



Sustainability
indicators Agrifirm

Results 2011



link to success



Agrifirms ambition

It is the ambition of Agrifirm to be transparent about important issues that are related to our core competence and that we can influence. This report contributes on increasing the awareness about our impact on issues like global warming, land occupation but also on human resources.

While publishing the results in the next chapters, Agrifirm realises that definitions are important for the right interpretation of the results. For this reason Agrifirm uses as much as possible public available sources for definitions and methodologies. In the case of calculations about the environmental impact Agrifirm uses the best in market methodologies, but realises that the results are still indicative and do contain an uncertainty.

Environmental calculations cover the complete feed business of Agrifirm in Europe. They do not cover the divisions Plant, Specialties, Co-products and Services divisions. All divisions contributed to the calculation of human resources indicators.

Agrifirm does not apply operational targets concerning the policy for reducing the environmental impact of its activities and products. The reason for this is the influence of the availability- and price developments of raw materials for feed and the major impact of this on the carbon footprint, land use, feedmiles and % co-products. See for more explanation of this mechanism the textbox below.

TURBULENT MARKET FOR FEED RAW MATERIALS

Last year developments have resulted in a turbulent market for feed raw materials. Expected- and unexpected weather conditions, as well surprising and volatile events happened affecting the availability and price of raw materials drastically.

- > Drought in Argentina
- > Drought in American plains
- > Winter damage in Europe and former Soviet Union
- > Wet weather in Canada
- > Drought in USA
- > Better-than-expected harvests in Europe, the former Soviet Union and Canada
- > Disappointing soy bean purchasing China
- > Large soy bean stocks in Brazil
- > Sharp decline in American soy bean exports
- > Good forecasts for South America
- > Major reduction of the forward positions of commodity funds as a result of the Euro crisis
- > Onset of recession in Europe
- > Enrestrained demand for Ethanol
- > Earthquake in Japan

(Source: Cefetra annual report 2011)

1. Environmental indicators

1.1 DEFINITIONS

The environmental indicators are in most cases expressed in functional units (abbreviated as: fu), in kg per ton of live weight (fattening pigs and broilers), per ton of eggs (laying hens) and per ton of milk (dairy cattle). This is important since feed for animals have a big impact on the productivity of a farm. In so far as the information is available within the business, the entire chain has been mapped, from crop production to end product .

The following table shows an overview of calculated indicators of the participating Agrifirm companies. As well as the public available methodology is presented.

INDICATOR	UNIT	PARTICIPATING COMPANIES	SOURCE
Carbon Footprint	kg CO ₂ – eq / ton fu	Agrifirm Feed NL	www.agri-footprint.com
Landuse	ha / ton fu	Agrifirm Feed NL, B, Ger, Po, Hu	Blonk, 2009*
Feedmiles	km / ton fu	Agrifirm Feed NL, B, Ger, Po, Hu	Blonk, 2009*
Co-products	as % of all raw materials for compound feed	Agrifirm Feed NL, B, Ger, Po, Hu	Blonk, 2009*
Renewable energy	as % of purchased energy	All companies	Blonk 2009*
Sustainability scan	% of projects contributing to relevant sustainability issues	AIC, Plant, Agrifirm Group Business Excellence	Internal guideline

*Operationalisation Method – Phase 1 and 2, version 1.2 as written by Jasper Scholten and Hans Blonk in 2009 (www.agrifirm.com)

Data collection

Primary data is collected from participating companies. Default data is as much as possible obtained from scientific sources and updated if possible.

INDICATOR	PRIMARY DATA	DEFAULT DATA	SOURCE
Carbon Footprint	<ul style="list-style-type: none"> > Feed composition > Origins of raw materials > Energy usage factories 	<ul style="list-style-type: none"> > Land use > Animal models (dynamic feed conversion) > Allocation factors 	www.agri-footprint.com
Landuse	<ul style="list-style-type: none"> > Origins of raw materials > Feed composition 	<ul style="list-style-type: none"> > Land use > Static feed conversion > Allocation factors 	FAOSTAT update until 2010 NL: KWIN, Other: HAS Kennistransfer (not public) Blonk, 2009
Feedmiles	<ul style="list-style-type: none"> > Origins of raw materials > Feed composition 	<ul style="list-style-type: none"> > Distances raw materials > Static feed conversion > Allocation factors 	Blonk, 2009 NL: KWIN, Other HAS Kennistransfer (not public), Blonk, 2009
Co-products	<ul style="list-style-type: none"> > Feed composition 	No default data used	

This report illustrates the results of 2010 and 2011.

