



# Nutreco Sustainability Report 2020

Our purpose  
**Feeding  
the Future**



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# 01. Introduction

**Sustainability is one of Nutreco's strategic pillars. It's inherently intertwined in our product and services' innovation agenda and integrated as a business opportunity in our Operating Companies (OpCos) around the world.**



It would be a gross understatement to label 2020 merely as a uniquely challenging year, as many of us witnessed traumatic changes to economies, businesses and personal lives. This past year, saw the global population deeply affected on multiple levels, and our thoughts at Nutreco go out to all those who have lost loved ones or suffered other hardships.

Sustainability is one of Nutreco's strategic pillars. It's inherently intertwined in our product and services' innovation agenda and integrated as a business opportunity in our Operating Companies (OpCos) around the world.

Nutreco was honoured to have been nominated as a shortlisted finalist in two prestigious EDIE Sustainability Leaders Awards this year, namely the "Sustainability Reporting & Communications" award for Nutreco's Sustainability Report 2019, and the "Product Innovation



## 01. Introduction

of the Year” award for Selko Revalet®, a product from the portfolio of Nutreco’s animal nutrition division, Trouw Nutrition.

Now in its 14th year, UK-accredited EDIE recognises excellence across the spectrum of green business and its jury is composed of a panel of sustainability experts. Though we are yet to take home this coveted award, Nutreco’s annual sustainability reports have been nominated among eight finalists in three of the past four years.

We recognise the value that comes with the general public becoming better aware of and increasingly engaged in what companies do in the area of environmental and social sustainability. As such, we are striving to improve the readership of our annual reports, including a variety of

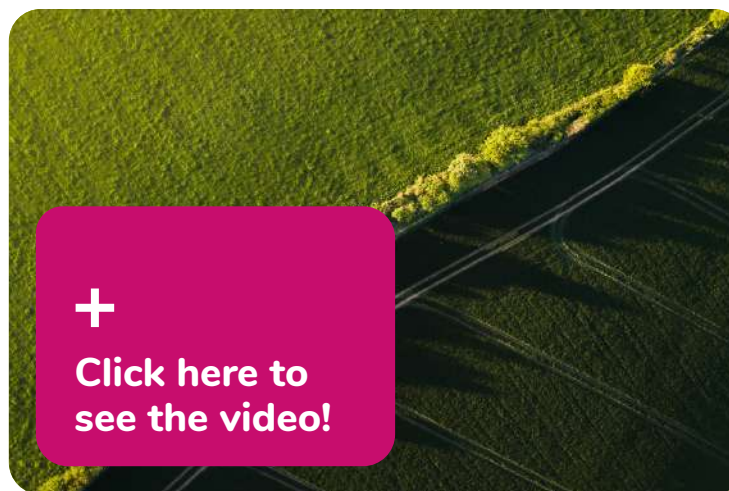
tools to communicate our messages and summarise our activities in a more visually appealing and fun way.

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option.

We hope this delivery package will bring us more readers, so please spread the word, raise awareness and assist us in creating the necessary change for our environment.

### Sustainability at Nutreco

Watch this 5 minute video conversation between our CEO, Rob Koremans, and Corporate Sustainability Director, Jose Villalon, as they discuss Nutreco’s 2020 sustainability highlights.

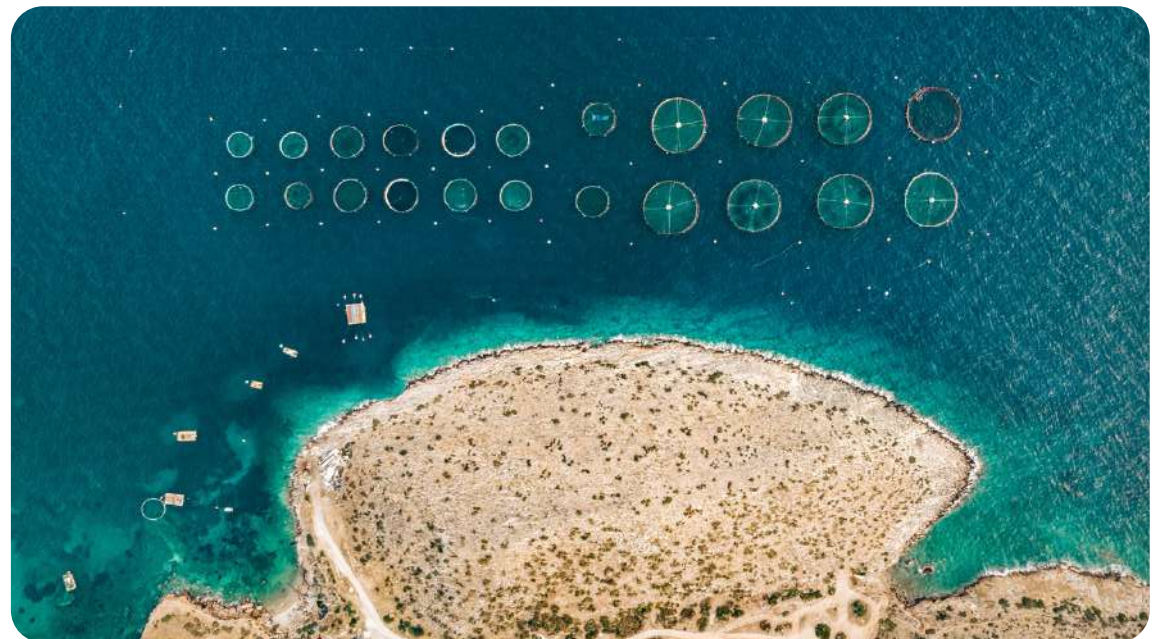


# 02. Who We Are

**We influence and incentivise reductions in the environmental and social impacts of our suppliers, and the extractors of commodities and natural resources.**

2020 proved a defining year in many ways. Nevertheless, the COVID-19 pandemic took most of the headlines, and within Nutreco, a lot of effort went into ensuring that our colleagues and their families remained safe while at the same time keeping our operations producing as part of our responsibility to maintain an undisrupted food value chain.

Nutreco occupies a unique position in the food value chain. We influence and incentivise reductions in the environmental and social impacts of our suppliers, and the extractors of commodities and natural resources. Simultaneously, we empower the animal protein producers (farmers) to produce more with less resources, thereby reducing their environmental impacts. We do not shy-away from this responsibility and are cognizant of the role we play. Accordingly, this report addresses our role and responsibilities as implemented throughout 2020.



## 2.1 Purpose, vision and values

### Our purpose

At Nutreco, we believe there are solutions that will ensure today’s children and the other almost 10 billion people on the planet in 2050 get the healthy and nutritious protein that they need to thrive. This challenge isn’t just one for future generations; it demands the attention of today’s generation. That’s why Nutreco’s purpose of ‘Feeding the Future’ is so essential.



### Our values

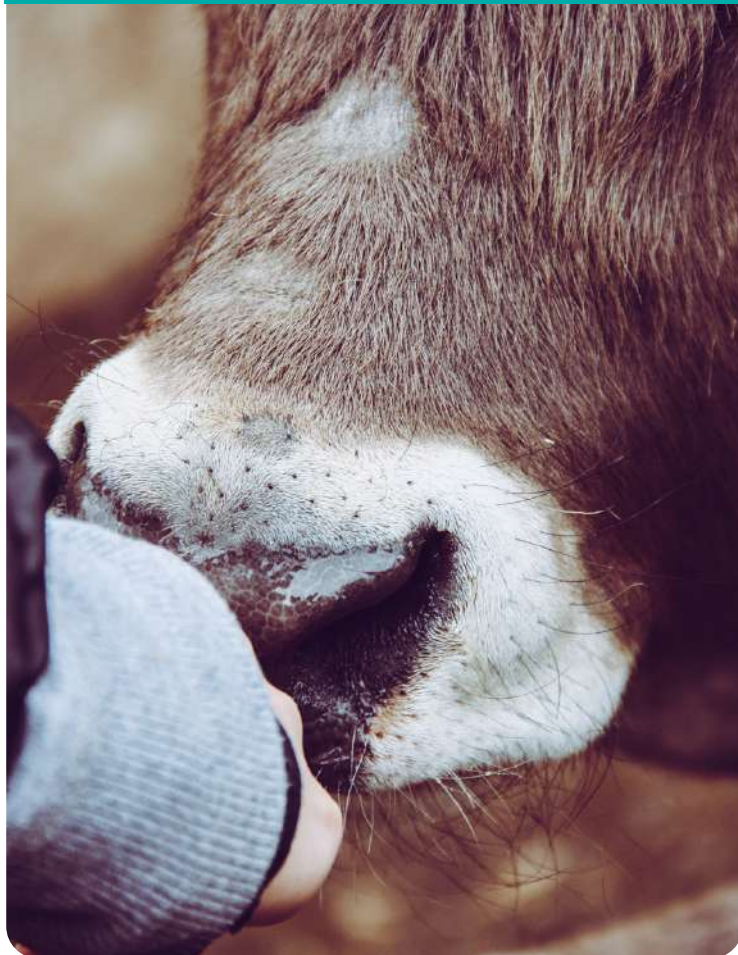
We ask our employees to carry these values; to treat others with care, integrity and openness; to make the right decision when facing dilemmas in their daily work; and to take guidance on doing business with integrity and in line with our company’s policies. We believe it’s these values that will determine our ability to succeed in our mission.



### Our vision

Our ambition over the next 10 years is to become the leading, go-to partner for customers seeking science-based, sustainable animal nutrition solutions. We have identified three areas that we will focus on to lead these changes; future feed ingredients, future animal, fish and shrimp farming; and future protein supply chains.

For us, our purpose of Feeding the Future is a call to action – to everyone in our company and in our fields of business to be open to and embrace the challenge that will dramatically alter our industry.



## 2.2 Our brands, customers and suppliers

Trouw Nutrition is a global leader in innovative feed specialities, premixes and nutritional services for the animal nutrition industry. It provides species-specific nutritional solutions consisting of feed concepts, products and nutritional know-how, with a focus on dairy, beef, pork and poultry production.



### Market

Trouw Nutrition is the #2 premix producer globally, with a #1 position in Europe and Canada. In Iberia, Trouw Nutrition holds the #1 position in compound feed and the #3 position as a poultry producer.



### Presence

There are 80 plants globally with strong market presence in Western Europe, Central and Eastern Europe, the Middle East and Africa (EMEA), Asia, Canada, the United States and Latin America Market.



### Customers

Feed compounders, integrators, distributors, farmers, companion animal industry, retail, wholesale, food industry and pig meat processors.



### Suppliers

Producers of grains, vegetable proteins, land animal products, amino acids, trace elements and minerals, vitamins, dairy products, vegetable oils, preventive animal health products and organic acids.



## 02. Who We Are

Skretting is the world leader in the manufacture and supply of aquaculture feeds, making it an essential link in the feed-to-food chain. This division produces and supplies a broad and diversified feed portfolio for more than 60 species of commercially-farmed fish and shrimp.



## Market

Skretting is the #1 salmon feed producer and the #3 shrimp feed producer globally.



## Presence

There are 25 plants around the world including in Norway, Chile, Asia, Australia, Canada, Ecuador and Zambia Joint ventures in Honduras and Nigeria.



## Customers

Fish and shrimp farmers.



## Suppliers

Producers of ingredients including protein, fat, carbohydrates and micronutrients.

As the dedicated investment arm of Nutreco, NuFrontiers identifies, develops and invests in next-generation breakthrough innovations throughout the protein value chain.



SKRETTING  
a Nutreco company



nutreco  
NuFrontiers  
looking beyond.

## 2.3 Our global impact



### Sharing our dilemmas

- Eliminating deforestation.
- Reducing the risk of anti-microbial resistance.

A



### Our sustainability achievements

#### Protecting the future participating in multi-stakeholder partnerships:

- **Seafood Business for Ocean Stewardship (SeaBOS):** an initiative to create transformative change in ocean sustainability.
- **Cerrado Funding Coalition:** Engaging with soy traders for an urgent shift to deforestation in the Cerrado biome.
- **AquaVision:** aimed at exploring ways to meet nutritional demand for the world population.

#### Developing social initiatives to support our local communities:

- **Nigeria:** supporting 642 small catfish farmers, achieving a 34% increase in their average profit.
- **Guatemala:** supporting 50 rural families with egg laying hens and training to build a small business supplying eggs to their communities.

#### Reducing our footprint:

- **Energy:** -3.5%
  - **Water:** -11.3%
  - **Waste:** -1.1%
  - **CO<sub>2</sub>:** -27.2%
- (\*Per production tonne sold)



B

#### Per company and divisions:

- **Trouw Nutrition:** 8311
- **Skretting:** 3771
- **Corporate:** 276



### Our people

#### Per regions:

- **Asia Pacific:** 1678
- **Africa:** 462
- **Europe:** 5782
- **North America:** 2279
- **South & Central America:** 2157

#### Supporting female presence:

- 53% of emerging talents are female.
- 33% of leadership team are female.

C

- Operating in **40 countries.**
- **105 plants.**
- **4,100 suppliers** of ONE Nutreco.

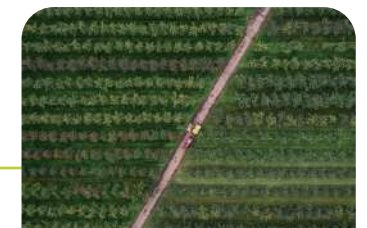


### A global player

D

E

- Producing over 9.5 million tons of product.
- **Trouw Nutrition.** #2 Premix Producer Globally.
- **Skretting.** #1 salmon feed producer and the #3 shrimp feed producer globally.



### A leading sustainable food value chain player

# 03.

## What We Do

We are proud of our people who went the extra mile to ensure that fellow employees remained safe and got the support needed to take care of themselves and their families.

The following nine sections highlight our activities and operations throughout the past year.

### 3.1 Our team

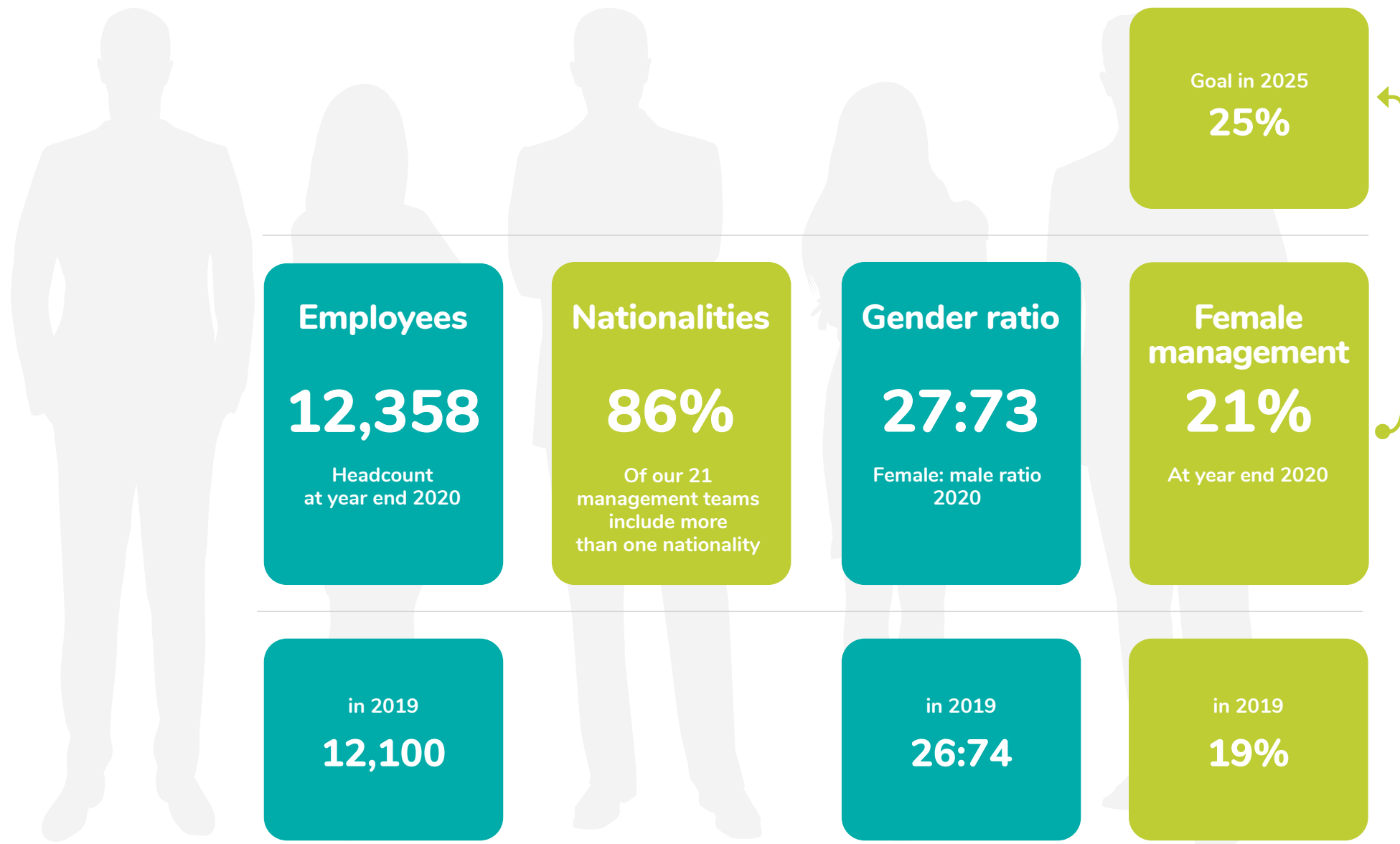
One of the cornerstones of Nutreco's strategy is to employ talented and passionate professionals. Our committed employees, who feel proud to work for a global leader in animal nutrition, are the most important ambassadors of our brand.

During 2020, our employees were significantly challenged by COVID-19. We also saw the devastating impact of this pandemic on the local communities, health systems and economies in the countries that we operate. As such, we are proud of those Nutreco people who went the extra mile to ensure that fellow employees remained safe and got the support needed to take care of themselves and their families.

Still, and partly because of the impact of COVID-19, we continued to invest in our employees and managers last year through the following focus areas:

1. Acquiring and investing in talent
2. Shaping leadership behaviours
3. Customer intimacy and innovation
4. Building a more diverse workforce
5. Fostering health and well-being
6. Enhance digitalisation and working from home

03. What We Do



## Acquiring and investing in talent

During 2020, Nutreco further professionalised its talent management strategy, including making our talent review and succession management processes, which cover over 100 senior positions, more focused and efficient. Part of this also included establishing quality development plans for employees and ensuring actionable leadership succession plans.

Because developing people starts at the early career stage, we have implemented a framework which enables our emerging talents to develop in a structured and focused way. This framework provides career guidance in seven career paths, providing emerging talents with challenging career opportunities and their managers with the tools to guide them in their careers.

To achieve our 2024 target to be the place to work for the best people in our industry, we also focus on getting the right people in. In 2020, we started to build a dedicated career site, which will provide candidates with a platform to find stories and see the potential journey ahead within our organisation. We are currently piloting this career site in our global offices, and from there, we will expand to the rest of the world.

## Shaping leadership behaviours

In terms of learning and leadership development, we have established a state-of-the-art learning platform, which serves as infrastructure for delivery of numerous virtual functional and behavioural learnings, available for employees at all levels in the organisation.

Furthermore, despite the COVID-19 pandemic, we delivered virtual leadership development programmes; one programme specifically for females with leadership ambitions (60 participants); and SHV-delivered programmes in which 15 high-potential future leaders participated. We also engaged a virtual coaching company, providing employees with the opportunity to connect with a coach to develop themselves on an individual basis.



We are actively seeking to align our leadership behaviour with our long-term company goals.

## 03. What We Do

We are actively seeking to align our leadership behaviour with our long-term company goals. As such, we have approved a new long-term incentive plan that will be in place in 2021, and which includes several sustainability targets that will have significant weighting, including addressing greenhouse gas emissions and reducing antibiotic use.

### Customer intimacy and innovation

We continue to see rapid changes in both our client demands and market dynamics. In 2020, we started a strategic initiative called “From Great to Growth” to further strengthen our client-serving capabilities. This was launched by our animal nutrition division Trouw Nutrition at a global summit early 2020, and was followed by a virtual collaborative training programme, developed in close cooperation with external training partners. This programme is driving a change in customer understanding by using a blend of online training, integration in daily live management coaching and knowledge sharing. In our aquaculture division Skretting we started the Commercial Excellence initiative. In 2020, Skretting piloted an initiative called Commercial Excellence (CXL). CXL was initiated to address the recommendations from the Salmonid Deep Dive 2018 strategy exercise, and was linked to the strategic goal of addressing the salmonid business margin erosion. The CXL pilot had a “bottom up” approach, where individual OpCos defined their commercial improvement projects which, after approval by the division CEO, were coached by internal and external teams to identify the relevant KPI’s. The primary objective was to leverage our trusted advisor capabilities, thereby enabling value-added sales. In 2020, the CXL pilot was joined by four of our OpCos.

In 2020, we started a strategic initiative called “From Great to Growth” to further strengthen our client-serving capabilities.



We are also enforcing a long-term client perspective by aligning our short-term incentive schemes with our customer needs. Furthermore, we have deployed a Sales Incentive Framework, covering certain sales groups, to balance pay and sales performance against our customer-product strategy.



Skretting's Commercial Excellence Programme was initiated to address the recommendations from the Salmonid Deep Dive 2018 strategy exercise, and was linked to the strategic goal of addressing the salmonid business.



We believe that having diverse teams leads to better decision making and heightened performance.

