

REPORT ON CORPORATE SOCIAL RESPONSIBILITY '21

CF. SECTION 99A, 99B, 107D OF THE DANISH FINANCIAL STATEMENTS ACT



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1. INTRODUCTION TO OUR CSR REPORT

Based on professional management and “best practice”, FirstFarms acquires, develops and operates our business in the area of agricultural and food products.

We operate FirstFarms with responsibility for the surrounding communities, and we deliver highest quality which is primarily sold locally. We act on new opportunities, that create value for our investors and the surroundings.

Every day we work on creating a more sustainable company. Our ambition is to be one of Europe’s best operated and most profitable companies in the area of agriculture and food products.

We are fully aware of the great responsibility it is to run a modern and efficient agricultural enterprise. We run our business by taking care of our animals, the environment, our employees and by involvement in the local communities.

Therefore, Corporate Social Responsibility (CSR) is one of the strategic working areas in FirstFarms. Every day we make an effort to make our production more sustainable, improve working conditions and support local communities. Our CSR work is targeted to support and contribute to selected United Nations’ Sustainable

Development Goals, as “End hunger, achieve food security and improved nutrition and promote sustainable agriculture”, “Responsible consumption and production”, “Life on land”, “Climate action” and “Decent work and economic growth”.

We work close to the nature

According to the provisional World Meteorological Organization State of the Global Climate 2021 report, the past seven years have been the seven warmest on record. As farmers, we work close to the nature and depend on climate conditions.

From year to year, we experience more instances of extreme weather conditions that affect our production. Agriculture is both a contributor to global warming and a part of the solution to reduce Greenhouse Gas emissions.

FirstFarms strive to decrease production-related emissions from year to year. In 2021, we have been working on the development of FirstFarms’ GHG inventory based on the Greenhouse Gas Protocol. Our GHG inventory will make sources of emissions and reduction progress visible to our stakeholders.

From 2022 FirstFarms’ ESG related data, including GHG emissions, will also be presented on Nasdaq together with our financial figures. As a transparent company, we are committed to support direct

access to our non-financial data for our current and future investors.

Improvement to benefit bottom line and sustainability

2021 was another year with COVID-19. Besides the health aspects of the pandemic that affect our organisation, we also had to deal with other consequences of the pandemic, such as high prices and lack of production input. For many years we have been working on the continuous improvement of our efficiency and circularity in the production, that benefits both the bottom line and sustainability.

But there is always room for improvement.

2021 was without exception a year where there had been introduced new and improved well-known production methods in order to improve efficiency, decrease dependency on the external inputs, and thus improve the sustainability level of the production.

Unfortunately, due to COVID-19, we had to postpone our middle management training again. We expect that it takes place in 2022.

1.1 OUR CONTRIBUTION TO UNS' SUSTAINABLE DEVELOPMENT GOALS

FirstFarms is an agricultural company that produces vegetable and animal proteins of high quality. As a transparent and responsible company, we are committed to contributing to the achievement of the United Nations' Sustainable Development Goals.

Every day we work towards more sustainable agriculture. FirstFarms strives to increase productivity with small or bigger improvements implemented in our production without compromising sustainability and disturbing existing ecosystems, which our production is a part of. Thus, we are contributing to the achievement of **Goal 2** "End hunger, achieve food security and improved nutrition and promote sustainable agriculture". More about production methods that contribute to the achievement of Goal 2 can be read on p. 6-17.

We depend on ecosystems and biodiversity

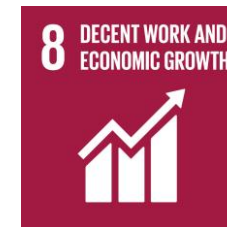
As farmers, we depend on ecosystems and biodiversity to be able to continue producing food. Some of our land is a part of official nature-protected areas. By supporting **Goal 15** "Life on land", we strive to decrease our impact on the ecosystem and biodiversity. More about our work aimed to protect biodiversity can be read on p. 14. In our work with sustainability, we have a strong focus on the efficient use of resources. We work continuously on the improvement of water, fuels, feed, and nutrient consumption. 'Do more with less'

is a principle we strive to follow producing our outputs and thus contributing to the achievement of **Goal 12** "Responsible consumption and production".

By reducing input in the production, FirstFarms reduces its climate impact as well. We are aware that our operations are a source of significant greenhouse gas emissions. By supporting **Goal 13** "Climate action", we are committed to reducing emissions from our production while adapting our business to climate changes, as they will pose a significant risk to our production in the future. More about our journey towards more climate-friendly production can be read on p. 6-8.

Our employees are the key to success

As stated in FirstFarms' DNA: "We manage agriculture with respect for people". Our employees are the core of FirstFarms' development and success. Our company is committed to supporting **Goal 8** "Decent work and economic growth", and each year we strive to improve our working conditions to offer our employees an attractive and safe workplace. How we work on the improvement of our working conditions can be found on p.18-20.





1.2 SCOPE OF THE DATA COLLECTION

FirstFarms' CSR report contains ESG performance data from the parent company FirstFarms A/S and subsidiaries controlled by FirstFarms A/S in the reporting year. Data collection is based on the received invoices and internal generated data.

However, data regarding environmental impact does not include data from the parent company FirstFarms A/S and subsidiary AISM s.r.l. in Northwest Romania.

The parent company's head office located in the rented office in Billund, Denmark, has seven employees and only performs administrative tasks. Due to the unclearness of the calculation method, along with lacking data, CO2 inventory for the parent company FirstFarms A/S will be prepared in 2022.

FirstFarms' CO2 inventory does not include figures from the company's former subsidiary AISM s.r.l. in Northwest Romania. AISM s.r.l. was acquired by FirstFarms A/S in the summer of 2020 and sold in autumn 2021. The subsidiary was a land development company with trade activities and storage facilities without crop production. The activities in the subsidiary were limited, and CSR related data collection was established to a limited extent.

2. FOOD PRODUCTION WITH A FOCUS ON THE CLIMATE AND ENVIRONMENT

FirstFarms' approach to environmental issues, along with the areas our company works with in order to reduce environmental impact from our operations, are stated in the FirstFarms' environmental policy: https://www.firstfarms.dk/fileadmin/Politikker/Environmental_policy_FirstFarms_February_2021.pdf.

