



FirstFarms

REPORT ON CORPORATE SOCIAL RESPONSIBILITY 2020

CF. SECTION 99A OF THE DANISH FINANCIAL STATEMENTS ACT



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SCOPE OF THE DATA COLLECTION IN THE CSR REPORT

This CSR report contains ESG performance data from the parent company FirstFarms A/S and subsidiaries controlled by FirstFarms A/S in the reporting year. However, data regarding environmental impact does not include data from the parent company FirstFarms A/S and subsidiary AISIM s.r.l. in Northwest Romania.

The parent company's head office is in the rented office in Billund, Denmark, has 6 employees and only performs administrative tasks. Therefore, it is assessed that environmental impact of the parent company FirstFarms A/S with head office in Denmark is limited.

The subsidiary AISIM s.r.l. in Northwest Romania became a part of FirstFarms A/S in the summer of 2020. The subsidiary is a land development company with trade and storage facility and without crop production. The activities in the subsidiary were limited and CSR reporting system is under establishment.



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1. INTRODUCTION

Based on professional management and “best practice”, FirstFarms acquires, develops and operates our business in the area of agriculture and food products. We ensure attractive return on the operation and increase in value for our investors. We are focused on risk diversification of products and branches of operations. 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 for 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 involvement in 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 Nation’s Sustainable Development Goals, as “Responsible consumption and production”, “Life on land”, “Climate action” and “Decent work and economic growth”.

2020 was a year characterised by challenges, uncertainty and changes due to the COVID-19. Without exception, our organisation also faced challenges that the pandemic brought to the entire world.

One of our highest priorities during 2020 was to keep our employees safe and healthy, while adapting and maintaining our production flow. New workflows had to be established and new ways of working had to be learned. The entire FirstFarms organisation showed passion and commitment to their work during this challenged COVID-19 time. It confirms, that constantly improvement of the working conditions and working environment makes the organisation stronger and adaptive.

Disruption in the well-established food supply chains due to the COVID-19 resulted in strong focus on locally produced food products. FirstFarms is an agricultural company, which produces and primarily sells our products locally. Therefore, we are proud to contribute to a stable food supply in the countries where we operate. We believe that local production and consumption contribute both to the local rural development and climate.

COVID-19 also affected our CSR work and ambitions and conditions to reach our targets. Therefore, we acknowledge that some of our CSR activities that should have been accomplished in 2020 are postponed to 2021.

Our annual CSR for 2020 has been expanded with the new ESG figures that provide insight into the sustainability performance of FirstFarms. In 2020, we continued to work with establishment of the ESG data reporting processes and improvement of data quality across the group. High quality data are the basis for reliable calculations of our performance on sustainability.



2. ENVIRONMENT

2.1 RESPONSIBLE FOOD PRODUCTION WITH FOCUS ON THE CLIMATE AND ENVIRONMENT

FirstFarms is an agricultural company that produces vegetable and animal proteins of high quality. To be able to contribute to the achievement of the “Responsible consumption and production” sustainable development goal, we must run a more sustainable agriculture with focus on efficient use of natural resources. We are aware that our operations have an impact on climate and environment. Therefore, by supporting sustainable goals as “Life on land” and “Climate action”, we strive to reduce our climate and environmental impact, while adapting our business to climate changes. In our approach to sustainability work, we consider the complexity of all its aspects.

In 2021, FirstFarms will start a collaboration with a Danish consulting company Vicath EQ Aps, who will assist FirstFarms in the preparation of an inventory of FirstFarms’ environmental footprint. Their professional assessment will help us define areas where we should have focus and work on to reduce our impact on the environment.

2.2 FIRSTFARMS’ ENVIRONMENTAL POLICY

Our approach to environmental issues is presented in FirstFarms’ environmental policy that defines the areas our company works on to minimise environmental impact from our operations. The main purpose of the policy is to present FirstFarms’ approach to environmental issues to our employees and ensure, that decisions made in the company take environmental considerations into account and are in line with this policy.

Through FirstFarms’ environmental policy our company commits to:

- Continuously improve our environmental performance.
- Present credible environmental performance to our stakeholders.
- Strengthen the organisational engagement in improvement of our environmental performance.
- Engage in a dialogue with our stakeholders on the environmental issues.