In our core group of 108 senior leaders, 43% appointments made in 2020 were female.

### Building a more outward looking and diverse culture

We believe that having diverse teams leads to better decision making and heightened performance. By promoting a diverse and inclusive working environment, we will ensure that our workforce represents the world that we operate in. In 2020, we appointed a female leader as CEO of our animal nutrition business, bringing the proportion of females in our Nutreco Executive Leadership Team to 33%. In our core group of 108 senior leaders, 43% appointments made in 2020 were female, leading to an improved gender balance of 28% females in the group.

Looking at our talent pipelines, more than half (54%) of our emerging talents are female, making us well positioned to achieve our longer-term diversity and inclusion (D&I) targets.

Of our 21 senior leadership teams, 86% consist of more than one nationality. Throughout the organisation, we deem having culturally diverse teams as “business as usual”. This is something that we are proud of and which we intend to maintain in the future.

We offer programmes that support achieving our D&I ambition, including one focused on strengthening leadership behaviour for all females in our organisation, an inclusive leadership journey for leaders, and a Cultural Awareness Programme designed to help our employees to understand, communicate and collaborate with different cultures.



We commit to equal pay and remuneration for men and women that have the same job requirements and possess the same skills and experience. In Q2 of 2021, we will undertake an in-depth gender pay gap study across all our employees and locations, and any findings will be used to improve our recruiting and promotion policies and practices, and to create new awareness and training in close alignment with our D&I agenda.

### Fostering health and well-being

Several initiatives have been executed to help employees to build awareness of healthy habits and invest in their well-being. For instance, this included the Fit for the Future programme, which was available to employees in the Netherlands, that balanced mental and physical health awareness with a focus on employees working from home. It offered a variety of activities, from ergonomics to yoga, lunch walks, and food and sleep awareness training.

## 03. What We Do

## Enhance digitalisation and working from home

Within the HR function, we strive to further optimise and digitalise our processes to create efficiencies, to gain people insights and services for the business. As of Q1 2020, we started providing quarterly insights relating to our employee trends and patterns – aimed at helping our Leadership Team make people-related decisions. Similarly, we have increased manager self-service adoption on our global HR system from 10% to over 70% by the end of 2020, providing them with team insights and enabling them to take direct actions.

In 2020, we also launched the Smart Workplace concept, a complete set of up-to-date, easy-to-use tools that enable all employees to connect, collaborate and manage information efficiently. Driven by the developments around COVID-19, we've launched extensive training sessions for all employees on the use of video conferencing, document storage and collaboration tools.



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**“I would like to stress that for myself and many of my colleagues WFH (working from home) was a new experience, it required a stretch and adaptation. Those are important learnings, which none of us expected to get during 2020.”**

Justyna Maczynska  
Regional Quality & Regulatory  
Manager in Asia



## 03. What We Do

276

Number of employees Corp\*

12,358

Number of employees at year end

12,058

Full-time employees at year end

27%

3,275

Number of women

41%

5,063

Number of blue-collar workers

6%

773

Number of employees part-time

3,771

Number of employees SK\*\*

8,311

Number of employees TN\*\*

\*Nutreco Corporate; \*\*Skretting; \*\*\*Trouw Nutrition.

## Notes:

1. Approximately 4,080 employees were covered by collective bargaining agreements.
2. Approximately 700 fixed-term contracts by end of 2020. Approximately 11,660 employees are under a permanent contract.



1,678

Number of employees Asia Pacific

5,782

Number of employees Europe

2,279

Number of employees North America

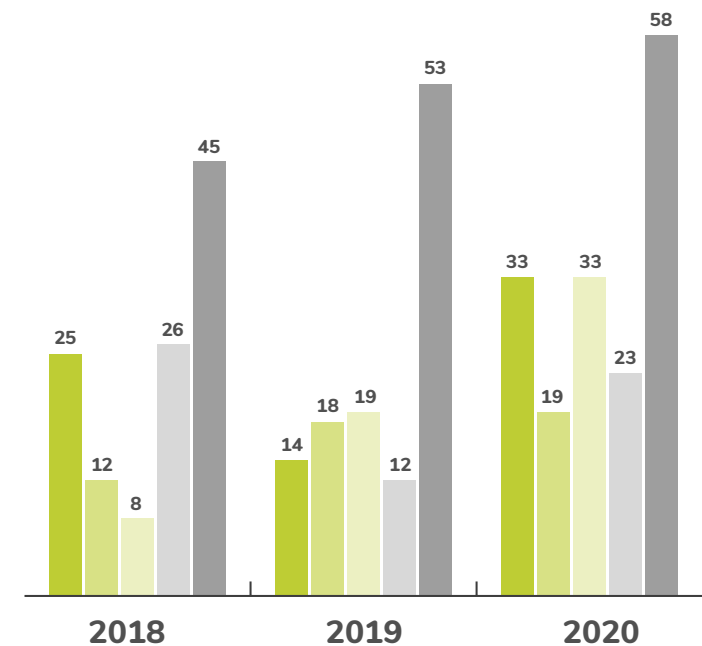
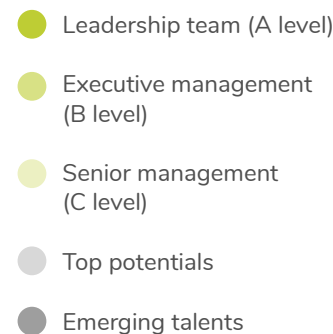
2,157

Number of employees South and Central America

462

Number of employees Africa

### % of females for senior management and talent groups



## 03. What We Do

Recognising our main challenge as managing the effects of the pandemic, our primary duty was to ensure the safety of all our colleagues while continuing to serve our customers in order to secure the food chain.

## 3.2 Operations

The strategy in our operations department within our two divisions was to act on all levels along the full supply chain to ensure that it's sustainable and a responsible part of the communities that we're operating in. This includes a strong collaborative global network working across many different disciplines.

2020 was a challenging but rewarding year for the operations teams across both the Skretting and Trouw Nutrition divisions. Recognising our main challenge as managing the effects of the pandemic, our primary duty was to ensure the safety of all our colleagues while continuing to serve our customers in order to secure the food chain. Best-in-class protective measures and procedures were implemented at all steps of the chain to protect all staff. The resilience of the teams across the supply chain from transport to factories and suppliers was exemplary.



## We focused on three main areas:

### Firstly

The **reduction of energy** uses in our factories – the largest gains in energy savings were experienced in the area of steam boiler efficiency, dryer operation and solutions to heat recovery.

### Secondly

The **promotion and development of waste recycling**.


### Thirdly

The **development of “greener” transport** – for Trouw Nutrition in the Netherlands, overland transport was replaced with barge transport in canals. Our transition to transportation routing through a digital solution also began.

#### Current situation

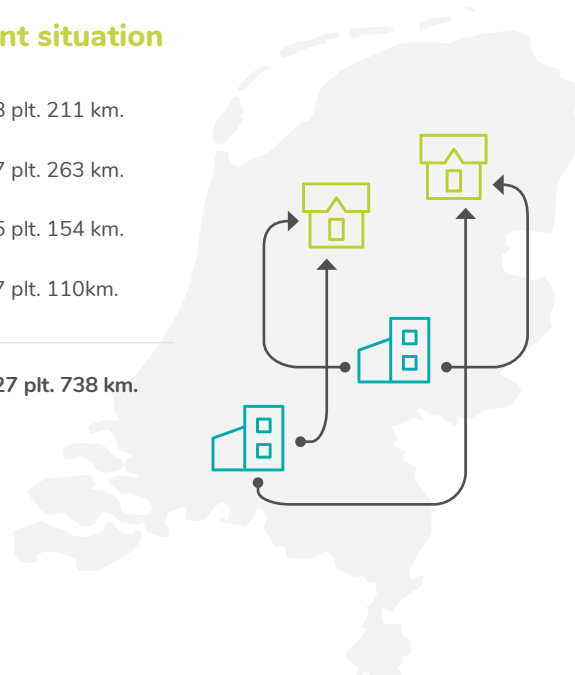
 8 plt. 211 km.

 7 plt. 263 km.

 5 plt. 154 km.

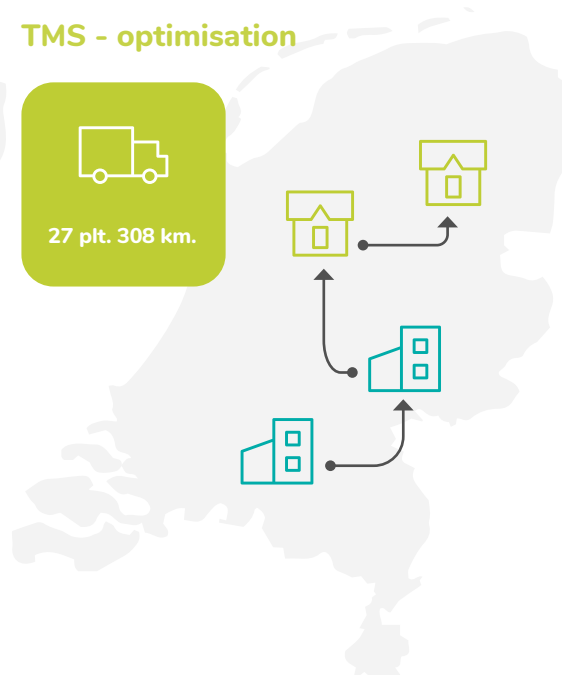
 7 plt. 110km.

27 plt. 738 km.



#### TMS - optimisation

 27 plt. 308 km.



#### An example of optimised transport routing through a digital solution.

In 2021, we will maintain our journey towards our ambition with the start of the roll-out of Digital Transport Management Systems. This includes route optimisation to enable fuel reductions, the design of a 100% green energy factory in Canada, and the continuation on the energy reduction per tonne sold of 2% year-on-year in our 100-plus plants worldwide.

As part of Nutreco, Skretting and Trouw Nutrition will continue our sustainability engagement on the reduction of plastics by exploring alternatives to single plastic usage along the chain.

## 03. What We Do



COVID-19 increased the focus on our industry and created many challenges that we were able to address by strengthening internal and external collaboration.

### 3.3 Quality assurance

The quality teams in Trouw Nutrition and Skretting endeavour to support our customers' goals by delivering the highest standards of feed-to-food quality and safety. Through our common feed-to-food quality programme Nutrace, we work together with the operations of our two divisions to make sure that we have a consistent and reliable value proposition when it comes to feed safety and quality in every market in which we are present.

In recent years, the traceability and transparency of food systems have not only caught the attention of our value chain, but also of end-consumers looking to know more about what they eat and how that food is produced. Unsurprisingly, COVID-19 increased the focus on our industry and created many challenges that we were able to address by strengthening internal and external collaboration, as well as by living the values of our company. Equally important, we were able to rapidly adapt to market changes.

## 03. What We Do

Driven by our commitment to make our customers' lives easier, 2020 proved that nothing is impossible as long as we are able to adapt to the realities of business and stay focused on our goals. We were able to innovate by sharing best practices between divisions. As well as taking quality to the next level, our processes were made more solid and efficient through common systems, while risks were reduced and overall compliance maintained.

In 2020, we founded the Nutreco Quality Committee, represented by Skretting and Trouw Nutrition, to secure company-wide harmonisation and best-practice implementation. This work allowed us to revise and update our **Nutrace standard**, which now includes even clearer compliance criteria. At the same time, we

In 2020, we founded the Nutreco Quality Committee, represented by Skretting and Trouw Nutrition, to secure company-wide harmonisation and best-practice implementation.

organised training for our global quality community in different areas like business continuity planning, complaint handling, monitoring of undesirable substances, Hazard Analysis and Critical Control Point (HACCP), product technology, tracking and tracing, and ingredient assessment with more of our quality and procurement colleagues in Nutreco worldwide.

We also launched a new Nutreco non-conformity model, where we can work with improved documentation and where we're able to execute supplier audits. According to the plan, we recertified some of our plants with our Nutrace standard. We also learned how to do this remotely, keeping the consistency that our internal operations and our customers demand.



## 03. What We Do



The Trouw Nutrition Compliance Wheel was introduced to promote continuous improvements.



Our progress further includes the release of reviewed procedures on quality in innovation projects, which means that our quality teams have full participation even in the early stages of our innovation pipeline. Additionally, the Trouw Nutrition Compliance Wheel was introduced to promote continuous improvements by reducing our risk exposure while improving our quality image and performance.

### Trouw Nutrition Compliance Wheel



## 03. What We Do

**“The concept of resilience has long been underestimated. After a challenging 2020, I believe that many of us were able to embed this word and realise that everything is possible if we think out of the box and innovate. This is very valuable for our customers while looking for new ways to ensure that the food we produce all over the world is healthy, safe and according to regulations.”**

Karina Briones  
Quality Manager Skretting Latam

An important learning for our teams was to get closer to the needs of our customers by listening to how they deal with their challenges and to co-create solutions that help them to achieve their goals. Through this approach, we validated how important traceability is, and put a stronger focus on improving our systems and providing documentation and analytical results when needed. We believe that this collaboration helped us to keep positioning our companies as transparent and trustworthy partners.



## 3.4 One procurement

The year 2020 challenged people to cooperate and interact in new, often digital, ways. This accelerated the implementation of many tools and increased the amount and importance of data to ensure trust in our supply chain. One of the biggest challenges for the future is correctly utilising this data. In 2021, we will focus more on the vast amount of data generated within procurement and the supply chain, not only within Skretting or Trouw Nutrition, but in Nutreco as a whole. Therefore, we are seeking to increase cooperation between the different procurement departments within Nutreco; becoming One Procurement. This change will create an opportunity to tap into the knowledge present across the global Nutreco operations and will help make more aligned and impactful sustainability business decisions.

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## 03. What We Do



The implementation of the **soy and oil palm ingredients sourcing policy** in 2020 is a great example of the sustainable data-driven business decisions we make. As Nutreco, we aim to source soy and oil palm ingredients free from both legal and illegal deforestation by 2025. In the daily procurement practice, however, it can be difficult to navigate the multitude of certification schemes that all vary in assurances and applications and are updated regularly.

In 2020, Nutreco purchased 1,414,607 MT of soy and soy products. Of this 412,940 MT (29%) classified as soy originating from low deforestation risk geographies or ProTerra certified and segregated from high risk geographies. For our Skretting division, these deforestation-free source represented 79% of its soy purchases.

With regard to palm oil; in 2020, Nutreco purchased 27,478 MT of palm oil or its derivatives. Of this total amount, 75.7% was RSPO certified.

## Soy

1,414,607 MT

Soy and soy products

29%

412,940 MT

Soy originating from low deforestation risk geographies or ProTerra certified

Skretting division

79%

Soy purchases of deforestation-free source



## Palm oil

Nutreco purchased

27,478 MT

Palm oil or its derivatives

75.7%

RSPO certified



## 03. What We Do



The policy serves as a practical guide to achieve our goal of deforestation free soy and oil palm ingredients in 2025.

The soy and oil palm ingredients sourcing policy requires us to gather information deeper in the value chain. Knowing who supplies and manufactures the product isn't enough; we need to know where the primary product is cultivated. This is not only important for ingredients prone to deforestation, but for all ingredients. Only when the full value chain is known, can we accurately assess the impact these ingredients have on our planet and its inhabitants. We can assess this impact through life cycle assessments (LCAs), which will have an increased focus in 2021.

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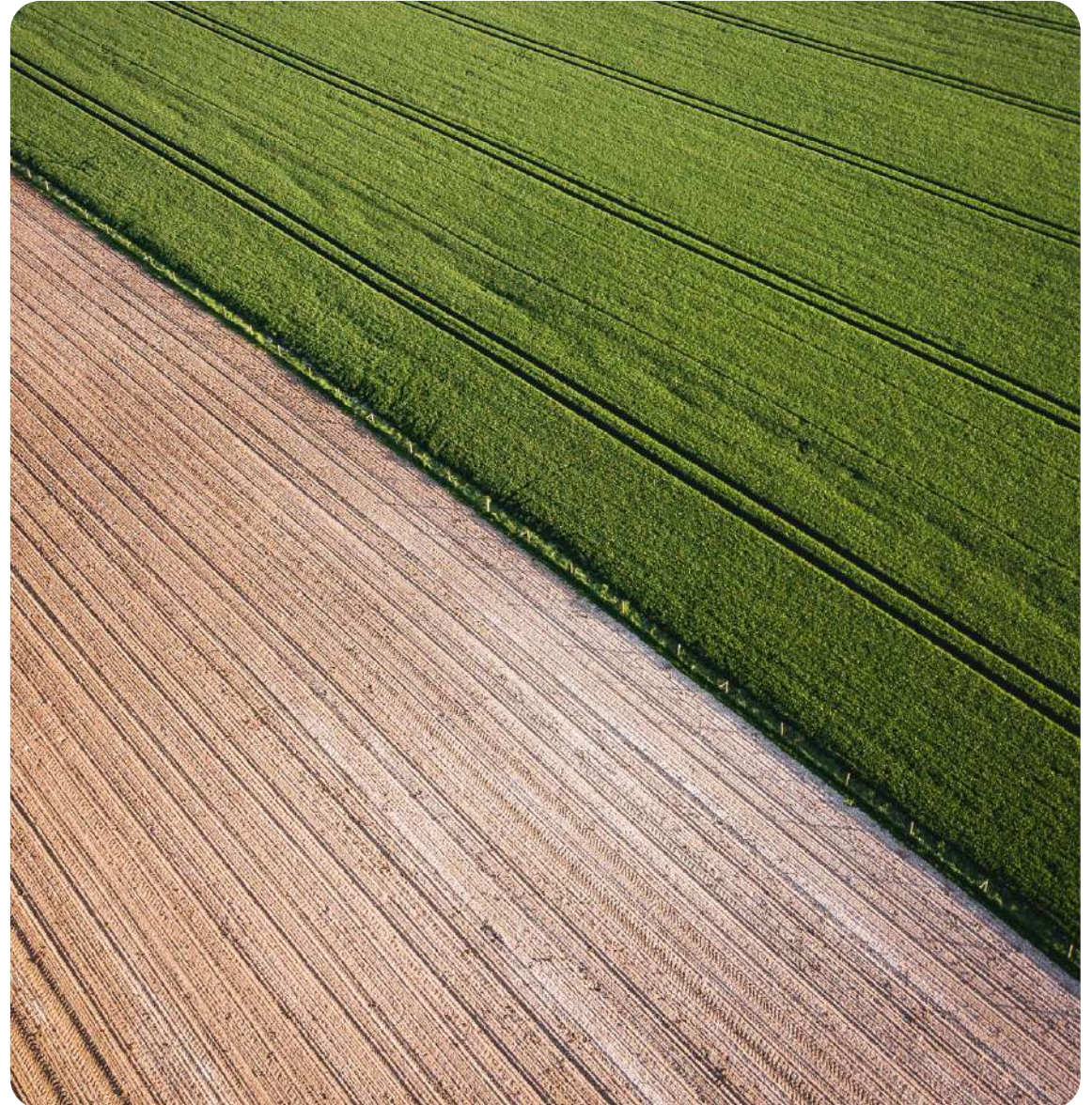
An organisational LCA model was established in 2020, and looking forward, we will identify the hotspots that need immediate attention and shape action on the procurement, marketing and commercial front.

Another highlight of 2020 was our updated packaging strategy, aiming to globally reduce, reuse and recycle as much of our plastic as we can – all in close alignment with our major suppliers. A strategic study has been done, and several concrete actions will be put in place in 2021 to make an actual reduction of any packaging waste to the environment.

This updated code of conduct enables us to engage with business partners on sustainability, compliance and integrity issues.

### 3.5 Code of Conduct for Business Partners

At Nutreco, we do not turn a blind eye to social sustainability or to our corporate responsibility. Recently, **the new Nutreco Code of Conduct for Business Partners** was introduced. This updated code of conduct enables us to engage with business partners on sustainability, compliance and integrity issues. It ensures that they align with what Nutreco stands for; i.e., feeding the world in a responsible and sustainable way. **The Code** includes human rights clauses and/or human rights screening. We will also take a more active approach to ensure all business partners are aware of and comply to our expectations. In addition to incorporating the code of conduct in our major contracts, we will also regularly communicate its contents. One of these communications will be an annual e-mail to all our suppliers. This will contain the most recent version of the Nutreco Code of Conduct for Business Partners, to remind suppliers of our expectations.



## 3.6 Health & safety

In 2020, Nutreco stepped up its efforts to ensure continued improvement in health and safety across the company. This included introducing Visible Felt Leadership (VFL) to all management through workshops with the Nutreco Executive Leadership Team (NELT), the Nutreco Management Meeting (NMM – the company's top 200) and by hosting a Global Safety Week together with all companies within the SHV family.

In February 2020, a Health, Safety and Environment (HSE) workshop was organised by SHV involving all of its companies. Among the items discussed and agreed were HSE related goals, targets and KPIs. This SHV-wide alignment in KPI reporting means a change for Nutreco. Historically, Nutreco measured Lost Time Injuries (LTIs) and the HSE Audit score.

Nutreco's Life Saving Rules continued to be rolled-out and implemented across the company. An e-learning formed the basis of this effort, with specific focus put on Severe Injuries and Fatalities (SIFs) and Potential SIFs (PSIFs). Any failure of the Live Saving Rules is considered to be a PSIF.

Lessons From Incidents (LFIs) were distributed across the company, including what happened, the causes and actions that are to be taken to address the risk at other facilities with similar operations.

Global HSE networks were also formed, with an increased focus on systemic issues and incident management. At the same time, the significant backlog in corrective actions critical to personnel safety was addressed.

