Annual Report 2022

For the Future of Farming

FOR THE FUTURE OF FARMING

for farmers
the *total* feed business

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This copy of the annual report 2022 of ForFarmers is not the ESEF report as specified by the European Commission (Regulation (EU) 2019/815). The ESEF report is available at our website.

2022 in brief

ForFarmers in brief

9mT
Total Feed volume around 9 mT

67%
Approximately 67% of feed ingredients not suitable for human consumption

35
Production locations

26,000
Servicing over 26,000 farmers

2,500
Approximately 2,500 employees in 2022

EU
Based in The Netherlands (head office), Belgium, Germany, Poland and the United Kingdom

AScX
Listed on Euronext Amsterdam since 2016

AA
AA-status in MSCI ESG rating

Key figures

Revenue	Gross profit	Underlying EBITDA
3,315 ▲	494.8 ▲	76.1 ▼
€ x million	€ x million	€ x million
2021: 2,671 million	2021: 436.3 million	2021: 78.2 million

Operating profit	ROACE[1] EBIT	Dividend per share
38.9 ▼	7.8% ▼	0.20 ▲
€ x million		€
2021: 40.7 million	2021: 8.4%	2021: 0.19 + 0.10

GHG emissions production	GHG emissions logistics	Responsible soy and palm oil
12.0 ▼	8.0 ■	75% soy 70% palm oil ■
(kg CO_2 per tonne)	(kg CO_2 per tonne)	
2021: 18.6 kg	2021: 8.0 kg	2021: 75% / 70%

Gender diversity	LTIs	Feed safety incidents
22% ■	17 ▼	5 ▲
(% female)		
2021: 22%	2021: 28	2021: 3

1 ROACE means underlying EBIT(DA) divided by 12-month average capital employed.

Results

	2022	2021
Consolidated statement of profit or loss (€ million)		
Revenue	3,315.0	2,670.5
Gross profit	494.8	436.3
EBIT	24.4	22.6
Underlying (1) EBIT	38.9	40.7
EBITDA	72.5	72.9
Underlying EBITDA	76.1	78.2
Profit attributable to shareholders of the Company	18.0	12.0
Underlying profit	30.0	29.0
Consolidation statement of financial position per 31 December (€ million)		
Equity	344.2	366.2
Balance sheet total	1,020.4	943.4
Average capital employed [2]	497.9	484.0
Net debt position [3]	68.6	28.7
Cash flow (€ million)		
Net cash from operating activities	48.2	54.7
Acquisition/disposals of subsidiaries	–3.4	–25.0
Acquisition of property, plant and equipment and intangible assets	–35.3	–39.5

	2022	2021
Ratio's		
Underlying EBITDA as % of gross profit	15.4%	17.9%
ROACE underlying EBIT [4]	7.8%	8.4%
ROACE underlying EBITDA [4]	15.3%	16.2%
Solvency ratio (equity divided by total assets)	33.7%	38.8%
Key data per share (€)		
Earnings per share	0.20	0.13
Dividend per share	0.20	0.29
Share price at year-end	2.93	4.04
Other key figures per 31 December		
Number of outstanding shares (million)	89.4	93.3
Market capitalisation (€ million) on 31 December	261.9	376.9
Number of employees (in Fte's)	2,468	2,444