The areas our company works on to minimise environmental impact from our operations, and performance on this work will be presented in the annual CSR report.

2.3 RESPONSIBLE USAGE OF RESOURCES

2.3.1 WATER AND ENERGY CONSUMPTION

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

Resources are becoming scarcer, 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 have to secure optimum and responsible usage of the water resources.

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. Calculation method is based on the GRI 303-3a.

Indicator	Unit	2020	2019	2018
Total water withdrawal	m3	239,464	263,785	235,355
Groundwater	m3	235,218	240,246	230,827
Third-party water	m3	4,140	23,430	4,407
Collected rainwater	m3	106	109	121

FirstFarms' water withdrawal for 2019 has been adjusted compared to the previous reported numbers in FirstFarms' CSR report for 2019, as an error has been found in the calculation in two of our subsidiaries.

Total water withdrawal decreased by 9 % in 2020 compared to 2019. Water efficiency has been improved in 2020 compared to 2019, as our production output in the milk production has increased. In 2019 we had some challenges with groundwater withdrawal in one of our subsidiaries. Therefore, consumption of third-party water increased in 2019. In 2020, we are back at the same level as in 2018.

In FirstFarms, we are aware that our production is energy intensive, and we have always strived to improve our energy efficiency and thus reduce our environmental footprint. 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. Calculation method is based on GRI 302-1.

Indicator	Unit	2020	2019	2018
Total energy consumption	GJ	131,320	140,887	115,534

FirstFarms' energy consumption decreased by 7 % in 2020 compared to 2019.

Fuel consumption decreased partially due to the drought in the Eastern Romania and partially due to the decline of the cultivated area in the Western Romania. Our energy efficiency has been improved in our subsidiary in Malacky, Slovakia. Energy consumed in the subsidiary is on the same level as last year, however both milk production and cultivated area have increased compared to 2019. Investments in new heat pumps for the milk cooling system, and new ventilation system for the stables with lower energy consumption, as well as effective field management in the crop production, have had a positive effect.



New heat pumps in the milk production in Slovakia



2.3.2 FEED CONSUMPTION

FirstFarms continues to work on 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 the feeding technologies ensure that animals receive an optimal amount of feed at the right time and thus reduce feed waste. These efforts not only contribute to the business but also to the reduction of our environmental footprint.

Average feed conversion ratio in the production of piglets is on satisfactory level and has no major changes in 2020 compared to 2019; however there is a little improvement. Feed conversion ratio among slaughter pigs is improved with 2% in 2020 compared to 2019.

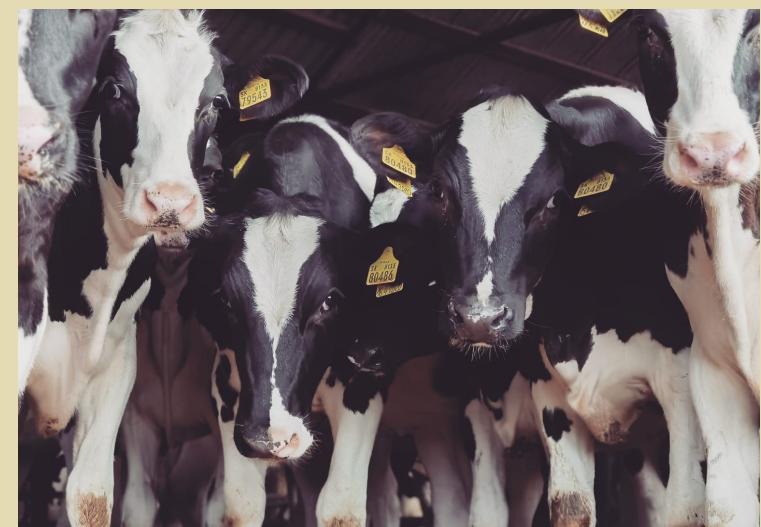
Feed efficiency in the milk production has been on the positive track the last two years. During 2020, the number of milking cows and youngstock has been increased. Despite this, the feed efficiency is on the same level as in 2019. It is positive, and FirstFarms will continue to work on this development.

