

REPORT ON CORPORATE SOCIAL RESPONSIBILITY'22

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



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1. INTRODUCTION TO OUR CSR REPORT

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

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

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

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

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

Renewable energy investments

After two years with Covid-19 and its consequences, 2022 was a year of uncertainty and volatility caused by post consequences of Covid-19 and the effects from the war in Ukraine. Despite the challenges which were faced during the year, FirstFarms delivered another historical result.

High production efficiency and circularity of the resources in production are some of the reasons for the good financial result. In order to improve energy efficiency in production, reduce dependency on purchased energy and contribute to our sustainability journey, FirstFarms has prioritised investments in onsite renewable energy projects. In 2022, we have been working on different solar panels projects as well as other projects based on renewable energy sources.

Climate change adaptation

2022 was a year, where we experienced drought at our operations in Central Eastern Europe. Climate change is “a new normal” for all agricultural companies to deal with. FirstFarms are fully aware of the risk of climate change and its impact on our operations. To mitigate the impact, FirstFarms implement management and production methods that focus on water retention, the enhancement of soil organic matter as well as crop rotation and introduction of new crops.

Carbon footprint calculations

In 2022, we joined Cool Farm Alliance (www.coolfarmtool.org). As a member of the alliance, FirstFarms will be able to use Cool Farm Tool, which is an environmental footprint calculator. We are looking forward to cooperating with other alliance members and sharing knowledge and best practices in order to further development of the tool. The tool will help FirstFarms to quantify and manage the environmental impact of the company.

Leadership training and Employee Satisfaction Survey

After two years with Covid-19, we were finally able to conduct leadership training in 2022. For 4 days, 4 teams with 24 managers participated in the intensive training. We have received positive feedback from the participants and are ready to conduct training again in the future.

Employee Satisfaction Survey has been completed at all our subsidiaries in 2022. We appreciate the feedback we received from our employees. Based on the feedback, action plans with improvement initiatives were developed. We believe the implementation of initiatives will make FirstFarms to an even better workplace.

1.1 OUR CONTRIBUTION TO UNS' SUSTAINABLE DEVELOPMENT GOALS

FirstFarms is a company in the area of agriculture and food products. 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. 6-18.

We depend on ecosystems and biodiversity

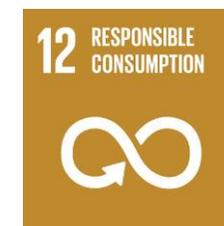
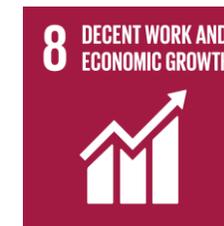
As farmers, we depend on ecosystems and biodiversity to be able to continue producing food. Some of our land is a part of official nature-protected areas. By supporting **Goal 15** "Life on land", we strive to decrease our impact on the ecosystem and biodiversity. More about our work aimed to protect biodiversity can be read on p. 17. 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. 6-16.

Our employees are the key to success

As stated in FirstFarms' DNA: "We manage agriculture with respect for people". Our employees are the core of FirstFarms' development and success. Our company is committed to supporting **Goal 8** "Decent work and economic growth", and each year we strive to improve our working conditions to offer our employees an attractive and safe workplace. How we work on the improvement of our working conditions can be found on p.20-23.





1.2 SCOPE OF THE DATA COLLECTION

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

However, data regarding environmental impact does not include data:

- from the parent company FirstFarms A/S. The parent company's head office located in the rented office in Billund, Denmark, has seven employees and only performs administrative tasks.
- In 2021, FirstFarms divested activities in FirstFarms Agro West (Romania). 2021 data from the subsidiary is not included in CSR reporting.

- In August 2022, FirstFarms acquired a new crop production company Try-Beta in Hungary. The company's data will not be included to the CSR reporting before 2023.

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

FirstFarms' approach to environmental issues, along with the areas our company works with in order to reduce environmental impact from our operations, are stated in the FirstFarms' environmental policy:

https://www.firstfarms.dk/fileadmin/Politikker/Environmental_policy_FirstFarms_February_2021.pdf.

As it is defined in FirstFarms' environmental policy, our company commits to presenting credible information about environmental performance to our stakeholders. In 2021, we presented the FirstFarms Group GHG (greenhouse gas) emissions inventory from energy consumption in Scope 1 and Scope 2 for 2020 and 2021. GHG emissions from energy consumption for 2022 can

be found on p. 7. The data is also available on Nasdaq's ESG data portal.

"Greenhouse gas (GHG) Protocol Agricultural Guidance" defines two sources of emissions in the agricultural sector: mechanical and non-mechanical.

Mechanical sources are equipment or machinery operated on farms, and refrigeration and air-conditioning equipment. Non-mechanical sources are either biological processes shaped by climatic and soil conditions (e.g., decomposition) or the burning of crop residues. (GHG Protocol Agricultural Guidance, p.24). According to the definition, FirstFarms has presented emissions from mechanical sources and purchased energy in our Scope 1 and 2 GHG inventory.

To be able to provide an inventory of emissions from both sources, FirstFarms joined Cool Farm Alliance in 2022, and will use the carbon calculator Cool Farm Tool to conduct calculations of the on-farm GHG emissions and soil carbon sequestration. Cool Farm Tool will quantify the GHG emissions as well as assist decision-making regarding action plans aiming to reduce GHG emissions on-farm.

