

# REPORT ON **CORPORATE SOCIAL RESPONSIBILITY**'23

CF. SECTION 99A OF THE DANISH FINANCIAL STATEMENTS ACT



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FirstFarms' Corporate Sustainability Report is prepared in accordance with §99a of the Danish Financial Statements Act and is a component of the Management Review in the Annual Report.



# 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 the 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 develop FirstFarms into 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 company. 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.

Our CSR work supports and contributes to selected United Nations’ Sustainable Goals. Every day we make an effort to make our production more sustainable, improve working conditions and support local communities.

## **Corporate Strategy Towards 2028**

FirstFarms has developed and implemented Strategy 2028, which is to increase the Group’s turnover and earnings significantly in five years. FirstFarms has a goal to increase the Group’s turnover to 750 mDKK and EBITDA to 240 mDKK. The corporate strategy has been re-evaluated, where strategic focus areas, new priorities, and actions have been defined. Four strategic focus areas will support and ensure the achievement of the company’s 2028 strategic goals. FirstFarms will continue to grow, therefore “Continues growth” is one of the four strategic focus areas.

Corporate Social Responsibility will remain our strategic priority, therefore “People & culture” and “The Sustainability journey” constitute another two strategic focus areas. “Next level farming” is the fourth strategic focus area that will support and improve the data driven decision-making process in the company as well as improve the circularity and efficiency of resource usage. FirstFarms aims to transform our operations into modern digital and data-driven operations that in the end contribute to our journey towards more sustainable production.

## **Governance**

The European Green Deal is under implementation in the European Union. Therefore, there are many regulations underway from the EU side, that will have an impact on the way we work with sustainability, and the way we report on sustainability-related topics. Corporate Sustainability Reporting Directive (CSRD) is one of them. In 2023, we have been working on the development of a road map for the implementation of the forthcoming directive. By the Annual Report 2025, FirstFarms will be ready to report according to European Sustainability Reporting Standards, which is part of CSRD. We believe that the implementation of Strategi 2028 together with complying with CSRD will support FirstFarms’ transition to more sustainable operations as well as improve our competitive advantage.

To support the achievement of the European Green Deal objectives, there has also been implemented a new Common Agriculture Policy (CAP) within the EU. During 2023, as part of the new CAP, FirstFarms has been working with the implementation of climate and environment-friendly farming practices and approaches defined in the policy.

# 1. INTRODUCTION TO OUR CSR REPORT (CONTINUED)

## Carbon footprint reduction

In 2023, we conducted a carbon footprint assessment of our milk production in Slovakia and the Group's crop production for 2022 and 2023. According to the assessment, the gross emissions of 1 kg of energy-corrected milk is 1.36 kg CO<sub>2</sub>e in 2023 (incl. scope 1, 2 emissions and scope 3). In 2023, gross GHG emissions from FirstFarms crop production was 1,223 kg CO<sub>2</sub>e per hectare (incl. scope 1, 2 emissions and scope 3).

As part of FirstFarms' transition to sustainable operation, we have started a pilot project in our milk production in Slovakia aiming to create a sustainability plan for local operations.

The main object of the Farm Sustainability Plan is to create a roadmap for all subsidiaries for the reduction of the carbon footprint, improve the circularity of the resources, and reduce our impact on biodiversity.

In 2023, we have continued to work on different solar energy projects as well as other projects connected to the development of renewable energy sources. We have finalised solar panel projects in our subsidiaries in the Czech Republic, Slovakia, Romania and Hungary.

## Local community support

FirstFarms strives to be a great neighbour to the local communities. We had many collaborative activities with

the local communities this year. We experience high engagement in this collaboration from our employees' side, who are the driving force for the collaboration.

The residents of the communities are also interested in our company. In 2023, we held our traditional Open Days in milk production in Slovakia. This event was met with extraordinary public interest. Over three days, more than 1,200 children from kindergartens and elementary schools as well as 2,000 visitors visited us. It is a record number of visitors. We are glad that there is a growing interest in farming.

# 1.1 OUR CONTRIBUTION TO UN'S SUSTAINABLE DEVELOPMENT GOALS

FirstFarms is an agricultural company that produces vegetable and animal products 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. 16.

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. 6-10.

### 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 further 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. 20-22.



## 1.2 THE SCOPE OF 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 internally generated data with factual meter readings, stock inventory, and feeding plans etc.

However, data regarding environmental impact does not include data:

- Parent company FirstFarms A/S: The parent company's head office located in the rented office in Billund, Denmark, has nine employees and only performs administrative tasks.
- Agro West: In 2021, FirstFarms divested activities in FirstFarms Agro West (Romania). 2021 data from the subsidiary is not included in CSR reporting.
- HunAgro: In August 2022, FirstFarms acquired a new crop production company FirstFarms HunAgro in Hungary. The company's data for 2022 is not included in the CSR reporting.



## 2. FOOD PRODUCTION WITH FOCUS ON 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: [www.firstfarms.dk/fileadmin/Politikker/Environmental\\_policy\\_FirstFarms\\_February\\_2021.pdf](http://www.firstfarms.dk/fileadmin/Politikker/Environmental_policy_FirstFarms_February_2021.pdf)

As it is defined in FirstFarms' environmental policy, the company commits to presenting credible information about environmental impact and its reduction to our stakeholders. Since 2021, we presented the FirstFarms Group GHG (greenhouse gas) emissions

inventory from energy consumption in Scope 1 and Scope 2.

During 2023, we worked on the expansion of our GHG emissions inventory. We have been working with the implementation of a carbon calculator Cool Farm Tool. The system calculates the GHG emissions from the operations at farm as well as GHG emissions occurred out of farm scope. The system calculates the soil carbon sequestration from land management.

The results of the calculation for our milk and crop production are presented on p. 7-9. FirstFarms strives to present reliable and accurate data and calculations in non-financial reporting. Due to technical issues with the carbon calculator, we were not able to finalise the calculation of the carbon footprint of FirstFarms' pig production. We expect to have calculations ready in 2024.

### FACT BOX

**Cool Farm Tool provides quantified, credible, and standardised metrics for the calculation of greenhouse gases based on empirical research and a broad range of published data sets and IPCC methodologies.**

<https://coolfarm.org/the-tool/>

## 2. FOOD PRODUCTION WITH FOCUS ON CLIMATE AND ENVIRONMENT (CONTINUED)

Calculations of GHG emissions are based on company data collected either from invoices or intern-created documents with factual meter readings, stock inventory, and feeding plans. Calculations of GHG emissions from the feed production in our milk production assessment are based on standard factors and do not reflect actual GHG emissions from our feed production. We will strive to integrate our feed production data into the milk production assessment next year. To avoid double-counting, crops that are used for feed in milk production are not included in the GHG emissions inventory of crop production.