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

*ECM - Energy corrected milk.

DMI - Dry matter intake.

A large part of feed for our livestock is produced on our own fields. This year in our crop production in Slovakia, we started a crop trial by growing a new kind of crop that could be a new protein source for our milking cows. By replacing brought protein with the protein produced on the farm, we contribute to the reduction of CO2 emission from transportation. Moreover, the introduction of a new crop to our crop rotation contributes to healthier and more resilient soil.



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2.4 PESTICIDES AND FERTILISERS

Usage of pesticides and fertilisers remains a focus area in FirstFarms. Through the years, we have invested in technologies that ensure more precise adding of fertilisers and pesticides, 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 fertilisers and pesticides.

In 2020, we have continued to work on mapping of our pesticides and fertilisers consumption together with developing a common measurement system, which would indicate FirstFarms' usage of fertilisers and pesticides through the years, and which could be applied across all our production sites. We acknowledge that this task is difficult due to the complexity of the reporting, as different subsidiaries use different products and have different registration methods. We will continue this work in 2021.

FirstFarms operates in different climate zones and cultivates different types of soils. Our soil management is adapted to the soil types 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 application of nitrogen through fertilisers. Their ability to fix nitrogen from air in their roots is also beneficial for the climate.

Indicator	Unit	2020	2019
Cover crops	ha	2,135	1,710
Share in the total land in operation	%	10%	8%

2.5 BIODIVERSITY

To be farmers 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 the fertilisers and pesticides as well as the increase of crop diversity on our 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 intensity of field operations, fertilisers and pesticide application. Moreover, for our production located in the water protected area there are construction requirements for our production facilities and storages for manure. They must be carefully secured in case of leakage.



Indicator	Unit	2020	% share in the total land in operation
Birds' protected area	ha	6,863	33
Special Area of Conservation	ha	907	4
Protected areas of natural accumulation of water	ha	1,530	7



2.6. ANIMAL WELFARE

FirstFarms' operations 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 has an Animal welfare policy that presents the company's approach to management of animal welfare. FirstFarms complies with all applicable legal and regulatory requirements in working with live animals. More detailed description is presented in FirstFarms' Animal welfare policy.

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 constant improvement of the health status of animals, we minimise usage of antibiotic treatments. FirstFarms' approach to antibiotic usage is restricted. We only treat animals with antibiotics in serious cases. Antibiotics are not used as preventative treatment. In 2020, we have been working on the development of a measurement system, that indicates FirstFarms' usage of medicine in the livestock.

In our milk production in Slovakia, antibiotic consumption per milking cow is reduced with 29% in 2020 compared to 2019. The reduction of the antibiotic consumption in the dairy herd is due to the approach to the healing of animals after health hazardous event. The main focus of the approach are preventative actions, that help animals to recover themselves. Preventative actions are targeted to reduce pain and inflammation by means of non-antibiotic medical treatment, as well as improvement of feed quality. The approach requires extra supervision from our veterinarians and technicians, who have to monitor sick animals, on how they react according to the recovery plan.

In 2020, we have also renovated stables, where we keep the most vulnerable cows. Improvement of the housing of the livestock has had a positive effect on the reduction of antibiotic treatments of the animals as well.

Indicator	Unit	2020	2019
Slovakia			
Dairy herd	ml per milking cow	24.37	34.5

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 production in Hungary and Slovakia. An average daily dose (ADD) is defined as amount of antibiotic a pig should have in one antibiotic treatment per day. In our Hungarian pig production, we achieved very good results and the average for the year of average daily dose per 100 animals per day is relatively low in 2020. Antibiotic treatments of weaners have decreased significantly in 2020 compared to 2019, due to the improvement of health status of animals and the upgrade of the biosecurity.

Our pig production in Slovakia became a part of FirstFarms in 2019. During 2020 we have been working

on the implementation of FirstFarms' production standards in the new subsidiary. Antibiotic consumption has been relatively high in the pig production in Slovakia during 2020. We believe that implementation of FirstFarms production standards that is targeted to improve the health status and well being of our livestock will reduce antibiotic treatments of the livestock in Slovakia.