Due to the large volume and complexity of the data, we will continue to implement Cool Farm Tool in 2023 and look forward to presenting our GHG inventory for the FirstFarms Group in 2023.

Meanwhile, using Cool Farm Tool, we have made pilot calculations of GHG emissions for the pig production FirstFarms Gabčíkovo, Slovakia. The results are presented on p. 9-10.

Indicator	Unit	2022	2021	2020
Scope 1- location-based	t CO ₂ -eq.	5,793	6,053	6,128
Scope 2 -location-based	t CO ₂ -eq.	1,384	1,261	1,386
Total	t CO ₂ -eq.	7,177	7,314	7,514

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

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

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

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

Figures of FirstFarms' carbon emissions from energy consumption in 2022 reporting have been adjusted compared to the previously reported figures in FirstFarms' CSR report for 2021.

New source for the emission factors for the generated electricity is used for the calculations:

https://www.eea.europa.eu/data-and-maps/daviz/co2-emission-intensity-12#tab-googlechartid_chart_11

For the calculation of Scope 2 emissions in 2022 available emission factors in the database for 2021 are used. Emission factors for 2022 will be available in the database in May 2023.

FirstFarms' emissions of greenhouse gas in CO₂-eq from energy consumption have decreased by 2% in 2022 compared to 2021.

Energy consumption in agricultural production is fluctuating from year to year due to some external factors. One of them is weather conditions. The main reason for the reduction of Scope 1 emissions

in 2022 is the reduced consumption of diesel due to the drought.

Scope 2 emissions associated with electricity consumption have increased in 2022 compared to 2021. Higher air temperature during the summer results in higher electricity consumption for ventilation of the stables. Moreover, there has been used more electricity and propane for heating and drying, due to the changes in the housing of piglets and for the new silo in operation.

Another external factor, that affects FirstFarms' Scope 2 emissions, is a composition of the energy mix in the national grid. As FirstFarms uses national emission factors for the calculation of emissions from purchased electricity, GHG emissions from the national production of electricity will directly influence emission figures in FirstFarms' Scope 2 inventory. National emission factors for electricity produced are fluctuating from year to year and

depend on the sources used for producing electricity in the national grid.

Changes in 2021 location-based emission factors has resulted in a net increase of FirstFarms' Scope 2 emissions.

Diesel consumption – we reduce

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

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

Areas with reduced tillage increase from year to year. In 2022, new machines for strip-till seeding have been purchased by the company. We will test them on the fields in FirstFarms Zahorie (Slovakia) in the 2022/2023 growing season.

We also work with new smart technologies in our crop production. Besides constantly upgrading our machinery, which use less diesel, we implement other smart technologies. We are working on the implementation of smart application systems in our

crop production. Based on the collected data from the fields the machines will apply optimal amount of seeds and fertiliser. It will reduce diesel and fertiliser usage.

Electricity consumption – we reduce

The second-largest source of CO₂-eq. emission, according to our CO₂ inventory, is electricity consumption. 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 usage.

In 2022, we have worked 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 own consumption.

Besides solar panels installed in our pig production in FirstFarms Gabčíkovo (Slovakia) at the beginning of 2022, FirstFarms installed solar panels in crop production in Romania. Moreover, solar panels will be installed in pig production in the Czech Republic at the beginning of 2023 as well as

on the new production site in FirstFarms Hungary. In 2023, we expect to install 1.5-2 MW of solar energy capacity.

There are more projects on the way. We experience some challenges in connection to the solar panels' installation. Shortages of the necessary equipment due to the high demand, difficulties to obtain grid connection permissions for larger projects, and updated legislation covering the area are some of the challenges which postpone the implementation of the projects.

Meanwhile, FirstFarms in Zahorie (Slovakia) and FirstFarms Granero (Czech Republic) replaced light bulbs with LED in the stables, which will contribute to the reduction of electricity consumption in 2023.

2.1 CASE: GHG EMISSIONS IN PIG PRODUCTION AT FIRSTFARMS GABCIKOVO (SLOVAKIA)

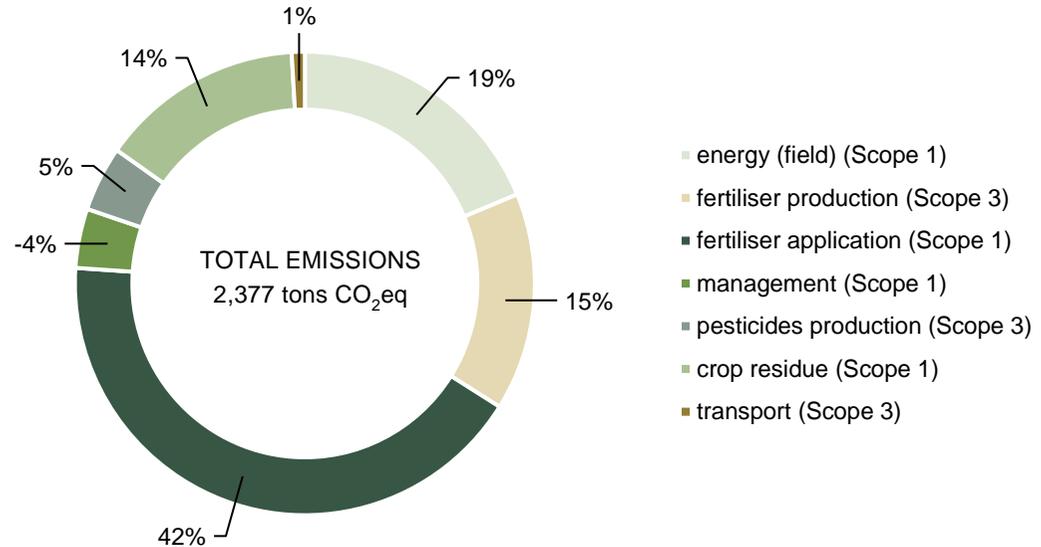
Every day we are working on making our production more sustainable and reducing FirstFarms' carbon footprint. We have been doing this since the establishment of the company. Through technical modernisation and implementation of new and more efficient production methods, FirstFarms not only create value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