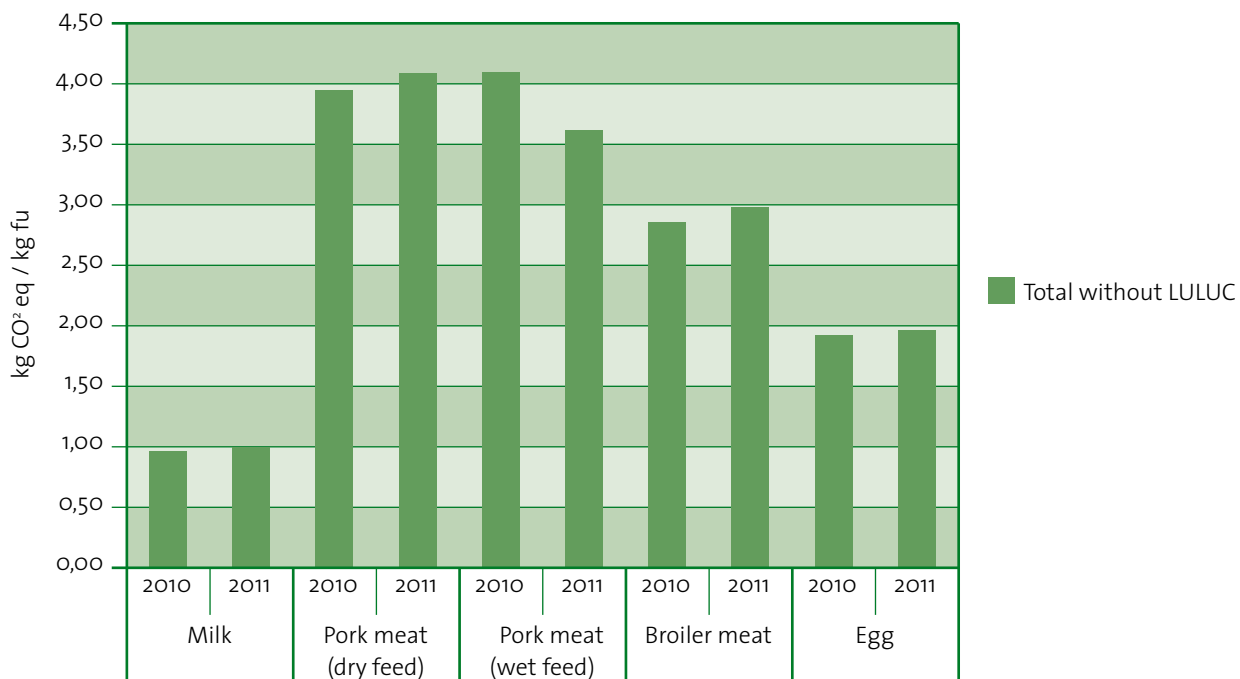
Total rations for pigs and dairy cattle usually comprise partly compound feed and partly moist products for pigs and roughage for dairy cattle. The indicators landuse, feed miles and co-products, as currently presented, are based on the production of compound feed. The effect of wet products has therefore been disregarded for the purpose of these calculations. In the calculation of the carbon footprint there has been a separation of wet feed for fattening pigs and dry complete feed for fattening pigs

1.2 AGRIFIRMS ENVIRONMENTAL IMPACT

Carbon footprint

The carbon footprint is the sum of emissions of greenhouse gasses during the life cycle of products and is expressed as kg CO₂-equivalents / kg fu.

Carbon footprint of average Agrifirm farmer



- The economic allocation factor is used for transforming feed results into the functional units kg CO₂/kg of milk, meat or eggs. Landuse and landuse change (LULUC) are not part of the calculations.
- The methodology for calculating the carbon footprints is based on average Dutch farms and only applicable for the Dutch feed industry. There is currently not sufficient background data available within the boundaries of the chosen methodology and calculation tool to calculate the global warming potential of the non Dutch feed activities.
- The result as presented is an average result. Despite of using the best-in-market methodology, the uncertainty of the primary data results in indicative figures.
- Comparing 2011 and 2010, the carbon footprint for pork (dry feed), broiler meat and eggs is slightly increased (average 3,2%) due to an other raw material composition of feed and more transport. The main reason for this is the import of grains from Eastern