Indicator	Unit	2020	2019
Hungary			
Piglets, sows,gilts and boars	ADD average year	4.22	3.88
Weaners	ADD average year	5.39	14.11
Slovakia			
Piglets, sows,gilts and boars	ADD average year	5.39	n/a
Weaners	ADD average year	39.59	n/a
Slaughter pigs	ADD average year	11.94	n/a

*ADD - Average daily dose.

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

In 2020 we have continued to invest in biosecurity on all our pig production sites in order to protect our animals from ASF and other animal diseases. Improvement of the biosecurity included training of employees, as well as investments in the equipment and upgrade of production facilities. We have also implemented new strategy with more place for housing of our weaners in the pig production in Hungary. Moreover, some stables have been equipped with new drinking system for the sows. Lactating sows can drink 40 litres of water per day. With installation of the new system, we can provide a constant level of water for the sows. It will improve milk production and health status of our piglets.

To reduce heat stress of livestock in our milk production, we have continued to improve ventilation system in the stables, as well as upgraded the sprinkler system for cooling of the cows in 2020.



3. SOCIAL

3.1 FIRSTFARMS AS WORKPLACE

As stated in FirstFarms' DNA; "We manage agriculture with respect for people". Our employees are the core of FirstFarms' development and success. Our company supports United Nation's Sustainable Goal: "Decent work and economic growth", and each year we strive to improve our working conditions to offer our employees an attractive and safe workplace. We also focus on attracting young people as future employees to our company through active collaboration between educational institutions, students and FirstFarms.

In 2020 COVID-19 changed our well-established work processes. We had to learn to work differently and learn new work routines. COVID-19 impacted our social life at work, as we did not see our colleagues as we used to. Therefore, health and wellbeing of our employees had a great focus in our organisation during the year. When it became possible to be gathered, we prioritised to enjoy time together in informal ways. Some informal events in different subsidiaries were held.

During 2020, our employees attended on-line courses, schooling and seminars in order to continue to strengthen their competencies and skills. Due to the COVID-19 we had to postpone our planned internal leadership development program to 2021. The main purpose of the program is to provide our leaders with various leadership tools and strengthen their leadership competencies.

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

Calculation methodology: (Number of employees left during the year / Number of full time employees (as of 31 December))

* 100

Employee Circulation has increased with 3% in 2020 compared to 2019. The main cause for the increase is the closure of our crop production in the Western Romania. Generally, the employee circulation at subsidiary level is stable compared to 2019, and at some subsidiaries it has even been improved. Lack of labour due to the low attractiveness of agriculture industry and physically hard work are still the main reasons for the high employee circulation. We believe that continuous improvement of working conditions, safety and working environment will improve employees' retention. Our social activities for 2021 are presented on page 16.



3.2 SAFETY

FirstFarms constantly works on occupational safety improvement. We have invested in defibrillators on our sites in Czech Republic, Hungary, Slovakia, Eastern Romania and our employees received detailed introduction on how to use them in 2019/2020. During 2020, we have been working on conducting First Aid training, and it has been conducted on our subsidiaries in Hungary, Czech Republic and pig production in Slovakia. In our milk production in Slovakia, First Aid training has been postponed due to the COVID-19. We hope that we can continue training in 2021.

As a part of safety measurements at the workplace, our employees receive different ongoing training during the year. In 2020, our employees in the pig production in Hungary took part in training of handling dangerous goods. Prior to the training, a professional coordinator reviewed the hazardous materials at the subsidiary and made recommendations for the safe handling and education of our employees.

All our subsidiaries comply with local labour safety legislation, and we have a target to increase our safety standards. To improve occupational safety in FirstFarms and increase awareness on near miss accidents and hazardous situations, we have 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 leadership regarding occupational safety. One of her/his tasks is to ensure that employees have a say in occupational safety issues. Moreover she/he should, in collaboration with employees and leadership, record near miss accidents or hazardous situations, as well as analyse the cause to the near miss accidents and hazardous situations and implement necessary preventative measures. In 2021, we will continue to implement Internal Safety Representatives at the rest of our subsidiaries.