With help of the carbon calculator Cool Farm Tool, we have mapped GHG emissions (in CO₂-eq.) for our crop and pig production in FirstFarms Gabcikovo (Slovakia). At this location, we operate 1,500 hectares of land. 90% of crops growing at the fields are used for feed in pig production, where we breed piglets and slaughter pigs.

The total amount of emissions in the crop production, and distribution between sources, is presented in the graph. Production of crops in 2022 in FirstFarms Gabcikovo (Slovakia) resulted in the emission of 2,377 tons of CO₂-eq.

In crop production, the main sources of GHG emissions are fertiliser application, and emissions from diesel used in the fields. The next largest source is the production of synthetic fertiliser. On other hand growing cover crops results in negative emissions.

CROP PRODUCTION GHG EMISSIONS
FIRSTFARMS GABCIKOVO, 2022



The total amount of emissions in the pig production, and distribution between sources, are presented in the graph. Production of pigs in 2022 in FirstFarms Gabcikovo (Slovakia) resulted in the emission of 5,744 tons of CO₂-eq.

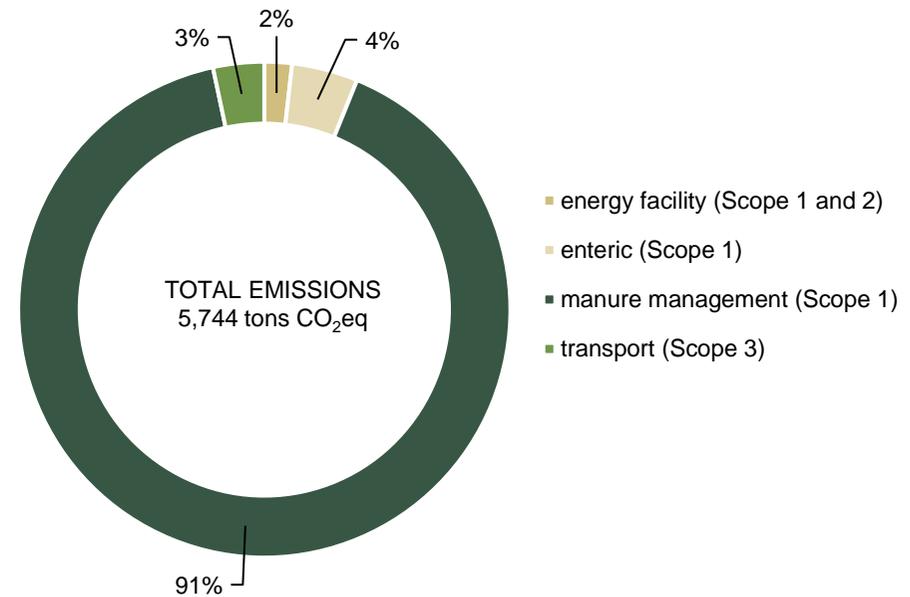
Manure management and feed production account for the largest share of emissions in pig production. Emissions from crop production of 2,377 tons CO₂-eq should be added to the pig production as emissions from feed production.

Full line pig production in FirstFarms Gabcikovo (Slovakia) emitted 8,121 tons of CO₂-eq in 2022.

We will continue to work with the implementation of the Cool Farm Tool at other subsidiaries in 2023.

GHG emissions mapping will be used for the internal benchmarking and development of carbon footprint reduction plans.

PIG PRODUCTION GHG EMISSIONS FIRSTFARMS GABCIKOVO, 2022



2.2 CLIMATE ADAPTATION

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 large part of our operations depends on weather conditions, climate change affect 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 a daily basis and trying to adapt suitable production methods, that will ensure sustainable and efficient production in the future.

Not the same climate adaptation production methods fit all locations, where we have production.

One size does not fit all. The decision-making process regarding new production methods implementation requires taking into account many dilemmas, where profitability, possibility and sustainability have to be balanced. It also requires flexibility, adaptability and knowledge. FirstFarms possesses these qualities and can make well-considered decisions and to the highest possible extent adapt production to new climate conditions.

Our production in Romania experiences lack of precipitation more frequently. They approach this challenge with the introduction of new crops to the crop rotation and less tillage of the soil. At the same time, less soil tillage results in more weeds and plant diseases. Therefore, new technology and more disease-

resistant plants will be some of the solutions in the future, as well as new and innovative plant protection products.