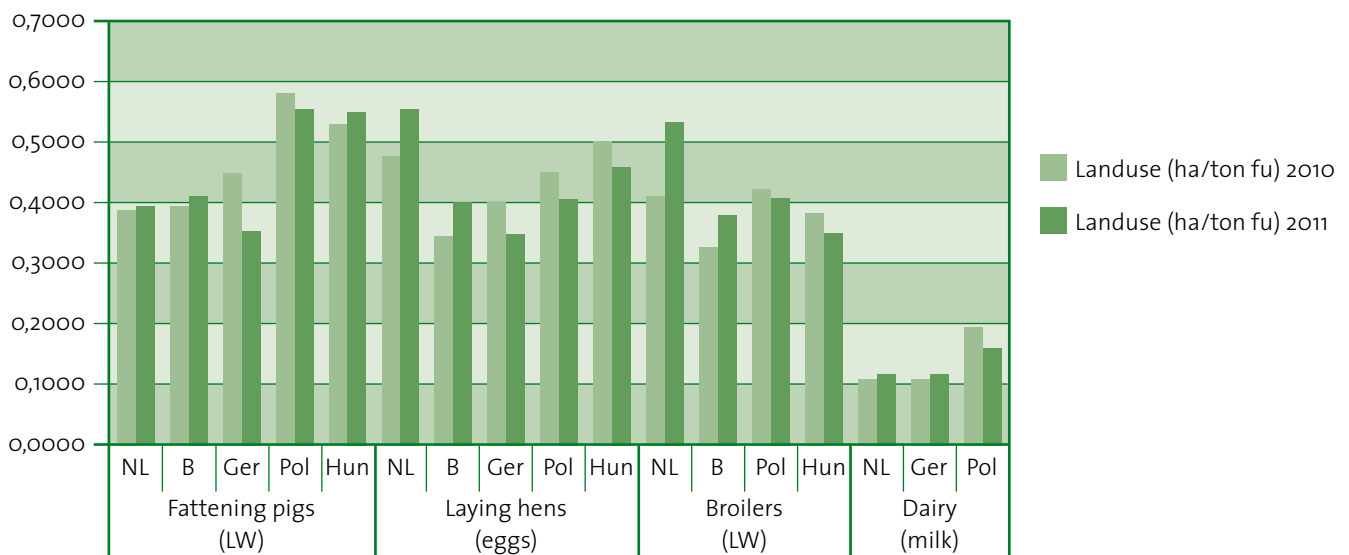
Europe and South America which is caused by the market condition as earlier mentioned in this report. In East European and Latin American countries the yields / hectare are lower and distances are bigger as compared to West Europe (eg France, Germany or the Netherlands) where grains are traditionally originated from.

- Compared to dry feeding of pigs, wet feeding results in a lower global warming potential (average 4,5% difference). The difference is caused by less energy usage in the production of the raw materials. For this calculation it is assumed that feeding efficiency of both systems is equal.

Landuse

Landuse is the sum of the amount of hectares of land that is used for the production of the raw materials for compound feed expressed as ha/ton fu.

Landuse (ha/ton fu)