For the first time, SHV and Nutreco held a global, group-wide Health and Safety Week.



## 03. What We Do



In 2020, the safety culture programme continued with the third Global Safety Week. For the first time ever, SHV and Nutreco held a global, group-wide Health and Safety Week. With the theme of "Health and Safety Leadership", it provided a focus for all of Nutreco and SHV to reflect on how personal leadership improvements can be made in this critical area.

Our Safety Champions were also challenged to organise activities related to the central theme, with around 70 such actions held throughout Nutreco. Global teams organised webinars on safety leadership and lifesaving rules. For example, some local teams produced a webinar with

their General Managers, Production Directors and HSE Engineers on health and safety. Another group focused on safety training videos to deepen their individual awareness of safety. Colleagues participated in games that delivered safety messages. Other employees were led through different activities to investigate the importance of safety and the positive business impact good safety has; this was supported by coaches, learning about the topic in an active and hands-on way.

Our youngest family members also joined in the action through an art contest with the theme: What does it look like when mom, dad, grandma or grandpa work safely?

## 3.7 Engagement with regulators

The Government Relations & Regulatory Affairs team supports Nutreco businesses with market access and regulatory compliance, and plays a central role in realising Nutreco's ambitions, policies and strategy. Important trends of relevance are the fast-changing regulatory environment all around the globe and the continuously growing number of novel, highly-regulated products and concepts developed by Nutreco's innovation teams. Both have been experiencing challenges and opportunities.

A potential game-changer for the future regulatory landscape is the recent publication of the European Commission's European Green Deal and its Farm-to-Fork Strategy. The first sets out how to make Europe the first climate neutral continent by the year 2050, while the latter comprehensively addresses the challenges of sustainable food systems and the solutions required. Collectively, the aim is to reduce the environmental and climate footprint of the EU food system and to strengthen its resilience, ensure food security in the face of climate change and biodiversity loss, and lead to a global transition towards competitive sustainability from farm-to-fork, while tapping into new opportunities.

To accelerate and facilitate this transition and to ensure that all foods placed on the EU market become increasingly sustainable, the Commission will introduce a new legislative framework before the end of 2023. From a regulatory perspective, this means an integration of



## 03. What We Do

sustainability requirements in the present food safety-oriented regulatory framework. At the same time, the application of new technologies and innovative feed solutions will become possible.

The present revision of the existing feed additive regulation, as part of the new strategy, demonstrates a dynamic approach by European authorities. The first draft proposals will become public this year.



A potential game-changer for the future regulatory landscape is the recent publication of the European Commission's European Green Deal and its Farm-to-Fork Strategy.

New regulatory opportunities are also being created that will boost product innovation. COVID-19 and Brexit have been other major focus areas.

The Government Relations & Regulatory Affairs team is heavily involved in the discussions with the Commission, both directly and through the European industry and trade associations. In close collaboration with the Nutreco innovation teams, new regulatory opportunities are also being created that will boost product innovation.

COVID-19 and Brexit have been other major focus areas. Nutreco participated in the European Feed Manufacturers Federation's (FEFAC) task forces dealing with those topics. Joint efforts with other European trade and industry associations and the Commission, resulted in temporary regulatory measures, such as the so-called "green lanes" for logistics of food and feed across borders without major COVID restrictions.

Last but not least, the Government Relations & Regulatory Affairs team, together with global teams and local regulatory specialists, have been in close contact with regulators to ensure premarket registration of products globally sold. A portfolio consisting of around 1,000 product-country combinations is now maintained and this number is expected to double in the next few years because of the high output from the innovation teams and the new business activities in Asia, Africa and the Americas.

As many of the products are produced in western markets and sold in other parts of the world, registration files need to be compliant with a wide range of regulations in all jurisdictions involved. The latter requires specialists not only in the central team but also on location, working in a collaborative way.



The focus in 2020 was on fully embedding the new standards into business operations.

### 3.8 Ethics & compliance

Following the introduction of **the new Code of Conduct in the second-half of 2019**, covering all new Ethics & Compliance (E&C) policies adopted over the last three years, the focus in 2020 was on fully embedding the new standards into business operations. Although COVID-19 has hampered physical contact with OpCos to a large extent, the E&C function managed to launch several initiatives to bring it closer to the business.

E&C launched a conflicts of interest campaign with OpCo management, followed by a conflicts of interest disclosure process covering all employees with system access (approximately 5,500 people). This helps raise awareness on this particular issue and remind people of their duty to disclose any (potential) conflicts to next level management so proper measures can be considered.

Together with Group Internal Audit and KPMG, E&C also performed a compliance culture assessment in 13 OpCos across Trouw Nutrition and Skretting. This soft controls survey, in which approximately 350 employees participated, provided insight into strong and weaker aspects of local compliance culture and provided tools for management teams to enhance soft controls into their organisations.





A new Code of Conduct for Business Partners was developed, with separate supplements for suppliers of agricultural products and marine products.

Additionally, E&C rolled-out the Nutreco Compliance Risk Management Framework to all OpCos. It reconciles E&C policies and control activities to be performed in the OpCos and reports on this to E&C. This helps the business to put E&C policy requirements into daily practice and enables E&C to see where support is required. The framework produces semi-annual reports and generates action plans for OpCos where needed.

**A new Code of Conduct for Business Partners** was developed, with separate supplements for suppliers of agricultural products and marine products. Translated into seven languages, it helps Nutreco engage with our business partners on sustainability, compliance and integrity issues, and we will only conduct business with companies or individuals that comply with the standards set out in this Code of Conduct. If a business partner fails to comply with the code, Nutreco may take corrective measures, including termination of the business relationship.

Our E&C e-learning programme comprises four modules: Code of Conduct, Fair Competition, Anti-Bribery & Corruption and Data Protection. In mid-2020, we moved to Workday as platform for these e-learning. This has made completion tracking and reminding easier. At the end of the year, the overall completion rate was more than 90%.

In 2020, we dealt with a relatively high number of E&C incidents reported through our internal whistle-blower line "Speak Up". Reasons behind this rise could include **the new Code of Conduct**, the new e-learning, increased awareness of E&C, and new management starting in

## Our E&C e-learning programme comprises four modules: Code of Conduct, Fair Competition, Anti-Bribery & Corruption and Data Protection.

several parts of the organisation. The increased number of incidents were reflected in a higher number of disciplinary measures including dismissals and official warnings.

In 2020, we abolished the separate Ethics & Compliance Committees for Trouw Nutrition and Skretting and moved to one Ethics & Compliance Committee for Nutreco, of which the COOs of the divisions are now members. This has fostered a company overview of compliance activities and has driven collaboration.

Last but not least, we strengthened the E&C function with additional resources, particularly in Amersfoort and Asia.



## 3.9 Taxes

Based on increasing public debates on legal and fiscal ethical behaviour of multinationals you can add an additional 'P', being that of 'Paying a fair share' (of taxes) as an ever-increasing component defining sustainability.

Paying a fair share of taxes in those countries where Nutreco performs its business activities has always been part of our tax policy. Nutreco also fully acts according to the internal tax policy of SHV in which it's stated that every group is committed to act according to the letter and spirit of all tax laws and the regulations of the countries in which it operates, and to pay the right amount of tax at the right time. Nutreco is also fully committed to complying with all disclosure requirements based on OECD, EU or local legislation or regulations. Nutreco will stay away from aggressive tax planning or using low tax jurisdictions without having real commercial substance.

Paying a fair share of taxes in those countries where Nutreco performs its business activities has always been part of our tax policy.



## 03. What We Do



Nutreco is committed to acting accordingly with the highest standards of ethics and integrity, and where possible, we strive to create a working relationship with tax authorities based on transparency, trust and common understanding. When we invest in a country, we seek to build long-term relationships and develop our business sustainably and thus recognise its responsibility towards governments, employees and the local communities we are part of.

Nutreco is using a tax control framework for being in control of all tax (compliance) processes in order to timely and correctly file tax returns worldwide and thus

monitoring that we pay our fair share of taxation. It's already been the backbone of the Nutreco tax department for many years.

Nutreco Group Tax also supports and encourages investments in sustainable and environmentally-friendly assets or goals whereby it investigates the availability of tax incentives across the globe in terms of special grants, accelerated depreciation on new fixed assets or other tax reimbursements. Such incentives are only applied where we have a qualifying business activity and are aligned with our operational objectives.

04. Our Collaborations

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Nutreco is proud of its ongoing collaboration in various precompetitive platforms. This has been a legacy of Nutreco’s past commitments and continues in our vision for the future.

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## 04. Our Collaborations



## 4.1 SeaBOS

Nutreco and Skretting continue to proactively participate in the **Seafood Business for Ocean Stewardship (SeaBOS)**. CEOs from the 10 largest global seafood companies (including fishing, aquaculture and aquafeed manufacturing) joined forces through SeaBOS to create transformative change. The companies include Maruha Nichiro Corporation, Nippon Suisan Kaisha, Thai Union Group, Dongwon Industries, Mowi, Cermaq (a subsidiary of Mitsubishi Corporation), Nutreco and Skretting, Cargill Aqua Nutrition, Kyokuyo and Charoen Pokphand Foods. The work of SeaBOS is advanced through six different taskforces, each led by companies in collaboration with, and supported by scientists, to identify, test and scale solutions related to challenges faced in the seafood industry. Nutreco or Skretting Chairs Task Force 1 which addresses illegal, unreported and unregulated fishing and forced labour. Nutreco is joined in Task Force 1 by Dongwon, CPF and Maruha Nichiro.

“For the first time in the history of seafood production, 10 of the largest seafood companies in the world have committed to a set of time-bound and measurable goals that will ensure the industry becomes more sustainable. The goals are the result of four years of dialogues through the science-industry initiative SeaBOS.”

8 December 2020  
SeaBOS Press release

## 04. Our Collaborations

In October 2020, SeaBOS met virtually with the initiative's CEOs committing to a number of goals to achieve their original commitments from 2016. By the end of 2021, the SeaBOS members will:

- Eliminate IUU fishing and forced, bonded and child labour in our operations – and implement measures to address those issues in their supply chains – with public reporting on progress in 2022 and 2025.
- Extend the collaboration with the Global Ghost Gear Initiative (GGGI) to solve the problem of lost and abandoned fishing gear; and combine to clean up plastics pollution from our coasts and waterways.
- Agree on a strategy for reducing impacts on endangered species and the use of antibiotics.
- Set CO<sub>2</sub> emissions reduction goals and reporting approaches from each company.

Also in October, the CEO of Nutreco's aquaculture division Skretting Therese Log Bergjord was elected SeaBOS Chair.



## 4.2 Protecting the Cerrado

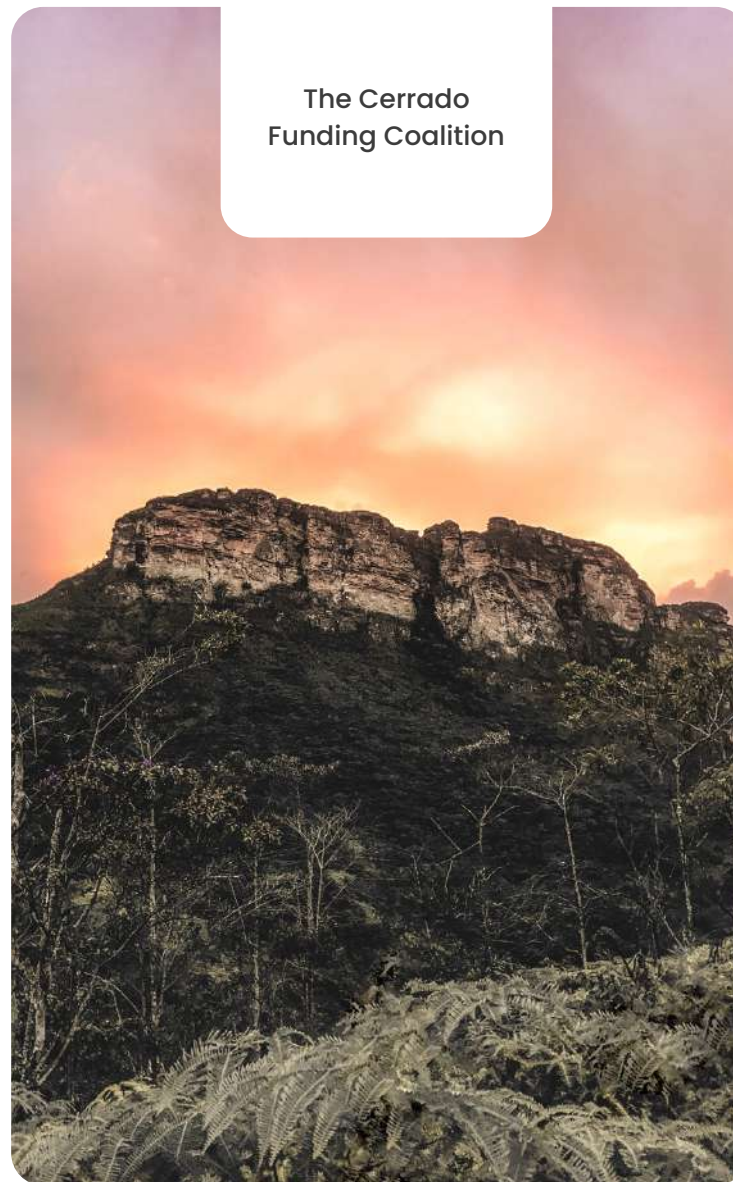
Nutreco was one of the founding 23 signatories to [the Cerrado Manifesto Statement of Support \(SoS\)](#) group and joined its Steering Group in 2019. During 2020, the SoS increased signatories to over 160 global brands, retailers, financial institutions and supply chain companies.

As a member of its leadership, Nutreco has, over the past year, supported the SoS to review and reframe its theory of change including acknowledging the need to engage more directly with soy traders and to step up its global voice on the need for an urgent shift to deforestation and conversion-free soy production in the Cerrado biome. SoS activities over the past year have delivered against this new theory of change including supporting NGO calls for the Cerrado Working Group (GTC) to be re-established.

Skretting was instrumental in leading the engagement of soy protein concentrate producers to make a Cerrado biome-wide deforestation and conversion-free sourcing commitment from August 2020. This milestone was further enhanced when French retail SoS members set their own January 2020 cut-off date for the French market.



### The Cerrado Funding Coalition

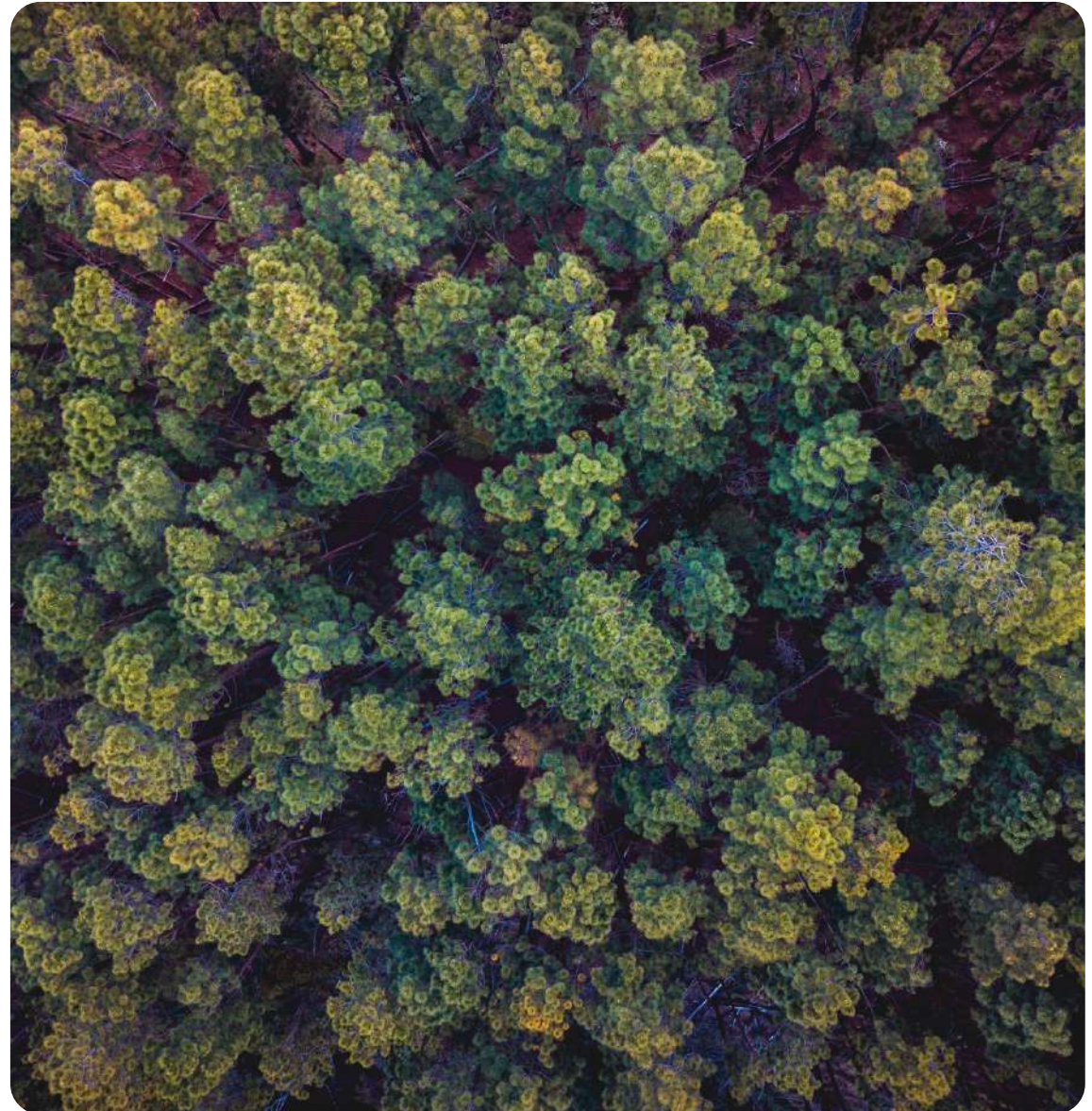


## 04. Our Collaborations

Over 160 SoS signatories, led by its Steering Group, took the unprecedented step of engaging individually with the key soy traders in Brazil to ask them to set a 2020 deforestation and conversion-free cut-off date.

In September, over 160 SoS signatories, led by its Steering Group, took the unprecedented step of engaging individually with the key soy traders in Brazil to ask them to set a 2020 deforestation and conversion-free cut-off date, supported by a robust monitoring system. This work continues into 2021.

The SoS Steering Group recognises that payments for environmental services have a role to play in supporting Brazilian soy farmers to shift towards deforestation and conversion-free production and Nutreco is a founding member of the Cerrado Funding Coalition. This work will accelerate within **the SoS** during 2021, including the development of 'principles and criteria' of such funding in order to help secure more donors and to encourage the Brazilian soy farmers to engage.





## 4.3 AquaVision

Aquaculture has reached the most defining crossroads in its history. Long before the COVID-19 pandemic, it had achieved universal recognition as one of the most standout food production success stories of recent decades, sustaining faster growth rates than any other sector. As soon as the world emerges from the coronavirus crisis, aquaculture will be ideally placed to accelerate its progress and take a more prominent role in meeting the changing needs of consumers with a rich diversity of accessible, nutritional and sustainable proteins.

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AquaVision

## 04. Our Collaborations

**“We know that aquaculture offers real hope for the future, particularly in meeting the nutritional needs of a world population that is on course to reach almost 10 billion by 2050. A virtual AquaVision 2020 offered the ideal platform for us to engage a larger audience and rethink our positioning in the new food landscape and to define ways in which we can all capitalise on these exciting new opportunities. Together, we can build a better future”**

Therese Log Bergjod  
Skretting CEO

Recognising the incredible opportunity that the sector has, AquaVision 2020 convened leaders, communities and stakeholders from across and beyond the aquaculture space for the first time in a global online conference. This free-to-attend event, broadcast from AquaVision’s home of Stavanger in October 2020, explored ways in which to best meet market needs in a post-COVID world whilst also delivering global solutions that help address the huge burdens that are being placed on our vulnerable planet. Headline speakers included Peter Hinssen, Rachel Botsman and Catherine Tubb.

Historically, approximately 450 participants partake in AquaVision programmes. This year’s free online format hosted an audience of 2,300.



## 04. Our Collaborations



## 4.4 Other Partnerships

### Aquaculture Stewardship Council (ASC)

Established in 2010, the **Aquaculture Stewardship Council (ASC)** is arguably the most stringent, robust and credible environmental and social standard in the farmed seafood sector. Currently, over 1.85 million tonnes of farmed seafood have been independently certified to be in compliance with the standard.

Nutreco's Corporate Sustainability Director Jose Villalon continues to sit on the Supervisory Board of ASC and is a member of the Governance Committee. Nutreco and Skretting representatives have been engaged as Steering Committee stakeholders or as Chair or Director of the council's Supervisory Board since 2004 (pre-ASC standards development). At Nutreco, we are very proud of our role in the start-up and ongoing governance of ASC.

Nutreco's Corporate Sustainability Director Jose Villalon continues to sit on the Supervisory Board of ASC and is a member of the Governance Committee.

## 04. Our Collaborations



During 2020, ASC completed its first ever Monitoring & Evaluation (M&E) report, which used thousands of data points made possible by the ASC requirement that all farm audit data is made public. Among the report's findings and case studies, it was revealed that ASC shrimp farms increased their ongoing compliance to the environmental performance requirements by 50% between 2014 and 2018.