“Testing, testing, and more testing – it is our approach to the introduction of the new crops and production methods. Each year we are testing new crops in our fields. If we are seeing positive results, we establish bigger areas with a testing crop next year. This year around 300 hectares were seeded with peas, which was tested last year. And we are testing sorghum this year, as a new crop”:

FACT BOX

According to European Environment Agency, there are 4 main climate zones in Europe. FirstFarms has operations within a temperate climate zone. The common characteristic of the temperate climate is cold-lasting winters and predominantly hot summers. Even if FirstFarms’ operations are located in one climate zone, weather patterns vary significantly between different locations.

Continued 

Increasing challenges with lack of water forced our crop production team in Romania to be adaptable, creative, and innovative and to make large investments in new machines and irrigation systems, to mitigate the effect of the drought in production.

"Water retention in the soil has a high priority. Each year we reduce the tillage of the soil. Cover crops are one of the methods to retain water in the soil, but we experience more difficulties to establish them on the fields due to the very dry summer. Therefore, irrigation is an efficient solution in our approach aiming to reduce the impact of the drought on our production."

FirstFarms Agro East (Romania); Managing Director Florin Zanoaga

Our crop production management also tests different production methods to adapt to climate change. Less soil tillage and more cover crops are some of the methods. To build up soil organic matter on our fields, and to keep water in the soil, there are established cover crops on the fields. Moreover, they are testing different cover crop mixtures, that are more adaptable to the weather and soil conditions, as well as crop rotation. Strip-till tillage on some of our fields will be tested in 2023.



FirstFarms cooperated with bachelor student Elke van Burgsteden from the University of Wageningen, the Netherlands to investigate the potential of water retention in 1–3-year-old grassland.

2.3 RESPONSIBLE USAGE OF RESOURCES

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

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

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

Focus on water withdrawal

FirstFarms' total water withdrawal includes all

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

Water consumption has increased by 36% in 2022 compared to 2021. Two main reasons for the increase in water consumption are increased number of animals and high temperatures during the summer. Due to the high temperature during the summer, we use a significantly higher amount of water for our cooling systems in the stables to prevent heat stress of our herds in pig and milk production. There was also increased water consumption to ensure drinking water for animals and the production processes.

It is challenging to reduce water consumption, as summer temperatures rise year after year.

FirstFarms is seeking solutions to improve water consumption without compromising animal welfare.

Indicator	Unit	2022	2021	2020	2019	2018
Total water withdrawal	m3	390,764	288,498	286,242	283,660	234,275
Groundwater	m3	385,273	282,889	281,798	280,246	230,827
Third-party water	m3	5,491	5,609	4,338	3,305	3,327
Collected rainwater	m3	-	-	106	109	121

This material references GRI 303-3a,2020

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

Focus on our total energy consumption

FirstFarms' total energy consumption includes total fuel consumed within the organisation both from non-renewable and renewable sources, as well as electricity and heating purchased for consumption from power generating stations. This material references GRI 302-1,2020.

Figures of FirstFarms' energy consumption in 2022 reporting has been adjusted for 2021 numbers to be comparable with the 2022 model.

FirstFarms' energy consumption has increased in 2022 compared to 2021.

Analysing FirstFarms' energy consumption, the most fluctuating category of energy used in the production is diesel. 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.

Diesel consumption has been reduced due to the drought in 2022. On the other hand, the consumption of other energy sources has increased. This is partly due to the new silos, new

construction of stables, on-site disposal of dead animals from operations and due to the changes in the housing and number of piglets.

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

Indicator	Unit	2022	2021	2020	2019	2018
Total energy consumption	GJ	135,727	134,580	130,980	139,276	115,728
Fuel from non-renewable sources:						
Gasoline	GJ	193	251	268	325	292
Diesel	GJ	67,542	71,857	73,906	84,225	72,811
Heating oil	GJ	688	479	512	564	551
Natural gas	GJ	267	448	635	621	862
Propane	GJ	10,990	10,129	8,712	7,940	-
Fuel from renewable sources:						
Biomass (straw)	GJ	29,001	25,365	20,606	20,607	20,849
Electricity purchased for consumption	GJ	27,047	25,808	25,731	24,995	20,365
Heating purchased for consumption (waste heat from biogas station)	GJ	-	244	611	-	-

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 to 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 ensures that feed nutrients are not wasted, animals

are not overfed, and feed efficiency will be optimised on the farm.

The feed conversion ratio is at a high level in the production of piglets but has decreased by 2%. The feed conversion ratio among slaughter pigs has decreased over the last 5 years. In 2022 was at the same level as in 2021. Feed efficiency in dairy production has improved in 2022 compared to 2021 and has had a positive development in the last 5 years. In general, the feed efficiency in our 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. Due to drought in 2021/2022 growing season, we have harvested maize silage of low

quality. It has consequences on feed efficiency and requires implementation of the solutions, that will keep the positive development in feed efficiency of the last years.

In our pig production, there have been implemented several initiatives to disinfect drinking water for animals, as water quality increasement lead to high livestock health, that in the end improves the feed conversion ratio. Moreover, in FirstFarms Gabčíkovo (Slovakia) as a trial, there has been implemented new feed concept for piglets based on enzymes and vitamins for better digestion.