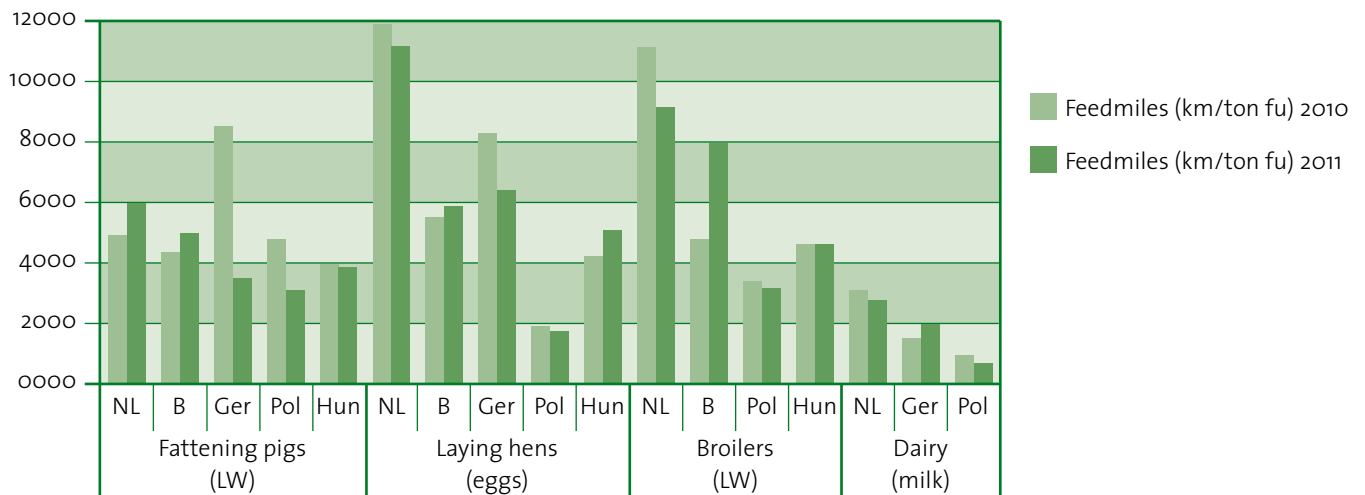


- From 2010 the landuse increased (average 14%) for all animal production systems in the Netherlands and Belgium. This is mainly caused by imports of grains from countries with a relative low production per hectare.
- Mainly in the poultry sector of Belgium and the Netherlands the increase of landuse is substantial (average 20%). Besides the import of grains, the difference is caused by a changed composition of grains (more maize, less wheat). These grains have a different yield per hectare. This is also caused by the market situation in 2011 which is explained earlier in this report.
- Landuse in Germany and Eastern Europe is trending to decrease (average 8% from 2010 to 2011) by higher yields / hectare in these regions.

Feedmiles

Feedmiles is the sum of the amount of kilometres that raw materials of a specific compound feed has travelled, from the origin of crop growth to the farm of use. It is expressed as km/ton fu.

Feedmiles (km/ton fu)



- Traditionally the feedmiles of Agrifirms feed from Germany, Poland and Hungary is lower as compared to the feedmiles of feed from the Netherlands of Belgium. In the Easter European countries, more local raw materials are used.
- The increase of feedmiles for fattening pigs in Netherlands and Belgium (average 18%) is caused by the relative high content of grains which are imported from South America. This was not the case in 2010. The reason is caused by price developments and availability of grains due to the turbulent market situation in 2011. This is earlier explained in this report.

Co-products

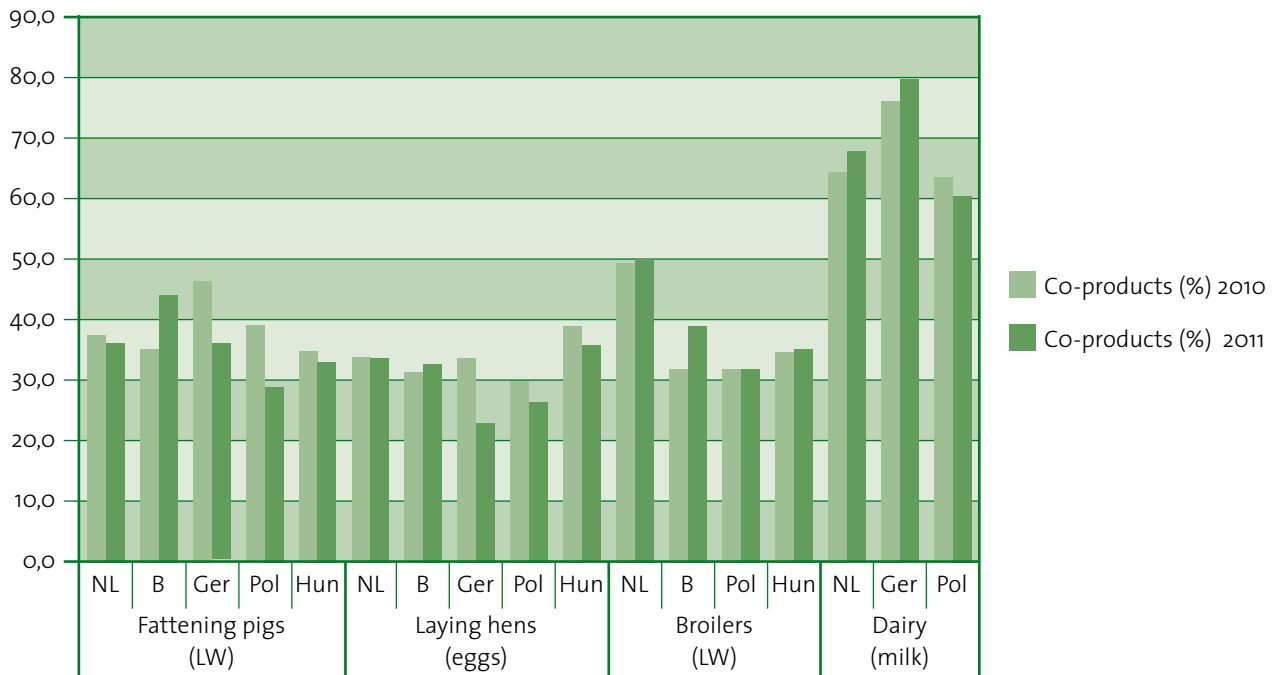
Co-products are raw materials which result from a processing step in the food- or biofuel industry in which the original raw material is being divided into several products. Co-products are those product that do not continue this process step as a main product.