Meanwhile, the ASC biennial consumer survey reminded us of the growing desire of consumers to do their part and requiring credible solutions they can trust, with over 70% of consumers around the world believing claims about sustainability should be independently verified.

In December, as part of ASC's drive for continuous improvement, greater opportunity was provided for stakeholders such as local communities and NGOs to contribute to decisions on Variance Requests (VRs), which provide the necessary means to adapt a global standard to specific local conditions without lowering requirements.

2021 will see the start of a public consultation for a new ASC Aligned Standard (applicable to all ASC species), aimed at benefiting farmers with a more efficient and consistent approach, while retaining the robust ASC requirements.

## 04. Our Collaborations

## MarinTrust

Skretting's sustainability manager, Trygve Berg Lea, has been involved/associated with MarinTrust (formerly IFFO-RS) for more than a decade. In this time, great strides have been made by the aquaculture industry to improve its responsible practices with substantial efforts focused on encouraging marine ingredient suppliers to ensure that they source raw materials from well-managed, sustainable fisheries.

MarinTrust has become the leading independent business-to-business certification programme to produce marine ingredients. Skretting has supported the MarinTrust programme from the very beginning in 2009 and Berg Lea is a member of the MarinTrust governance board.

Skretting has supported the MarinTrust programme from the very beginning in 2009 and Skretting Sustainability Manager Trygve Berg Lea is a member of the MarinTrust governance board.

The main purpose of the standard is:

- To ensure that whole fish used come from fisheries managed according to the FAO Code of Conduct for Responsible Fisheries.
- To ensure no illegal, unreported and unregulated (IUU) fishery raw materials are used.
- To ensure pure and safe products are produced under a recognised Quality Management System, thereby demonstrating freedom from potentially unsafe and illegal materials.
- To ensure full traceability throughout production and the supply chain.



## 04. Our Collaborations

The vision is to reach 100% deforestation, conversion-free sustainable soy.



## Collaborative Soy Initiative (CSI)

The Collaborative Soy Initiative (CSI) is a framework of soy stakeholders who have the will to collaborate to accelerate the efforts of building sustainable soy supply chains. The vision is to reach 100% deforestation, conversion free sustainable soy. Its mission is: (1) to inform about the actions that are on-going; (2) to facilitate the synergies between stakeholder initiatives and actions; and (3) to come up with new actions.

The achievements of the CSI include:

- Organisation of free information webinars on topics as 'Land Use Change and Soy', 'EU taxonomy and soy', and 'Deforestation and conversion free soy: how to collaborate better'.
- Organisation of in-depth exchange meetings with 15 of the most relevant regional and global soy initiatives. The outcome of the meetings was the identification of the fields of intensive collaboration, aiming to scale up and mainstream the transition towards a sustainable soy supply chain, in terms of volume, area and speed.
- The publishing an archive of actions and initiatives on the CSI website and setting the first steps for a more into depth Information Hub, a publicly-available digital platform allowing different users to find in user-friendly way, the soy supply chain information to fulfil their needs.



## European Feed Manufacturers' Federation

Nutreco is a member of the European Feed Manufacturers' Federation (FEFAC) Sustainability Committee, which meets four times a year in Brussels to address sustainability initiatives associated with the European feed industry. A positive outcome of this committee's work during 2020 was the revisions and updating of the FEFAC Soy Purchasing Guidelines (scheduled to be publicly launched in February 2021).

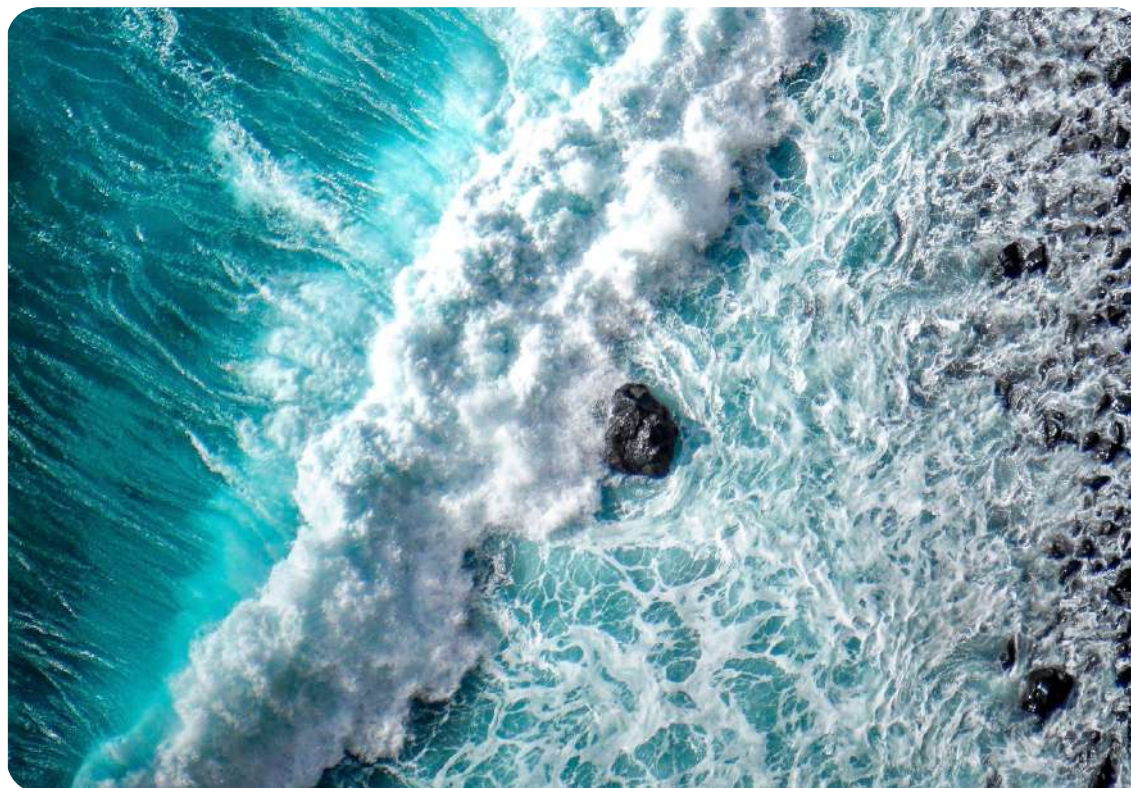
# 05. 2020 At A Glance

**We completed our Vision 2020 sustainability strategy in January and the Nutreco Executive Leadership Team approved and adopted the new RoadMap 2025 sustainability strategy for the next five years.**

## Vision 2020 summarised

2020 can be considered a “bridging” year for Nutreco. We completed our Vision 2020 sustainability strategy in January and the Nutreco Executive Leadership Team (NELT) approved and adopted the new RoadMap 2025 sustainability strategy for the next five years, ending in December 2025.

A brief summary repetition of last year’s report closes the Vision 2020 chapter. Progress between our 2018 and 2019 results is illustrated on the next page.



## Comparative results of vision 2020 self-assessment standard

	Ingredients		Operations		Nutritional solutions		Commitment		Nutreco overall	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
Skretting	81%	81%	79%	81%	90%	90%	80%	87%	83%	85%
Trouw Nutrition	85%	86%	80%	82%	89%	89%	79%	81%	83%	85%
Nutreco overall	83%	84%	80%	82%	90%	90%	80%	84%	83%	85%

We monitored and measured our progress over the past five years through our internal tool, the Nuterra Standard, which was designed to have a two-fold purpose. The first was to tell us where we are on our sustainability journey through a self-assessment that results in a percentile score (based on 100%). Reflecting our progress towards our 2020 targets. Perhaps more importantly, our managers could use the self-assessment results to observe where they needed to prioritize efforts to improve and make progress to attain 100% completion by 2020. This process enabled us to systematically manage our sustainability goals.

Overall, we increased our Nutreco-wide score by 2.4% to 85% in 2019. This was a small improvement compared to the previous year which concluded Vision 2020 with an 86% completion. A partial explanation for this shortfall of an expected higher score is that the Vision 2020 development process didn't include participation by a broad sample of business managers and functional directors across Nutreco.

As time progressed, issues that we didn't achieve broad agreement to address were left behind. The shortfalls of that past process ultimately led to the development





## 05. 2020 At a Glance



of our six-step process, which reflects much broader engagement and participation across Nutreco through an extensive materiality assessment and was at the core of the RoadMap 2025 strategy.

At the end of 2020, our NSP launched its new online RoadMap 2025 Progress Assessment tool, which enables all OpCo General Managers and division Functional Directors to respond to specific questions related to the completion or partial completion of the targets and goals reflected in our RoadMap 2025.

This first exercise in the Progress Assessment tool was a “practice run” to identify potential areas of improvement and to establish baseline data to mark our starting point as we complete our targets and goals through December 2025.

Results of this first practice-run are being analysed in the first half of 2021 and a scoring system developed to be able to score and monitor progress in 2021 and for the next five years.



## Our footprint

Shifting gears to look at our monitored KPI footprints in our operations (manufacturing), we can see important trends developing in our greenhouse gas emissions reductions between 2019 and 2020 (see table below). In terms of absolute energy consumption, there was a Nutreco-wide increase from 1,318,163 MWh in 2019 to 1,420,344 MWh in 2020, a rise of 7.7%. This was a result of higher production tonnes. However, the respective conversion of this usage to CO<sub>2</sub> – eq emissions was a 19% reduction between 2019 and 2020.

The leading driver for this reduction was the adoption of purchased green energy in Nutreco Iberia operations across all of Spain. This is reflected in the drop in CO<sub>2</sub> emissions.

When interpreting emission reductions per production tonne sold, the reduction is even more significant (-27%) mainly because our Trouw Nutrition division typically has

Emission reductions per production tonne sold, the reduction is even more significant (-27%).

Last year also brought significant reductions to water usage.

less footprint to manufacture a tonne of product and in 2020 our animal nutrition division sold more tonnes than our aquaculture division. Therefore, the ratios support less emissions per tonnes sold.

Last year also brought significant reductions to water usage. In absolute terms, we saw a reduction of just 1% to 2,957,207 tonnes from a 2019 usage of 2,985,265 tonnes. This was attributed to the closing of some Sada processing plants in Spain. However, significant reductions were observed on a per production tonne sold basis; where the 11% decrease is attributed to higher ratio of Trouw Nutrition production tonnage with low water footprint as compared to relatively lower Skretting production tonnage where we have the larger water usage footprint.

In 2021, Nutreco will perform a mapping exercise to identify the areas with water scarcity in the geographies where we operate in compliance with GRI guidelines.



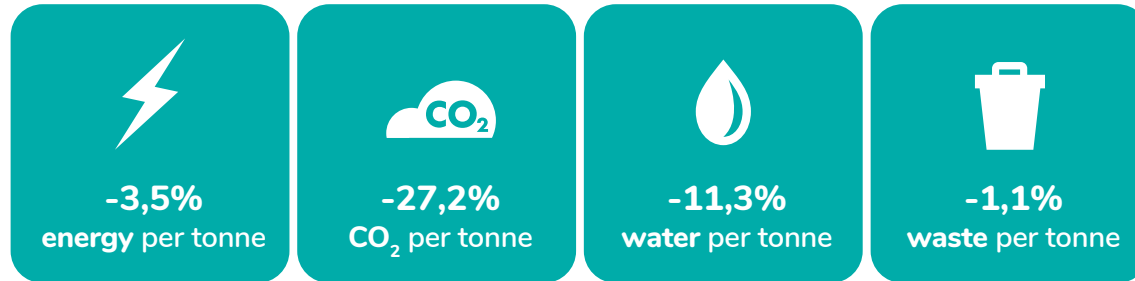
## Overall absolute results by division and consolidated 2020 vs 2019 vs 2018

	2020			2019			2018		
	Trouw Nutrition	Skretting	Nutreco Total	Trouw Nutrition	Skretting	Nutreco Total	Trouw Nutrition	Skretting	Nutreco Total
<b>Energy consumption (MWh)</b>									
Total non-renewable energy	470.928	740.633	1.211.561	581.605	669.855	1.251.460	495.900	645.400	1.141.300
Total renewable energy	122.994	85.788	208.782		66.703	66.703	17.200	66.500	83.700
<b>Total energy consumption</b>	<b>593.923</b>	<b>826.421</b>	<b>1.420.344</b>	<b>581.605</b>	<b>736.558</b>	<b>1.318.163</b>	<b>513.100</b>	<b>711.900</b>	<b>1.225.000</b>
<b>Greenhouse gas (GHG) emissions (tonnes CO<sub>2</sub> eq)</b>									
Scope 1 *	69.846	133.021	202.867	68.999	131.812	200.811	66.200	122.300	188.500
Scope 2 **	32.291	41.204	73.495	85.623	53.242	138.865	70.700	54.300	125.000
<b>Total GHG emissions</b>	<b>102.137</b>	<b>174.225</b>	<b>276.362</b>	<b>154.622</b>	<b>185.054</b>	<b>339.676</b>	<b>136.900</b>	<b>176.600</b>	<b>313.500</b>
<b>Waste type (tonnes)</b>									
Total hazardous waste	1.767	711	2.478	3.660	561	4.221	2.700	800	3.500
Total non- hazardous waste	34.283	21.212	55.495	31.028	17.236	48.264	30.700	17.000	47.700
<b>Total waste</b>	<b>36.050</b>	<b>21.923</b>	<b>57.973</b>	<b>34.688</b>	<b>17.797</b>	<b>52.485</b>	<b>33.400</b>	<b>17.800</b>	<b>51.200</b>
<b>Water (m<sup>3</sup>)</b>									
Total water consumption	1.384.038	1.573.169	2.957.207	1.536.465	1.448.800	2.985.265	1.590.800	1.390.800	2.981.600
<b>Lost time injuries</b>									
Total lost time injuries	Refer to next page	Refer to next page	Refer to next page	63	25	88	74	49	123

\* Scope 1 - Direct GHG emissions occur from sources that are owned or controlled by the company.

\*\* Scope 2 - Accounts for GHG emissions from the generation of purchased electricity consumed by the company.

## Year on year comparison between 2020 over 2019



In 2020, Nutreco ceased reporting the Lost Time Incidence (LTI) KPI in an effort to establish a more detailed picture of our Health & Safety (H&S) programme. Moving forward, Nutreco will focus on leading KPIs and an updated set of lagging KPIs. Since this change in KPI definition was enacted in the summer of 2020, full year on year comparison are not possible.

The heads of H&S across all the SHV groups have decided to align the health and safety KPIs throughout the organisation. Total Recordable Case Frequency (TRCF) has been chosen as the lagging indicator because it has a very clear definition (OSHA), which is used internationally by organisations with a strong safety culture. This will enable us to benchmark externally. It's also a more robust measurement because it includes both medical treatment and restricted work day cases, which enable a greater understanding of our risk profile and hence the areas we should address to reduce injury to our workforce. This will replace the reporting of LTIs, which has a variety of definitions across different companies and provides less information on the risk profile of an organisation.

The leading indicators were also aligned with all the groups measuring the positive actions being taken to reduce the risk profile in our organisation.

The heads of Health and Safety across all the SHV groups have decided to align the health and safety KPIs throughout the organisation.

### Leading KPIs:

Safety maturity of the organisation, all workers trained and competent by 2025, Zero overdue corrective actions and Potential Severe Injuries and Fatalities (PSIF).

# 84

**Potential Severe Injuries & Fatalities (PSIF)**

### Lagging KPIs:

Severe Injuries and Fatalities (SIF) and the Total Recordable Case Frequency (TRCF).

### 2020 lagging Key Performance Indicators:

# 1

**Severe Injuries & Fatalities (SIF)**

# 1.25

**Total Recordable Case Frequency (TRCF)**

# 06. Our Dilemmas

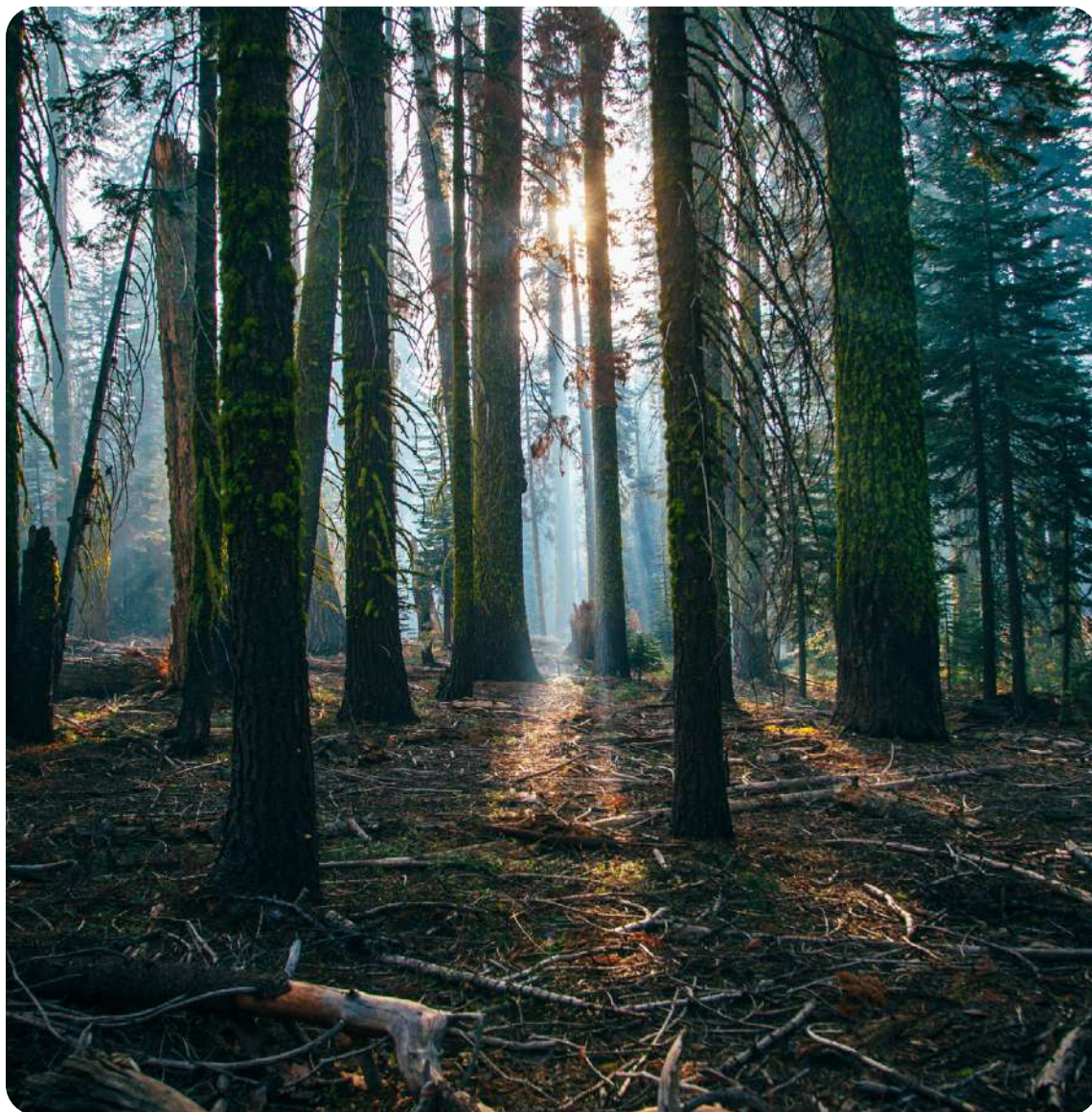
**We remain positive that the solutions lie with us – the private sector – to seek and achieve market base alternatives to resolve these challenges.**

In 2018, we initiated the section entitled, “Sharing our Dilemmas”. This was in part out of frustration that many published sustainability reports reflect successes rather than ongoing challenges, and also our realisation that in many areas, we met obstacles and addressed issues that were much longer-term than what could be accomplished in one year and by one company alone. As it turns out, in the past two years, it’s arguably the section that receives the most feedback. For the third straight year, we continue with our candid discussion on some of the issues that keep us awake at night.

It’s worth noting that in the balance of analysis, we remain positive that the solutions lie with us – the private sector – to seek and achieve market base alternatives to resolve these challenges. We maintain that the industry must come together collectively to ensure these issues are addressed deeply and relevantly so that we can eradicate the environmental and social risks to future generations.

For the third straight year, we continue with our candid discussion on some of the issues that keep us awake at night.





## 6.1 Eliminating deforestation

Deforestation continues to be a major challenge for the feed industry and in turn for the animal husbandry industry, which supplies most of the meat eaten at dinner tables across the globe. Eliminating deforestation, either legal or illegal, as well as the forest fires that often indicate the former, are impacts that affect biodiversity loss and climate change on a global scale.

The problem also incorporates several competing issues and complex challenges, ranging from the risk of usurping a nation's sovereign jurisdiction on legal and illegal deforestation, responding adequately to the demands of civil society (some of whom are competing in their proposed solutions), and the free market demands for action on climate change and biodiversity loss, including the ever-present risk of "going too far" and straying into anti-trust territory.

While measures may be well-intended and essential to halting climate change, there's also the ethical debate of creating obstacles for landowners looking to make a living, and supporting a growing GDP to enter the Organisation for Economic Co-operation and Development (OECD) club of countries in the industrialised market. The issue is further complicated by the partial mitigation that purchasing, land conversion-free, certified soy doesn't necessarily cover the activities on non-certified farmers land, and therefore won't resolve issues across the wider biome at risk.