As a part of ESG reporting, we have added the number and rate of recordable work-related injuries for our full-time employees in the CSR reporting for 2020. The rate of recordable work-related injuries is calculated as the number of recordable work-related injuries per two hundred thousand hours worked. Calculation method is based on the GRI 403-9a iii. There have been 2 recordable injuries across the entire Group in 2020. FirstFarms strives to reduce the occurrence of occupational injuries. We believe that implementation of Internal Safety Representative, as well as focus on near miss accidents and hazardous situations, will reduce the occurrence of occupational injuries.



First Aid training in FirstFarms Gabčíkovo (Slovakia) and FirstFarms Granero (Czech Republic)



Handling of dangerous goods training in FirstFarms Hungary

Indicator	Unit	2020
Total recordable injuries FTEs	Number	2
Total recordable injury rate FTEs	Per two hundred thousand hours worked	0.92

3.3 DIVERSITY AND INCLUSION

CF. SECTION 107D OF THE DANISH FINANCIAL STATEMENTS ACT

FirstFarms is an international company with employees with different cultures and backgrounds. We believe that diversity and inclusion in our organisation are preconditions and has value for our development and help us 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 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 upon to ensure diversity and inclusion across the entire organisation.

Some of our initiatives to promote and ensure diversity and inclusion are presented below:

- In FirstFarms' recruitment process, we encourage all candidates to apply, irrespective of age, gender, race, disability, religion or ethnic background.
 - In our recruitment process, we ensure a diverse pool of candidates by highlighting inclusiveness in our career and job materials.
 - In collaboration with different educational institutions, together with career fairs, we promote working in farming among young generations of men and women in communities, where we operate.
 - In our Code of Conduct, there is a clearly defined expectation to FirstFarms as an employer and our employees regarding bullying and discrimination. We do not accept any kind of unethical or disrespectful behaviour, discrimination, bullying and sexual harassment. All our employees are obliged to promote kindly and respectful behaviour to their colleagues.
 - FirstFarms strives to have remuneration equal to the median of the local employment markets, we operate in. We strive to offer pay to our employees based on their experience and competencies regardless gender, age, or social background.

ALL EMPLOYEES

The proportion of female in total number of full-time employees was 25 % in 2020. There is a little decrease in 2020 compared to 2018 and 2019. The main reason for the decrease is the closure of our crop production in the Western Romania. Compared to other companies in the agricultural industry, the proportion of female in total number of full-time employees is satisfactory. FirstFarms strives to attract more female employees to our organisation. However, it is challenging as farming always primarily has been considered a male occupation.

This year one of our female leaders from our pig production in Hungary was interviewed by one of the Hungarian magazines. Her interview was among other successful women's interviews in Hungary. Our

colleague is a role model for young women, who dream of building a career in agriculture. We believe that showing and promoting such successful stories will help our company to attract and encourage young women to work in agriculture. In 2021, we will strive to improve the proportion of female in total number of full-time employees and return to the level of 26%.

Diversity and Gender among Board of Directors and Executive Management can be found under Governance section p.14.



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

3.4 INVOLVEMENT IN THE LOCAL COMMUNITY



Handing over Christmas presents



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. This year at our pig production sites in Slovakia and Czech Republic, we have improved slurry transportation to the fields that reduce smell and dirt during transportation.

When FirstFarms constructs new production facilities, we strive to reduce our impact on the environment. During the construction work in our pig production in Hungary, some of the old trees had to be cut down. Instead, we planted 9,600 pcs. of new trees on the area of 1,2 hectares.

Our milk and crop production subsidiary in Slovakia has again in 2020 supported local community with necessary machinery for the spring-cleaning work.

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 part of modern agricultural. We believe that it contributes both to the rural development and to the development of our company. Our company provides a number of internships for students.

In the summer of 2020, three students, in the age of 16-20, joined our pig production in Gabčíkovo, Slovakia for their summer job. With enthusiasm and curiosity, they acquired knowledge and practical experience about modern pig farming. In 2020 our subsidiary in Hungary collaborated with the Hungarian agricultural organisation MAGOSZ in order to exchange experience on how to attract the young generation and motivate them to build careers in agriculture.

FirstFarms also made a number of other donations to different events in the local communities, where we operate. Without exception we handed out Christmas presents to the local kindergartens, schools and children's homes in 2020.