Indicator	Unit	2022	2021	2020	2019	2018
Feed conversion ratio, piglets	kg feed intake/kg weight gain	1.71	1.67	1.63	1.64	1.65
Feed conversion ratio, slaughter pigs	kg feed intake/kg weight gain	2.55	2.55	2.59	2.63	2.55
Feed efficiency, dairy cows	kg ECM*/kg DMI*	1.44	1.43	1.32	1.33	1.27

*ECM - Energy Corrected Milk

*DMI - Dry matter intake

2.3 PLANT PROTECTION PRODUCTS AND FERTILISER

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

The majority of FirstFarms' companies are considered mixed farming. At mixed farms, we have larger potential for circulation of resources. Slurry and manure from the animals are reused as fertiliser. Through analysing manure and slurry, we

can avoid adding unnecessary nitrogen to the crops and thus avoid leakage of nitrogen to nature. The growing of legumes and double cropping increases the utilisation of fertiliser on our fields.

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

The implementation of the carbon calculator (Cool Farm Tool), is expected to visualise and measure the progress of the reduction of plant protection and fertiliser usage in production. It will also be a tool for business development in general.

Indicator	Unit	2022	2021	2020	2019
Cover crops	hectares ¹	2,312	2,371	2,135	1,710
Share of cover crops in the total land in operation	% ²	15	15	10	8

¹Number of hectares which were sown with cover crops during the reporting year

²Percentage share of hectares sown with cover crops in the total number of hectares in operation.

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.

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

As a part of the new EU's Common Agriculture Policy (CAP), FirstFarms will in 2023 work with selected eco-schemes available according to the local plan for CAP implementation. Eco-schemes implementation will contribute to sustainable agricultural practices that benefit biodiversity.

Indicator	Unit	2022	2021	2020	% share in total operated land 2022	Areas defined in Nature 2000 under EU's Birds Directive and Habitats Directive.
Birds' protected area	hectares	6,863	6,863	6,863	43%	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.
Special Area of Conservation	hectares	893	907	907	6%	
Protected areas of natural accumulation of water	hectares	1,581	1,530	1,530	10%	

2.5 ANIMAL WELFARE

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

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

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

As a pilot project based on the Danish calculation method of antibiotic consumption, there has been calculated an average daily dose used in our pig productions in Hungary and Slovakia. 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 Danish calculation method of antibiotic consumption can be read here: <https://www.foedevarestyrelsen.dk/Leksikon/Sider/ADD-og-antibiotikaforbrug-i-kv%C3%A6g--og-svinebes%C3%A6tninger.aspx>

Indicator	Unit	2022	2021	2020	2019	ADD limit
Hungary						
- Piglets, sows, gilts and boars	ADD average*	5.0	3.4	3.7	3.7	3.2
- Weaners	ADD average*	18.0	8.3	5.6	12.1	17.2
Slovakia						
- Piglets, sows, gilts and boars	ADD average*	4.2	5.2	5.6	n/a	3.2
- Weaners	ADD average*	12.1	37.2	39.8	n/a	17.2
- Slaughter pigs	ADD average*	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.*

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 reflects on antibiotic consumption. Efforts are still being made to reduce consumption. Antibiotic consumption in pig production in Hungary has increased due to the phasing out of medicinal zinc.

Since the acquisition of FirstFarms Gabčíkovo (Slovakia), work has been done to improve the health status and well-being of our livestock through livestock management. The efforts have resulted in a significant reduction of antibiotic consumption in pig production in Slovakia in 2022.

In the dairy herd, antibiotic consumption in 2022 has decreased by 15 % compared to 2021. 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

To increase animal welfare in our dairy farming, old lights have been replaced with LED lights in 2022. The change to LED lights will save energy, as well as be closer to natural lightning that stimulates the natural behaviour of the animals.

Installation of rubber mats, to reduce hoof injuries and cow slipping, is postponed to 2023.

Stables have also been renovated in FirstFarms Gabčíkovo (Slovakia), where the modern interior ceiling with light system and new feeders were installed.

New animal drinking systems were installed in FirstFarms Hungary to improve the water intake of the animals. This system secures a constant water supply for the animals.

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 prevention. Every year we improve biosecurity at our farms through the implementation of different measures.

The human factor is one of the most important elements in the biosecurity system at farms. FirstFarms focuses on the implementation of a set of rules and action plans to reduce the risk of disease spreading through employees and visitors. Signboards around the farm can help to communicate the message to the farms' employees and visitors. New signboards were placed on the entrance area to our farms in 2022, in order to remind about main measures day by day.

Indicator	Unit	2022	2021	2020	2019
Dairy herd antibiotic consumption	ml per milking cow*	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.*

3. SOCIAL

FirstFarms as a workplace

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

Employee satisfaction survey

To be able to continue improving the workplace, we have for the first time conducted an employee satisfaction survey across the Group in 2022. The survey was divided into three overall topics: well-being, motivation, and leadership, and has been completed by 82 % of our employees. On average across the Group 91% of responded employees will recommend FirstFarms as a workplace. We are proud and grateful for the recognition that employees show to FirstFarms. We appreciate also constructive and honest feedback on other questions. Based on the employees' feedback, there were identified areas for improvement in each of the subsidiaries and appropriate initiatives will be implemented in order to make the workplace even better.

Leadership training

The achievement of FirstFarms' ambitious targets depends on a strong and professional organisation, where leadership is playing a crucial role.

To strengthen the leadership capabilities of FirstFarms' middle management, there was carried out an internal leadership development program in late autumn of 2022. The main purpose of the program was to introduce our leaders to the various leadership tools and thus strengthen their leadership competencies, as well as strengthening the cooperation across our subsidiaries.