Following table shows results of the use of co-products and use of soybean extract and palm kernel expeller on group level.

	2008	2009	2010	2011
Percentage co-products of total	47,7	49,1	47,5	46,3
Percentage co-products (excl. soy) of total	36,4	39,2	34,6	34,5
Percentage soy of total co-products	23,7	20,2	27,1	25,5
Percentage co-products (excl. palm) of total	42,9	43,7	42,5	41,5
Percentage palm of total co-products	10,1	11,0	10,6	10,4
Percentage co-products (excl. soy and palm) of total	31,6	33,8	29,6	29,7
Percentage soy and palm of total co-products	33,8	31,2	37,6	35,9

- With 46,3% Agrifirm continues in using more co-products than the European average of 40% (Source: FEFAC 2009, co-products from food industry + cakes and meals).
- The use of palm remains stable over the years. The use of soy slightly decreases.

Co-products (%)

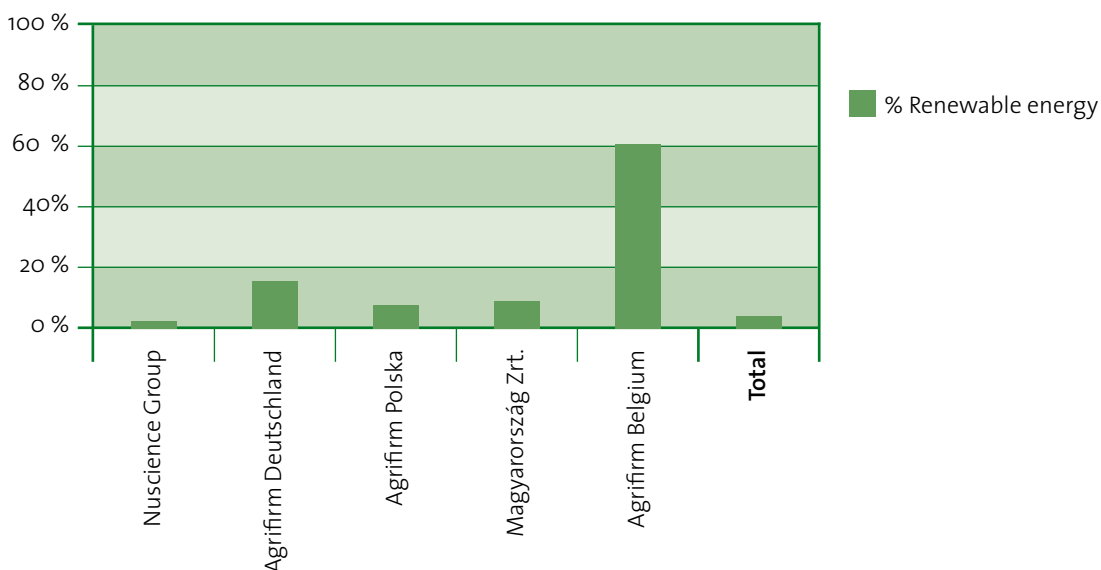


- The use of co-products is in general very stable. The relative use of co-products over the different production systems in the Netherlands increased (average 7%), this is mainly caused by more co-products from rapeseed in dairy feed.
- In the poultry and pig sector the use of co-products did not change significant.

% Renewable energy

Renewable energy production is the net production of secondary energy carriers (electricity, heat and fuel) from renewable sources. The Dutch subsidiaries of Agrifirm did not purchase green energy in 2011. In the next figure the % of renewable energy of the international activities of Agrifirm is presented.