Volumes of plant protection and fertiliser products used are recalculated to the volume of active in-

gredients in the products to receive as precise GHG emissions as possible from the application and production of the products.

To provide a more comprehensive picture of GHG emissions that occurred in the FirstFarms' value chain, we work on the inclusion of as many sources of GHG emissions to the GHG emissions inventory, as possible. According to GHG protocol definition, Cool Farm Tool calculates the GHG emission in Scope 1, 2 and 3. GHG emissions in Scope 3, as emissions from synthetic fertiliser production and transportation occur in the part of the value chain out of FirstFarms' scope of operational and financial control. Due to the limited data available, calculations of Scope 3 emissions are based on standard emission factors

and data available in FirstFarms. In the coming years, we will strive to add more sources of GHG emissions in Scope 3 to our GHG emissions inventory based on factual data from our suppliers and customers.

Total gross GHG emissions in milk production have increased by 5% in 2023 compared to 2022 due to more animals in the herd. At the same time, milk yield per cow has decreased due to the lower quality of feed produced, which is the result of limited precipitation. This factor has also an impact on feed efficiency, which has decreased in 2023 compared to 2022 (see Table 6, p. 15). Therefore, emission per kg ECM has slightly increased.

**Table 1: GHG emissions in CO2e, FirstFarms' milk production**

Sources	Unit	2023	2022
Feed production (Scope 1)	t CO2e	19,360	19,760
Enteric fermentation (Scope 1)	t CO2e	14,520	12,710
Manure management (Scope 1)	t CO2e	9,340	8,560
Energy (Scope 1 and 2)	t CO2e	1,390	1,370
Inbound and outbound transport (Scope 3)	t CO2e	2,340	2,370
<b>Total gross emissions</b>	<b>t CO2e</b>	<b>46,950</b>	<b>44,770</b>
Gross emissions per kg ECM*	kg CO2e	1.36	1.33

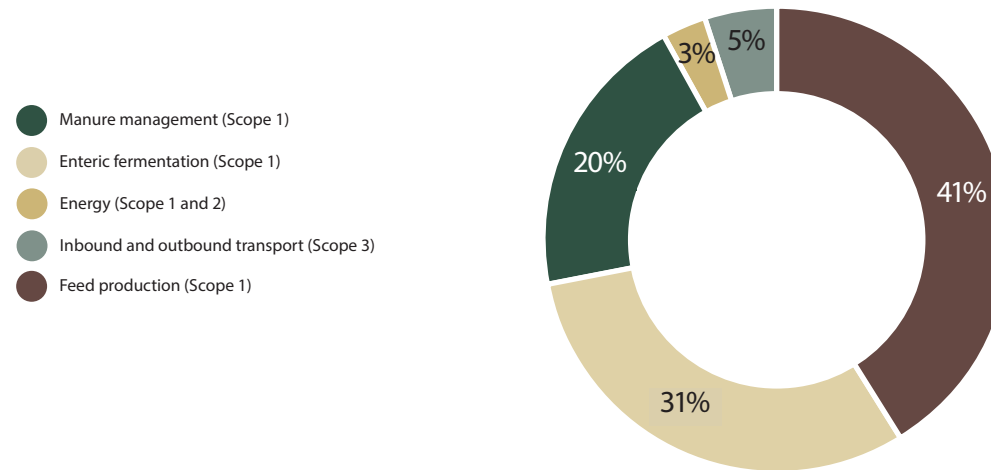
\*Energy-corrected milk



## 2. FOOD PRODUCTION WITH FOCUS ON CLIMATE AND ENVIRONMENT (CONTINUED)

Feed production is the largest source of GHG emissions in milk production followed by GHG emissions from enteric fermentation and manure management. To reduce GHG emissions from feed production, we strive to reduce GHG emissions in our field operations.

**Graph 1: Carbon emissions in milk production divided by sources, 2023**



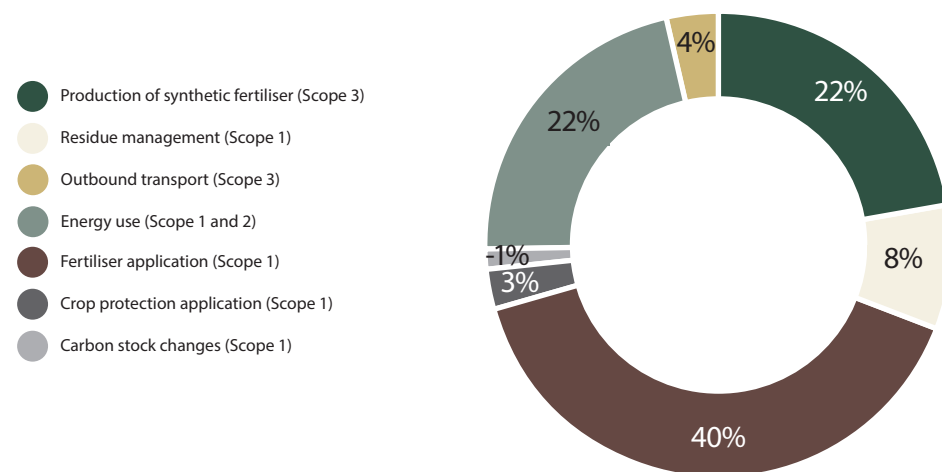
## 2. FOOD PRODUCTION WITH FOCUS ON CLIMATE AND ENVIRONMENT (CONTINUED)

**Table 2: GHG emissions in CO<sub>2</sub>e, FirstFarms' crop production \***

Sources	Unit	2023	2022
Production of synthetic fertiliser (Scope 3)	t CO <sub>2</sub> e	3,793	3,681
Residue management (Scope 1)	t CO <sub>2</sub> e	1,425	1,618
Fertiliser application (Scope 1)	t CO <sub>2</sub> e	6,961	6,844
Crop protection application (Scope 1)	t CO <sub>2</sub> e	463	338
Energy use (Scope 1 and 2)	t CO <sub>2</sub> e	3,680	3,522
Outbound transport (Scope 3)	t CO <sub>2</sub> e	582	712
<b>Total gross emissions</b>	<b>t CO<sub>2</sub>e</b>	<b>16,904</b>	<b>16,716</b>
Carbon stock changes (Scope 1)	t CO <sub>2</sub> e	-243	-310
<b>Total net emissions</b>	<b>t CO<sub>2</sub>e</b>	<b>16,661</b>	<b>16,405</b>
Gross emissions per hectare	kg CO <sub>2</sub> e	1,223	1,217
Net emissions per hectare	kg CO <sub>2</sub> e	1,144	1,194

\* Crops used as feed in milk production are excluded from the crop production GHG emissions inventory.