We received positive feedback from the participants and will strive to conduct new training in future.



Leaders from different subsidiaries solving team building tasks during Leadership training. Autumn 2022, Slovakia.

Development of employees' skills and capabilities

FirstFarms invests in the employees' education and support the participation of employees in different knowledge exchange seminars.

To further support the development of our organisation and create a better workplace for our employees, as well as anticipate the labour market development, our colleagues from HR departments in Slovakia and Hungary have participated in a seminar, organised by the Danish Farmers Abroad organisation. Trends, tools, and experiences have been exchanged between participants.

Moreover, our colleagues from FirstFarms' crop production have been on a study trip to the United Kingdom to learn more about regenerative agriculture, also known as conservation agriculture.

Conservation agriculture is a farming system that promotes the maintenance of a permanent soil cover, minimum soil disturbance, and diversification of plant species. This type of farming, also called "sustainable farming", has a lot of advantages, such as an increase of organic matter in the soil. Our

colleagues have visited local farmers and "Groundswell - Regenerative Agricultural Show & Conference". FirstFarms already works with some elements of conservation farming as part of climate adaptation initiatives. During the trip, we acquired more and new knowledge and got inspiration to how conservation agriculture could be implemented in FirstFarms' crop production.

Several of our employees from FirstFarms Hungary took part in study trips to gain new knowledge and exchange experience within the pig production area. A veterinary conference in Hungary, and a study trip to Germany and France as part of the benchmarking program, for farmers were visited.

We have also visited Wageningen University in the Netherlands to discuss new developments in sustainable milk production with local students.



HR representatives from FirstFarms Zahorie (Slovakia) and FirstFarms Hungary have attended an HR seminar in Warsaw, (Poland) organised by Danish Farmers Abroad Association.

Employee Circulation has decreased by 9 percentage points in 2022 compared to 2021. After reorganisation and change in production set-up in 2021, the organisation was stable, and the employee circulation rate is at an acceptable level in 2022. 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.



Regenerative agriculture tour to the United Kingdom.



FirstFarms discusses sustainable dairy farming with the students of Wageningen University (The Netherlands)

Indicator	Unit	2022	2021	2020	2019	2018
Total number of FTEs (as of 31 December)	Number	336	319	316	312	279
Employee circulation rate	%*	14	23	19	16	25

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

3.1 SAFETY

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

There have been 5 recordable injuries across the entire group in 2022, which is a significant decrease compared to 2021. There have been implemented extra initiatives in 2022 to reduce the number of injuries. The main aim of implemented initiatives was to create extra awareness around the use of safety equipment and to reduce injuries.

In 2022, a safety audit was conducted by internal safety representatives in FirstFarms Hungary (Hungary). In FirstFarms Zahorie (Slovakia), the

internal safety committee has also been through the selected production facilities to evaluate safety environment; with focus on near miss accidents and to discuss additional improvement measures.

In 2023, we will continue to evaluate safety environment on our production sites, as well as implement Internal Safety Representatives in the subsidiaries where these are missing.



Safety audit in FirstFarms Hungary

Indicator	Unit	2022	2021	2020
Total recordable injuries FTEs	Number	5	13	2
Total recordable injury rate FTEs	Per two hundred thousand hours worked*	2.1	5.9	0.92

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

3.2 INVOLVEMENT IN THE LOCAL COMMUNITY

“We are looking for ways to use our skills and resources to support the local community who are driving positive change”.
FirstFarms Gabčíkovo (Slovakia); CSR responsible in Annamaria Kucmanova

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.

2022 compared to 2020 and 2021 was a year full of different activities and events in the communities, where FirstFarms operates. We were happy to support a long range of them.

Support of the local communities

FirstFarms Zahorie (Slovakia) machinery continues to help local municipalities with landscaping, cleaning, and partly asphaltting of public roads. Local schools and kids’ sports associations had also been supported by new equipment. Moreover, children from local schools and kindergartens have been visiting our farm to learn more about farming. Employees together with the company have donated funds to the Betánia asylum centre in Malacky, Slovakia. The Betánia Asylum Centre provides its services to abused women with children and homeless people.

Our subsidiary FirstFarm Gabčíkovo (Slovakia) has also been active in participation in different local events.

As a tradition, several local sports associations have been supported by FirstFarms Gabčíkovo, as local running, football and table tennis clubs. The company has also supported rebuilding of Gabčíkovo’s football field with building material transport.

The company has also been a part of another dedicated commitment. The local nursery, with many development plans, has done an effort to create a nurturing environment for the little ones. We were happy to support these developments.



Local nursery supported by FirstFarms Gabčíkovo (Slovakia)



FirstFarms Zahorie (Slovakia) handed over the donation to the asylum centre in Malacky.



Team FirstFarms Gabčíkovo (Slovakia) enjoying running with local running association.

Other subsidiaries have been also actively involved in supporting different local projects. Christmas presents have been delivered to the local kids in the Czech Republic, as well as support for different local food supply programs and festivals in Hungary.

Supporting local educational institutions

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

This year FirstFarms Gabčíkovo (Slovakia) has cooperated with an educational institution and provided a two-week professional internship for a student. The internship ended with positive and useful experiences.

The first results of the scholarship program, started in 2021 in FirstFarms Hungary, has been delivered in 2022. The aim of the program is to investigate the effect of organic manure on crop production. The company has also started a mentor program with a local educational institute. The main goal of the program is to be actively involved in pig farming education and contribute to the integration of the young generation into modern agriculture.