% Renewable energy



- As in 2010, Agrifirm Belgium is frontrunner within Agrifirm on usage of renewable energy.
- The content of renewable energy in Germany, Poland did not change significantly compared with 2010.
- In Hungary electricity is partly from renewable sources and purchased as obligation by law.
- In 2011, Agrifirm Plant installed solar panels on the roof of one of the locations. The gain was not available at the publication date of this report. The coming years the amount of renewable energy from this location will be included in the calculations.

1.3 CONTRIBUTION OF AGRIFIRM INNOVATION DEPARTMENTS TO THE REDUCTION OF THE ENVIRONMENTAL IMPACT

In 2011, in cooperation with the Agrifirm Innovation Center, the 'sustainability scan' was developed and executed. The aim of the scan is to review R&D departments on relevant sustainability issues in the market (customers, members, suppliers) or in society (consumers, governments, NGOs). Projects are scanned on whether they contributed -or not- on issues in the field of sustainability (people, planet, profit).

For the following innovation departments all projects that have their major 'execution phase' in 2011 were scanned:

- Agrifirm Innovation Center (AIC), 50 projects
- Agrifirm Plant R&D, 43 projects
- Agrifirm Group Business Excellence, 7 projects

Every project was able to score a '1' or '0' on relevant sustainability issues. A '1' meant a proven contribution of the project. A '0' meant that there was no contribution to this sustainability issue. By counting all the scores of the projects of a particular department a percentage of projects contributing to a specific sustainability issue was calculated. Higher percentages indicate that relatively there is a lot of attention to a specific issue within the department. The maximum score of 100% is obtained if all projects contributed on that specific sustainability issue. In the next figure the results are visualised.

PERCENTAGE OF PROJECTS CONTRIBUTING TO SUSTAINABILITY ISSUES		AIC R&D FEED, CO-PRODUCTS (%)	AGRIFIRM PLANT R&D (%)	AGRIFIRM BUSINESS EXCELLENCE (%)
People	Reduction of antibiotics	10		
	Improvement of animal welfare and health	20		
Planet	Finite raw materials: Phosphate efficiency of animals or plants	12	28	
	Biodiversity: nutrient reserves of soils		35	
	Biodiversity: crop protection products use for plants		51	
	Carbon footprint: heavy greenhouse gas emissions (CH ₄ and N ₂ O)	10	5	
	Carbon footprint: feed conversion	40		
	Carbon footprint: energy in factories and transport	10		71
	Water footprint		12	
	Efficient use of proteins	14	2	
	Reuse of raw materials from other industries (recycling)	18	12	
	Air- and water quality	22	26	
Profit	Direct costprice reductions	46	72	100
	Internal cooperation synergy	68	67	100
	External cooperation	34	56	

The scan demonstrates that Agrifirm's innovations are highly market oriented and are of great commercial importance for the members. Despite the focus on the 'profit' side of sustainability, it is shown that all projects contribute to one or more other sustainability issue, mainly in the 'environmental' spectrum of sustainability. Projects mostly contributed to biodiversity, the efficient use and application of the finite raw material phosphate and the reduction of emissions of greenhouse gasses.

- In total 100 projects have been reviewed with this scan.
- 61% of the projects are aiming at cost price reduction for the members or the companies. Projects are indicated as 'cost price reduction' if it is expected that this project will lead to a cost price reduction within 2 years.
- Interestingly also internal and external co-operation scores well: 70% of the projects are run in close co-operation with other groups within the company, in line with the strategy One Firm Agrifirm. And also external co-operation is applicable for 41% of the projects.
- By increasing health and resistance status of animals the need to use antibiotics will be reduced. About 5% of the projects are related to the reduction of the use of antibiotics.
- Efficient feeding is translated in projects on efficient use of finite raw materials and reduction of the carbon footprint.

2. Human Resources indicators

2.1 DEFINITIONS

In 2011 Agrifirm implemented a monitoring scheme for human resources indicators. All subsidiaries of Agrifirm participate in this monitoring program.

The following table shows an overview of indicators and the participating Agrifirm companies. Public available definitions from Global reporting initiative (GRI), complimented with an internal guideline are used.