After decades in this discussion, Nutreco saw promising possibilities in the work that was occurring in the Brazilian

## 06. Our Dilemmas

Cerrado biome with the Cerrado Working Group (or GTC in its native Portuguese acronym), a multi-stakeholder grassroots committee made up of the major soy traders and local NGOs. Preliminary agreements were reached to protect the entire Cerrado biome from further deforestation for soybean cultivation whilst recognising landowner rights to generate income from their land. Consensus was also achieved allowing landowners to complete the process of obtaining permits to legally deforest their land (and by doing so, ensure that all land title documentation was in order), but rather than utilise that permit, they would submit it unused in return for the payment for environmental services (PES) long-term rental agreement.

So promising was this concept that Nutreco agreed to increase our support for the Cerrado Manifesto Statement of Support (SoS) by joining its Steering Group. Today there are nearly 165 signatories. Nutreco was convinced that this PES system was a gateway future solution as it provided landowners with a route to their economic development but did not encroach on national sovereignty while protecting habitats. The concept deliberately steered clear of moratoriums, making it more equitable for all stakeholders. As a result, in the fourth-quarter of 2019, Nutreco committed funds, along with Tesco and Grieg Seafood, to the Cerrado Funding Coalition to support the success of PES.

However, in December 2019, negotiations in Brazil between the soy traders and NGOs suddenly broke down, immediately taking PES and other previous agreements off-the-table. We were caught in a situation that put us back at square one.



Today, we continue dialogue with our major soy suppliers in Brazil to look for viable solutions that could build on the good work done in the previous years.

The news is not all negative, though. In late 2020, our aquaculture division and the farmed salmon feed industry in Norway were successful in negotiating an August 2020 land deforestation and conversion-free cut-off date for all soy protein concentrate (SPC) purchases from the three SPC Brazilian traders, CJ Selecta, Caramuru and Imcopa.

Today, we continue dialogue with our major soy suppliers in Brazil to look for viable solutions that could build on the good work done in the previous years. As part of the SoS Steering Group, we're also seeking to re-energise discussions on a suitable Cerrado biome PES payments scheme for soy in early 2021. We maintain that it's essential to continue to support work on the **three priorities**: Respect the landowner's rights; respect national sovereignty; and respect the free markets' demands to stop legal and illegal deforestation in one of the world's most valuable and biodiversity-rich biomes. The alignment of these priorities is still achievable and conversations are continuing.

## 6.2 Reducing the risk of anti-microbial resistance

Not often do target crosshairs line up so clearly as they do on the risks posed by anti-microbial resistance (AMR). Due to poor antibiotic use management, the UN World Health Organisation (WHO) now predicts that by the year 2050, 10 million people a year may die of disease resistant to antibiotics. Additionally, 80% of antibiotic usage today is used in the animal husbandry sector. It is estimated that up to 10% of resistance is generated by zoonosis (transfer from animals to humans). The unaddressed combination of the two is a setup for disaster.

The question is, how can a future simple bacterial infection create so much havoc? If antibiotic abuse, in both the human population as well as the animal husbandry industry continues unaddressed, it will be a relatively easy jump to future resistance to a specific antibiotic solution. The COVID-19 pandemic situation has served as a reminder of the dangers of pushing beyond the planetary boundaries that we must function within.

The COVID-19 pandemic situation has served as a reminder of the dangers of pushing beyond the planetary boundaries that we must function within.





## 06. Our Dilemmas



Part of the problem lies in the human medical community and patient responses to antibiotic therapy. Liberal prescriptions by medical doctors or irresponsible usage by patients, such as ending their dosage intake early because of improving physical symptoms, can increase bacterial resistance. In animal husbandry, indiscriminate use of antibiotics “prophylactically” (anticipating disease when it yet does not exist in the population) or the use of animal growth promoting (AGP) antibiotics to increase growth performance are both examples of unnecessary dependencies that can increase resistance. The link between antimicrobial use in animals and antimicrobial resistance in human is about 10% These can be addressed

in the industry by using feed additives that promote gut health and a holistic adoption of best practices in production protocols as well as optimising nutrition.

Nutreco fully agrees that if and when an animal or animal population gets sick, it has an inherent animal welfare right to receive medicinal therapy with veterinarian supervision, in the same way that we humans demand medicines when we get sick. Nutreco’s strategy focuses on preventing diseases, optimising nutrition and thus decreasing the need for antibiotics/medical therapy.

Nutreco has adopted a strategy in RoadMap 2025 to address this human and animal population health challenge. This AMR strategy will significantly curtail dependency on antibiotics in the animal husbandry sector. We have also committed to work alongside our clients to assist them and support their antibiotic reduction policies. We’ll do this by assisting in best-practice protocols as a service as well as offering a spectrum of feed additive solutions to reduce dependency and unnecessary use of antibiotics.

The technology exists in the majority of situations. In Europe, there’s the example of the Netherlands, which when encouraged to adopt better practices by governmental regulations in antibiotic usage in animal husbandry, was successful in reducing over 70% usage in the decade between 2009 and 2019. We can also look to our own Sada operations. Sada is the third-largest poultry producer in Spain and 90% of its production was never “touched” by an antibiotic.



## 06. Our Dilemmas

Because we choose to be on the right side of this societal debate, we need to work with our clients, and the rest of industry, to offer long-term solutions to our animal farmers.

The challenge facing us and others is how can a company that recognises the need to do the “right thing” with regards to AMR actually do so when the short-term gains of usage to cover poor production practices are so customary. Additionally, how does a salesman say, “sorry, we no longer sell medicinal premixes unless the animal population is demonstrably sick”. What happens to the general manager when that client not only takes their medicated premix or feed order to the competition, but takes the rest of the business too? It’s a hard sell when the EBITDA reduction for a global company is in the millions.

Nevertheless, these are the tough decisions that we – as a company – find ourselves facing.

Because we choose to be on the right side of this societal debate, we need to work with our clients, and the rest of industry, to offer long-term solutions to our animal farmers. We believe that in such a way, when we look back in five years’ time, we will be able to reflect on an industry that has successfully transitioned – transparently and confidently – to eliminate this enormous human health risk.



# 07. Our Guiding Compass

Progress made on RoadMap 2025 targets and goals will be monitored and published annually through the online RoadMap 2025 Progress Assessment tool.

Nuterra is Nutreco's group-wide sustainability programme, with the new RoadMap 2025 as its main guiding star through to December 2025. This is Nutreco's "dot on the horizon" in terms of what we plan to achieve in the next five years. You might say, it's our guiding compass for the future. It follows, and builds on the achievements in our previous Vision 2020 strategy.

The Materiality Assessment was reaffirmed and results and details can be viewed in the RoadMap 2025 document in the appendix or in link below.

Progress made on RoadMap 2025 targets and goals will be monitored and published annually through the online RoadMap 2025 Progress Assessment tool. Please view the totality of our strategy in our [RoadMap 2025](#) brochure here.

The RoadMap 2025 Progress Assessment tool has informative summary dashboard capabilities that show what stage each of our OpCos are at on their journey to the December 2025 horizon. It also shows the OpCo General Managers where they can invest resources the following year to improve the completion of our strategy.



## 7.1 RoadMap 2025

RoadMap 2025 was approved and adopted by the Nutreco Executive Leadership Team (NELT) in June 2020 after a one-and-a-half-year process. As described in Nutreco's 2019 Sustainability Report, this process began with a materiality assessment including 294 stakeholders (internal and external) as well as a series of three workshops that addressed the issues highlighted by the materiality assessment.

RoadMap 2025's broad focus is summarised below.



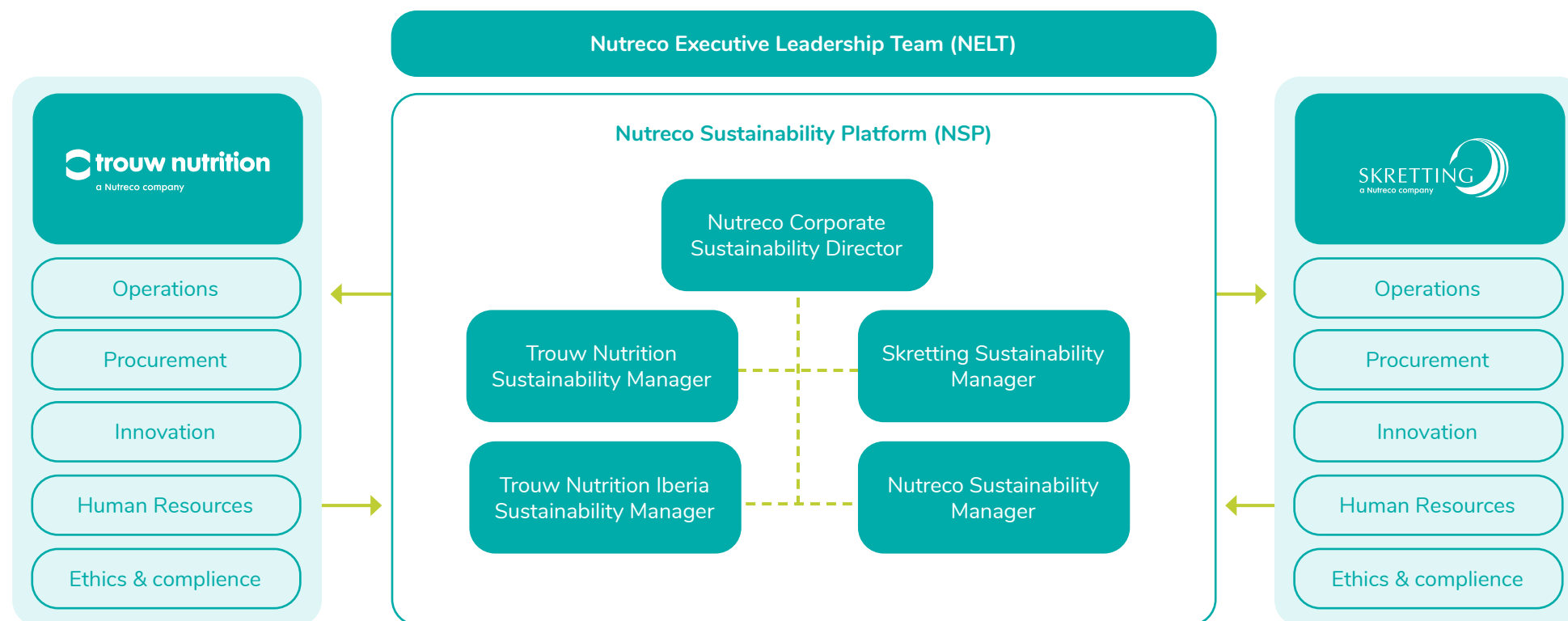
Mandatory topics			
Theme	Health & welfare	Climate & circularity	Good citizenship
Focus	Anti-microbial resistance	Greenhouse Gas (GHG) emission reductions	Diversity & inclusion
<b>We will do this by...</b>	Innovating new products and services that will directly reduce dependency on antibiotic usage in animal husbandry and adopting five-step targets that will significantly reduce antibiotic usage by creating business opportunities for clients.	Adopting Science-Based Target methodology setting emission reduction targets by energy efficiency programs and sustainable sourcing of ingredients incorporating life-cycle assessment methodology and utilization of novel ingredients. Addressing responsible use of natural resources, biodiversity and ecosystems in compound feed ingredients.	Addressing diversity and inclusion in staff. In addition, empowering local communities to raise themselves out of extreme poverty by farming sustainably with best practices technology to purpose.
Soft targets			
	Animal welfare	Packaging/ water/waste	Stakeholder engagement
Addressed by other departments			
			<ul style="list-style-type: none"> <li>Employee development.</li> <li>Occupational health and safety.</li> <li>Human and labour rights.</li> <li>Product safety through Nutrace.</li> </ul>

## 07. Our Guiding Compass

In September 2020, the NELT approved a new governance structure to implement RoadMap 2025 across all of Nutreco. This new governance structure simplifies yet delegates ownership of implementation to the two divisions within their specialty areas and functional directors. Division Functional Directors take ownership of their component of RoadMap 2025 and ensure that their policies and OpCo staff are implementing the policy.

A clear example of how RoadMap 2025 governance transitions into practical policy is with the recent Nutreco One Procurement purchasing policy for soy and palm oil ingredients.

## Corporate Sustainability Governance

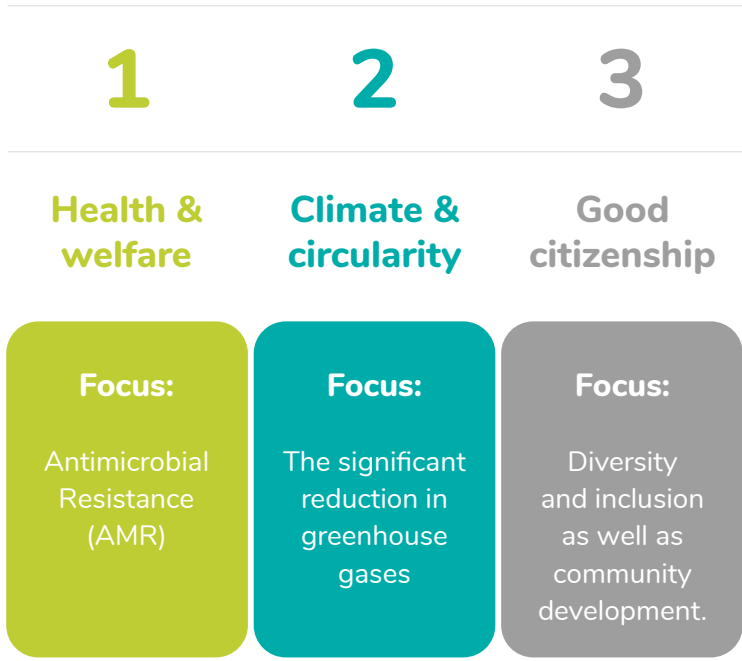


07. Our Guiding Compass

## 7.2 Our RoadMap 2025 pillars

RoadMap 2025 focuses our efforts under three pillars of activity and is represented by nine Sustainable Development Goals. As members of the UN Global Compact, we will begin reporting on our progress made in reducing our impacts in these nine priority areas.

Nine Sustainable Development Goals (SDG) have been identified as relevant in our new RoadMap 2025 strategy. During 2021 the Nutreco Sustainability Platform will identify the respective sub-targets for each of these SDGs that align with our strategy.



Health and welfare	Climate and circularity	Good citizenship
<ul style="list-style-type: none"> <li>No prophylactic use of antibiotics in feed.</li> </ul>	<ul style="list-style-type: none"> <li>Science Based Targets towards 2030.</li> </ul>	<ul style="list-style-type: none"> <li>Expand community development and community engagement initiatives to touch the lives of 12,000 people.</li> </ul>
<ul style="list-style-type: none"> <li>No use of antibiotics for growth or use of coccidiostat.</li> </ul>	<ul style="list-style-type: none"> <li>LCA + sustainability filter in innovation.</li> </ul>	<ul style="list-style-type: none"> <li>Ratings + audits of high-risk suppliers.</li> </ul>
<ul style="list-style-type: none"> <li>No use of listed "critically important for human health" antibiotics.</li> </ul>	<ul style="list-style-type: none"> <li>100% deforestation-free.</li> </ul>	<ul style="list-style-type: none"> <li>25% women in senior management.</li> </ul>
	<ul style="list-style-type: none"> <li>100% of marine ingredients are certified.</li> </ul>	
	<ul style="list-style-type: none"> <li>5 - 10% ingredients are novel*.</li> </ul>	
	<ul style="list-style-type: none"> <li>100% recycled, reusable or compostable packaging.</li> </ul>	
	<ul style="list-style-type: none"> <li>0% coal and oil by 2030.</li> </ul>	
	<ul style="list-style-type: none"> <li>0% waste to landfill.</li> </ul>	

\*Novel ingredients are defined as ingredients produced with a significantly lower environmental and/or social footprint compared to the alternative. Typical examples of novel sources are produced using underutilized resources, biomass and/or waste streams not used directly for human consumption (e.g., bacteria, insects, yeast, fungi and algae, food processing by-products, among others).

## 7.2.1 Health & welfare

### Antimicrobial resistance (use of antibiotics)

Despite the WHO's prediction and warnings from the UN Ad hoc Interagency Coordinating Group on Antimicrobial Resistance that if no action is taken – drug-resistant diseases could cause 10 million deaths each year by 2050 and damage to the economy as catastrophic as the 2008-2009 global financial crisis. By 2030, antimicrobial resistance could force up to 24 million people into extreme poverty. Nutreco has never before had a comprehensive and strategic policy on AMR. Most of our past activity around this human health challenge was in raising awareness and making calls to action at public speaking events and pre-competitive platforms (e.g., our previous CEO addressing a United Nations' side event).

We offer nutritional solutions with our feed additives that allow protein farmers to reduce their dependency on antibiotic use.

Looking towards 2025, this is clearly an area we need to address. Since 80% of antibiotic usage takes place in the livestock production sector, we have a significant role to play, and we have agreed to step-up and assume responsibility for our position in the value chain.

At Nutreco, we offer nutritional solutions with our feed additives that allow protein farmers to reduce their dependency on antibiotic use. Over the last five years, we have had multiple experiences with strategic clients that have proven that a holistic approach, including husbandry best practices and feed and water additives, can successfully reduce antibiotic usage and result in protein products “never-ever” being exposed to antibiotics. The technology currently exists to make this possible, and during the next five years, Nutreco will employ its expertise to address this major challenge to future generations.





At Nutreco, the most significant part of our environmental impact is in the supply-side of our business model and activities; by working together with partners at every stage of the value chain we can reduce our environmental impact.

### 7.2.2 Climate & Circularity

#### Greenhouse Gas (GHG) emission reductions

People worldwide are becoming more aware of the environmental impacts of food production and their own dietary choices. According to the UN's Food and Agriculture Organisation (FAO), global feed production represents 45% of the carbon footprint of livestock products.

At Nutreco, the most significant part of our environmental impact is in the supply-side of our business model and activities; by working together with partners at every stage of the value chain we can reduce our environmental impact.

Understanding our impact is an essential part of reducing our carbon footprint, as it enables us to track performance against our targets. Carbon footprinting is a fundamental part of building a robust and science-based environmental strategy.



## 07. Our Guiding Compass



Nutreco has reported on the carbon footprint of its operations since 2009. In our Vision 2020, we made a bold commitment to halve the footprint of our operations by 2020, looking at carbon credits to help achieve this ambition. Looking ahead to 2025, we're committed to reducing our carbon emission footprint, including significant reductions in our energy usage and the footprint of our procurement activities. We will also be monitoring our impact downstream at the farm through life cycle assessments (LCAs). This will enable us to track other environmental impacts at the farm, such as nitrogen and phosphorous emissions.

As of 2020, Nutreco began implementing LCA tools and analysis capacity within each division, with common methodology and communication approaches aligning across the company. This effort will lead to systematic footprinting of our products and formulations, while

As of 2020, Nutreco began implementing LCA tools and analysis capacity within each division, with common methodology and communication approaches aligning across the company.

Nutreco committed to the Science Based Targets (SBTi) initiative in March 2020, to ensure that we are setting meaningful goals that are in line with the latest in climate science and will help us get ready for a lower-carbon future.

beginning a gradual implementation of comparative footprints of farm scenarios once validation is complete for new and existing products and services, and an integration of footprints within procurement requirements.

In addition, Nutreco committed to the Science Based Targets initiative (SBTi) in March 2020, to ensure that we are setting meaningful goals that are in line with the latest in climate science and will help us get ready for a lower-carbon future.

We will set a well below 2° Celsius climate change by submitting to the SBTi, an absolute reduction target for Scope 1 & 2 emissions – those that we directly create through our operations or are created through the energy we purchase. We'll do this by focusing on energy reduction and renewable energy, making up the difference through the purchase of green electricity.

We will set a well-below 2° Celsius climate change economic intensity reduction target for our Scope 3 emissions from a 2018 baseline by 2030. Scope 3 emissions are those created indirectly through our purchasing and usage of external services, yet that are dominated by the impact of crop production and land use change. To meet our Scope 3 goal, we will continue working on deforestation-free sourcing, developing and using novel ingredients, and cooperating with stakeholders to reduce the footprint of commodities.

We expect SBTi to accept and publish our proposed targets by the end of the first-quarter of 2021.

## 7.2.3 Good Citizenship

### Diversity & inclusion

As a responsible company, we want to be a good citizen and have a positive impact on our main stakeholder groups. This includes doing business with respect for the rights of everyone impacted by Nutreco. It means providing a working environment where our employees feel safe, welcome and able to develop in their careers. And it involves working together in our communities towards a better way of life for everyone.

This includes doing business with respect for the rights of everyone impacted by Nutreco.





Today's global challenges make it more important than ever that we have a workforce with diverse ideas, backgrounds and viewpoints to help us approach issues from every possible angle. Employees today are seeking a workplace where they feel valued and included.

Nutreco operates in and with highly diverse groups in terms of gender, culture, ethnicity, nationality and ways of thinking. We're committed to ensuring this is reflected in the diversity of our people and to building an inclusive culture where all people are respected, engaged and given opportunities for personal and professional development.

We believe that an engaged workforce leads to a positive and productive work environment, contributing to improved business results. Therefore, we will regularly measure our people's engagement and act on areas for improvement.

**Nutreco will continue developing and implementing actions to ensure we can attract and retain a diverse workforce, while creating awareness and enabling a more diverse leadership team.**

Though this topic will be led by the Human Resources (HR) department, Nutreco believes it's a core value of being sustainable and socially responsible. We will amplify the efforts made by HR to ensure wide adoption. Nutreco will continue developing and implementing actions to ensure we can attract and retain a diverse workforce, while creating awareness and enabling a more diverse leadership team.