As it is defined in FirstFarms' environmental policy, our company commits to present credible information about environmental performance to our stakeholders. In 2021, we have been working on the development of GHG emissions inventory for the FirstFarms Group. For the first time, we are presenting our Scope 1 and Scope 2 GHG emissions in CO2 equivalent. for 2020 and 2021. Our Scope 1 and Scope 2 emissions are submitted on Nasdaq's ESG data portal and directly available to our stakeholders.

Mapping our GHG emissions makes sources for production-related emissions visible to the organisation, and thus where reduction efforts should be targeted to reach the highest reduction possibilities. Based on the current CO2 inventories for 2020 and 2021, it is shown that diesel consumption is one of the largest sources of CO2 emission in Scope 1. The second-largest source is the electricity consumed in Scope 2.

| Indicator | Unit | 2021 | 2020 |
|-------------------------|-----------|-------|-------|
| Scope 1- location-based | t CO2-eq. | 6,035 | 6,202 |
| Scope 2 -location-based | t CO2-eq. | 1,513 | 1,307 |
| Total | t CO2-eq. | 7,548 | 7,509 |

Scope 1 includes direct emissions associated with combustion for energy or transport purposes, herewith combustion of natural gas, gas oil, fuel oil, gasoline, other fossil fuels, diesel, petrol.

Scope 2 includes indirect emissions associated with energy consumption (electricity and district heating).

Conversion of emissions to CO2 equivalent (CO2-eq.) is based on specific CO2 factors for each location. For calculation of emissions in Scope 2 the latest official CO2 factors from the European Environment Agency are used.

The calculation is based on the GHG Protocol Corporate Accounting and Reporting Standard.

Diesel consumption – we reduce

FirstFarms works continuously on the reduction of diesel consumption in the production. We strive to implement well-considered methods to reduce diesel consumption, as they should not compromise the quality and yields of produced crops, as it could eventually worsen the CO2 intensity per ton of produced crops.

The introduction of new smart technologies, along with innovative production methods, are the tools we use to reduce diesel consumption. Reduction of soil tillage is one of the methods we use. Different possibilities of soil tillage have their advantages and disadvantages and fit better to some soil types and climate conditions than others. Therefore, our target is to keep a balanced approach to the soil tillage.

This year in our crop production in FirstFarms Zahorie (Slovakia), approx. 200 hectares of winter wheat have been seeded directly in cover crops. No-till is one of the recognised sustainable methods of tillage, that not only reduces diesel consumption but also improves soil quality and humidity and increases soil organic carbon. Generally, we strive to use reduced tillage methods of soil cultivation in our crop production.

We also work with new smart technologies in our crop production. Besides constantly upgrading our machinery which use less diesel, we implement other smart technologies. For example, we are working on the implementation of a spot spraying system in our crop production in FirstFarms Gabčíkovo (Slovakia).

With help of drones or satellites, we will be able to observe weed colonies on our fields, which will be placed on a map that will be integrated into our machinery. It will reduce machinery driving and spraying of the fields, as it will only be applied on the weed-contaminated areas. The system is expected to be fully implemented in 2023.

Electricity consumption – we reduce

The second-largest source of CO₂-eq. emission, according to our CO₂ inventory, is electricity consumption. During the years, we have been working on improving energy efficiency in our production. Renovation of production buildings, installation of heat pumps, usage of plant residue for heating are examples of some of our endeavours to reduce electricity usage.

To reduce both our Scope 1 and 2 emissions, it is

our target to increase the share of energy produced from renewable sources in our energy consumption. FirstFarms will invest in on-site solar panels in 2022. We are seeing great potential in the implementation of solar panels at our production sites, as climate conditions, in the countries where FirstFarms operates, allow us to exploit the full potential of solar panels.

In the beginning of 2022, the first solar panels will be installed on our site in FirstFarms Gabčíkovo (Slovakia) with an electricity production capacity of approx. 90 MWh/year. This will provide electricity to the stables and office facilities.

Our new pig production extension in Hungary, which is planned to be in operation from 2023, will be equipped with heat pumps, that reuse the excess heat from the manure to heat up the stables. At the same time, manure cooling in this process will contribute to the reduction of ammonia evaporation in the stables. In addition, there will also be installed solar panels to provide electricity to the production.

2.1 CASE: REDUCTION OF CO2 PER KG PRODUCED MILK IN SLOVAKIA

Every day we are working on making our production more sustainable and reducing FirstFarms' carbon footprint. We have been doing this since the establishment of the company. Through technical modernisation and implementation of new and more efficient production methods, FirstFarms does not only create value, but it also reduces the CO2 intensity of the production.

In 2021, we have been in the archives of our milk production in Slovakia and prepared GHG inventory based on the data from 2008, 2009 and 2010. We have calculated the average of CO2-eq. tons emitted from energy consumption (Scope 1 and 2) in our production in 2008, 2009 and 2010.

To be more accurate in comparing our numbers, we have chosen to present the average amount of CO2-eq. emitted for three years, as some of our energy sources used in the production can vary depending on uncontrolled factors, such as weather conditions.

CO2-eq. intensity of 1 ton produced milk has been reduced by 43% in 2021 compared to the average of 2008-2010. Milk production has emitted 114 kg CO2-eq. per 1 ton milk produced in 2021 and 203 kg CO2-eq. per 1 ton milk produced in 2008-2010. There are both internal and external factors, that have influenced the development. Reduction of CO2-eq. emissions per production unit are the

result of several efficiency improvements of the production. In 2021, we were operating more land and producing more milk, but using the same amount of energy as in 2008-2010.

Reduction of CO2-eq. emissions in Scope 2 are the result of the energy efficiency improvements and the reduction of emissions from Slovakian electricity production in general, as it has an influence on what kind of electricity we are buying.

We are proud to present this development, as it shows that continuous improvement of efficiency in our production makes our production more sustainable

| CO2-eq intensity of milk production | 2008 | 2009 | 2010 | Average 3 years | 2021 |
|--|--------|--------|--------|-----------------|--------|
| Total CO2-eq (Scope 1 and 2), tons | 4,257 | 3,407 | 3,067 | 3,577 | 3,679 |
| Milk produced, tons | 16,311 | 16,880 | 19,784 | 17,658 | 32,129 |
| CO2-eq intensity (kg CO2-eq. per ton milk) | 261 | 202 | 155 | 203 | 114 |

2.2 RESPONSIBLE USAGE OF RESOURCES

In FirstFarms we believe that healthy economy along with responsible and effective usage of resources are interconnected with sustainable production.