Hungarian Bread program has been a symbol of farmers' social responsibility for many years. FirstFarms Hungary has also donated wheat to the program.



Christmas presents to the local kids from FirstFarms Granero (Czech Republic)



Scholarship and mentor program in FirstFarms Hungary



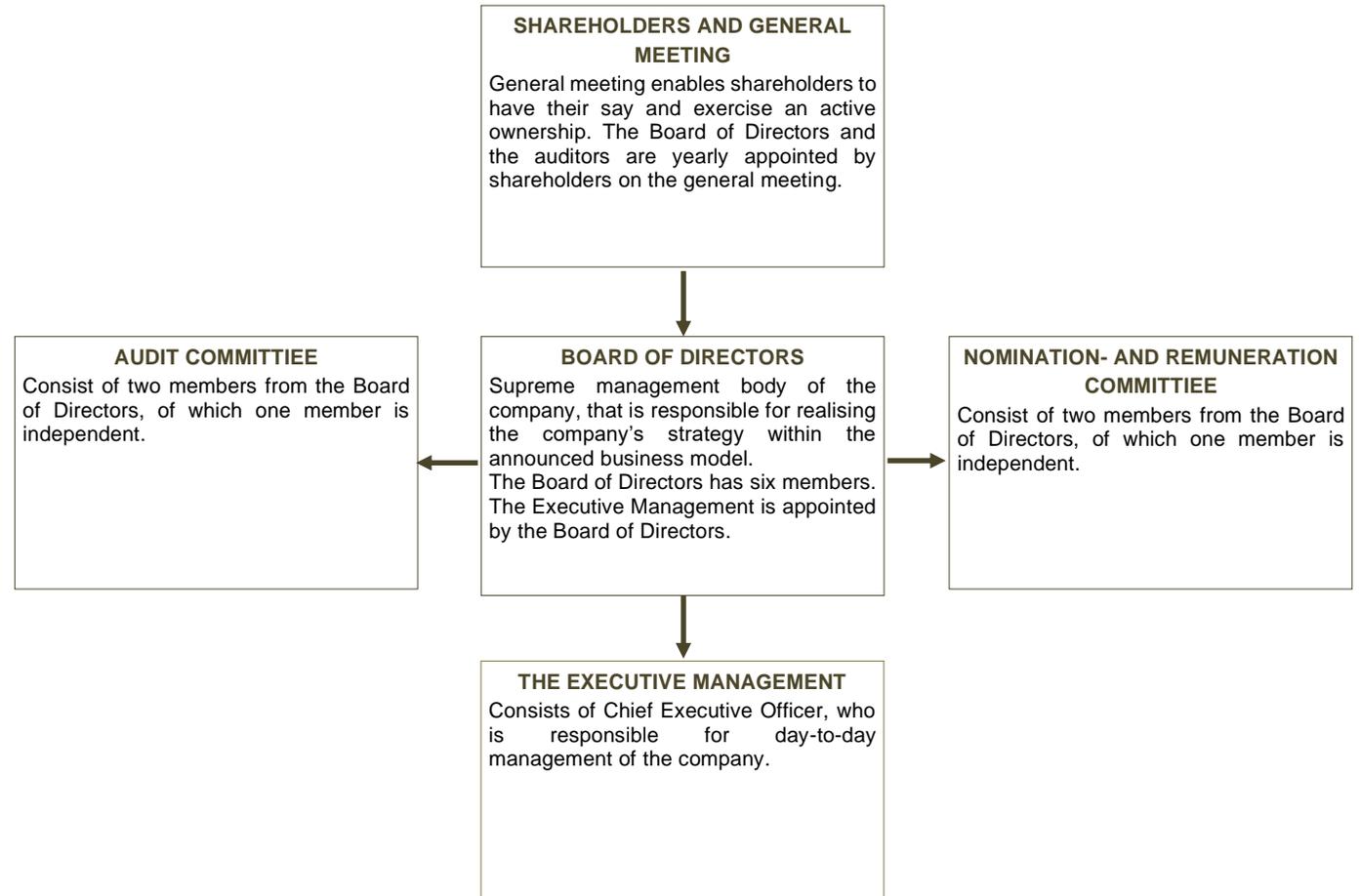
Visiting local educational institutions by FirstFarms Hungary.

4. GOVERNANCE

Corporate Governance – or company management – is the company’s overall framework and guidelines, which determines its goals and the Management’s tasks and business opportunities. FirstFarms is a public limited company. In accordance with The Danish Financial Statements Act § 107b and "Recommendations for good Corporate Governance", FirstFarms as a listed company has to explain how it complies with the recommendations. In FirstFarms, this means that the company explains how the recommendations are interpreted and complied with and explain if the recommendations are deviated from. Each financial year, in connection with Annual Report disclosure, FirstFarms presents a statement on Corporate Governance: <https://www.firstfarms.dk/en/investorrelations/corporate-governance/2023-annual-report-2022/>