### **Nutreco will ensure**

1. One out of three hires is female (starting from 2020).
2. We target having 25% women in senior leadership by 2025.
3. We implement the "taking the stage" programme to help facilitate this transition (starting from 2020).

## 7.3 Launching our new strategy

The specific clarity in the goals and targets Nutreco plans to achieve in the next five years has never been clearer. RoadMap 2025 offers measurable and significant change with the potential of “moving the needle” in several areas associated with our position in the protein production value chain. But to actually move the needle and see environmental and social impact reductions in the real world, we need to demonstrate the business case to our customers. Succeeding in this will create the necessary change on the ground by empowering our customers to distinguish themselves in their competitive marketplaces.

OpCos will continue to offer nutritional solutions and services that will support our RoadMap 2025.

Our feed additive sector focuses specifically in products and services which, when applied, will reduce the dependency on antibiotic use in animal husbandry when not for a specific and diagnosed disease. At the same time, our procurement and nutritional formulation teams will incorporate LCA methodology to promote and encourage reduced carbon footprint in our compound product portfolios.

Our commitment to the SBTi and our respective GHG reduction targets in scopes 1, 2 and 3 will further our reduced impact in alignment with the 2015 Paris Agreement’s long-term goal to hold global average temperature increase to “well below 2°C above preindustrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels”.



# 08. Staying Relevant



**We understand that the products and services that we offer give us a responsibility to move-the-needle and reduce the value chain footprint.**

At Nutreco, sustainability and ensuring measurable reductions in environmental and social impacts are a means of staying relevant in the marketplace. We perceive that the products and services that we offer give us a responsibility to move-the-needle and reduce the value chain footprint.

While we strive to reduce our own manufacturing footprint, we also recognise the significance in empowering our suppliers, customers and clients to reduce their footprint in their position in the value chain. To this end, the following three case studies highlight our efforts in circularity, carbon neutrality and contained environmental impacts.

## 08. Staying Relevant

## 8.1 Trouw Nutrition replacing food-grade feed ingredients – a goal within reach

As the scarcity and valorisation of raw materials continues to be a rising challenge, and the world population continues to grow (and with it the demand for animal protein), the feed and food industry are constantly searching for new and innovative solutions to ensure sustainable and future-proof production.

One commonly known factor is the use of human food-grade plant protein being used as animal feed ingredients. For example, grains like soy, maize and wheat that could be utilised to manufacture nutritious food, are currently also used to produce animal feed. Though this will remain in high demand, and preserving these raw materials remains one of the main topics of the feed processing industry, there might be possibilities of utilising by-products from the food industry to replace a part of these materials.

Recently, Trouw Nutrition and Heineken, one of the world's largest beer producers, started a shared initiative to connect the food and the feed industry. As part of Trouw Nutrition's food by-product preservation programme, the two companies are working together to investigate the possibilities to increase value from by-products by application of Selko Revalet®.



“One of the objectives of Heineken’s sustainability programme ‘Brewing a Better World’, is to eliminate waste from breweries going to landfill. Our organic by-products from the brewing process like spent grain and spent yeast contain many nutrients like fibres, protein and minerals and have great value as food or feed application. We apply Revalet in some countries to stabilise the spent yeast and create a better-quality feed product. In some countries, though, such as Nigeria, we still see organic by-products ending up as landfill. Microbial deterioration of the spent yeast is, for example, limiting its use as feed application. With Revalet, Trouw Nutrition offers us a natural solution to preserve the spent yeast, creating opportunities to make this product available for animal feed in many countries.”

Esther Kruiper, Senior Global Lead Circular Economy at Heineken Global Supply Chain

## 08. Staying Relevant

**“Together with Trouw Nutrition we embarked upon a cooperation with a leading beer producer in Nigeria. We were even more interested when we found out the manufacturer was one of the world’s leading breweries! With Heineken we are looking forward to join forces and utilising spent yeast as a nutritious (and tasty) feed ingredient, while reducing the need for grains that can otherwise be used for human food production. With the addition of the spent yeast, we are aiming to replace 3,500-5,000 tonnes of food-grade soy bean meal on an annual basis.”**

Seyi Adeleke-Ige,  
General Manager Skretting Nigeria

As Heineken indicated, one of the countries that it’s looking to implement the food by-product preservation programme in is Nigeria, where also the connection with Skretting Nigeria plays a key role. The solution works in two ways: it reduces the nutritional losses of brewers’ spent yeast by effective microbial control while, at the same time, reducing the amount of human food-grade plant protein use to make animal feeds.

This does not only apply to the beer industry. Selko’s food by-product preservation programme can be applied in a broad range of food processing or producing industries. Especially in places where by-products contain high levels of protein, such as dairy processing and starch production. Within the programme, Trouw Nutrition partners with companies to determine the most effective inclusion rate of our Revalet product range by performing dose response tests. Furthermore, the programme offer includes user friendly, state-of-the-art dosing equipment to allow for accurate, homogenous and safe dosing of the products.

Selko Revalet® was nominated as one of eight shortlisted finalists in the 2021 EDIE Sustainability Leaders Awards in the category of “Product Innovation of the Year”.



## 08. Staying Relevant



## 8.2 Skretting Italy initiates carbon neutral opportunities

With food production accounting for around a quarter of the world's greenhouse gas emissions, carbon footprint reduction is one of the most effective ways that supply chains can address the climate change challenge. Recognising the opportunity to minimise the carbon dioxide (CO<sub>2</sub>) emissions generated by the aquaculture feed production process and the fish farming sector, Skretting Italy launched new carbon neutral feed concept, Feed4Future, in 2020.

This first-to-market offering has paired Skretting's extensive knowledge of the nutritional requirements of aquaculture species with sustainable, lower impact feed ingredients responsibly sourced from carefully selected suppliers.

In utilising Skretting's groundbreaking MicroBalance technology and incorporating innovative raw materials and high-quality by-products sourced from the food industry that don't compete with human consumption, Feed4Future diets have a 10% lower carbon footprint than standard diets, with the remaining CO<sub>2</sub> emissions compensated for by carbon credits\*.

\* Skretting CarbonBalance's carbon credit scheme is related to the Agrocortex REDD+ (Reducing Emissions from Deforestation and Forest Degradation) project in Brazil.



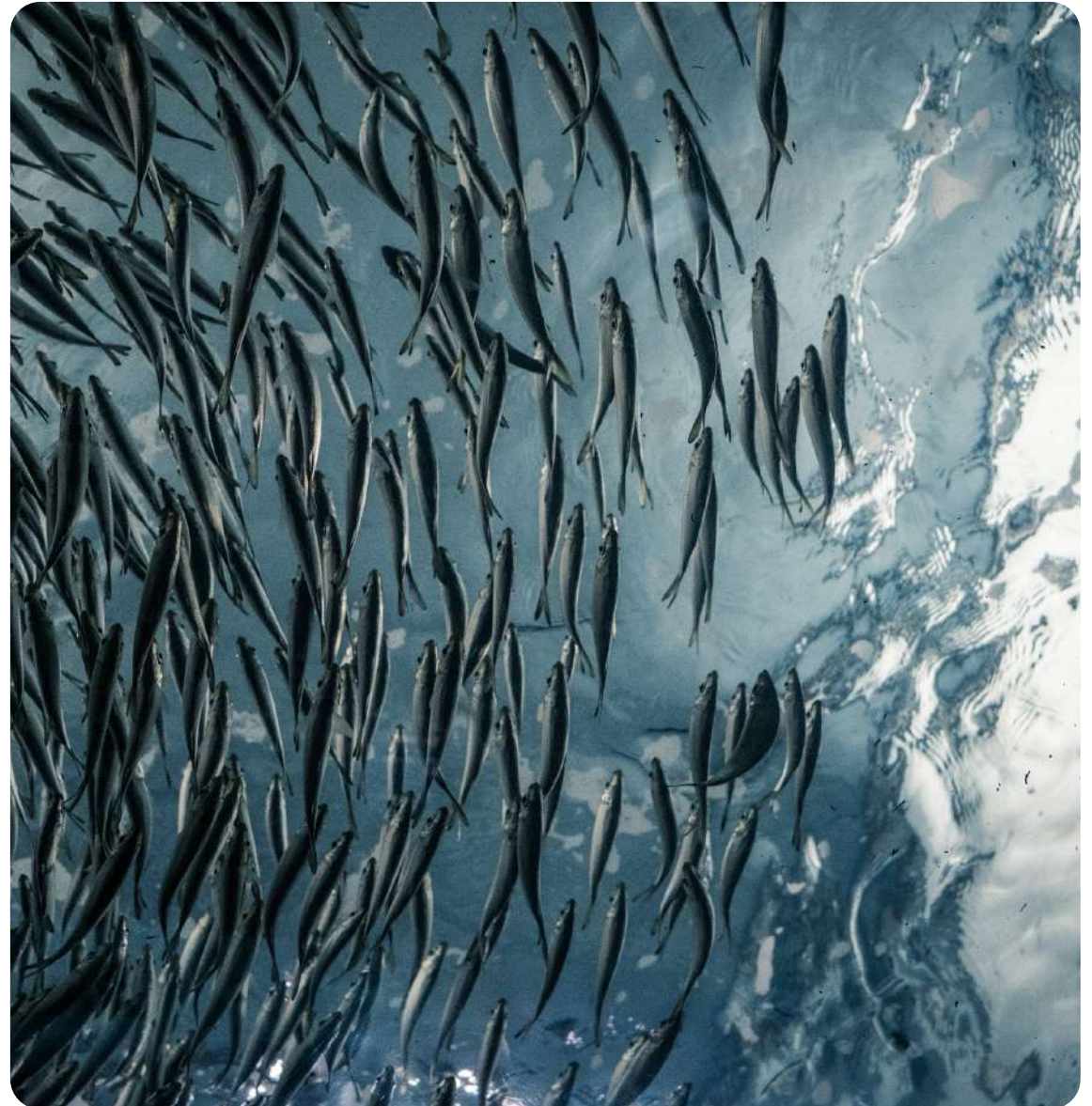
## 08. Staying Relevant

For those Italian producers looking to go a significant step further with fully carbon neutral fish farms, Skretting has developed CarbonBalance, a new programme supporting farmers and helping them achieve this ambition.

Skretting believes that with the spotlight on the impacts of food production, Feed4Future can take Italian aquaculture to new levels of sustainability. Specifically, with 80% of fish farms' carbon footprint being related to feeds, its application means they are taking effective action against one of the most far-reaching issues facing our planet today – climate change.

Furthermore, for those Italian producers looking to go a significant step further with fully carbon neutral fish farms, Skretting has developed CarbonBalance, a new programme supporting farmers and helping them achieve this ambition.

Following an initial assessment of each farm site, Skretting calculates the carbon footprint, identifies measures to reduce it, and then works together with those customers to achieve full neutrality. CarbonBalance also provides links to those third-party certification bodies that are already onboard with the programme, and offers support in communicating these actions to the market. Amongst



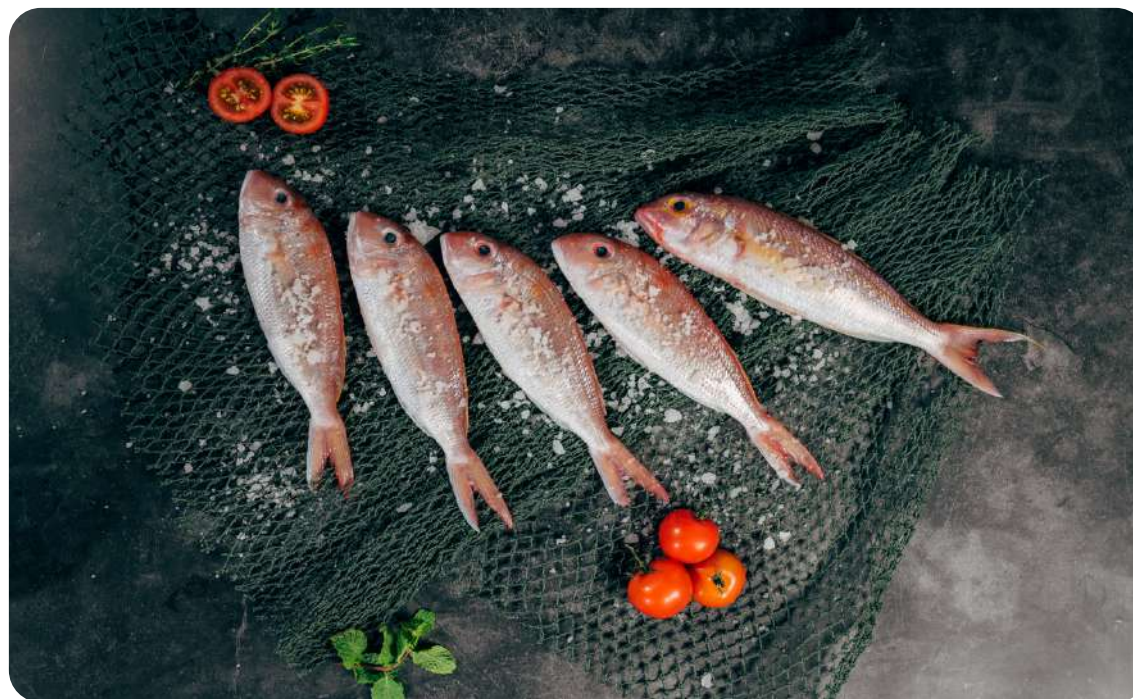
**“We have entered a critical phase of climate recovery. Through carbon neutrality, fish farmers in Italy and beyond have the opportunity become part of the solution as climate leaders. They can accelerate progress by making these bold but essential commitments to our planet’s health and wellbeing, while at the same time establishing a platform that will enable them to increase revenues, reduce costs and risks, and engage many more consumers.”**

Umberto Luzzana,  
Marketing Manager Skretting Italy

other things, the communications element seeks to explain to broader audiences what makes these fish carbon neutral and the contribution they are making to sustainable, resilient food systems.

Overall, such a pro-planet approach provides the platform from which responsible fish farmers can enhance their product offering and establish stronger competitive advantages.

Skretting Italy’s carbon neutral offering is a follow-up of its successful “Acqua in Bocca!” customer engagement project. Launched in 2017, this ongoing project is designed to help the country’s aquaculture value chain develop an effective value proposition based on sustainability that meets market expectations and requirements.



## 08. Staying Relevant

## 8.3 NuFrontiers – Investment in Nordic Aqua Partners (NAP) to establish China’s first land-based salmon farm at commercial scale

In 2020, Nutreco’s strategic innovation and investment team NuFrontiers invested in the Scandinavian company Nordic Aqua Partners (NAP), which plans to bring ultra-fresh supplies of Atlantic salmon to Chinese consumers using recirculating aquaculture system (RAS) technology farming.

Located in Ningbo, a major city near Shanghai of more than 10 million people in east China’s Zhejiang province, NAP’s facility will raise Atlantic salmon through all production stages from the hatching of imported eggs to on-growing, harvesting, processing and distribution of full-grown salmon for local consumption.

NAP’s first facility is designed with an initial annual capacity of 8,000 tonnes of head-on gutted salmon, with expansion potential for up to 16,000 tonnes. It means that NAP is well positioned to tap into China’s large and fast growing 100,000-tonne salmon market, which is also expected to grow by more than 10% annually.



“As a global population, we have reached or exceeded sustainable limits of fishing of many species for human consumption and other uses. Aquaculture in RAS provides an additional sustainable and safe way to increase the amount of fish available. For Nutreco, supporting RAS directly supports our purpose of Feeding the Future in a way that is better for the planet. I’m delighted that we’ll be working together with NAP in China. From the facility in Ningbo, we will be able to bring fresh, high-quality, Atlantic salmon to millions of Chinese consumers within hours of harvest, reducing the shipping impact on the environment.”

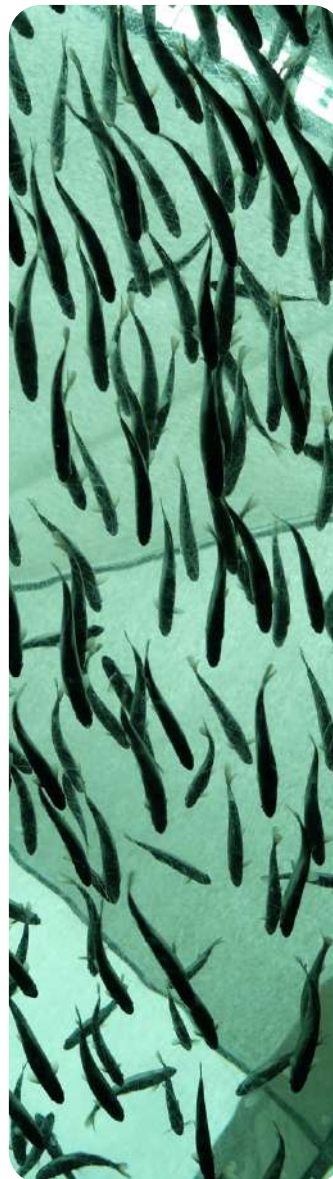
Rob Koremans  
Nutreco CEO

## 08. Staying Relevant

By producing locally, some of the Chinese demand can be met with a lower carbon footprint and longer shelf-life than imported salmon.

Today, China is entirely dependent on imported salmon, much of which is supplied fresh by airfreight from traditional salmon farming regions, leaving a substantial carbon footprint linked to transportation alone. For fresh salmon delivered to wholesalers in Shanghai from Norway, airfreight is by far the single largest contributor of greenhouse gases – representing over half of total emissions. By producing locally, some of the Chinese demand can be met with a lower carbon footprint and longer shelf-life than imported salmon.

In addition, the RAS technology allows NAP to produce salmon entirely in closed containment without the use of any antibiotics or chemicals, and with zero risk of sea lice, leading to a marked improvement in fish welfare. NAP's facility is designed with the latest advances in RAS technology, with very limited water exchange and continuous cleansing of water and filtration of biological matter that would otherwise impact the local environment. NAP will also explore the potential of having own solar panels and biogas driven generators in its energy mix.



Feed will be supplied from Skretting China's new factory, currently under construction in Jiangsu province, north of Shanghai, with close collaboration on feed optimisation and performance through a Technical Advisory Committee jointly set up together with NAP's board and management team.

**“The collaboration will allow Nutreco to further integrate farming and feed solutions towards optimal fish performance and will help further develop this highly sustainable form of aquaculture. It will also help us expand our learning about RAS and continue Skretting's development of the best feed tailored for RAS systems.”**

Viggo Halseth  
Nutreco Chief Innovation Officer

# 09. Community Development

As part of our Good citizenship

**The Catfish Sustainability Project (CSP) in Nigeria has produced outstanding success since 2015 by promoting income generating opportunities for the small-scale fish farmers.**



Nutreco adopted the “creating shared value” concept when engaging with small, marginalised, farmers in the communities where we are present. Currently, we manage two such projects, in Ibadan (Nigeria) and in La Fragua (Guatemala). In both cases, we are partnered with a local NGO and convene marginalised farmers (often earning less than €1.90 per day) and share/train best-practice production protocols to produce/farm sustainably. Simultaneously, we utilise Skretting’s or Trouw Nutrition’s nutritional solutions, fit for purpose, to ensure expected outcomes.

In Nigeria, we have had very good success for the past five years with 640 farmers, while in Guatemala, we have been engaged for three years with good performance with 50 farmers. In 2019, we improved the productivity and economic performance of 690 farmers. Our RoadMap 2025 target is to engage with 12,000 by the end of 2025.

## 9.1 Ibadan Nigeria community development

The Catfish Sustainability Project (CSP) in Nigeria has produced outstanding success since 2015 by promoting income generating opportunities for the small-scale fish farmers through sustainable aquaculture system. It's an initiative of both Nutreco and Skretting to build the capacity of these farmers through regular field visits, advisory service and support for farmers through revolving feed input.

CSP is funded by Nutreco and Skretting Nigeria and facilitated by the Justice, Development and Peace Commission (JDPC) in Ibadan.



## 09. Community Development

In January 2020, the fourth phase of the CSP commenced with a target of an additional 233 catfish farmers to the existing 467 project beneficiaries. At the end of the year, 175 new beneficiaries were added, totalling 642 catfish farmers, comprising 519 males and 123 females in 35 catfish farmers' group. Some 264 of the farmers accessed 247,275kg of feed through the revolving feed input support between January-December 2020.

Through frequent capacity development programmes on group dynamics and Strengthening, Savings, Credit and Cooperative Management for farmers, there was a clear improvement in sales and income of project beneficiaries. Although, the COVID-19 pandemic affected farmers' sales, 47.96% of the existing catfish farmers and 22.8% of the new farmers increased their income from catfish production and marketing by 34.8%.

Going by the objective of encouraging sustainable aquaculture system, catfish farmers were frequently trained on best management practices, while implementation was ensured through constant monitoring and technical advisory services. Some 69% of the target small-scale farmers adopted these innovative best aquaculture practices and there was an average survival rate of 93.5% of catfish produced by participating fish farmers.

All of these contributed to an average income of EUR 1,200 per participating catfish farmers in 2020.