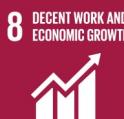
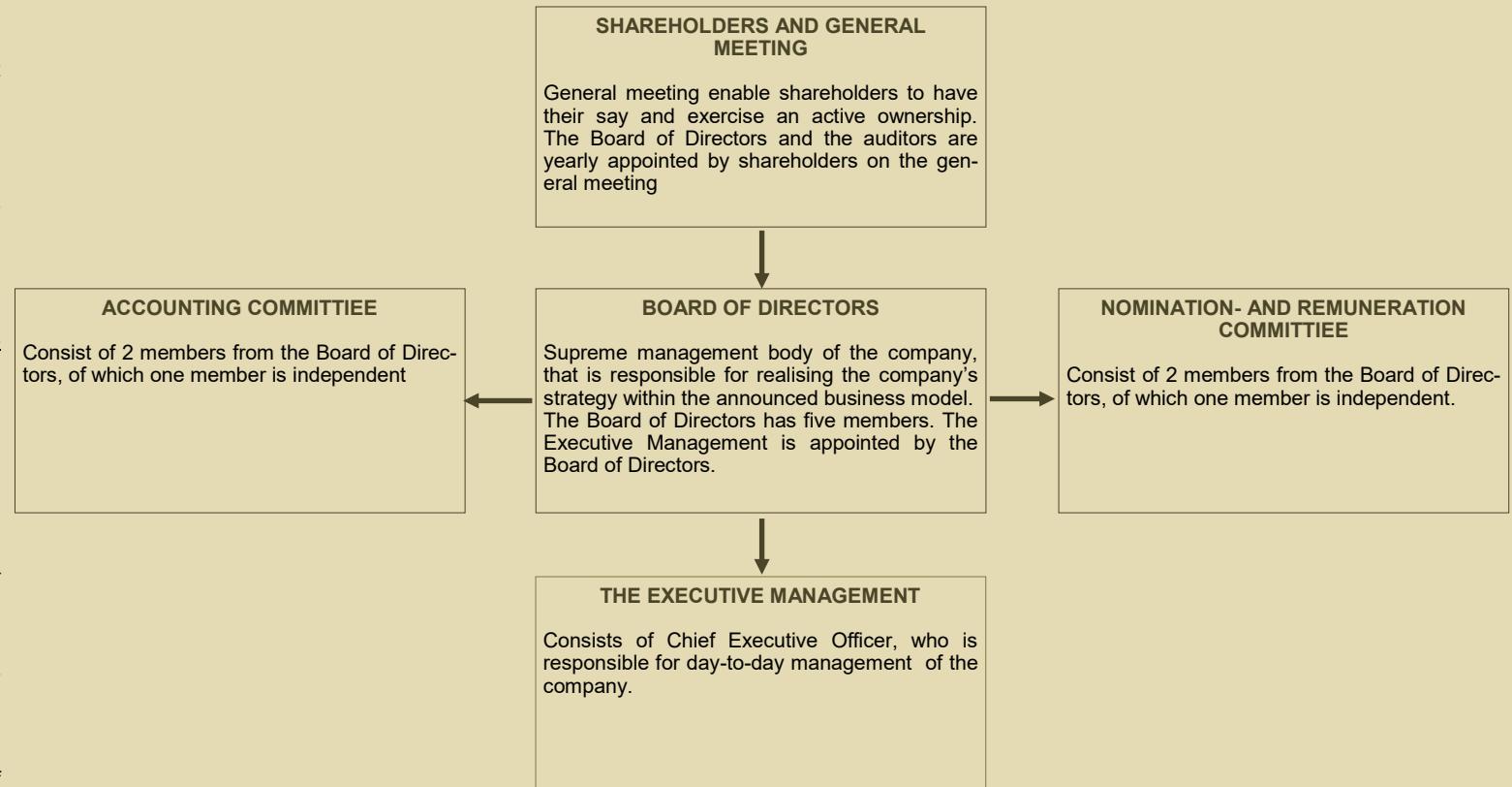
4. GOVERNANCE

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 to The Danish Financial Statements Act § 107b and "Recommendations for good Corporate Governance", FirstFarms as a listed company must 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 disclosure of the Annual Report, FirstFarms presents a statement on Corporate Governance (<https://www.firstfarms.dk/en/investor-relations/corporate-governance/2021-annual-report-2020/>)

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.