Resources are becoming scarce, and water is one of them. Our production depends on water, and as clean and fresh water becomes increasingly scarce, it is crucial to monitor and optimise our water withdrawal.

In FirstFarms, we do not irrigate our arable fields yet, but it will become necessary as climate changes become more extreme, and we can secure optimum and responsible usage of the water resources.

Focus on water withdrawal

FirstFarms' total water withdrawal includes all

water resources that FirstFarms either withdraw from groundwater, or consume from public or private waterworks, as well as collected rainwater. This material references GRI 303-3a,2020.

FirstFarms' water withdrawal for 2021 has been adjusted, compared to the previously reported numbers in FirstFarms' CSR report for 2020, as an error in the calculation has been found in one of the subsidiaries. As a transparent company, it is important for us, that the data we present to our stakeholders is reliable. Therefore, each year we improve our ESG data collection and thus data's reliability.

Based on the numbers presented in the table, total water consumption in the company has been increasing the past four years. This development can be explained by the growth of the company.

Another reason for the development is temperature rise during the summer. Drinking water for our animals makes up the largest share of the company's water consumption. We experience more periods with heatwaves, which results in increased water intake by our livestock. Despite these two factors, water consumption increase is at an acceptable level. Water consumption has increased by 1% in 2021 compared to 2020 and by 1% in 2020 compared to 2019.

Year to year, FirstFarms improves production processes that are targeted to decrease water consumption. For example, more efficient cleaning of stables and recycling of water from cooling. The company will continue to work on the improvement of water efficiency.

| Indicator | Unit | 2021 | 2020 | 2019 | 2018 |
|------------------------|------|---------|---------|---------|---------|
| Total water withdrawal | m3 | 288,498 | 286,242 | 283,660 | 234,275 |
| - Groundwater | m3 | 282,889 | 281,798 | 280,246 | 230,827 |
| - Third-party water | m3 | 5,609 | 4,338 | 3,305 | 3,327 |
| - Collected rainwater | m3 | 0 | 106 | 109 | 121 |

This material references GRI 303-3a,2020

In FirstFarms we are aware that our production is energy-intensive, and we have always strived to improve our energy efficiency and reduce our environmental footprint.

Focus on our total energy consumption

FirstFarms' total energy consumption includes total fuel consumed within the organisation both from non-renewable and renewable sources, as well as electricity and heating purchased for consumption

from power generating stations. This material references GRI 302-1,2020.

FirstFarms' energy consumption for 2021 has been adjusted compared to the previously reported numbers in FirstFarms' CSR report for 2020, as an error in the calculation has been found in one of the subsidiaries. FirstFarms' energy consumption increased by 5% in 2021 compared to 2020.

More about what FirstFarms does to reduce energy consumption can be read on p.7.

| Indicator | Unit | 2021 | 2020 | 2019 | 2018 |
|--------------------------|------|---------|---------|---------|---------|
| Total energy consumption | GJ | 138,396 | 132,345 | 140,922 | 115,534 |

This material references GRI 302-1,2020

Focus on feed conversion ratio

FirstFarms continues to work on the improvement of the feed conversion ratio in the pig production and feed efficiency in the milk production. Using best practices and the newest knowledge, we constantly work on improving animals' diet and feed nutritional plans. Simultaneously, our investments in feeding technologies ensure that animals receive an optimal amount of feed at the right time and thus reduce feed waste. These efforts do not only contribute to the business, but also to reduction of our environmental footprint.

Livestock feeding is a comprehensive and complex process that requires great care and expertise and depends on several factors from animal welfare to a balanced diet, which can either be controlled or not controlled. Appropriate feed management ensures that feed nutrients are not wasted, animals are not overfed, and feed efficiency will be optimised on the farm. FirstFarms is continuously working on improvement of the feed management in livestock production.

Feed conversion ratio in the production of piglets has increased by 3%, however, it is still on a satisfactory level. Feed conversion ratio among slaughter pigs is improved by 2% in 2021 compared to 2020 and is on the right track the last three years.

Improvement of feed efficiency

A set of measures for improvement of feed efficiency have been implemented in FirstFarms' pig production in 2021. For example, in our pig production in FirstFarms Gabčíkovo (Slovakia), there has been implemented a number of initiatives to improve feed efficiency. Two new grain grinders that help our central mixing house's daily work have been installed. The quality and utilisation of feed are greatly influenced by the appropriate size of seeds. Therefore, each animal category consumes the most appropriate feed.

FirstFarms Gabčíkovo (Slovakia) has also implemented new feed recipes for our young gilts. The intention is to have a professional dry foodstuff with optimal content. Using an optimal feed, our young gilts will have optimal daily growth, and helping the bone structure development as well.

Feed efficiency in the milk production has been on the positive track for the last three years. The number of milking cows and youngstock has increased during 2020 and 2021. Despite this, the feed efficiency has increased by 8% compared to 2020. Feed quality and cow comfort are crucial for the improvement of feed efficiency. In 2021, a lot of effort was spent to achieve good quality roughage. Achievement of good digestibility of the roughage has high priority at dairy production. Better

digestibility leads to better feed efficiency. Digestibility of the NDF (neutral detergent fibre) also has effect on the methane emission from enteric fermentation. The higher digestibility of the NDF, the lower the methane production will be. The use of corn silage in high amounts in our milk production has a reducing effect on methane production as well.

Focus on replacing purchased protein sources

A large part of the feed for our livestock is grown on our own fields or is waste product from the food industry. Our aim is to reduce the consumption of protein from purchased protein sources. By replacing purchased protein with the protein produced on the farm, we contribute to the reduction of CO₂ emission from transportation. Our aim is to grow locally and sell locally. In 2021, we harvested lupines as a trial crop in Slovakia, which in the future could replace soy meal in our dairy farming. The introduction of lupin as a new crop contributes to healthier and more resilient soil. At the same time, lupin, as a legume plant, requires a limited amount of fertiliser, as it fixes nitrogen from the atmosphere.

| Indicator | Unit | 2021 | 2020 | 2019 | 2018 | 2017 |
|---------------------------------------|-------------------------------|------|------|------|------|------|
| Feed conversion ratio, piglets | kg feed intake/kg weight gain | 1.67 | 1.63 | 1.64 | 1.65 | 1.84 |
| Feed conversion ratio, slaughter pigs | kg feed intake/kg weight gain | 2.55 | 2.59 | 2.63 | 2.55 | n/a |
| Feed efficiency, dairy cows | kg ECM*/kg DMI* | 1.43 | 1.32 | 1.33 | 1.27 | 1.14 |

**ECM - Energy Corrected Milk*

**DMI - Dry matter intake*

2.3 PLANT PROTECTION PRODUCTS AND FERTILISERS

Usage of plant protection products and fertiliser remains a focus area in FirstFarms. Through the years, we have invested in technologies that ensure more precise adding of fertiliser and plant protection products, thus reducing the impact on the environment. FirstFarms' professional approach to soil management, including regular soil analysis, effective crop rotation, and cover crops, contributes to the improvement of the soil's health status and reduces the usage of fertiliser and plant protection products.