**Graph 2: Carbon emissions in crop production divided by sources, 2023**



Generally, total gross and net emissions have slightly increased in 2023 compared with 2022. We have been operating more hectares in 2023 compared to 2022. Net emissions are gross emissions deducted carbon stock changes. Negative emissions in the form of carbon sequestration in the soil are the result of land management practices such as reduced tillage, no-till, and cover crops.

FirstFarms has been practicing reduced tillage and no-till for many years. These practices not only contribute to the reduction of GHG emissions from our operations, but also help us to make our production more resilient to climate change.

Fertiliser application is the largest source for GHG emissions in the crop production followed by energy usage and synthetic fertiliser production. Implementation of precision agriculture methods and improvement of soil health are some of the methods we work with in order to reduce GHG emissions from fertiliser applications and thus fertiliser production.

## 2.1 CLIMATE ADAPTION

As farmers, we may state that the climate, in the climate zone we operate in, has changed, and thus weather patterns through the last years. Less rain, less frost, flooding, more heat waves in the summer, and shifting in the season patterns are common climate changes we experience. As a large part of our operations depends on weather conditions, climate change affects our ability to continue to grow crops with stable yields. New climate conditions require new production methods.

Climate adaptation is what we are working on daily and trying to adapt suitable production methods, that will ensure sustainable and efficient production in the future.

During 2023 we continued testing different crops and tillage methods as a part of our approach to adapt production to the changing climate. Our team in FirstFarms Agro East (Romania) is seeing the results of the efforts targeted to increase water retention in the soil. They have been practicing reduced or no-

till soil cultivation methods for some years. This year, when there was a lack of precipitation again in Romania, our team could see the difference between our fields with reduced tillage and neighbors' fields where conventional tillage methods were applied. Fields with reduced tillage had higher yields under dry weather conditions.

FirstFarms Zahorie (Slovakia) is practicing strip-till as a reduced tillage method. Using reduced tillage, we will achieve better protection of our soil from wind and water erosion, maintain a suitable microclimate for cultivated crops, and thus reduce water evaporation during the dry season. Moreover, the crop production team in FirstFarms Zahorie is testing some changes in crop rotation, as some of the crops established during the winter have better resilience during dry summer as they can use moisture absorbed during the winter. Generally, we are testing new crops which are more resilient to dry summer.

*"Seeding 120 hectares of maize directly in cover crops"*



## 2.2 PLANT PROTECTION PRODUCTS AND FERTILISER

Reduction of plant protection products and fertiliser consumption remains a focus area in FirstFarms. Through the years, we have invested in technologies that ensure more precise addition 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.

In 2023, we collected soil samples from our fields in FirstFarms Zahorie (Slovakia) for screening to get better insights on nutrients and soil structure. Data collected should help us to be more precise and effective with the application of fertiliser and plant

protection products. Combining soil data and data obtained from slurry and manure analyses will improve nutrient management at the farm thus reduction of synthetic fertiliser application.

In FirstFarms Gabčíkovo (Slovakia) there have been tested variable seeding of maize based on data collected during harvest. We could achieve seed savings due to the usage of yield maps. The next step is to use these maps in fertiliser application.

Soil health and fertility have a high focus in our operations, as it is a prerequisite for high-quality crops. An effective part of our soil management is cover crops, which have a lot of benefits, such as reduction of fertiliser and plant protection, prevention of soil erosion, and increase of water retention. Incorpora-

ting cover crops in our crop rotation enhances soil fertility and water availability in the soil. At the same time, establishment of cover crops is not always an easy task, as there are many factors to be taken into account as local climate, crop rotation, etc. FirstFarms increases areas with cover crops from year to year.

**Table 3: Cover crops seeded**

Indicator	Unit	2023	2022	2021	2020	2019
Cover crops	hectares <sup>1</sup>	3,248	2,312	2,371	2,135	1,710
Share of cover crops in the total land in operation	% <sup>2</sup>	19	15	15	10	8

<sup>1</sup>Number of hectares which were seeded with cover crops during the reporting year

<sup>2</sup>Percentage of hectares seeded with cover crops in the total number of hectares in operation.

## 2.3 RESPONSIBLE USE OF RESOURCES

In FirstFarms, we believe that a healthy company 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.

Due to the climate conditions in Romania with a critically low amount of precipitation in the last three years, FirstFarms has decided to invest in an irrigation system. Development and implementation of the irrigation system are conducted in close cooperation with local authorities and following the legislation

in this area. The main source of water for irrigation system is the canal system supplied by fresh water from the Danube River. The irrigation system is a cutting-edge technology with several sensors that ensure the most efficient usage of water. The water withdrawal for the irrigation system is not included in the water consumption data for 2023, as the system is expected to be operational in late spring 2024.

### Focus on water withdrawal

For the last 5 years, FirstFarms has been expanding production by organic growth and acquisition. This development has a direct influence on the company's water consumption. Moreover, we experience more often extremely high temperatures during the summer. Our animals consume more water, and more water will be used for cooling stables to reduce

heat stress among animals. Total water withdrawal has declined in 2023 compared to 2022. In 2022, we had a high consumption of water due to high summer temperatures, as well as challenges with water quality in our groundwater wells, therefore we purchased more third-party water. This year we have solved challenges with wells therefore consumption of third-party water decreased.

FirstFarms is implementing new smart technologies, such as robots, for efficient cleaning of stables, and water recycling for cooling systems and cleaning. Moreover, the implementation of drinking systems for animals ensures a sufficient and efficient drinking water supply for animals.

**Table 4: Water withdrawal**

Indicator	Unit	2023	2022	2021	2020	2019
Total water withdrawal	m3	376,173	390,764	288,498	286,242	283,660
Ground water	m3	373,573	385,273	282,889	281,794	280,246
Third-party water	m3	2,682	5,491	5,609	4,338	3,305
Collected rainwater	m3	-	-	-	106	109

*FirstFarms' total water withdrawal includes all water resources, that FirstFarms either withdraws from groundwater or consumes from public or private waterworks, as well as collected rainwater.*

*Data in the table is collected either from invoices or intern-created documents with factual meter readings.*

*This material references GRI 303-3a,2020*

## 2.3 RESPONSIBLE USE OF RESOURCES (CONTINUED)

### **Diesel consumption**

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.