FIRSTFARMS GOVERNANCE STRUCTURE



4. 1 DIVERSITY AND GENDER

BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

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

FirstFarms strives to compose Board of Directors and Executive Management of members who have an adequate diversity in terms of qualifications and competencies. It is 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.

There have been changes in the composition of FirstFarms A/S' Board of Directors in 2020. During the recruiting of the new members, there was a major focus on diversity among FirstFarms' Board of Directors. 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. In 2020 FirstFarms achieved that target, as two new members entered FirstFarms' Board of Directors and 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.

FirstFarms has chosen only 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.

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.

More about Board of Directors and Executive Management's experiences and competences can be found in FirstFarms' Annual Report p. 44

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

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



4.2 FIRSTFARMS' CODE OF CONDUCT

FirstFarms Code of Conduct is based on The Ten Principles of the United Nation's Global Compact and concerns four main areas: Human Rights, Labour, Environment and Anti-Corruption.

4.2.1 HUMAN RIGHTS

FirstFarms has decided not to have a separate Human Rights policy. Instead, it is incorporated into our Code of Conduct.

In FirstFarms, we believe that people are our most valuable 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.

- We act in accordance with applicable laws and standards regarding human and labour rights and demands the same from our business partners.
- We do not accept any kind of violence at the workplace.
- We do not tolerate any kind of modern slavery and child labour in our company.
- We are an international company, and our strength is in our diversity. We treat people equally without discrimination, such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other statuses. We do not accept any kind of unethical and disrespectful behaviour, discrimination, bullying and sexual harassment.
- We provide equal pay for equal work, without any discrimination. We only permit working hours and salaries according to the local legislation.
- We only employ employees with working permits issued by official authorities.
- We respect and recognise our employees' freedom for association, the right to collective bargaining and strike according to law.
- We encourage our employees to feel free to express their opinion to improve working conditions and to create an even better workplace.
- We secure safety at the workplace and provide necessary equipment to conduct activities according to the health and safety legislation.

FirstFarms is not aware of any human rights violations in 2020.

Our Code of Conduct, including Human Rights policy as well as Diversity and Inclusion policy, are new policies for our organisation. Our target for 2021 is full integration of these policies in our sustainability gov-

ernance. During the next year, we will implement several initiatives that will contribute to the integration of the policies thus reducing risk of violation of human and labour rights. Initiatives can be found under CSR ACTIVITIES FOR 2021 section on p.16.

In the beginning of 2021, FirstFarms will launch 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 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 a report is sent from.

The 'Whistleblower platform will be a supplement to the regular cooperation systems and communication channels within our organisation. Through the Whistleblower platform, FirstFarms will encourage our employees and external stakeholders to report suspected misconduct, illegal acts or noncompliance 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.

4.2.2 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 is involved in any kind of corruption, bribe, fraud or other illegal agreements that may entail serious consequences for FirstFarms. 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 a number of written procedures that entail supervision or approval of different transactions by a third person. The intention of the procedures is to reduce 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 2020.



5. CSR ACTIVITIES FOR 2021

ENVIRONMENT

- Collaboration with consultancy company to define areas where we should have focus and work on to reduce our impact on the environment.
- Working on reducing water and energy consumption.
- Continue to work on development and implementation of the measurement system that illustrates FirstFarms' usage of fertilisers and pesticides.

SOCIAL

- Further reduction of Employee Circulation Rate through the improvement of working conditions and environment. Conduction of the internal leadership training in 2021 will be one of the initiatives that we believe will improve working environment. Part of the training will be focused on the inclusion at the workplace and the benefits of a diverse workforce.
- To support our employees' rights to safe workplace and to reduce the occurrence of occupational injuries, we will work on 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 risk of violation of human and labour rights, we will conduct Employee Satisfactory Survey in 2021. We will continue to communicate FirstFarms' Code of Conduct to our employees and thus clear expectations for their behaviour at the workplace.
- 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.