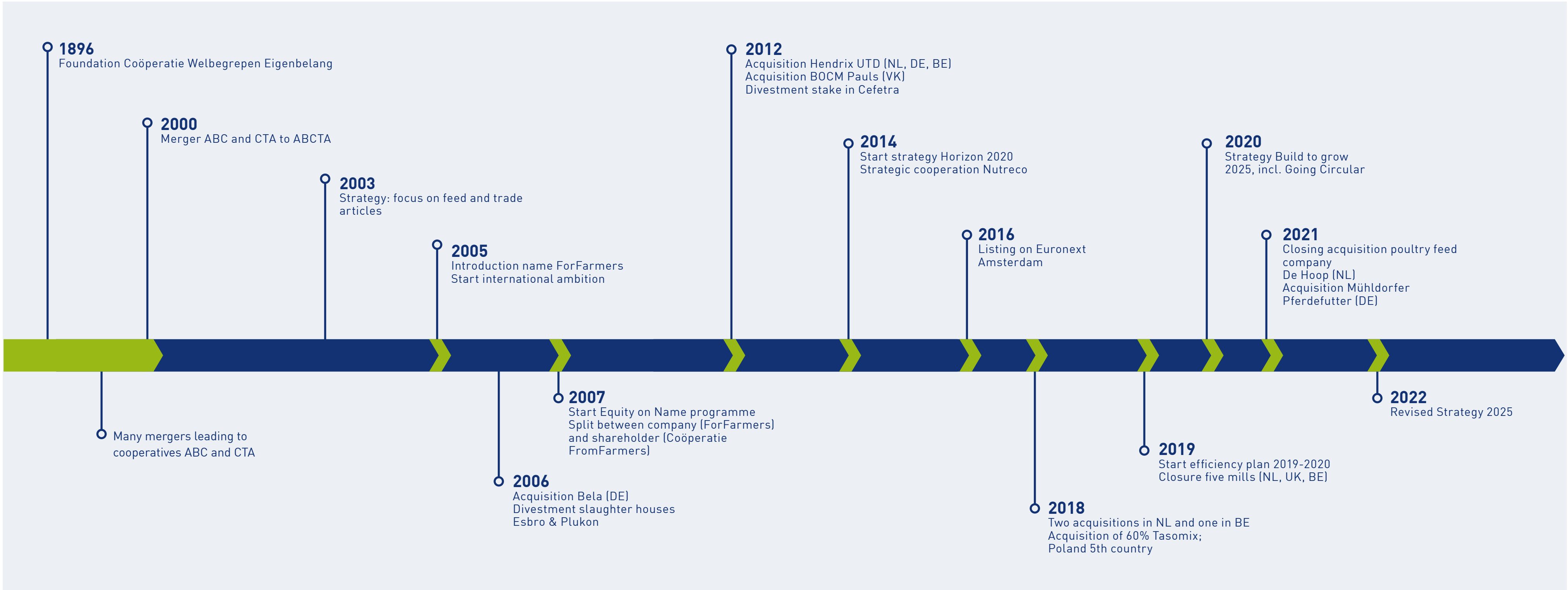
1 *Underlying means excluding incidental items (see note 17 to the financial statements on Alternative Performance Measures (APMs))*
2 *Based on 12-month average*
3 *Excluding IFRS 16 liabilities*
4 *ROACE means underlying EBIT(DA) divided by 12-month average invested capital*

History

The history of ForFarmers dates back to 1896, the foundation year of a cooperative that was one of the legal predecessors in the Netherlands. Over the next decades the cooperative – and subsequently the company - grew as a result of organic growth, mergers and acquisitions. As a result, ForFarmers expanded its activities into Germany, Belgium, the United Kingdom and Poland.

ForFarmers ordinary shares have been listed on Euronext Amsterdam since 2016.

ForFarmers' core business has remained virtually unchanged over the years: to supply good feed at a competitive price, along with advice and supported by monitoring tools. The result is that ForFarmers is now a prominent European feed company with sales of around 9 million tonnes of Total Feed in 2022, of which around 6 million tonnes was compound feed.



Letter from the Executive Board

Despite difficult market conditions, we achieved solid results in 2022.

Our employees have again made an enormous effort to improve returns on-farm.

2022: turning point in European history

No one will forget 2022. The year in which Russia suddenly invaded Ukraine, meaning that all at once the availability of raw materials could no longer be taken for granted. And in which European consumers faced the highest rate of inflation since the introduction of the euro. When Dutch farmers hung the national flag upside down to express their anger and concern about the government's nitrogen plans. And a year with a very long, dry summer.

Results

2022 was a difficult year on several fronts. We are therefore especially proud that our employees supplied feed in time and as agreed to our customers, despite the many challenges. Our volumes decreased, mainly due to the decline in the pig sector as a result of the contraction in this sector. Nevertheless, we achieved solid underlying EBITDA and underlying net profit that was higher than last year. This was thanks to tightened processes and a strong contribution from the Germany/Poland cluster and despite the sharp rise in raw material and energy prices.
In the Netherlands we stood shoulder to shoulder with our farmers to emphasize that we believe that partnering and innovation are more effective solutions to the nitrogen problem than only restructuring. We see that the agricultural sector is facing an important transition. This is why we are putting even more emphasis both on making our production processes more sustainable and on developing innovative feed concepts that reduce the impact of the sector on climate and nature. We do this through targeted sourcing of raw materials and co-products, proper utilisation of feed and appropriate advice. Our dairy customers in the Netherlands for example have already significantly reduced their greenhouse gas emission.