FirstFarms works continuously on the reduction of diesel consumption in production. Consumption of diesel depends mainly on the number of hectares operated, yields, weather conditions, as well as tillage methods used, and the varieties of crops grown. We strive to implement well-considered methods to reduce diesel consumption, as they should not compromise the quality and yields of produced crops.

Diesel consumption for the last three years has been fluctuating as weather conditions partly determine the level of operations in our fields. In 2022 we had a year with limited precipitation therefore diesel consumption was low. Diesel consumption in 2023 has decreased compared to 2021, despite the increase of land in operation.

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 soil tillage.

Areas with reduced tillage increase from year to year. We also work with new smart application technologies in our crop production that support more precise field operations.

### **Electricity consumption**

FirstFarms' energy consumption has increased in 2023 compared to 2022 mainly due to the expansion of pig production in Hungary.

Over the years, we have been working on improving energy efficiency in our production. Renovation of production buildings, installation of heat pumps and energy-saving LED lights, and usage of plant residue for heating are examples of some of our endeavours to reduce electricity consumption.

In 2023, we have continued to work on the development and implementation of renewable energy projects. We are seeing great potential in the installation 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 to cover our consumption. In 2023, there has been consumed 170 MWh of self-generated electricity from solar panels.

There are more projects on the way. We experience some challenges in connection to the solar panel installation. Shortages of the necessary equipment due to the high demand, difficulties in obtaining grid connection permissions for larger projects, and legislative framework in the area are some of the challenges that postpone the implementation of the projects.

In 2023, we continued to replace old light bulbs with new LED lights in FirstFarms Gabčíkovo (Slovakia) that have resulted in the reduction of energy consumption on the sites.

Figures of FirstFarms' energy consumption have been adjusted for 2021 and 2022 due to the identification of the error in the data.

## 2.3 RESPONSIBLE USE OF RESOURCES (CONTINUED)

**Table 5: Energy consumption**

Indicator	Unit	2023	2022	2021	2020	2019
Total energy consumption	GJ	136,526	134,893	134,763	130,980	139,276
Fuel from non-renewable sources:						
Gasoline	GJ	301	193	251	268	325
Diesel	GJ	70,262	67,542	71,857	73,906	84,225
Heating oil	GJ	828	688	479	512	564
Natural gas	GJ	337	267	448	635	621
Propane	GJ	12,511	10,990	10,129	8,712	7,940
Fuel from renewable sources:						
Biomass (straw)	GJ	24,048	29,001	25,365	20,606	20,607
Self-generated electricity from renewable sources consumed	GJ	715	-	-	-	-
Grid electricity purchased for consumption	GJ	27,524	26,214	25,990	25,731	24,995
Heating purchased for consumption (waste heat from biogas station)	GJ	-	-	244	611	-
Self-generated electricity from renewable sources sold	GJ	150	-	-	-	-

*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. Data in the table is collected either from invoices or intern-created documents with factual meter readings. This material references GRI 302-1, 2020*

### Focus on feed efficiency

FirstFarms continues to work on the improvement of the feed conversion ratio in pig production and feed efficiency in milk production. Using best practices and the newest knowledge, we constantly work on improving animals' diets 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 the 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 ensu-

res that feed nutrients are not wasted, animals are not overfed, and feed efficiency is optimised on the farm.

Generally, the feed conversion ratio is at a high level in the FirstFarms pig production and has improved in 2023 compared to 2022. Feed efficiency in dairy production declined in 2023 compared to 2022 due to the lower quality of the feed, because of limited

## 2.3 RESPONSIBLE USE OF RESOURCES (CONTINUED)

precipitation. In general, the feed efficiency in FirstFarms' animal production is among the best in Europe.

### Improvement of feed efficiency

FirstFarms is continuously working on improvement of the feed management in animal production. The core of optimal feed management is the quality of

the feed. Limited precipitation has a huge impact on the quality of produced crops at our fields. Therefore, we are constantly working on the implementation of the production methods to ensure water retention in the soil.

In our pig production, there have been implemented several initiatives to disinfect drinking water for ani-

mals. An improvement of water quality leads to high livestock health, which in the end improves the feed conversion ratio. There has also been implemented a new feed concept for piglets based on enzymes and vitamins for better digestion.

**Table 6: Feed efficiency in animal production**

Indicator	Unit	2023	2022	2021	2020	2019
Feed conversion ratio, piglets	kg feed intake/kg weight gain	1.66	1.71	1.67	1.63	1.64
Feed conversion ratio, slaughter pigs	kg feed intake/kg weight gain	2.53	2.55	2.55	2.59	2.63
Feed efficiency, dairy cows	kg ECM*/kg DMI**	1.30	1.44	1.43	1.32	1.33

\*ECM - Energy Corrected Milk

\*\*DMI-Dry Matter Intake

Data in the table is collected from intern-created documents with factual feeding plans.



## 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 the 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.

In 2023 we have been working on the implementation of climate and environment-friendly farming practices and approaches defined under the EU's new Common Agricultural Policy. Our subsidiaries have implemented crop farming practices aimed at pro-

tecting and enhancing biodiversity. Bio belts with insect-friendly plant mixtures were established in our subsidiaries in the Czech Republic and Slovakia, for the benefit of insects, roe dears, and wild boars. In the Czech Republic, we have also established smaller fields with different crop varieties to create more diversity in the fields and provide shelter opportunities and food for beneficial organisms.

Some of our land is a part of official nature-protected areas. There are strict rules on how we must operate our fields 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 appli-

cation. 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.

**Table 7: Nature protected areas**

Indicator	Unit	2023	2022	2021	2020	% of total land in operation 2023
Birds' protected area *	hectares	6,452	6,863	6,863	6,863	40%
Special Area of Conservation *	hectares	819	893	907	907	5%
Protected areas of natural accumulation of water **	hectares	1,581	1,581	907	907	10%

\* Areas defined in Nature 2000 under EU's Birds Directive and Habitats Directive

\*\* 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.

## 2.5 FARM SUSTAINABILITY PLAN

FirstFarms is constantly working on the reduction of the environmental impact of its operations. To support the transition to more sustainable production, we should all the time find new ways, methods and solutions on how to reduce our environmental impact.