As it has been mentioned before; in our crop production in FirstFarms Gabčíkovo (Slovakia), we are working on the implementation of a spot spraying system that has a huge potential for the reduction of fertilisers and plant protection applications.

The majority of FirstFarms' companies are considered mixed farming. At mixed farms, we have larger potential for circulation of resources. Slurry

and manure from the animals are reused as fertiliser. Through analysing manure and slurry, we can avoid adding unnecessary nitrogen to the crops and thus avoid leakage of nitrogen to the nature. The growing of legumes and double cropping increases the utilisation of fertiliser on our fields.

FirstFarms operates in different climate zones and cultivates different types of soil. Our soil management is adapted to the types of soil and crops cultivated. An effective part of our soil management is cover crops. Incorporating cover crops in our crop rotation enhances soil fertility and water availability in the soil. Cover crops contribute to the building of reserves of soil nitrogen, that in the long term will reduce the application of nitrogen through fertiliser. Their ability to fix nitrogen from the air into their roots is also beneficial for the climate. FirstFarms strives to increase areas with cover crops each year.



Cover crops on the fields of FirstFarms Zahorie (Slovakia)

| Indicator | Unit | 2021 | 2020 | 2019 |
|----------------------------------|----------|-------|-------|-------|
| Cover crops | hectares | 2,371 | 2,135 | 1,710 |
| Share in the total operated land | % | 13 | 10 | 8 |

2.4 BIODIVERSITY



To be a farmer means to live side by side with nature. As farmers, we depend on nature's resources. We are aware that our operation has a huge impact on nature and biodiversity. It is our goal continuously to reduce this impact through reduction of fertiliser and plant protection applications, as well as the increase of crop diversity in our fields. Moreover, we strive to maintain and establish small nature habitats around our farms and fields.

Some of our land is a part of official nature-protected areas. There are strict rules on how we must operate our production to protect a wide range of rare, threatened or endemic animals and plant species. These rules include strict requirements for the intensity of field operations, fertiliser and plant protection application. Moreover, for our production located in the water-protected area, there are construction requirements for our production facilities and storage for manure. They must be carefully secured in case of leakage.

| Indicator | Unit | 2021 | 2020 | % share in total operated land 2021 | |
|--|----------|-------|-------|-------------------------------------|--|
| Birds' protected area | hectares | 6,863 | 6,863 | 39% | <i>Areas defined in Nature 2000 under EU's Birds Directive and Habitats Directive.</i> |
| Special Area of Conservation | hectares | 907 | 907 | 5% | <i>Areas under National Council of the Slovak Republic, 2018. Act No. 305/2018 on protected areas of natural accumulation of waters as amended by subsequent provisions.</i> |
| Protected areas of natural accumulation of water | hectares | 1,530 | 1,530 | 9% | |

2.5 ANIMAL WELFARE

Operations in FirstFarms' include handling of live animals in milk and pig production. Providing animal welfare to our animals is a cornerstone for delivering high-quality products. Our company is committed to maintain the highest level of animal welfare within a framework of modern and efficient conventional production system.

FirstFarms complies with all applicable legal and regulatory requirements in working with live animals. More detailed description of the management of animal welfare at our farms is presented in FirstFarms' Animal welfare policy https://www.firstfarms.dk/fileadmin/Politikker/Animal_Welfare_policy_FirstFarms_February_2021.pdf

Daily established routines on all our farms are targeted to improve the health status and wellbeing of our livestock. All employees are trained to handle and treat animals in the correct way. With the constant improvement of the health status of animals, we minimise the usage of antibiotic treatments. FirstFarms' approach to antibiotic usage is restricted. We only treat animals with antibiotics in serious cases.

As a pilot project based on the Danish calculation method of antibiotic consumption, there has been calculated an average daily dose used in our pig productions in Hungary and Slovakia. An average daily dose is defined as the amount of antibiotic a pig should have in one antibiotic treatment per day. In our CSR report, we present a simplified version of the

antibiotic consumption statement, compared to the more comprehensive Danish statements model, that we also use internally. ADD average, which is presented in the table below, is an average of two nine months' periods that overlap each other during a year. According to Danish legislation, ADD average should not exceed ADD limit for a nine months' period.

More information about Danish calculation method of antibiotic consumption can be read here: <https://www.foedevarestyrelsen.dk/Leksikon/Sider/ADD-og-antibiotikaforbrug-i-kv%C3%A6g--og-svinebes%C3%A6tninger.aspx>

| Indicator | Unit | 2021 | 2020 | 2019 | ADD limit |
|----------------------------------|-------------|------|------|------|-----------|
| Hungary | | | | | |
| - Piglets, sows, gilts and boars | ADD average | 3.4 | 3.7 | 3.7 | 3.2 |
| - Weaners | ADD average | 8.3 | 5.6 | 12.1 | 17.2 |
| Slovakia | | | | | |
| - Piglets, sows, gilts and boars | ADD average | 5.2 | 5.6 | n/a | 3.2 |
| - Weaners | ADD average | 37.2 | 39.8 | n/a | 17.2 |
| - Slaughter pigs | ADD average | 5.9 | 11.1 | n/a | 4.4 |

Consumption of antibiotics in our herds is on an acceptable level in relation to the observed diseases. Status of diseases in the herds could vary a lot during a year, which reflects on antibiotic consumption. Efforts are still being made to reduce consumption. Antibiotic consumption in pig production in Hungary is stable and slightly over the limit in piglets, sows, gilts, and boars' animals' category and significant under the limit in the weaners' category.

FirstFarms' pig production in Slovakia became a part of FirstFarms in 2019. Since the acquisition, we have been working on the implementation of FirstFarms' production standards in the subsidiary. The result is that antibiotic consumption is declining in all animals' categories. We believe that further improvement of health status and wellbeing of our livestock will reduce antibiotic consumption in pig production in Slovakia.

