Sustainability Advisory Board meets twice a year and is chaired by the CEO of ForFarmers. The role of the Sustainability Advisory Board is to provide advice on ForFarmers' sustainability strategy and on major trends and challenges that should be taken into account. The Sustainability Advisory Board is composed of two members of ForFarmers' Executive Committee, one member of ForFarmers' Supervisory Board and six external members who are all major players in ForFarmers' supply chain, academia and NGOs.

| | Sustainability advisory board | Sustainability task force |
|-------------|---|---|
| Purpose | <ul style="list-style-type: none"> - Provide oversight of ForFarmers sustainability performance - Provide input from key external stakeholders | <ul style="list-style-type: none"> - Working group which reviews progress against implementation plan - Identifies gaps in current performance and agree corrective actions |
| Composition |  Chairman Yoram Knoop, CEO Director Supply Chain Arthur van Och Director Corporate Affairs Nick Major |  Chairman Nick Major, Corporate Affairs Director Director Investor Relations Caroline Vogelzang Director Supply Chain Arthur van Och Group Finance Director Bas Deelder Internal Auditor Rik Berkel |
| | Supplier Prof. Leo den Hartog Farmers Dr Simon Schlüter Food Industry Frank van Ooyen Erwin Wunnekink Retail Barney Kay NGO Sijas Akkerman Caroline Drummond |  Business owners Health and Safety Arthur van Och Nutritional Innovation Ad van Wesel Formulations & Lab Wilco Engberts Quality Manfred Hessing Raw Materials Falko Weinberg |

Composed of one member of the Executive Committee and eight senior managers, the Sustainability Task Force is responsible for the implementation of ForFarmers' sustainability approach. Each business owner is responsible for a specific sustainability focus area. The task force coordinates improvement measures with respect to KPIs and provides relevant information to the Executive Committee and the Supervisory Board. Within the Executive Committee, the director Supply Chain is responsible for ForFarmers' sustainability approach. ForFarmers' Corporate Affairs Director is Chairman of the Task force and is responsible for driving the sustainability agenda and to continually improve performance.

Sustainability management approach

Sustainability data is integrated in ForFarmers' internal reporting processes. Each sustainability focus area has assigned a business owner for coordinating the sustainability performance on the respective pillar and determining future actions and initiatives. The collected data is reviewed by the business owner. On a quarterly basis¹ the sustainability data is consolidated by the Corporate Affairs Director and reviewed by Finance and Internal Audit. Several internal controls, including sanity checks and qualitative analysis, are performed to ensure the accuracy and completeness of the data used to calculate the KPI performance. The

¹ Excluding P- efficiency as this is reported annually, and one year behind, due to the availability of data.

sustainability performance is then discussed within the Sustainability Task Force as well as the country management teams to discuss the current status and next steps. Subsequently it is submitted to the Executive Committee and the Supervisory Board for evaluation.

Stakeholder dialogue

ForFarmers recognises the importance of understanding the views of its stakeholders. They challenge us, they share their expectations and concerns, they raise issues, they provide feedback and they collaborate with us. ForFarmers identified two stakeholder groups: level 1 stakeholders have been defined as those directly involved in the ForFarmers

supply chain (employees, suppliers, customers, processors, retailers). Level 2 includes all other stakeholder groups (shareholders, members, NGOs, regulators, government, media, investors and banks). Engagement with these stakeholders is key for ForFarmers and takes place regularly on a formal and informal basis. We communicate with the stakeholders through various channels and at a variety of levels. The following table provides an overview about how ForFarmers engages with each stakeholder group, what has been shared and discussed during these engagements with them and, subsequently, ForFarmers' responses to these raised topics. This is in addition to the separately, formally organized stakeholder dialogue to update the materiality matrix.

| Stakeholders Level 1 | Engagement with stakeholders | Expectations shared and topics discussed | Expectations/topics addressed in ForFarmers' reporting |
|----------------------|--|--|--|
| Employees | <ul style="list-style-type: none"> • Day-to-day contact • Employee intranet continuously • Employee magazine half-yearly • Regular team meetings • Bi-annual employee survey • Regular employee councils • Management conferences half-yearly | <ul style="list-style-type: none"> • Best-in-class employer • Safe working environment • Fair remuneration • Flexible working arrangements • Openness and transparent communications • Support for social projects | <p>Our innovation and sustainability agenda: Going Circular For the Future of Farming and in particular the following sustainianbility focus areas: 4. People and Society</p> <p>Developing Talent For The Future of Farming</p> |
| Suppliers | <ul style="list-style-type: none"> • Day-to-day contact • Code of conduct when relevant • Regular audits • Technical meetings and visits continuously • Contracts and specifications when applicable | <ul style="list-style-type: none"> • Partnership approach • Fair pricing • Honour all obligations • Openness and transparency • Traceability • Feed safety • Responsible sourcing • Greenhouse gas emissions | <p>Our innovation and sustainability agenda: Going Circular For the Future of Farming and in particular the following sustainianbility focus areas: 1. Feed Resources 2. Feed Production 3. Feed Solutions 4. People and Society</p> |
| Customers | <ul style="list-style-type: none"> • Day-to-day contact • Website and social media continuously • 3-4 magazines per year • Monthly digital newsletter • Quarterly sounding boards • Advertising and promotions when relevant • Regular events | <ul style="list-style-type: none"> • Fair pricing • On-time, in-full delivery • Product quality • Technical advice and support • Innovation • Feed efficiency and feed safety • Support for industry initiatives • Resource (phosphate/nitrogen) efficiency • Animal health and welfare • Antimicrobial resistance | <p>Our innovation and sustainability agenda: Going Circular For the Future of Farming and in particular the following sustainability focus areas: 1. Feed Resources 2. Feed Production 3. Feed Solutions 4. People and Society</p> |
| Processors | <ul style="list-style-type: none"> • Day-to-day contact • Regular technical meetings and projects | <ul style="list-style-type: none"> • Technical advice and support • Innovation • Openness and transparency • Traceability • Feed safety • Resource efficiency • Animal health and welfare • Antimicrobial resistance • Responsible sourcing • Greenhouse gas emissions | <p>Our innovation and sustainability agenda: Going Circular For the Future of Farming and in particular the following sustainianbility focus areas: 1. Feed Resources 2. Feed Production 3. Feed Solutions 4. People and Society</p> |
| Retailers | <ul style="list-style-type: none"> • Day-to-day contact • Regular technical meetings and projects | <ul style="list-style-type: none"> • Technical advice and support • Innovation • Openness and transparency • Traceability • Feed safety • Resource efficiency • Animal health and welfare • Antimicrobial resistance • Responsible sourcing • Greenhouse gas emissions | <p>Our innovation and sustainability agenda: Going Circular For the Future of Farming and in particular the following sustainianbility focus areas: 1. Feed Resources 2. Feed Production 3. Feed Solutions 4. People and Society</p> |