As part of FirstFarms' transition to sustainable operation, we have started a pilot project in our milk production in Slovakia aiming to create a Farm Sustainability Plan for local operations. Our production management in FirstFarms Zahorie (Slovakia) together with selected employees, participated in the workshop where input to the Farm Sustainability Plan has been collected. Farm Sustainability Plan is

a roadmap with actions aiming to reduce the company's carbon footprint, improve the circularity of the resources, and reduce the impact on biodiversity. Farm Sustainability Plan will also support the implementation of FirstFarms' Strategy 2028. Our employees were engaged in the discussion on the workshop and came with valuable input.

In 2024, we will conduct the workshop at all subsidiaries. Due to the differences in the production setups as well as local environmental conditions, it is important to create a Farm Sustainability Plan, which is customised to the local operations in the general frame of Strategy 2028.

## 2.6 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 maintaining the highest level of animal welfare within the framework of a modern and efficient conventional production system.

FirstFarms complies with all applicable legal and regulatory requirements in working with live animals. A more detailed description of the management of animal welfare at our farms is presented in FirstFarms' Animal welfare policy [www.firstfarms.dk/fileadmin/Politikker/Animal\\_Welfare\\_policy\\_FirstFarms\\_February\\_2021.pdf](http://www.firstfarms.dk/fileadmin/Politikker/Animal_Welfare_policy_FirstFarms_February_2021.pdf)

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. 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. According to Danish legislation, ADD average should not exceed ADD limit for a nine months' period.

More information about the Danish calculation method of antibiotic consumption can be read here: <https://foedevarestyrelsen.dk/dyr/dyresundhed/laegemidler-til-dyr/anvendelse-af-laegemidler-til-dyr/antibiotika/graensevaerdier-for-antibiotikaforbrug>

Consumption of antibiotics in our herds is at an acceptable level in relation to the observed diseases. The status of diseases in the herds could vary a lot during the year, which is reflected in antibiotic consumption. Efforts are still being made to reduce consumption. Antibiotic consumption in pig production in Hungary and Slovakia is over ADD limits due the phasing out of medicinal zinc.

Phasing out of medical zinc requires new approaches to animal feeding as well as improvement of immunity. Our colleagues are working hard to find the most suitable approaches to implement.

**Table 8: Antibiotic usage in pig production**

Indicator	Unit	2023	2022	2021	2020	2019	ADD limit
Hungary							
Piglets, sows, gilts and boars	ADD average *	3.9	5.0	3.4	3.7	3.7	3.2
Weaners	ADD average *	13.8	18.0	8.3	5.6	12.1	17.2
Slovakia							
Piglets, sows, gilts and boars	ADD average *	4.4	4.2	5.2	5.6	n/a	3.2
Weaners	ADD average *	18.4	12.1	37.2	39.8	n/a	17.2
Slaughter pigs	ADD average *	7.8	4.9	5.9	11.1	n/a	4.4

\* An average daily dose (ADD) is defined as the amount of antibiotic a pig should have in one antibiotic treatment per day. ADD average, is an average of two nine months' periods that overlap each other during a year.

## 2.6 ANIMAL WELFARE (CONTINUED)

**Table 9: Antibiotic usage in milk production**

Indicator	Unit	2023	2022	2021	2020	2019
Dairy herd antibiotic	ml per milking cow *	9.85	12.24	14.32	24.37	34.50

\* 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.

In the dairy herd, antibiotic consumption has been declining for the last 5 years and has decreased by 20 % in 2023 compared to 2022. Some of the reasons for the development are better genetics and improvement of housing, such as replacement of bedding material and hoof trimming

### Initiatives to increase animal welfare

New rubber mats were delivered to our milking cows this year. We consider the comfort of our animals as highly important. The installation of the rubber mats supports our overall approach to increasing longevity of animals and their welfare. The no-slip soft surface allows the cows to express natural behavior in a better way than before.

New drinking water systems for animals, improvement of feed quality, implementation of new disinfection technology to ensure high herd hygiene, and

new ventilation systems are some of the initiatives that have been implemented in our pig production during 2023.

We have also been working on the improvement of the health status and immunity of our piglets. Family weaning is one of the methods we use, that improve animals' immunity through the reduction of spreading of diseases, as piglets which are born together are not in contact with other piglets, until they have a well developed immune system.

### High focus on biosecurity

Animal health is a vital part of good animal welfare.

Feeding, genetics, housing, and disease prevention are some of the factors that have an impact on animal health. The establishment of biosecurity around all our farms is a core for disease spreading preven-

tion. Every year we improve biosecurity at our farms through the implementation of different measurements.

The human factor is one of the most important elements in the biosecurity system at farms. FirstFarms focuses on the adaptation of a set of rules and action plans to reduce the risk of disease spreading through employees and visitors. Every year we are conducting training aiming to remind our employees importance of preventing measures and reduction of the risks. Biosecurity improvement is also one of the regular topic on the internal benchmarking program in pig production.

# 3. SOCIAL

## FirstFarms as a workplace

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

## People and Culture in Strategy 2028

The realisation of our ambitious goals for 2028 is impossible without our employees and strong organisation. People and Culture is one of the 4 focus areas in the FirstFarms strategy 2028. FirstFarms will continue to work on attracting and retaining employees, developing and practicing leadership, and strengthening information flow in the organisation.

In 2022, for the first time, an employee satisfaction survey was conducted across FirstFarms Group.

Based on the result and input received from our employees there have been created action plans at the subsidiaries aimed to make the workplace even better. In 2023, subsidiaries worked on the implementation of action plans.

## Development of employees

FirstFarms invests in the employees' education and development. We continue to develop strong lea-

dership skills among our employees in management positions, where we support their personal development as well as professional skills and capabilities.

Our managers from the different levels in the organisation have attended different trainings and courses to acquire new professional skills and knowledge during 2023. In FirstFarms Zahorie (Slovakia), there was organised a workshop for leaders, where they could learn more about soft skills and how to use them in their leadership. As part of organisational development, leaders in FirstFarms Hungary attended a series of workshops to learn more about tools and skills needed to improve their leadership skills.

As a member of the Danish Farmers Abroad Association, FirstFarms has attended different seminars organised by the association. FirstFarms employees attended seminars in the area of HR, LEAN, pig breeding, and rearing, and many others. The main objective of the seminars is to exchange knowledge among association members as well as acquire new knowledge on specific professional topics. Our employees attended also internally organised workshops, training, and experience exchanging trips.