In dairy herd, antibiotic consumption has decreased significant in 2021 compared to 2020.

Initiatives to increase animal welfare

To increase animal welfare in our dairy farming, we renewed the sprinkler system to reduce heat stress during the summer. For the dry-off cows, we installed fans, for the same reason, and build an extra feed lane to provide feed space for all cows. Especially in the dry period, cows need more space to be better prepared for the next lactation. Both initiatives are aimed to reduce cow losses, especially in the first 60 days of lactation.

In 2021, we started replacement of the lights in the stables in milk production and will continue to work with this during 2022. The change to LED lights will save energy, and the increased lumen, including more equal spread of light, is expected to have a slight increase on production. The light inside the stables will be more natural and closer to what is outside and will stimulate natural behaviour.

We have also been working on the instalment of rubber mats on the floor in the waiting area and on the scraper lanes. Hoof injuries and cows slipping

cause cow losses. Instalment of rubber on the walking areas has been shown on other farms to both reduce losses and increase cow welfare.

FirstFarms places a great emphasis on housing of our livestock and constantly invests in the improvement of production facilities and biosecurity.

Biosecurity has always been a high prioritised focus area in FirstFarms. As the spreading of African Swine fever in Europe has been increasing the last three years, FirstFarms has also increased the investments in biosecurity at all our pig production sites. Implementation of biosecurity measures is carried out in close cooperation with local veterinarians and biosecurity consultants.

| Indicator | Unit | 2021 | 2020 | 2019 |
|-----------------------------------|---------------------|-------|-------|------|
| Dairy herd antibiotic consumption | ml per milking cow* | 14.32 | 24.37 | 34.5 |

**Annual volume of the antibiotics used at the farm for treatment of mastitis, treatment of pneumonia, inflammation of the uterus, and others per average number of milking cows.*

ANIMAL WELFARE

OUR VETERINARIANS COMMENT ON ANIMAL WELFARE:

“FirstFarms’ biosecurity efforts are exemplary.

Biosecurity control is one of the most important pillars of efficient and safe animal husbandry. My professional cooperation with FirstFarms Hungary Kft can be traced back many years and biosecurity has always been in focus at the company as I experienced. Regular trainings and upgrading of biosecurity control measures all serve the safety of the herd, and the company is exemplary in this regard. In 2021, we took part in a monitoring procedure called SMR (Pig Farm Certification System) on the initiative of the Hungarian Pig Breeders and Pig Farmers’ Association, which is still ongoing. We regularly consult with our Danish veterinary colleagues, and we can successfully keep our antibiotic use below the average values accepted in Denmark”

Dr. Attila Pertich, veterinarian (Hungary)



“During my veterinary practice, we have met different management approaches, strategies, and policies, with good ones and bad ones, too. With the cooperation with FF Gabčíkovo we solve many challenges, involving animal healthcare, hygiene, and development issues. Actually, epidemic control and biosecurity are issues we are dealing with very intensively. Our two-year collaboration with FirstFarms Gabčíkovo can be defined with the words ‘rapidity’, ‘flexibility’, ‘precision’, and ‘helpfulness’. People in this company are valued as personalities, who can develop their skills, and not as a source of work. The company is built on clear, conscious, and pure values. It is a world full of challenges and great experiences which ensure success and development”.

MVDr. Árpád Csörgő, veterinarian (Slovakia)

3. SOCIAL

FirstFarms as a workplace

FirstFarms' employees are the foundation for the company's development and success. FirstFarms is committed to offer employees an attractive workplace with a good working environment and safe working conditions, where employees thrive.

FirstFarms' subsidiary in Hungary is proud to be among the winners of the Responsible Employer of 2021 Award in Hungary. One of the company's strengths, compared to other participants, is the company's work with employer branding, where we strive to rebuild a positive perception of working in agriculture. Moreover, transparency of the company, along with structured and active work with employee retention, had also been emphasised as a strength of the company.

Employee satisfaction

To be able to continue improving the workplace, we have for the first time conducted an employee satisfaction survey in 2021. So far, the survey has been completed in our subsidiary in Hungary. The survey was divided into three overall topics, in which we asked our employees to evaluate

wellbeing, motivation and leadership. 87% of the employees in FirstFarms Hungary have answered the survey. We appreciate our employees' feedback and have already initiated improvement plans to make the workplace even better. We have gained a positive experience from the survey, and we will strive to conduct the survey in other subsidiaries during 2022.

The achievement of FirstFarms' ambitious targets depends on a strong and professional organisation, where leadership is playing a crucial role. To strengthen the leadership capabilities of FirstFarms' middle management, we had planned to carry out an internal leadership development program in late autumn of 2021. The main purpose of the program was to introduce our leaders to the various leadership tools and thus strengthen their leadership competencies. Due to the COVID-19, we had to postpone the training for the second year in a row. We expect that there will be a possibility to carry it out in 2022.

Fortunately, it was possible to hold several local team-building events for our employees.



FirstFarms Hungary "Responsible employer of the year"



Team FirstFarms Agro East (Romania)

Employee Circulation has increased by 4% in 2021 compared to 2020. The main reason for the increase is the divestment of the company's operations in Western and North-western Romania. Generally, the employee circulation in the subsidiaries in 2021 is higher, compared to 2020, but still on an acceptable level. Employee circulation rate among production employees is higher than for employees in administration and management. There are three main reasons for a higher employee circulation in 2021: retirement, lack of labour and changes in the production setup.

Lack of labour, due to the low attractiveness of the agriculture industry, and physically hard work are

still the main reasons for the high employee circulation among employees in the production. A large part of our employees in the milk production in Slovakia are from Ukraine. Due to the work permit, which is valid for a limited number of years, employees from Ukraine travel back home or should make a new work permit. This factor has a significant influence on FirstFarms' employee circulation. We believe that continuous improvement of working conditions, safety and working environment will improve employees' retention.



Proud FirstFarms Gabčíkovo team is one of the best managed agro-food companies in Slovakia.

| Indicator | Unit | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|--------|------|------|------|------|------|
| Total number of FTEs (as of 31 December) | Number | 319 | 316 | 312 | 279 | 267 |
| Employee circulation rate | % | 23 | 19 | 16 | 25 | 30 |

*Employee circulation rate calculation methodology: (Number of employees left during the year / Number of full-time employees (as of 31 December)) * 100*

3.1 SAFETY

FirstFarms consistently work on occupational safety improvement. All our subsidiaries comply with local labour safety legislation and our employees receive different ongoing training during the year.