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

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



4.1 DIVERSITY, GENDER AND INCLUSION

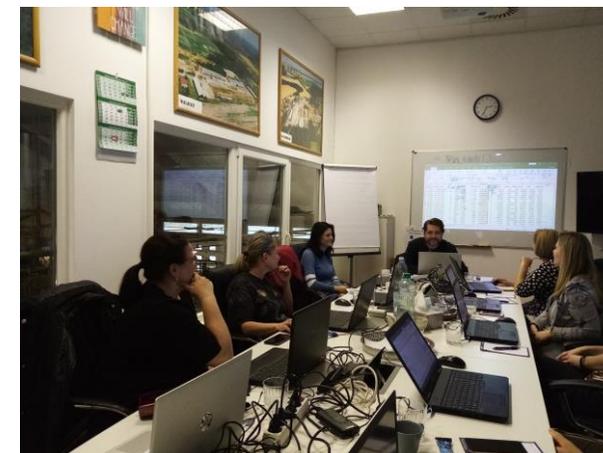
CF. SECTION 99B AND 107D OF THE DANISH FINANCIAL STATEMENTS ACT ALL EMPLOYEES

The proportion of female employees in our total number of full-time employees was 28 % in 2022. The share of women across the FirstFarms Group has increased in 2022 compared to 2021. 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.

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

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

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



*Excel training course in FirstFarms Zahorie
(Slovakia)*

Indicator	Unit	2022	2021	2020	2019	2018
Total number of FTEs (as of 31 December)	Number*	336	319	316	312	279
Gender Diversity (percentage of female FTEs)	%	28	26	25	26	26

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

BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

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

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

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

FirstFarms has a target that at least one member of the company's Board of Directors shall be of the underrepresented gender before 2023. FirstFarms achieved that target in 2020.

The composition of FirstFarms A/S' Board of Directors in 2022 has been changed. A new member was elected at the General Meeting 2022.

FirstFarms strives to increase the proportion of the underrepresented gender in the Board of Directors, however, gender is not a decisive factor during the employment process of a new board member. Qualifications and competencies that match the company's needs are weighted higher than gender of the potential candidate.

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

Indicator	Unit	2022	2021	2020	2019	2018
Board of Directors, FirstFarms A/S*						
Members	Number	6	5	5	4	4
• Female	Number	1	1	1	0	0
• Male	Number	5	4	4	4	4
Gender Diversity (percentage of female members)	%	17	20	20	0	0
Average age	Years	59	57	56	62	61
Average seniority	Years	7	7	6	7	8
Nationality						
• Danish	Number	6	5	5	4	4
• Non-Danish	Number	0	0	0	0	0
Board meetings						
• Attendance	Number	8	10	14	11	11
	%	93	94	99	95	98

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

Indicator	Unit	2022	2021	2020	2019	2018
Executive Management, FirstFarms A/S*						
Members	Number	1	1	1	1	1
• Female	Number	0	0	0	0	0
• Male	Number	1	1	1	1	1
Gender Diversity (percentage of female members)	%	0	0	0	0	0
Average age	Years	55	54	53	52	51
Average seniority	Years	10	9	8	7	6
Nationality						
• Danish	Number	1	1	1	1	1
• Non-Danish	Number	0	0	0	0	0

**Management of FirstFarms A/S registered in Danish Business Authority
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. 58-61.

4.2 HUMAN RIGHTS

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

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

Everybody is recognised and respected for who they are

As a company, we strive to create an open and inclusive organisational culture where everybody are recognised and respected for who they are. We expect that our employees will feel comfortable communicating to the management about cases of human and/or labour rights violations if they will occur at the workplace. If our employees or other stakeholders have some knowledge about human and/or labour rights violations in FirstFarms and are not comfortable informing the management, they could use our Whistleblower platform (more about our Whistleblower platform can be read on p.31).

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

survey in all subsidiaries in 2022. The survey was divided into three overall topics, which we asked our employees to evaluate: well-being, motivation, and leadership. Some of the questions in the survey were related to human and labour rights compliance in the organisation. In general, the survey has shown that FirstFarms' employees perceive the company as a good workplace. However, in some of the subsidiaries, answers indicated that the relationship between employees should be improved and strengthened. The issue will be investigated further, and appropriate actions will be implemented to improve the relationship between employees.

FirstFarms is not aware of any human rights violations in 2022.

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 Netklar ApS. Any report submitted will be kept confidential to the fullest extent possible throughout the investigation. We do not save the IP address the report is sent from.

The Whistleblower platform is a supplement to the

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

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

There have not been submitted whistle-blower complaints in 2022.



4.4 ANTI-CORRUPTION

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

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

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

There have not been registered cases of corruption or bribery in FirstFarms in 2022.

5. CSR ACTIVITIES FOR 2023

ENVIRONMENTAL

- Implementation of Cool Farm Tool across the whole Group for the comprehensive GHG emissions inventory. Based on the comprehensive GHG emissions inventory, FirstFarms will work on setting reduction targets in the coming years.
- Reduce electricity consumption through the implementation of on-site solar panels.
- Development of GHG emissions reduction plans on the subsidiaries' level.

SOCIAL

- Implementation of action plans based on the results from the Employee Satisfaction Survey conducted in 2022 in order to improve working conditions at FirstFarms.
- To support our employees' rights to a safe workplace and to reduce the occurrence of occupational injuries, we will work on the further improvement of FirstFarms' safety standards. Implementation of an Internal Safety Representative in the rest of the subsidiaries as well as following up on the progress of integration and results achieved.
- 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

- Auditing of the existing policies.
- Continue to identify and close gaps in relation to Human Rights and Anti-Corruption policies