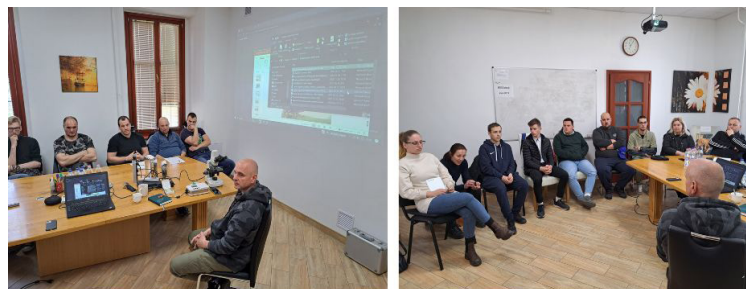


### 3. SOCIAL (CONTINUED)

Employee Circulation has increased by 3 percentage points in 2023 compared to 2022.

The employee circulation rate is at an acceptable level in 2023. The main reason for fluctuation is a reorganisation of newly acquired crop production in Hungary and the employment of new employees to the expended pig production in Hungary. The employee circulation rate among production employees is still higher than for employees in administration and management.

Lack of labour, due to the low attractiveness of the agriculture industry, and physical hard work are still the main reasons for employee circulation among production employees. We believe that continuous improvement of working conditions, safety, and working environment will improve employees' retention.



#### INTERNAL WORKSHOP IN HUNGARY

Train the people, develop employees



**Table 10: Employee circulation**

Indicator	Units	2023	2022	2021	2020	2019
Total number of FTEs (as of 31 December)	Number	364	336	319	316	312
Employee circulation rate	% *	17	14	23	19	16

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

## 3.1 WORK SAFETY

FirstFarms consistently works 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 two recordable injuries across the entire group in 2023, which is a significant decrease compared to 2022. FirstFarms works constantly to improve safety at the workplace as well as create

awareness among employees about the importance of safety equipment and safety procedures.

**Table 11: Recorded injuries**

Indicator	Unit	2023	2022	2021	2020
Total recordable injuries FTEs	Number	2	5	13	2
Total recordable injury rate FTEs	Per 200,000 hours worked*	0.6	2.1	5.9	0.9

\* 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.

2023 has been a busy year for our engagement in different events and activities supporting local communities. We are happy to be part of a great neighbourhood and strive to strengthen our relationship with local citizens.

### Support of the local communities

Traditionally our subsidiaries gave a helping hand to the local municipalities with canals and roads cleaning, and other landscape improvement measures. For example, FirstFarms Zahorie (Slovakia) supported the construction of a sidewalk at a local kindergarten and a fence closer to the kindergarten building. Children and their parents will now be able to walk safely along the sidewalk to the kindergarten. FirstFarms Gabčíkovo (Slovakia) participated in the rebuilding of the local fire station.

Our companies provide financial support to different kids' leisure activities in the local communities. The Scout team, Art School, basketball team, and running club were supported by FirstFarms Gabčíkovo (Slovakia). Summer 2023 was full of activities for FirstFarms Hungary employees. We supported and participated in the Sausage Festival in Telekgerendás, Taste and Traditions of Gádoros, and summer camp for local kids. Our employees had fun while meeting and building valuable relationships with local citizens.

Our employees take an active part in the company's engagement in local communities. FirstFarms Zahorie (Slovakia) employees had the opportunity to charitably support the local Community Centre. The Community Centre focuses mainly on helping people in difficult health and social situations who are at risk of social exclusion. Funds raised through the raffle organised by the company were handed over to families who had difficult life situations.

Every year since 2018 employees in FirstFarms Hungary donate sweets and toys for kids in need for Christmas. This year was not an exception and nearly 50 packages were handed over to local social services. FirstFarms Agro East (Romania) employees distributed 500 Christmas packages to the local kids. All our

subsidiaries have a tradition of making local children happy with Christmas presents.



### Open days in FirstFarms Zahorie, Slovakia

This year we opened the gates again to our dairy farm in Plavecký Štvrtok in Slovakia. This event was met with extraordinary public interest. During the first two days, which were dedicated to children, more than 1,200 children from kindergartens and elementary schools visited us. On the third day, we welcomed a record number of 2,000 visitors. A lot of activities were organised by our employees for both big and small visitors. We are happy, that there is a growing interest in farming.



## 3.2 INVOLVEMENT IN THE LOCAL COMMUNITY (CONTINUED)



### Supporting local educational institutions

In our social responsibility work in the local communities, we strive to support the education of young generation. Through FirstFarms' collaboration with different educational institutions and agricultural industry associations, we constantly work on attracting young generation to be a part of modern agriculture. We believe that it contributes both to rural development and to the development of our company. We also provide several internships for students.

FirstFarms has a very long experience collaborating with local educational institutions. FirstFarms Hungary has successfully conducted several mentor and scholarship programs to give opportunities for young students, who are interested or studying agriculture to gain practical experience in pig farming.

To strengthen further the collaboration with educational institutions, FirstFarms Hungary renewed its cooperation with the regional Faculty of Agriculture, University of Szeged (Hungary) in 2023. The cooperation aims to support the education of future farm leaders and provide practical knowledge of pig farming. FirstFarms professionals will participate in the education sessions in the classes, give site tours on the new farms, participate in internal career fairs, and support further scientific training and research of the students.

FirstFarms Zahorie (Slovakia) also cooperated with several students from different educational institutions during 2023. Students from different veterinary and agricultural schools could learn more about dairy and crop farming during their internships. Our company has one of the most modern technologies

and procedures for breeding cattle, experts who are regularly educated in their field, and therefore we consider it necessary to share these skills and opportunities with young students, who are interested in agriculture and could become our potential colleagues.