There have been 13 recordable injuries across the entire group in 2021, which is a significant increase compared to 2020. We take the development seriously and will implement necessary initiatives to reduce number of recordable injuries in FirstFarms.

To improve occupational safety in FirstFarms and increase awareness on near-miss accidents and hazardous situations, we implemented an Internal Safety Representative in a number of our subsidiaries in 2020.

Our subsidiaries already have collaboration agreements with External Safety Representatives, who support our subsidiaries in compliance with local labour safety legislation, provide training and work with labour safety documentation. Internal Safety Representative is a liaison between our employees and management regarding occupational safety.

In 2022, it is planned to conduct process confirmation of the internal safety organisation, where it has been implemented to identify opportunities for improvement. Moreover, we will implement Internal Safety Representative in the rest of subsidiaries.



FirstAid training in FirstFarms Agro East (Romania)



All our employees in FirstFarms Hungary participated in the education about handling dangerous goods

| Indicator | Unit | 2021 | 2020 |
|-----------------------------------|---------------------------------------|------|------|
| Total recordable injuries FTEs | Number | 13 | 2 |
| Total recordable injury rate FTEs | Per two hundred thousand hours worked | 6.6 | 0.92 |

The rate of recordable work-related injuries is calculated as the number of recordable work-related injuries per two hundred thousand hours worked. This material references GRI 403-9a iii, 2020

3.2 INVOLVEMENT IN THE LOCAL COMMUNITY

FirstFarms' investments are long-term and based on active ownership. We strive to be great neighbours to the local communities. We behave properly and are always open to dialogue with local citizens. When we take over a new farm, one of our priorities is to establish or continue to have good relations to the local community.

FirstFarms strives to reduce possible inconveniences from farming that local communities could experience.

In 2021, a range of local social activities and events were supported by FirstFarms through sponsorship. Local children camp and National truck pulling competition were supported by FirstFarms Hungary. FirstFarms Gabčíkovo (Slovakia) has provided financial support to Gabčíkovo's musical charity festival, the table tennis sports association and Komárno's cultural Jókai theatre.

Examples of local community support

FirstFarms Zahorie (Slovakia) has financially supported the reconstruction of a local statue. Moreover, machinery from the subsidiary helped local municipalities with cleaning of the public roads and other municipal areas from trees and bushes, preparing places for schools' sports fields, removing illegal landfills and transporting bio-waste from the village to a composting site. Local schools had also been supported by providing pumpkins from our fields for a school event, and good quality soil for a gardening project. Every second year

FirstFarms Zahorie arrange the Open Days event, but due to the COVID-19 it was not possible. Therefore, a smaller group of children from the local children organisation visited our farm during the summer 2021.

FirstFarms Agro East (Romania) also contributed to the cleaning of public roads and collected a significant amount of garbage at our fields.



FirstFarms Gabčíkovo provided financial support to the charity festival



Pumpkins from FirstFarms Zahorie (Slovakia) fields to the local school



Team FirstFarms Agro East (Romania) collecting garbage at the fields.

In 2020, we installed defibrillators at all our subsidiaries. Some of the defibrillators are also available for the local citizens in case of emergency. This year a defibrillator at our subsidiary in FirstFarms Gabcikovo (Slovakia) was registered as a local First Aid emergency care in the village. Moreover, FirstFarms Gabcikovo donated a defibrillator to the local municipality. It is placed at the entrance of the local medical centre and is available 24/7.

In our social responsibility work in the local communities, we strive to support the education of young generations. Through FirstFarms' collaboration with different educational institutions and agricultural industry associations, we constantly work on attracting young generations to be a part of modern agriculture. We believe that it contributes both to the rural development and to the development of our company. We also provide several internships for students. This year our subsidiary in Hungary has offered a scholarship to a local university student to conduct a research study of our production.

Without exception, we handed out Christmas presents to the local kindergartens, schools and children's homes in 2021.



Defibrillator to the local municipality from FirstFarms Gabcikovo (Slovakia)



Christmas presents to the local kids from FirstFarms Agro East (Romania)



FirstFarms Hungary at the career fair.



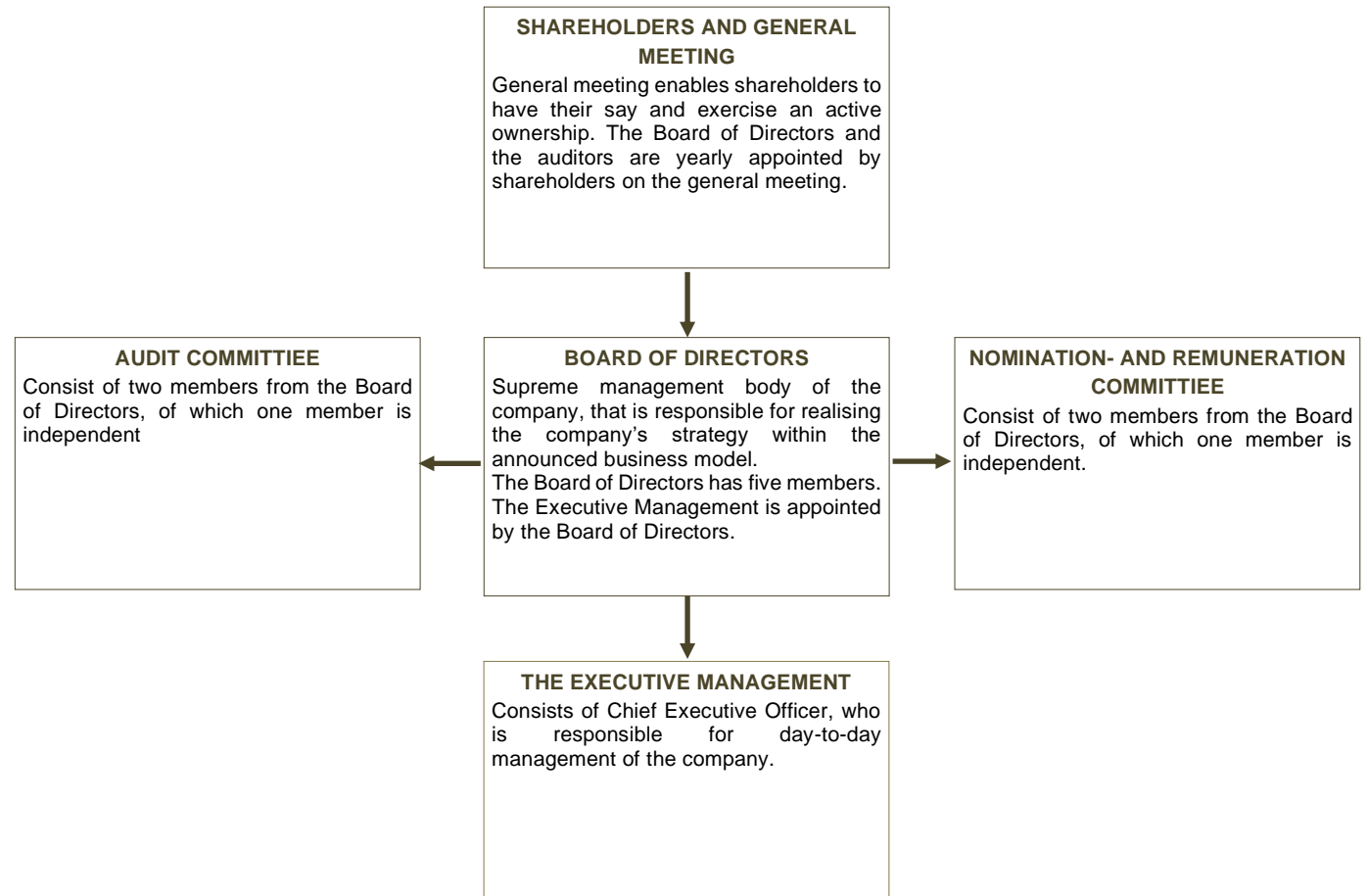
Team FirstFarms Gabcikovo (Slovakia) attending local nature cleaning day