INDICATOR	UNIT	SOURCE
Illness	%	GRI LA 7
Education	€/ person	GRI LA 10
Competence management	% of employees with performance management	GRI LA12
Safety	# of accidents own personnel	GRI LA 7
	H of illness due to accidents own personnel	GRI LA 7
	Incidents / 100 employees	OHSAS 18001
	% days of illness due to incidents	OHSAS 18001
	# incidents / 10 ⁶ working hours	OHSAS 18001
Diversity	Total employees per company	GRI LA 1
	Type of work	GRI LA 1
	Type of contract	GRI LA 1
	Gender	GRI LA 13
	Age	GRI LA 13
Employee protection	% of employees with CAO	GRI LA 4
Mobility	% management team members	Internal guideline
Discrimination	# of incidents	GRI HR 4

2.2 RESULTS

Because of the large amount of data, the results are combined in Annex B.

The following remarks are made:

- The number of accidents with own personnel within companies of the Agrifirm Group is 37. Ten incidents more as reported in 2010. Main reason for this is the fact that for the first time all companies of Agrifirm are included in the scope of the review and the improved registration of incidents.
- Due to different safety registration policies there are big differences between safety results of West European and East European companies.
- 67% of the employees of Agrifirm receive competence management. In 2012 a new policy will be implemented in which companies are stimulated to introduce 'performance management'. This will lead to an increase of this indicator.
- Collective agreements between labour organisation, the industry and the government are present within the Netherlands and Belgium. In the other countries in which Agrifirm is present the rights for employees are protected by law. In the Netherlands employees are extra protected for organisational changes via a separate 'social plan'.
- The 'mobility-indicator' represents to what extent the leadership of companies of Agrifirm Group consist of persons with a professional background in the mother organisation. 65% on group level is a satisfying result.

APPENDIX A ENVIRONMENTAL INDICATORS

	LANDUSE (HA./TON FU)			FEEDMILES (KM/TON FU)			CO-PRODUCTS (%)			RENEWABLE ENERGY (%)					
	2008	2009	2010	2008	2009	2010	2008	2009	2010	2008/09	2010	2011			
<i>Chain</i>															
Fattening pigs (LW)	NL	0,3661	0,3498	0,3843	0,3896	11795	6280	4006	4816	40,5	41,7	37,4	35,8	0	0
B	0,4322	0,3810	0,3891	0,4056	7480	4021	3498	4068	31,6	33,4	34,8	43,8	0	100	60
Ger		0,4502	0,4453	0,3487		6961	6841	3452		47,5	46,1	36,0		25	16
Pol		0,5528	0,5771	0,5498		3626	3858	2496		37,3	39,1	28,6		10	8
Hun		0,4674	0,5264	0,5475		3024	3187	3141		35,2	35,1	32,7		0	9
Laying hens (eggs)	NL	0,4136	0,3639	0,4704	0,5495	10273	6008	9549	9006	30,7	31,5	33,5	33,5	0	0
B	0,4233	0,3612	0,3427	0,3936	9449	4436	4421	4730	33,2	34,4	31,2	32,4	0	100	60
Ger		0,3652	0,3966	0,3453		5338	6662	5123		26,7	33,5	23,1		25	16
Pol		0,4413	0,4463	0,4007		1311	1541	1425		31,2	29,5	26,2		10	8
Hun		0,5270	0,4992	0,4534		4191	3396	4133		44,0	39,0	35,7		0	9
Broilers (LW)	NL	0,3215	0,289	0,4076	8012	5125	8970	7360	34,2	35,6	49,2	49,6	0	0	0
B	0,3741	0,3191	0,3257	0,3748	8415	5768	3834	6447	31,5	37,3	31,7	39,0	0	100	60
Pol		0,3874	0,4185	0,4007		2842	2784	2543		34,9	31,7	31,8		10	8
Hun		0,3838	0,3807	0,3473		4563	3711	3724		43,3	34,3	34,8		0	9
Dairy (milk)	NL	0,1001	0,0766	0,1032	5497	4255	2484	2218	74,8	77,7	64,2	67,6	0	0	0
Ger		0,091	0,1047	0,1158		763	1192	1619		70,1	75,7	79,8		25	16
Pol		0,1993	0,1924	0,1578		569	755	603		59,2	63,4	60,3		10	8