| Stakeholders Level 2 | Engagement with stakeholders | Expectations shared and topics discussed | Expectations/topics addressed in ForFarmers' reporting |
|-----------------------------|---|---|--|
| Shareholders | <ul style="list-style-type: none"> Annual shareholder meeting Publication and presentation of annual and half-year results Quarterly trading updates Regular roadshows Annual Report | <ul style="list-style-type: none"> Return on investment Openness and transparency Strong culture and values Dividend performance Clear strategy Sustainability approach Reporting and disclosure | <p>Our innovation and sustainability agenda: Going Circular For the Future of Farming</p> <p>Developing Talent For The Future of Farming</p> <p>Governance and Compliance</p> <p>Financial Statements</p> <p>Appendix: Sustainability Reporting</p> |
| Members | <ul style="list-style-type: none"> Regular meetings and events Newsletter/member magazine 3-4 per year Continuously via website | <ul style="list-style-type: none"> Strong culture and values Openness and transparency Long-term management focus Resource efficiency Animal health and welfare Antimicrobial resistance | <p>Our innovation and sustainability agenda: Going Circular For the Future of Farming and in particular the following sustainibility focus areas:</p> <ol style="list-style-type: none"> 1. Feed Resources 2. Feed Production 3. Feed Solutions 4. People and Society <p>Developing Talent For the Future of Farming</p> |
| NGOs | <ul style="list-style-type: none"> Participation in conferences when relevant Ad hoc meetings | <ul style="list-style-type: none"> Sustainable practices Openness and transparency Responsible sourcing of raw materials Animal health and welfare Environmental impact of livestock production | <p>Our innovation and sustainability agenda: Going Circular For the Future of Farming and in particular the following sustainibility focus areas:</p> <ol style="list-style-type: none"> 1. Feed Resources 2. Feed Production 3. Feed Solutions 4. People and Society <p>Developing Talent For the Future of Farming</p> |
| Regulators | <ul style="list-style-type: none"> Membership of national and European trade associations Regular site visits and certification audits | <ul style="list-style-type: none"> Compliance with regulations and standards Responsible sourcing of raw materials Animal health and welfare Environmental impact of livestock production Cooperation between national competent authorities and company schemes | <p>Our innovation and sustainability agenda: Going Circular For the Future of Farming and in particular the following sustainability focus areas:</p> <ol style="list-style-type: none"> 1. Feed Resources 2. Feed Production 3. Feed Solutions 4. People and Society <p>Developing Talent For the Future of Farming</p> |
| Government | <ul style="list-style-type: none"> Membership of national and European trade associations Technical groups and committees when applicable | <ul style="list-style-type: none"> Compliance with regulations and standards Contribution to policy consultations Development and implementation of regulations and standards Development of policy | <p>Our innovation and sustainability agenda: Going Circular For the Future of Farming</p> <p>Developing Talent For the Future of Farming</p> <p>Appendix Sustainability Reporting</p> |
| Media | <ul style="list-style-type: none"> Interviews when relevant Press releases when relevant | <ul style="list-style-type: none"> Transparency Sustainability approach Specific projects and initiatives | <p>Annual Report and ForFarmers website</p> |
| Investors and banks | <ul style="list-style-type: none"> Annual Report Regular roadshows Investor conferences and meetings when relevant | <ul style="list-style-type: none"> Transparent reporting and disclosure Corporate governance Sustainability approach | <p>Our innovation and sustainability agenda: Going Circular For the Future of Farming</p> <p>Developing Talent For the Future of Farming</p> <p>Financial Statements</p> <p>Appendix Sustainability Reporting</p> |

Through this structural stakeholder engagement with all stakeholder groups, ForFarmers identifies emerging topics that are important for the company to consider in relation to strategic topics.

Memberships

As an important player in the livestock and feed industry, ForFarmers collaborates with industry associations and partnerships to further sustainability progress within the industry. ForFarmers' memberships include, among others, European Feed Manufacturers Federation (FEFAC) of which a ForFarmers employee is the immediate past President and national feed associations (Nevedi in the Netherlands, Deutscher Verband Tiernahrung (DVT) in Germany, the Belgian Feed Association (BFA) and the Agricultural Industries Confederation (AIC) in the UK). Tasomix is currently not a member of the Polish Feed Association. Through these memberships ForFarmers helps to represent, promote and defend the interests of the European compound feed industry with the National and European Institutions and international bodies. A comprehensive list of all our memberships can be found on the [website](#).

This Appendix about ForFarmers' sustainability reporting forms part of the ForFarmers annual report 2020.