Revised strategy for 2025

During the past year we took a fresh look at the basic principles of the strategy for 2025. This was necessary in order to adjust the strategy to the changing market and economic circumstances. After all, since the launch of the strategy in 2020 the emphasis on making the agricultural sector more sustainable has only further increased, which has been noticeable for example in the accelerated proposal and implementation of measures in connection with the EU Green Deal. In addition the prices of raw materials and energy have continued to increase and become even more volatile, partly as a result of the war in Ukraine. This has made it more difficult to pass on fluctuations in raw material prices, which, combined with other changes in the market requires more consolidation and cooperation in the chain, from feed manufacturer to retailer. This was the reason for our intention to merge our organisation in the United Kingdom with the poultry feed producer 2Agriculture. In February 2023, we announced that we would abandon the proposed joint venture, taking into account the duration and costs of the competition process.

It was important to us that the strategy would have the support of the entire organisation as well as being supported by our external stakeholders. Starting from the beginning of 2022 we therefore involved various employees from several departments and countries within the organisation in defining the core points of the strategy. Their knowledge and understanding of the day-to-day practice were of key importance. In addition we held talks with farmers, suppliers and shareholders. In the review of our strategy we considered the results of the extensive stakeholder survey held among these stakeholders in 2021, in which they indicated which topics they considered to be of material importance to our activities and our role in society.

We launched the revised strategy for 2025 in November. It was clear during the meeting with investors and analysts as well as from sessions with our employees, sounding boards of customers and with the member council of the cooperative that the five strategic principles were well received. First and foremost because this strategy places emphasis on an even more local market approach along with differentiation and sustainability-focused innovation of feed concepts.

Our work is based on our mission: For the Future of Farming. This means that we are fully focused on a livestock farming sector that is sustainable, both ecologically and economically. For example we are going to develop ESG concepts which respond to themes in society, such as the use of alternative raw materials, circularity and the further reduction of nitrogen and other emissions. In addition we will be even more active in cooperating in the chain in order to meet the demand from consumers and society in general and to be able to work more efficiently. And above all we will remain faithful to our basic principle of supplying good feed at competitive prices to enable both farmers and us to run a profitable business. In our public affairs we will continue to emphasise the importance of healthy returns for all players in the chain. This is an absolute prerequisite to be able to make the investments needed for a reliable food chain as well as the transition to a net-zero carbon footprint. We have the knowledge, know-how and way of working to make a valuable contribution to this. This forms the basis of our long-term value creation for our stakeholders.

People with passion: #proudtobeforfarmers

We are fully aware that we can only successfully implement the strategy if we work with and towards a good team and involved employees. When the job market is tight simply offering good employment conditions is not enough; the culture of the company as well as its mission also help determine a candidate's choice. This was one of the reasons for adjusting our core values so that they best reflect our existing and desired culture. The new values Passionate, Responsible, Open-minded, United and Delivering are more than just words to us. They provide us with concrete guidance in our everyday dealings with farmers, chain partners, stakeholders – and each other. The initials of these values together spell the word 'proud', which we use explicitly in our employer branding activities.

In 2022 we organised a large number of webinars and training sessions in the various countries. This allows us to keep each other informed of the developments within the company and help employees to develop in their jobs and careers. These activities, which took place both on location and online, were generally well-attended.
In addition, we regularly pay attention to certain current themes on our intranet, such as the use of residual flows in our feed.

Safety first

Similarly it is important to us that our employees are able to do their work safely. We invest heavily in training sessions aimed at changing employee behaviour so that there is more awareness of unsafe situations. At the same time we actively devote attention to safety on our intranet as well as during conferences, in publications and in our daily activities. We are pleased that the number of lost time incidents in 2022 was significantly lower than in the previous year.