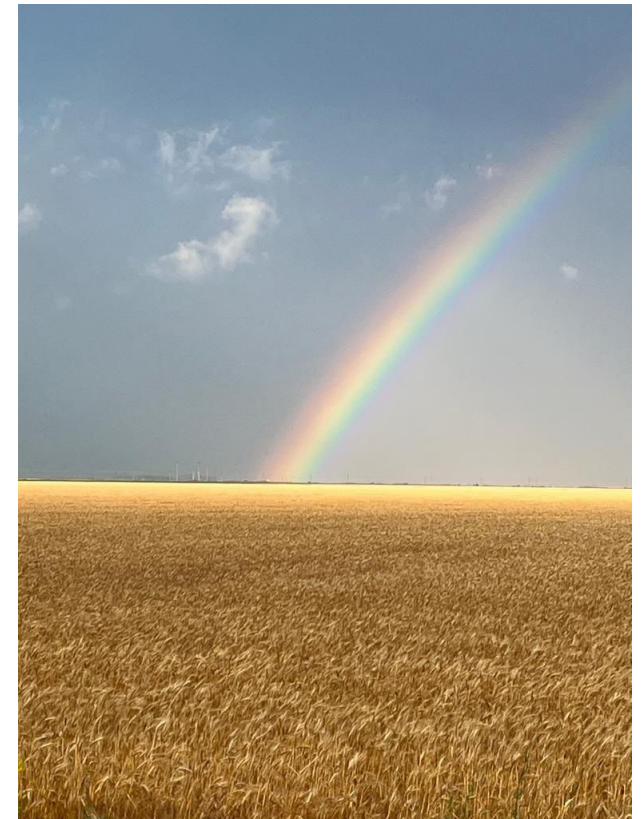


## 4. GOVERNANCE

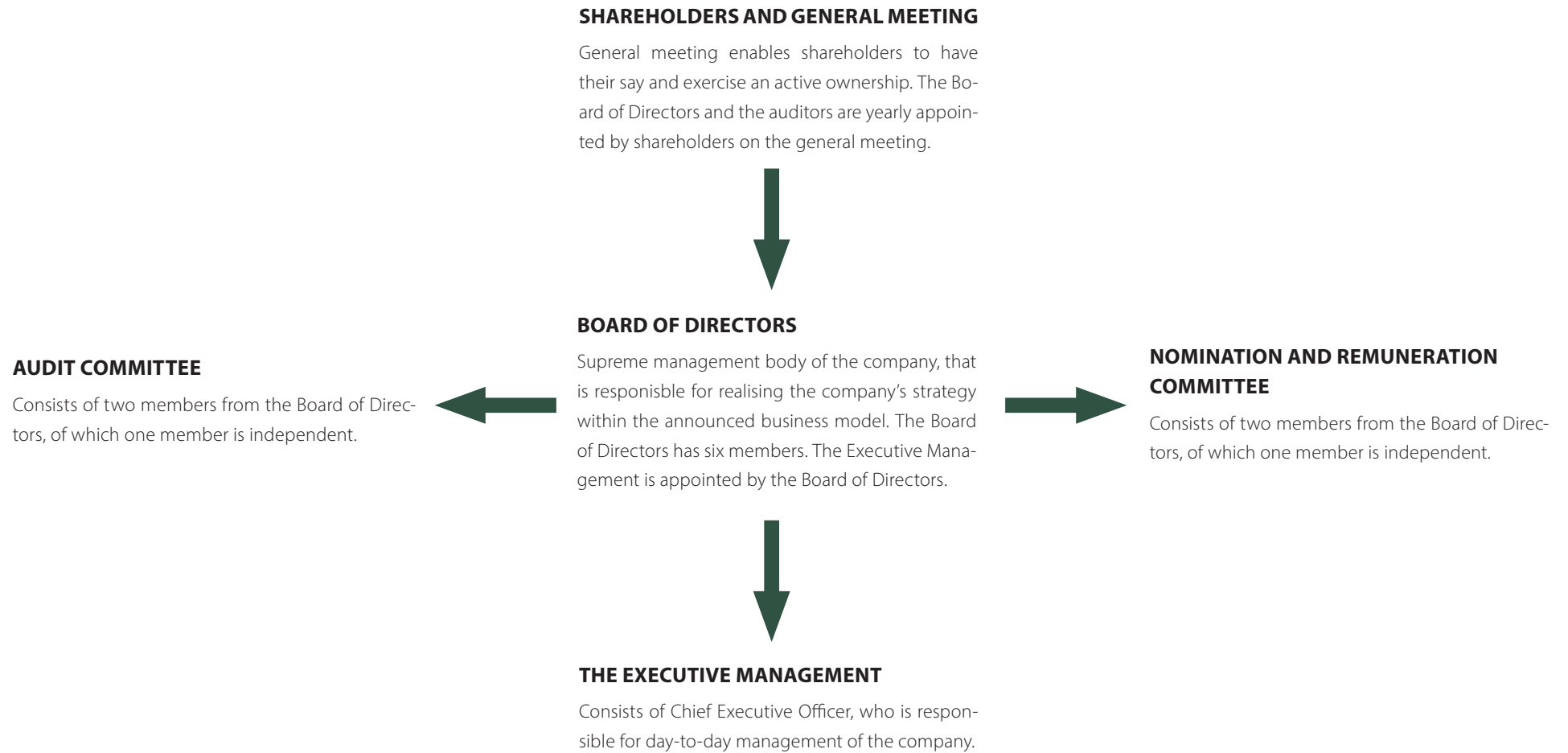
Corporate Governance – or company management – is the company’s overall framework and guidelines, which determine its goals and the Management’s tasks and business opportunities. FirstFarms is a public limited company. Following The Danish Financial Statements Act § 107b and “Recommendations for good 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 explains if the recommendations are deviated from. Each financial year, in connection with Annual Report disclosure, FirstFarms presents a statement on Corporate Governance: [www.firstfarms.dk/en/investorrelations/corporate-governance/2024-annual-report-2023/](http://www.firstfarms.dk/en/investorrelations/corporate-governance/2024-annual-report-2023/)

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 the 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. GOVERNANCE (CONTINUED)



## 4.1 DIVERSITY, GENDER DIVERSITY AND INCLUSION

### All employees

The proportion of female employees in our total number of full-time employees was 24 % in 2023. The share of women across the FirstFarms Group has decreased in 2023 compared to 2022. Compared to other companies in the agricultural industry, the proportion of women in the 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.

Despite local labor market and industry context, FirstFarms has set a target to increase the proportion

of underrepresented gender among all employees across the FirstFarms Group to 30% by 2028

To increase the proportion of underrepresented gender among our employees, 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 is recognised and respected for who they are. One of our values is Respect. We are committed to conducting business with respect for people and surroundings.