4. GOVERNANCE

Corporate Governance – or company management – is the company’s overall framework and guidelines, which determines its goals and the Management’s tasks and business opportunities. FirstFarms is a public limited company. In accordance with The Danish Financial Statements Act § 107b and "Recommendations for good Corporate Governance", FirstFarms as a listed company has to explain how it complies with the recommendations. In FirstFarms, this means that the company explains how the recommendations are interpreted and complied with and explain if the recommendations are deviated from. Each financial year, in connection with Annual Report disclosure, FirstFarms presents a statement on Corporate Governance: <https://www.firstfarms.dk/en/investorrelations/corporate-governance/2022-annual-report-2021/>

FirstFarms did not establish a governance structure that exclusively focuses on CSR-related issues. The Board of Directors, in collaboration with the Executive Management, sets the direction for FirstFarms’ CSR strategy, approves policies and sets targets. Subsequently, the Executive Management reports on the implementation of the strategy and progress on targets.

CSR strategy implementation is a responsibility of the Executive Management and the management in local subsidiaries. The administration at FirstFarms’ head office in Billund coordinates activities, ensures compliance with policies and controls the reported CSR data.



4.1 DIVERSITY, GENDER AND INCLUSION

CF. SECTION 99B AND 107D OF THE DANISH FINANCIAL STATEMENTS ACT

ALL EMPLOYEES

The proportion of women in our total number of full-time employees was 26 % in 2021. There were 1% more women across the FirstFarms Group in 2021 compared to 2020. It is a good development despite the divestment of our operations in North-western Romania. Compared to other companies in the agricultural industry, the proportion of women in a total number of full-time employees is satisfying. FirstFarms strives to attract more female employees to our organisation. However, it is challenging due to two main reasons - farming has primarily always been considered a male occupation, and there is a shortage of labour.

To sustain the number of women in the organisation, we will continue to promote working in agriculture among young women. Moreover, we will work on the improvement of our recruitment process, where we will ensure that the pool of candidates attending job interviews will be as diverse as possible.

FirstFarms is an international company with employees with different cultures and backgrounds. We believe that diversity and inclusion in our organisation are preconditions for our development and help us to reach our strategic ambition. As a company, we strive to create an open and inclusive organisational culture where everybody are recognised and respected for who they are. One of our values is Respect. We are committed to conduct business with respect for people and surroundings.

In 2020, FirstFarms developed and implemented the Diversity and Inclusion policy. The main purpose of the policy is to describe how FirstFarms relates to and acts to ensure diversity and inclusion across the entire organisation. FirstFarms' Diversity and Inclusion policy is available on FirstFarms' website:

https://www.firstfarms.dk/fileadmin/Politikker/Diversity_and_inclusion_policy.pdf



Team building of the administration department of FirstFarms Zahorie (Slovakia)

| Indicator | Unit | 2021 | 2020 | 2019 | 2018 |
|--|--------|------|------|------|------|
| Total number of FTEs (as of 31 December) | Number | 319 | 316 | 312 | 279 |
| Gender Diversity (proportion of female FTEs) | % | 26 | 25 | 26 | 26 |

BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

FirstFarms strives to compose Board of Directors and Executive Management of members, who have an adequate diversity in terms of qualifications, competencies and personal background. It is a prerequisite that members of the Board of Directors and Executive Management have sufficient collective knowledge, professional competence and experience to be able to understand the company's activities and associated risks.

FirstFarms' Board of Directors covers a wide range of experiences from both Danish and international

business as well as deep insight into the agricultural industry. This composition is considered appropriate as it ensures a broad approach to the tasks and thus ensures qualified considerations and decisions.

FirstFarms has a target that at least 25 percent or at least one member of the company's Board of Directors shall be of the underrepresented gender before 2023. FirstFarms achieved that target in 2020, as two new members entered FirstFarms' Board of Directors, one of them being female. Even without setting a new, higher target for the underrepresented gender, the company will strive

to increase the proportion of the underrepresented gender in the Board of Directors. There has not been changes in the composition of FirstFarms A/S' Board of Directors in 2021.

FirstFarms has only chosen to outline companies in Denmark, and as there are below 50 employees in Denmark, no policies have been stated about increasing the proportion of the underrepresented gender in other managerial positions, and no targets have been set.