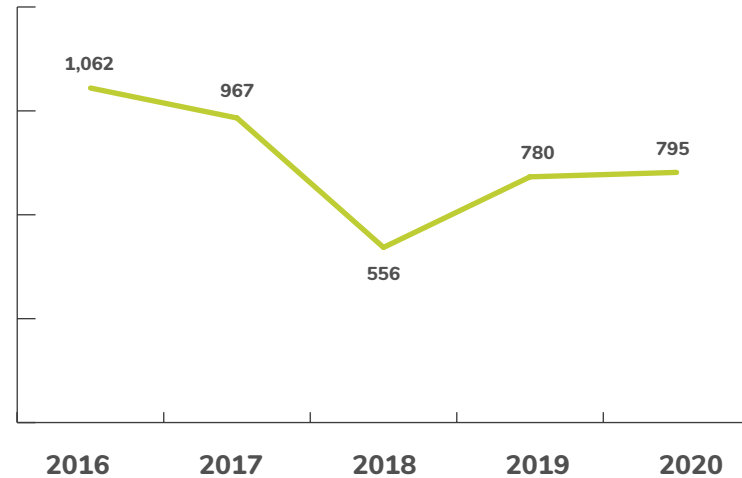
KPIs	2016	2017	2018	2019	2020
Participating farmers	50	109	258	467	642
Feed conversion ratio	1.7	0.9	0.9	1.2	1.1
Average Harvest weight (kg)	0.6	1.2	0.8	0.8	1
Survival rate	69%	90%	95%	93%	93.5%
Production cycle/year	2	3	3	3	2
Average cost of production/farmer (₺)	482,984	439,706	252,838	354,765	361,106
% Average profit per farmer (₺)	11%	28%	35%	27%	34.8%
Growth rate/week (g)	25.6	48.5	51.5	43.4	42.4
Average body weight @stock (g)	5.4	51.8	72.8	65.4	69.6

**Note:**

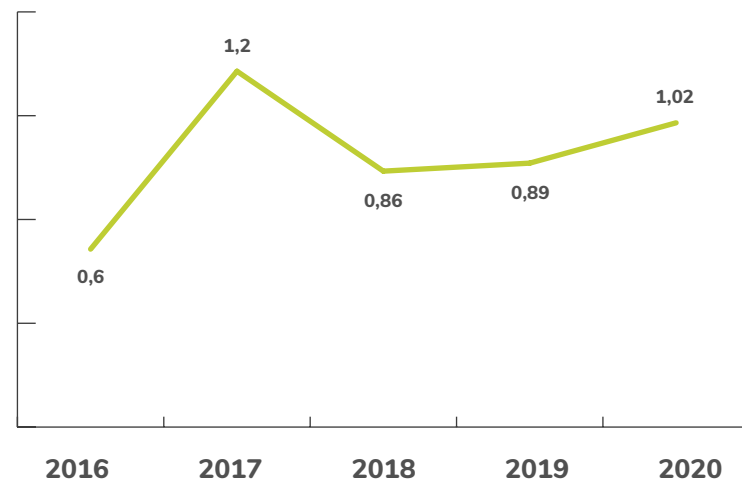
There was an increase in the cost of production because farmers could not access the market to sell fish due to the lockdown caused by the COVID-19 pandemic, hence, they had to feed their fish for a longer period of time.

## 09. Community Development

## Average cost of production (€)



## Average weight sold (kg)



The production cycle dropped from three to two cycles per year because farmers were unable to sell their fish and purchase a new batch as a result of the pandemic. Likewise, their growth rate decreased as farmers started to ration feed to prevent loss, but overall, the average weight sold increased.

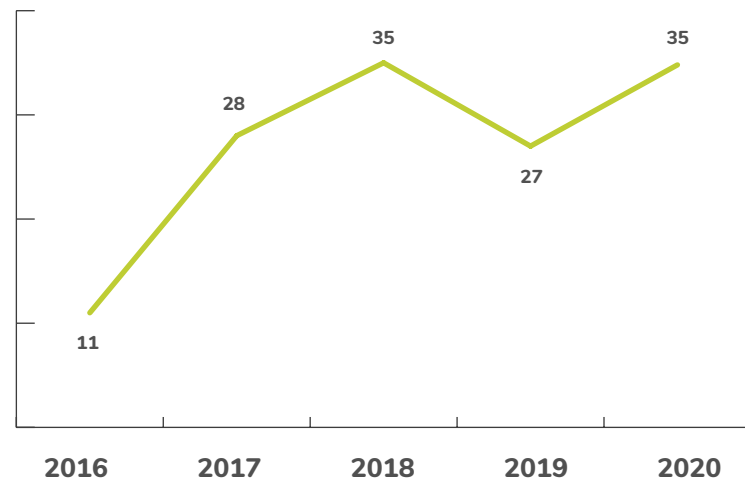
The increase in the average weight of fish sold resulted in a boost in the profit of the farmers. Farmers sold fish at higher prices to fishmongers in 2020 especially towards the end of the year. The average profit of 27% in 2019 increased to 34.8% in 2020.







## % Profit



The major challenge that the project encountered was that the COVID-19 pandemic had an adverse effect on the production and sales of fish. It also restricted farm and farmer visits thereby limiting the onboarding of new farmers and conducting scheduled farmer training. Likewise, the unstable and unpredictable climate affected farmers' production and sales.

In 2021, we intend to scale-up project beneficiaries to 850 farmers from the current 642. More programmes to improve farmers' adherence with best management practices, training and capacity development will be carried out for both old and new groups. Also, the CSP team is working towards the provision of a revolving fund (feeds) for catfish farmers and to link them up with existing groups and institutions through learning visits.

The major challenge that the project encountered was that the COVID-19 pandemic had an adverse effect on the production and sales of fish.

## 9.2 La Fragua Guatemala community development

### PLUMAS: Empowering women through egg farming

The Dry Corridor is a region that has been identified by the United Nations in need of immediate assistance due to its alarming rates of poverty, water scarcity and food insecurity. This region is partially located in Guatemala, a country where food insecurity and chronic malnutrition are already a challenge, having the sixth-highest rate of chronic malnutrition in the world and the highest in Latin America.

PLUMAS aims to empower women in the community of La Fragua, within the Dry Corridor, to produce eggs – an extremely rich but very affordable source of protein.



## 09. Community Development

Driven by our purpose of ‘Feeding the Future’, Trouw Nutrition SCA with the support of the Community Development Project Initiative of Trouw Nutrition Global and in collaboration with the NGO Good Neighbors Guatemala initiated the PLUMAS project in 2017. PLUMAS aims to empower women in the community of La Fragua, within the Dry Corridor, to produce eggs – an extremely rich but very affordable source of protein.

At the beginning of the project, each of the 50 families in the programme received a hen house, troughs, drinking troughs, bedding, feed for two months and 100 laying hens. To enable their success as egg farmers, women received farming and animal health training from Trouw Nutrition’s experts and from Guatemala’s Ministry of Agriculture. Meanwhile, a local educational institution provided business and management training.

By 2019, the project became self-sustainable with a revolving fund that allows them to purchase feed, packaging and a new flock at the end of the laying cycle at an affordable price. Becoming egg farmers has enabled the women within the PLUMAS project to improve the quality of life of their family; provide a stable source of food and a sustainable source of income.

However, during 2020 the situation for the PLUMAS community of La Fragua became even more challenging. Extended droughts followed by tropical storms led to lower grain production, lower levels of grains stored and as a result hunger season starting sooner than expected. These communities were also faced challenges brought



## 09. Community Development

by the COVID-19 health emergency. Mobility to reach nearby towns and cities was limited due to curfews, quarantines in focus areas and the temporary ban of public transportation. Unemployment rose as transportation became difficult, and local businesses and farms closed their doors. Furthermore, the rise in food prices locally and the disruption of traditional food distribution channels paved the path to even greater level of food insecurity.

Although the situation became more complex in 2020, the project became a source of aid for the community. Water scarcity was tackled earlier in the year, as Trouw Nutrition SCA and Good Neighbors Guatemala funded the drilling and construction of a mechanical water well in the community. Water accessibility was vital not only for the egg production to succeed, but more importantly for the people within the community to be able to have clean drinking water.

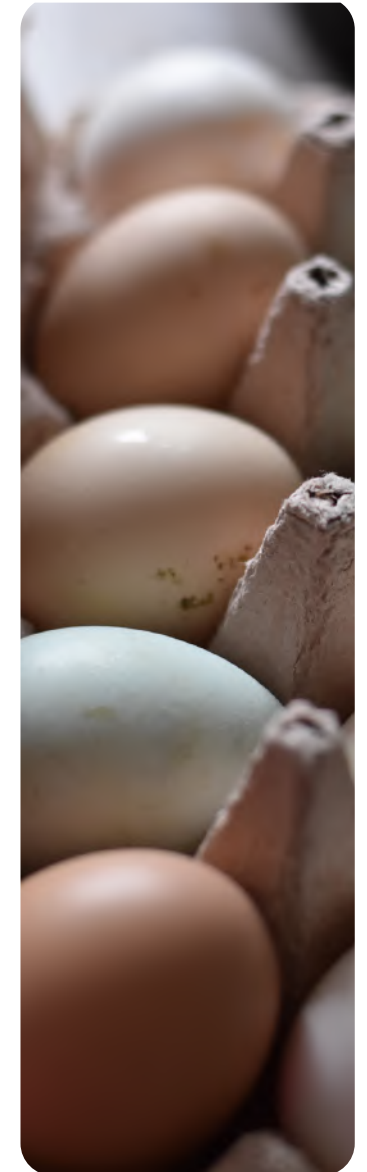


Although the situation became more complex in 2020, the project became a source of aid for the community.

Later in the year, when the health emergency arose, the access to clean water became key towards taking the adequate sanitary measures to prevent the spread of COVID-19.

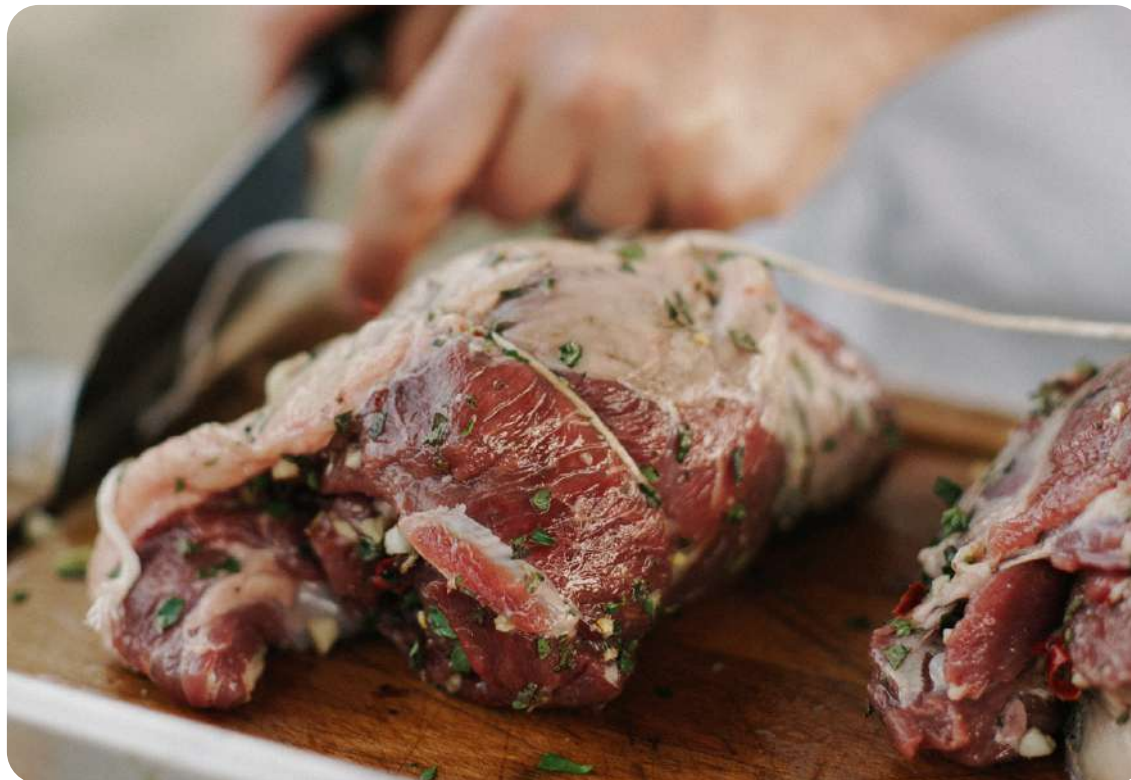
Even though food resources were limited, the women within the project were able to feed their families with the eggs they produced and sustain themselves by selling their production to their neighbours and adjacent communities. Eggs have been a source of food and sustainable income for the families in these challenging times, while being an accessible source of protein for the rest of the people. Moreover, to help mitigate the food insecurity and health emergency beyond the reach of the project, Trouw Nutrition in collaboration with Good Neighbors Guatemala donated food and hygiene supplies to 150 families, reaching to help three entire communities within the Dry Corridor.

Trouw Nutrition is proud that the PLUMAS community development project became a source of aid for the families in such desperate times and that through it we were able to make a true positive impact in such vulnerable communities in Guatemala.



# 10. About this Report

**We believe that engaging our internal and external stakeholders is key to ensuring we invest the right focus.**



## 10.1 Stakeholder engagement

We believe that engaging our internal and external stakeholders is key to ensuring we invest the right focus and effort in continuous improvement and dealing with the complex issues that face the future of sustainable food. By carrying on active conversations with several stakeholder groups we benefit from their diverse perspectives as we explore our solutions.

## 10. About this Report

Stakeholder group	Their concerns and expectations	How we engage, and how often	Main topics and activities addressed in 2020
<b>Employees</b>	<ul style="list-style-type: none"> <li>• What is the company strategy?</li> <li>• What is our financial performance?</li> <li>• What is the company going to do around cost cutting?</li> <li>• Do we need to close down our factory?</li> <li>• How can I make a (international) career at Nutreco?</li> </ul>	<ul style="list-style-type: none"> <li>• Regular (local) townhall meetings.</li> <li>• Monthly broadcasted interviews with leadership.</li> <li>• Nutranet (intranet) announcements.</li> <li>• Divisional strategy updates (annual or bi-annual).</li> <li>• Annual local community days.</li> <li>• Annual European Works Council.</li> <li>• Regular local Works Council.</li> </ul>	<ul style="list-style-type: none"> <li>• 2024 long-term strategy.</li> <li>• 2019 financial performance.</li> <li>• Restructuring activities (Marketing, Trouw Nutrition Specie Councils).</li> <li>• Company performance in the industry (incl. awards).</li> <li>• Integrations (CA) or benefit harmonisation (global).</li> </ul>
<b>Government</b>	<ul style="list-style-type: none"> <li>• Protection of consumer and animal health.</li> </ul>	<ul style="list-style-type: none"> <li>• Showing leadership through continuous organisation of and participation in relevant stakeholder platforms, focusing on solutions.</li> <li>• Further developing Nutrace.</li> <li>• Redefining our quality programme.</li> <li>• Launching nutritional solutions.</li> </ul>	<ul style="list-style-type: none"> <li>• Establishment of new regulatory possibilities for innovations (e.g., nutritional solutions as part of integrated multi-stakeholder “feed-farm-health” concept).</li> </ul>
<b>External sustainability (e.g., food retail and foodservice)</b>	<ul style="list-style-type: none"> <li>• Deforestation for commodity production.</li> </ul>	<p>See <i>Sharing our dilemmas</i>.</p> <ul style="list-style-type: none"> <li>• Engaging with SoS Cerrado Manifesto and FEFAC.</li> </ul>	<ul style="list-style-type: none"> <li>• Dealing with the lack of “farmer-level” granularity when purchasing bulk commodities in major ports.</li> </ul>

## 10. About this Report

Stakeholder group	Their concerns and expectations	How we engage, and how often	Main topics and activities addressed in 2020
<b>Food retail and foodservice</b>	<ul style="list-style-type: none"> <li>• Illegal, Unreported &amp; Unregulated (IUU) fishing and modern slavery.</li> </ul>	<p>See <i>Sharing our dilemmas</i>.</p> <ul style="list-style-type: none"> <li>• Engaging with SeaBOS.</li> </ul>	<ul style="list-style-type: none"> <li>• Steps to eradicate these illegal activities.</li> </ul>
<b>Non-Governmental Organisations (NGOs)</b>	<ul style="list-style-type: none"> <li>• Biosecurity in aquaculture to reduce spread of farm disease.</li> <li>• Deforestation for soy commodity production.</li> </ul>	<ul style="list-style-type: none"> <li>• Raising awareness and collaborating with stakeholders on existing, commercially available technology.</li> </ul> <p>See <i>Our Partnerships</i>.</p>	<ul style="list-style-type: none"> <li>• Industry's available functional feeds to reduce antibiotic usage in aquaculture.</li> <li>• Transparency and traceability around deforestation-free soy.</li> </ul>
<b>Academia</b>	<ul style="list-style-type: none"> <li>• R&amp;D collaboration and validation of animal performance on circularity, health (AMR reduction) and welfare, and emissions reduction.</li> </ul>	<ul style="list-style-type: none"> <li>• Setting up or intensifying collaborative projects.</li> <li>• Engaging with over 80 academic institutions around the world.</li> </ul>	<ul style="list-style-type: none"> <li>• Product development and joint projects.</li> </ul>



## 10.2 GRI Content Index Nutreco-Core

SRS	Disclosure	Reference	Omission/Explanation
<b>GRI 102: GENERAL DISCLOSURES 2016</b>			
<b>1. Organizational profile</b>			
102-1	Name of the organization.	Nutreco N.V.	
102-2	Activities, brands, products, and services.	Our brands, customers and suppliers. <a href="http://www.nutreco.com/en/Corporate/">www.nutreco.com/en/Corporate/</a> <a href="http://www.nutreco.com/en/brands/">www.nutreco.com/en/brands/</a>	
102-3	Location of the organization's headquarters.	Amersfoort <a href="http://www.nutreco.com/en/Contact/">www.nutreco.com/en/Contact/</a>	
102-4	Number of countries operating.	<ul style="list-style-type: none"> <li>• Our brands, customers and suppliers.</li> <li>• Our global impact.</li> </ul>	
102-5	Nature of ownership and legal form.	Nutreco N.V. <a href="http://www.nutreco.com/en/Corporate/legal-information/">www.nutreco.com/en/Corporate/legal-information/</a>	
102-6	Markets served.	Our brands, customers and suppliers.	
102-7	Scale of the reporting organization.	<ul style="list-style-type: none"> <li>• Our global impact.</li> <li>• Our team.</li> <li>• Operations.</li> </ul>	Nutreco is part of SHV. SHV gives a fair qualitative overview per company owned and discloses financial information at an aggregated level. It discloses net sales, income from operations, net income as well as its financial position, ratio information and cash flow information. For more information please read the SHV report on <a href="http://www.shv.nl">www.shv.nl</a>
102-8	Information on employees and other workers.	Our team.	
102-9	Supply chain.	Our global impact.	



## 10. About this Report

SRS	Disclosure	Reference	Omission/Explanation
<b>GRI 102: GENERAL DISCLOSURES 2016</b>			
102-10	Significant changes to the organization and its supply chain.	<ul style="list-style-type: none"> <li>Quality assurance.</li> <li>Code of conduct for business partners.</li> <li>Our guiding compass.</li> </ul>	
102-11	Precautionary Principle or approach.	Our approach can be found in the 2025 roadmap: <a href="http://www.nutreco.com/globalassets/images/roadmap-2025-brochure_15.pdf">www.nutreco.com/globalassets/images/roadmap-2025-brochure_15.pdf</a>	
102-12	External initiatives.	About this report.	
102-13	Memberships of associations.	Our collaborations.	
<b>2. Strategy</b>			
102-14	Statement from senior decision-maker.	CEO discussion.	
<b>3. Ethics and integrity</b>			
102-16	Values, principles, standards, and norms of behavior.	<ul style="list-style-type: none"> <li>Purpose, vision and values.</li> <li>Our team.</li> <li>Code of conduct for business partners.</li> <li>Ethics and compliance.</li> </ul> <a href="http://www.nutreco.com/en/Corporate/our-code-of-conduct/">www.nutreco.com/en/Corporate/our-code-of-conduct/</a>	
<b>4. Governance</b>			
102-18	Governance structure.	Corporate sustainability governance.	
<b>5. Stakeholder Engagement</b>			
102-40	List of stakeholder groups.	Stakeholder engagement.	
102-41	Collective bargaining agreements.	Our team.	This data is currently unavailable. Working with the HR department to find a way to collect this in the future.

## 10. About this Report

SRS	Disclosure	Reference	Omission/Explanation
<b>GRI 102: GENERAL DISCLOSURES 2016</b>			
102-42	Identifying and selecting stakeholders.	Stakeholder engagement.	
102-43	Approach to stakeholder engagement.	Stakeholder engagement.	
102-44	Key topics and concerns raised.	Stakeholder engagement.	
<b>6. Reporting practice</b>			
102-45	Entities included in the consolidated financial statements.		SHV gives a fair qualitative overview per company owned and discloses financial information at an aggregated level. It discloses net sales, income from operations, net income as well as its financial position., ratio information and cash flow information. Read the SHV report on <a href="http://www.shv.com">www.shv.com</a>
102-46	Defining report content and topic boundaries.	<ul style="list-style-type: none"> <li>• Introduction.</li> <li>• About this report.</li> </ul>	
102-47	List of material topics.	Materiality assesment.	
102-48	Restatements of information.		No restatements made.
102-49	Changes in reporting.	<ul style="list-style-type: none"> <li>• 2020 at a glance.</li> <li>• Health and safety KPIs.</li> <li>• Our guiding compass.</li> <li>• Roadmap 2025.</li> </ul>	
102-50	Reporting period.	1 January 2020 to 31 December 2020.	
102-51	Date of most recent report.	22 april 2020	
102-54	Claims of reporting in accordance with the GRI Standards.	<ul style="list-style-type: none"> <li>• About this report.</li> <li>• GRI Index (Core option).</li> </ul>	

## 10. About this Report

SRS	Disclosure	Reference	Omission/Explanation
<b>GRI 102: GENERAL DISCLOSURES 2016</b>			
102-55	GRI content index.	<ul style="list-style-type: none"> <li>About this report.</li> <li>GRI Index (Core option).</li> </ul>	
102-56	External assurance.	About this report.	Nutreco did not obtain external assurance on the disclosures made in the report. Nutreco has contracted the external party Sustainalize to have a critical look at the sustainability data quality in Nutreco's 2020 Sustainability Report.
<b>Material topics</b>			
<b>Financial performance</b>			
103	Management approach disclosures.		Nutreco is part of SHV. SHV gives a fair qualitative overview per company owned and discloses financial information at an aggregated level. It discloses net sales, income from operations, net income as well as its financial position, ratio information and cash flow information. For more information please read the SHV report on <a href="http://www.shv.nl">www.shv.nl</a>
201-1	Direct economic value generated or distributed.	Total consolidated turnover 2020 € 6,363.8 mio.	
<b>Environment</b>			
103	Management approach disclosures	<ul style="list-style-type: none"> <li>Operations.</li> <li>Our guiding compass.</li> </ul>	
302-1	Energy consumption within the organization.	Our footprint.	
303-3	Water withdrawal.	Our footprint.	
305-1	Direct greenhouse gas (GHG) emissions (Scope 1).	Our footprint.	