FirstFarms has a 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: [www.firstfarms.dk/fileadmin/Politikker/Diversity\\_and\\_inclusion\\_policy.pdf](http://www.firstfarms.dk/fileadmin/Politikker/Diversity_and_inclusion_policy.pdf)

**Table 12: Gender diversity among FirstFarms employees**

Indicator	Unit	2023	2022	2021	2020	2019
Total number of FTE's (as of 31 December)	Number *	364	336	319	316	312
Gender Diversity (proportion of underrepresented gender)	%	24	28	26	25	26

*\*Number of full-time employees employed as of 31 December within FirstFarms Group  
This material references GRI 405b i-1, 2020*

## 4.1 DIVERSITY, GENDER DIVERSITY AND INCLUSION (CONTINUED)

### Board of Directors and Group Management

FirstFarms strives to compose Board of Directors and Group 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 Group Management have sufficient collective knowledge, professional competencies, 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. FirstFarms' Board of Directors consists of six members elected by the General Assembly. In 2023, the proportion of underrepresented gender in FirstFarms' Board of Directors was 17%.

In 2023, FirstFarms has set a target to increase the proportion of the underrepresented gender to 33%, that at least two members of the company's Board of Directors shall be of the underrepresented gender by 2027.

To reach our goals to increase the proportion of un-

derrepresented gender in the Board of Directors, FirstFarms ensure that new candidates has an optimal combination of diversity and competencies. However, gender is not a decisive factor during the employment process of a new member. Qualifications and competencies that match the company's needs are weighted higher than the gender of the potential candidate.

There was no replacement of board members this year, which is why no significant actions have been taken in connection with increasing the proportion of the underrepresented gender in 2023.

**Table 13: Gender and diversity in Board of Directors**

Indicator	Unit	2023	2022	2021	2020	2019
Board of Directors, FirstFarms A/S*						
Members	Number	6	6	5	5	4
Female	Number	1	1	1	1	0
Male	Number	5	5	4	4	4
Gender Diversity (proportion of underrepresented gender)	%	17	17	20	20	0
Target to increase proportion of underrepresented gender	%	33	25	25	25	25
Year for meeting the target	Year	2027	2023	2023	2023	2023
Average age	Years	60	59	57	56	62
Average seniority	Years	8	7	7	6	7
Nationality						
Danish	Number	6	6	5	5	4
Non-Danish	Number	0	0	0	0	0
Board meetings	Number	5	8	10	14	11
Attendance	%	97	93	94	99	95

\* Members of FirstFarms' Board of Directors elected at a General Meeting.  
This material references GRI 405-1a i,iii, 2020

## 4.1 DIVERSITY, GENDER AND INCLUSION (CONTINUED)

Group Management in FirstFarms A/S consists of four members with no members of the underrepresented gender. FirstFarms has also set a target to increase the proportion of the underrepresented gender in Group Management (parent company FirstFarms A/S) to 25%, that at least one member shall be of the underrepresented gender by 2027.

FirstFarms strives to increase diversity among Group

Management. In our recruitment process, we have a strong focus on diversity and encourage candidates with different backgrounds to apply. If it is possible, we strive to create a wide pool of candidates with different backgrounds to conduct interviews with.

There was no replacement of members in the Group Management this year, which is why no significant actions have been taken in connection with increa-

sing the proportion of the underrepresented gender in 2023.

FirstFarms' Diversity and Inclusion policy is available on FirstFarms' website: [www.firstfarms.dk/fileadmin/Politikker/Diversity\\_and\\_inclusion\\_policy.pdf](http://www.firstfarms.dk/fileadmin/Politikker/Diversity_and_inclusion_policy.pdf)

**Table 14: Gender and diversity in Group Management**

Indicator	Unit	2023
Group Management, FirstFarms A/S*		
Members	Number	4
Female	Number	0
Male	Number	4
Gender Diversity (proportion of underrepresented gender)	%	0
Target to increase proportion of underrepresented gender	%	25
Year for meeting the target	Year	2027
Average age	Years	54
Average seniority	Years	7
Nationality		
Danish	Number	4
Non-Danish	Number	0

\*Group Management of FirstFarms A/S consists of Executive Management registered in Danish Business Authority and the managers employed in FirstFarms A/S with staff responsibility referring to the Executive Management. Number of members is headcount. This material references GRI 405-1a i, iii, 2020

More about Board of Directors and Executive Management's experiences and competencies can be found in FirstFarms' Annual Report p. 65-68.



## 4.2 HUMAN RIGHTS

At 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: [www.firstfarms.dk/fileadmin/Politikker/Code\\_of\\_Conduct\\_FirstFarms\\_February\\_2021.pdf](http://www.firstfarms.dk/fileadmin/Politikker/Code_of_Conduct_FirstFarms_February_2021.pdf)

### **Everybody is recognised and respected for who they are**

There is a low risk of violation of human and/or labour rights within FirstFarms' operations. Even though FirstFarms constantly mitigate the risk through the different initiatives.

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. Every second year FirstFarms conducts anonymous Employee Satisfaction Survey

in order to mitigate the risk of violation of human and/or labour rights. 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. 31).

FirstFarms is not aware of any human rights violations in 2023.

## 4.3 WHISTLEBLOWER PLATFORM

FirstFarms' Whistleblower platform can be found on the corporate website. 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 donslund.net. 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 have not been submitted whistleblower complaints in 2023.



## 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.

Even though 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 procedures intend to reduce the risk of corruption and to prevent the harmful consequences it entails for the company.

There have not been registered cases of corruption or bribery in FirstFarms in 2023.



# 5. CSR ACTIVITIES FOR 2024

## ENVIRONMENTAL

- Conducting GHG emissions inventory for pig production.
- Continue to increase the share of renewable energy produced and consumed throughout the implementation of on-site solar panels.
- Continue to implement precision agriculture tools to decrease production input herewith diesel, fertiliser, plant protection products, feed, etc.
- Development of a Farm Sustainability Plan for all subsidiaries.

## SOCIAL

- Conducting of Employee Satisfaction Survey within specific areas.
- Continue to develop FirstFarms' leaders – focus on the development of communication and other soft skills.
- 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. We will also evaluate the functioning of the Internal Safety Representative in the entire organisation
- To achieve our target of increasing the proportion of the underrepresented gender in the organisation, we will continue to promote working in agriculture among young women through our strong collaboration with educational institutions. 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

- To be ready to comply with the upcoming Corporate Sustainability Reporting Directive requirements, FirstFarms will carry out a Double Materiality Assessment. Double Materiality Assessment is an assessment of how sustainability-related topics impact our business and how FirstFarms' business impacts sustainability-related topics.
- Update of FirstFarms' Code of Conduct and ensure the commitment from the 1st tier suppliers.
- Establish an E-learning program for the Code of Conduct.