ANNEX B HUMAN RESOURCES INDICATORS

2011	NUMBER OF ACCIDENTS	LOST TIME ACCIDENTS DURATION	LOST TIME ACCIDENTS FREQUENCY	LOST TIME ACCIDENTS PERCENTAGE	LOST TIME ACCIDENTS FREQUENCY INDEX
	<i># of accidents</i>	<i># days / incident</i>	<i>incidents / 100 employees</i>	<i>% illnes due to incidents</i>	<i># incidents / mln working hours</i>
Agrifirm Group	0				
Agrifirm Feed	10	9,1	1,3	0,3	7,2
Nuscience Group	9	36,6	1,5	1,2	8,3
Agrifirm Deutschland	0				0,0
Agrifirm Polska	3	79,3	2,2	3,8	12,2
Magyarország Zrt.	1	226,0	0,6	2,8	3,1
Agrifirm Co-products	0				0,0
Agrifirm Belgium	1	5,9	2,4	0,3	13,6
Agrifirm Plant	1	34,0	0,3	0,3	1,9
Abemec Group	3	24,5	1,6	0,8	8,7
Oldambt B.V.	0				0,0
Exlan Consultants	0				0,0
CCL Nutricontrol	6	8,3	6,4	1,2	35,5
Agrifirm Winkel B.V.	3	6,7	0,5	0,1	2,8
Agrifirm total	37	28,8	1,1	0,0	6,2

HUMAN RESOURCES INDICATORS

2011	ILLNES	EDUCATION	COMPETENCE MANAGEMENT	EDUCATION	EMPLOYEE PROTECTION	MOBILITY
	<i>%</i>	<i>€ / person</i>	<i>% of employees</i>	<i>€ / person</i>	<i>% of employees with CAO</i>	<i>% of MT members</i>
Agrifirm Group	1,0	938	100	938	100	ntc
Agrifirm Feed	5,4	598	91	598	100	100
Nuscience Group	4,3	1060	17	1060	100	0
Agrifirm Deutschland	4,4	28	100	28	ntc	33
Agrifirm Polska	3,2	449	19	449	ntc	100
Magyarország Zrt.	3,3	140	15	140	ntc	20
Agrifirm Co-products	3,2	475	67	475	100	0
Agrifirm Belgium	0,7	524	100	524	100	66
Agrifirm Plant	3,0	418	100	418	100	83
Abemec Group	2,9	1048	100	1048	100	100
Oldambt B.V.	4,6	82	0	82	100	100
Exlan Consultants	3,2	604	91	604	100	100
CCL Nutricontrol	5,0	489	100	489	100	40
Agrifirm Winkel B.V.	3,9	260	0	260	100	0
Agrifirm total	4,1	562	67	562	85	65

DIVERSITY (GENDER, CONTRACT, AGE)

2011

	# employees	# Male	# Female	# fixed	# temporary	<29 jaar	30-50 jaar	51+ jaar
Agrifirm Group	61	43	18	49	12	5	34	22
Agrifirm Feed	769	677	92	696	73	94	385	291
Nuscience Group	604	428	176	561	43	145	383	76
Agrifirm Deutschland	180	145	35	169	11	19	98	63
Agrifirm Polska	137	111	26	132	5	28	83	26
Magyarország Zrt.	179	150	29	169	10	13	128	38
Agrifirm Co-products	128	96	32	110	18	26	68	34
Agrifirm Belgium	41	33	8	41	0	9	20	12
Agrifirm Plant	286	244	42	267	19	24	166	96
Abemec Group	192	174	18	155	37	63	80	49
Oldambt B.V.	34	29	5	22	12	2	23	9
Exlan Consultants	34	21	13	27	7	11	20	3
CCL Nutricontrol	94	45	49	92	2	4	57	33
Agrifirm Winkel B.V.	603	314	289	330	273	360	177	66
Agrifirm total	3342	2510	832	2820	522	803	1722	817

DIVERSITY (JOB CATEGORIES)

2011

# employees	Management	Commerce	Staff support	Nutrition and Innovation	Operations	Others
Agrifirm group	16		45			61
Feed NL	10	245	90	9	415	769
Nuscience group	32	141	142	21	241	27 604
Agrifirm Deutschland	3	55	15	5	75	27 180
Cehave Pasze	5	29	12	1	90	137
Agrifirm Hungary	5	7	18	2	140	7 179
Agrifirm co-products	8	50	28	1	39	2 128
Feed Belgium	3	12	9	1	16	41
Agrifirm Plant	25	126	29	13	90	3 286
Abemec group	3	36	18		135	192
Oldambt group	2	1	4		27	34
Exlan consultants	3	25	6			34
CCL	4	3	13	19	55	94
Agrifirm Winkel BV		603				603
Agrifirm total	119	1333	429	72	1323	66 3342