FirstFarm's Board of Directors consists of members elected at a General Meeting.

| Indicator | Unit | 2021 | 2020 | 2019 | 2018 |
|---|--------|------|------|------|------|
| Board of Directors, FirstFarms A/S | | | | | |
| Members | Number | 5 | 5 | 4 | 4 |
| • Female | Number | 1 | 1 | 0 | 0 |
| • Male | Number | 4 | 4 | 4 | 4 |
| Gender Diversity (proportion of female members) | % | 20 | 20 | 0 | 0 |
| Average age | Years | 57 | 56 | 62 | 61 |
| Average seniority | Years | 7 | 6 | 7 | 8 |
| Nationality | | | | | |
| • Danish | Number | 5 | 5 | 4 | 4 |
| • Non-Danish | Number | 0 | 0 | 0 | 0 |
| Board meetings | Number | 10 | 14 | 11 | 11 |
| • Attendance | % | 94 | 99 | 95 | 98 |

| Indicator | Unit | 2021 | 2020 | 2019 | 2018 |
|---|--------|------|------|------|------|
| Executive Management, FirstFarms A/S | | | | | |
| Members | Number | 1 | 1 | 1 | 1 |
| • Female | Number | 0 | 0 | 0 | 0 |
| • Male | Number | 1 | 1 | 1 | 1 |
| Gender Diversity (proportion of female members) | % | 0 | 0 | 0 | 0 |
| Average age | Years | 54 | 53 | 52 | 51 |
| Average seniority | Years | 9 | 8 | 7 | 6 |
| Nationality | | | | | |
| • Danish | Number | 1 | 1 | 1 | 1 |
| • Non-Danish | Number | 0 | 0 | 0 | 0 |

More about Board of Directors and Executive Management's experiences and competencies can be found in FirstFarms' Annual Report p. 45-48

4.2 HUMAN RIGHTS

In FirstFarms, we believe that people are our greatest asset. The future development of our company depends on our employees' knowledge and ambitions. We manage agriculture with respect for our people; therefore, it is important for us to treat people equally, without violating human and labour rights. Our company recognises and respects the International Bill of Human Rights and acts accordingly.

FirstFarms has decided not to have a separate Human Rights policy. Instead, it is incorporated into our Code of Conduct. Our Code of Conduct can be found on the FirstFarms' website: https://www.firstfarms.dk/fileadmin/Politikker/Code_of_Conduct_FirstFarms_February_2021.pdf

Everybody is recognised and respected for who they are

As a company, we strive to create an open and inclusive organisational culture where everybody are recognised and respected for who they are. We expect that our employees will feel comfortable communicating to the management about cases of human and/or labour rights violations if they will occur at the workplace. If our employees or other stakeholders have some knowledge about human and/or labour rights violations in FirstFarms and are not comfortable informing the management, they could use our Whistleblower platform (more about our Whistleblower platform can be read on p.27).

To mitigate the risk of violation of human and/or labour rights, we conducted Employee Satisfaction

Survey in FirstFarms Hungary. The survey was divided into three overall topics, which we asked our employees to evaluate: wellbeing, motivation and leadership. Some of the questions, our employees had been asked to answer, were related to human and labour rights compliance in the organisation. The survey had not shown any sign of human and/or labour rights violation in the subsidiary.

In 2022, we will strive to conduct our employee satisfaction survey at other subsidiaries as well. FirstFarms is not aware of any human rights violations in 2021.



4.3 WHISTLEBLOWER PLATFORM

At the beginning of 2021, FirstFarms launched the new corporate website as well as our new Whistleblower platform. A report submitted through the Whistleblower platform will initially be reviewed by members of FirstFarms' Audit Committee, who will determine further action.

Even though the Whistleblower platform is a part of FirstFarms' website, only members of FirstFarms' Audit Committee have access to the reports. The technical setup of the platform is administrated by ORIGINALEN ApS. Any report submitted will be kept confidential to the fullest extent possible throughout the investigation. We do not save the IP address the report is sent from.

The Whistleblower platform is a supplement to the

regular communication channels within our organisation. Through the Whistleblower platform, FirstFarms' employees and external stakeholders could anonymously report suspected misconduct, illegal acts, or non-compliance with internal policies and procedures, including FirstFarms' Code of Conduct.

No matter if a complaint is made anonymous or not, FirstFarms guarantees protection from repercussions and retaliation. Any such action against a whistleblower will not be tolerated by FirstFarms.

There has not been submitted any whistle-blower complaints in 2021.



4.4 ANTI-CORRUPTION

We manage our company with respect for our shareholders, and we appreciate the trust they show to our company. FirstFarms as a company complies with local applicable laws regarding corruption, fraud, and bribery. FirstFarms as a company has “zero tolerance” to any of our employees who are involved in any kind of corruption, bribe, fraud, or other illegal agreements that may entail serious consequences for FirstFarms, as a company. Besides this, we expect that our business partners accept our principles of anti-corruption and comply with them.

As FirstFarms operates within the European Union, there is still a risk of corruption in the countries, where FirstFarms’ subsidiaries are located. FirstFarms has several written procedures that

entail supervision or approval of different transactions by a third person. The intention of the procedures is to reduce the risk of corruption and to prevent the harmful consequences it entails for the company.

There has not been registered any cases of corruption or bribery in FirstFarms in 2021



5. CSR ACTIVITIES FOR 2022

ENVIRONMENTAL

- Extension of FirstFarms' CO2 inventory with other emission sources. Based on the comprehensive CO2 inventory, FirstFarms will work on setting reduction targets in the coming years.
- Reduction of FirstFarms' carbon footprint per unit produced through the implementation of new innovative production methods and technologies and increase the share of renewables in energy consumption.
- Reduction of water and energy consumption per unit produced.
- Implementation of an IT tool that can calculate carbon footprint at farm level and thus support decisions that will improve the sustainability of a farm.

SOCIAL

- Conduction of internal leadership training.
- To support our employees' rights to a safe workplace and to reduce the occurrence of occupational injuries, we will work on the further improvement of FirstFarms' safety standards. Implementation of an Internal Safety Representative in the rest of the subsidiaries as well as following up on the progress of integration and results achieved.
- Our target is zero discrimination and harassment. To improve the working environment, as well as to reduce the risk of violation of human and labour rights, we will conduct Employee Satisfactory Survey in the rest of the organisation in 2022.
- To maintain the number of women in the organisation, we will continue to promote working in agriculture among young women. Moreover, we will work on the improvement of our recruitment process, where we will ensure that the pool of candidates attending job interviews will be as diverse as possible.

GOVERNANCE

- Further integration of FirstFarms' Code of Conduct and Diversity and Inclusion policy to the sustainability governance.
- Continue to identify and close gaps in relation to Human Rights and Anti-Corruption policies