## 10. About this Report

SRS	Disclosure	Reference	Omission/Explanation
<b>GRI 102: GENERAL DISCLOSURES 2016</b>			
305-2	Energy indirect greenhouse gas (GHG) emissions (Scope 2).	Our footprint.	
306-2	Waste by type and disposal method.	Our footprint.	
<b>Employment</b>			
103	Management approach disclosures.	Our team.	
405-1	Diversity of employees.	Our team.	
403-2	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities.	<ul style="list-style-type: none"> <li>Health &amp; safety.</li> <li>2020 at a glance.</li> </ul>	As Nutreco's focus of the main KPIs is within manufacturing, Nutreco considers only parts of the GRI disclosure relevant for steering.
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	Code of conduct for business partners.	
<b>Customer health &amp; safety</b>			
416	Management approach disclosures.	Quality assurance.	
416-1	Assessment of the health and safety impacts of product and service categories.	Quality assurance.	

## 10.3 External report on sustainability data quality

### To readers of the 2020 Sustainability Report of Nutreco

#### About this external report

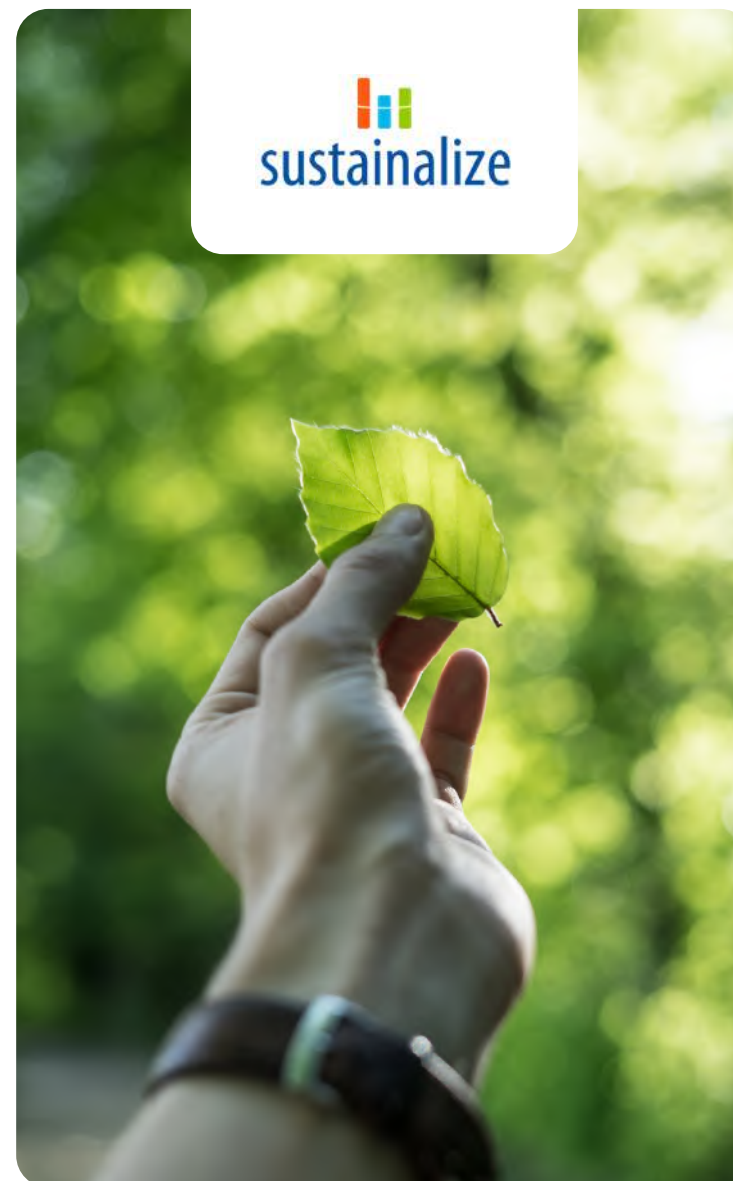
In its 2020 Sustainability Report Nutreco reports on the sustainability matters that Nutreco identified as being material to the company and its stakeholders. The quantitative data on these indicators were compiled on the basis of Nutreco's reporting criteria and processes. We were asked by Nutreco to examine the reporting processes and controls and to assess the quality of the reported data in line with Nutreco's criteria. This report provides an overview of our work and summarizes our observations.

#### What is the purpose of our work?

We advise management on how to improve its sustainability reporting processes and controls, enabling management to safeguard the quality of the reported data in the 2020 Sustainability Report of Nutreco. We conveyed our observations and recommendations for improvement to Nutreco.

#### What did we look at?

Nutreco asked us to have a critical look at a selected number of indicators that are published in its 2020 Sustainability Report. We looked at the key sustainability indicators of Nutreco. Which are energy use, water withdrawal, waste from production and the workforce data. The environmental indicators can be found in the chapter Our footprint and the workforce data is located in Our team. Additionally, we looked at the process of CO<sub>2</sub> calculation as well as the processes around Sustainable palm oil and Deforestation-free soy, which can be found in chapters Our footprint and One procurement respectively.



## 10. About this Report

## How did we assess data quality for the key indicators?

We started our work in November 2020 and finalized our procedures with the publication of the 2020 Sustainability Report. Altogether we worked approximately 300 hours on assessing data quality. We did this by conducting interviews and by assessing various supporting documents. We performed, amongst others, the following key activities:

- We held remote visits via video conferencing at eight local operating companies in seven different countries. Six locations were interviewed for the first time and two were follow-ups from previous years. During these remote site visits we assessed the data that was reported to head office at the end of the third quarter. Part of our work consisted of assessing local reporting practices in line with Nutreco's reporting criteria and reconciling the reported information to source data (e.g. invoices, local administrations, etc.).
- At head office level we assessed the internal validation process that is in place to review data that was reported by local operating companies that were not visited by us.
- We assessed the reporting process and related controls by performing interviews with people involved in the sustainability reporting process, which included walk-throughs on data at head office level.
- We supported in the application of the voluntary GRI guidelines in the 2020 Sustainability Report.

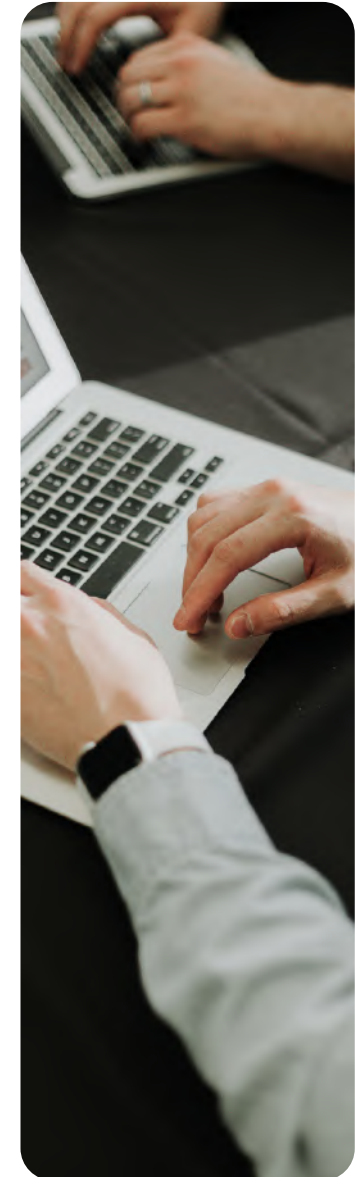
## How did we follow up from our findings?

Nutreco is continuously developing its sustainability reporting system and policies as explained in the 2020 Sustainability Report. Our assessment has led to some important recommendations for further improvement. We shared our detailed observations and recommendations for improvement with Nutreco.

Sustainalize, 21 April 2021  
[www.sustainalize.com](http://www.sustainalize.com)

## About Sustainalize

Sustainalize is a management consultancy firm that fully specializes in CSR and sustainability. We support organizations in developing their strategy, organizing their sustainability processes and improving their performance and quality of internal and external reporting. As sustainability data experts we believe in robust data quality as an important prerequisite to measure progress and ultimately to improve sustainability performance.



## 10.4 Appendix



**We started the process with an in-depth materiality assessment, and stakeholders were consulted at each step of the strategy development, to determine what priorities to focus on, how to address them and how far we needed to go.**

The NSP conducted the materiality assessment in Q4 2018. In total, over 700 internal and external stakeholders were invited to participate, and an unprecedented 42% (300 respondents) agreed to contribute. They came from eight identified stakeholder groups (see Figure 2), including clients, suppliers, NGOs and internal staff. All were instrumental in guiding the choices the team made along the way. Nutreco staff were directly involved in the materiality assessment. Though this may not be considered truly a grassroots approach, it did involve a significant number (85) of participants.

The three stakeholder groups with the most representation were internal staff (>N12), suppliers and customers. The highest

response rates came from the SHV Sustainability Platform representatives, SHV Management and the NGO sector (see Figure 3).

After researching relevant environmental, social and economic impact issues relevant to Nutreco's position in the food value chain, we developed an electronic questionnaire and asked stakeholders to rate the outstanding 22 issues based on how important they considered them to be for Nutreco's sustainable future on a scale of 1–4 (1= not material, 4= highly material).

The NSP designated any issue scoring 3.0 or above as material for Nutreco's future. A total of 14 issues scored 3.0 or above (see Figure 4). Three issues (business integrity, bribery and corruption, and product safety) fell under the responsibility of other corporate departments, so they were not included in Roadmap 2025. Nine issues were designated by the NSP as offering Nutreco an "Opportunity to distinguish" itself, with three chosen in the Functional Directors Workshop to be "flagships" for strong Nutreco external communications. The NSP determined that the remaining ten issues were "hygiene" items that gave Nutreco a social license to operate and that we needed to address as a good corporate citizen.

## 10. About this Report

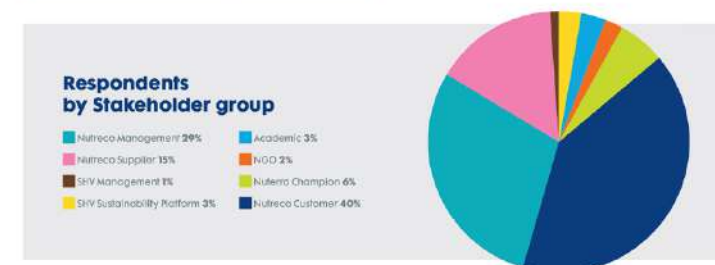


Stakeholders were contacted by a nominated Nutreco employee and asked to complete the survey to gather their opinion about the sustainability topics of relevance to Nutreco's value chain. 700 stakeholders engaged with a total of 293 responses (42%). The selected contact people had knowledge of Nutreco's business as well as sustainability topics. The questionnaire was sent to them using their natural contact point (e.g. suppliers through procurement team).

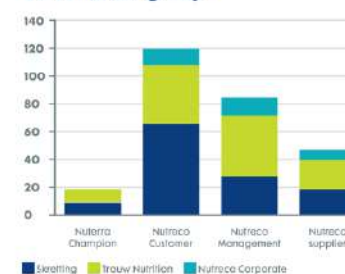
Figure 2: Stakeholder engagement in our Materiality Assessment

Stakeholder group	Number Involved to participate	Key contact person managing the outreach
Nutreco Senior/Middle Managers (Hay Scale H12 and above)	190	Sustainability team: Jose Villalon (Nutreco) using Management Meeting contact list from Anja Jammens
SHV Executive Board	3	Sustainability team: Jose Villalon (Nutreco)
SHV Sustainability Platform	10	Sustainability team: Jose Villalon (Nutreco)
Nuterra Champions	38	Sustainability team: Trygve Skretting, Sara (Trouw)
Suppliers	100 (60 Trouw, 40 Skretting)	Procurement team: James Rose (Skretting) and Jurrien Zanderberg (TN), Sustainability team Trygve Berg Leo (Skretting) and Sara Cuesta (Trouw Nutrition)
Customers	326 (80 from majority of OpCos - 160 from Trouw and 166 from Skretting)	Local sales and marketing: Nuterra Champions as contact person
NGOs	11	Sustainability team: Jose Villalon (Nutreco)
Academics	22 (80 from Trouw and 12 from Skretting)	R&D team: Leo den Hertog (TN) and Alex Ooach (Skretting)

The questionnaire was sent to a total of 700 stakeholders with a total of 293 responses (42%). Of these, 35% came from internal stakeholders and 65% from external.



Respondents by Stakeholder group



Response rate by Stakeholder group





10. About this Report

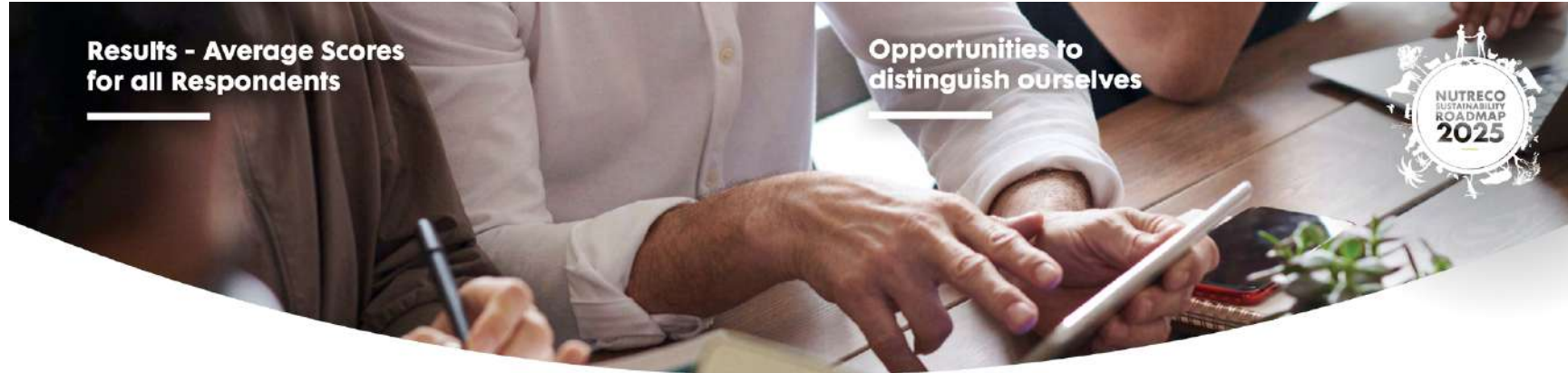
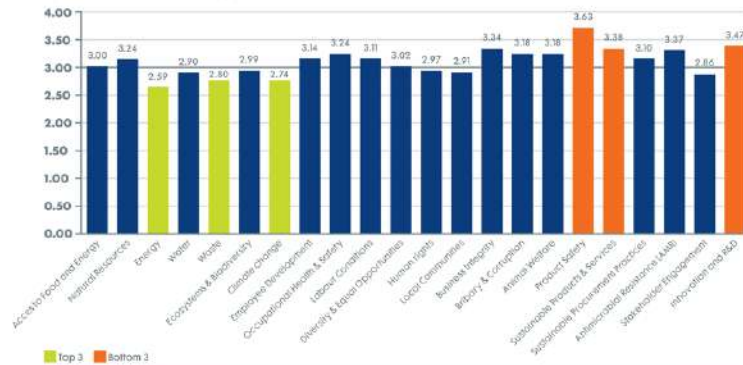


Figure 4: Materiality Assessment issue out scores



Opportunities to distinguish	License to operate
Climate change	Occupational health and safety
Sustainable products & services	Employee development
Animal welfare	Labour conditions
Antimicrobial resistance	Diversity and equal opportunities
Sustainable procurement practices	Human rights
Natural resources	Local communities
Ecosystems and biodiversity	Stakeholder engagement
Access to food and energy	Water
Innovation and R&D	Waste
	Energy

Figure 5: Division of 19 total issues into "License to operate" and "Opportunity to distinguish"

Opportunities to distinguish ourselves

We recognize we cannot lead or excel in all 19 material issues highlighted by the Materiality Assessment. Figure 5 above highlights the nine issues where we believe we have an opportunity to distinguish ourselves, through issues that go beyond the good practices typical of global companies in the food supply chain.

Two of the identified materiality topics – "sustainable products and services" and "sustainable procurement practices" – were seen to encompass other critically important topics already listed here. Therefore, instead of focusing on these broad topics, and to avoid duplication, we let them go as topic areas and put specific focus on the issues underlying them. Read on for more information on how we are defining and structuring these areas.

**Sustainable products and services**  
Nutreco's range of products and services are sustainable by definition because they help improve animal health and increase their productivity. But we want to take this further. By measuring against sustainability indicators systematically, we can help push innovation, improve procurement choices, communicate our products' advantages and position them towards our value chain partners.

In order to define the sustainable attributes of products and services, we have subdivided this focus area into the relevant subsections of sustainable procurement practices: climate and footprinting, animal health and welfare, antimicrobial resistance and innovation.

**Sustainable procurement practices**  
Nutreco ensures we practice sustainable procurement or sourcing by adopting and integrating corporate social responsibility (CSR) principles into our procurement processes and decisions while also ensuring they meet company requirements. The key difference is that sustainable procurement goes beyond the organisation itself to address how procurement practices affect the environment, society, and the economy in addition to price and quality.

Implementing sustainable procurement at Nutreco means taking into account requirements, specifications, and criteria that help protect the environment and society. It goes beyond not using child labour in developing countries or hazardous materials that can damage the environment and people's health. We strive to consider our impact on economic development, natural resources, greenhouse gas and climate change, and the environment and society.

Nutreco's specific sustainability procurement criteria fall under the following impact areas: biodiversity and ecosystems, natural resources, and labour and human rights.

**License to operate**  
Nutreco has been publicly reporting its sustainability performance since 2010. As a result, we recognize that, while we need to prioritize our efforts on the issues that matter most – our opportunities to distinguish ourselves – there are other "hygiene" issues that we need to report about in a transparent way and continue to make improvements on. Of the 19 total material issues highlighted by our materiality assessment, the NSP identified ten as issues that must be addressed if Nutreco is to continue as an outstanding corporate citizen in society today (see Figure 5). These "License to operate" issues are issues that require transparency in reporting as well as best practices for good governance and environmental performance.

## 10. About this Report



After reviewing the 19 material issues, the Nutreco Executive Leadership Team (NELT) gave very clear guidance to the NSP that we should focus on three main areas identified within the Materiality Assessment:- Anti-microbial resistance (AMR), greenhouse gas (GHG) emission reductions, and diversity & inclusion.

The NSP categorized the three over-arching themes related to these main focus areas as Health & Welfare, Climate & Circularity and Good Citizenship, with the NELT recommendation as the sub-headings where we would place the most focus. The NSP then identified the issues that need to be addressed to achieve these sub-headings. Our strategic ambitions falling under these three pillars are summarized in the dashboard below.

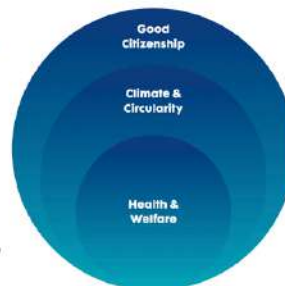


Table 1: Main topics covered in RoadMap 2025

Theme	Health & Welfare	Climate & Circularity	Good citizenship
Focus	Anti-microbial resistance	Greenhouse Gas (GHG) emission reductions	Diversity & Inclusion
We do this by...	Innovating new products and services that will directly reduce dependency on antibiotic usage in animal husbandry and adopting five-step targets that will significantly reduce antibiotic usage by creating business opportunities for clients.	Adopting <b>Science-Based target</b> methodology setting emission reduction targets by <b>energy efficiency</b> programs and sustainable sourcing of ingredients Incorporating life cycle assessment methodology and utilization of <b>novel ingredients</b> . Addressing responsible use of <b>natural resources, biodiversity and ecosystems</b> in compound feed ingredients.	Addressing <b>diversity and inclusion</b> in staff. In addition, <b>empowering local communities</b> to raise themselves out of extreme poverty by farming sustainably with best practices technology to purpose.
Soft targets	Animal welfare	Packaging/ Water/Waste	Stakeholder engagement
Addressed by other departments			Employee development/ Occupational health and safety/ Human and labour rights

■ Mandatory topics 
 ■ Soft targets 
 ■ Topics handled by other departments



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