Social safety has been more explicitly brought into the global spotlight in 2022. Although we have had a code of conduct and whistle-blower policy in place for a long time we have become even more aware of the importance of having the right core values and are fully focused on this.

Changes at the top

The composition of the Executive Board changed several times during 2022. At the end of the Annual General Meeting of Shareholders in April we bade farewell to Yoram Knoop, who left us after serving two four-year terms as CEO. During his eight-year tenure ForFarmers gained a listing on Euronext Amsterdam, expanded its activities into Poland by taking a majority stake in Tasomix and achieved a more balanced volume distribution, partly through the acquisition of De Hoop Mengvoeders in the Netherlands. We are very grateful to Yoram for the way in which we have been able to realize this together.
At the same AGM Pieter Wolleswinkel was appointed to the Executive Board. As managing director he also remains responsible for our largest cluster comprising the Netherlands/Belgium, Reudink and Pavo. This internal promotion is pleasing and good news, creating trust among colleagues and customers.

Shortly before the AGM it was announced that the Supervisory Board had nominated Chris Deen to succeed Yoram as CEO with effect from 1 July 2022. Until that date Roeland Tjebbes would fulfil the role of CEO, alongside his duties as CFO. Unfortunately it was not long before Chris announced that he was leaving the company due to health reasons. We regret that things turned out this way and wish Chris a full recovery. In November, just before the launch of the revised strategy, we were able to announce that the Supervisory Board was nominating Theo Spierings as the new CEO. At an extraordinary general meeting of shareholders in early 2023 Theo was appointed CEO for one year. During Chris's absence the role of CEO was fulfilled by Roeland and Pieter.

Partly because at the end of 2021 we started working more according to the principle 'primarily local, close to the customer, supported by central', we were able to keep a good focus on the operating activities despite these changes. The country teams are led by managing directors from the respective countries, each supported by a good management team and with an extensive network in the sector. A point for attention is to increase diversity in the organisation, including in the Executive Team. Too little progress has been booked here.

Supervisory Board

At the 2022 AGM we bade farewell to Sandra Addink-Berendsen and welcomed Marijke Folkers-In 't Hout. Vincent Hulshof and Roger Gerritzen were reappointed for a period of four years. This provides stability in the composition of the Supervisory Board, which will in turn benefit cooperation with the Executive Board.

Working towards a sustainable future

We see, acknowledge and value the importance of the agricultural sector and articulate this in our mission For the Future of Farming. After all, farmers put food on our plates – a basic fact that is all too often forgotten in the luxury position we live in in Northwest Europe, with a huge choice of high-quality food in our supermarkets. At the same time we also recognise that the impact of the livestock farming sector on the climate and nature can be reduced further to ensure that food remains available in the long term. To this end we are focusing explicitly on our sustainability agenda, which is aimed at reducing greenhouse gas emissions – both in our own production processes and in the logistical processes. In addition we seek to reduce the carbon footprint of our feed. We so do by optimising feed conversion (progressively less feed per kilogram of product) and through the ever-increasing use of co-products which are not suitable for human consumption and residual flows from the food industry. To combat deforestation we focus on purchasing responsibly grown soy. In addition we are working on developing concepts based on alternative proteins which can replace soy as an ingredient. We seek to provide appropriate and affordable solutions to address as many social topics related to livestock farming as possible.

At the same time we realise that dairy, meat and eggs can be produced most efficiently in certain geographical regions which have the most suitable climate for this, along with a good logistics infrastructure and the availability of sufficient residual flows from the human food industry. This is the case for example in the densely populated region of Northwest Europe. However, local agricultural policy here is increasingly impacted by the fight for the use of land and social pressure regarding the sector's environmental impact, partly as a result of the EU's Farm to Fork agricultural policy. This is something that we experience on a daily basis for example in the Netherlands, where the fight for land and nature is high on the political agenda. We will continue to stress, both individually and through interest groups, that ecology should always go hand-in-hand with economy; only then can we work together to realise a good and sustainable transition. We believe that our feed-and-advice approach is the right one to help our customers to increase their production and returns in a socially responsible way as well as reducing the carbon footprint across the entire process.

Theo Spierings: "I recently joined ForFarmers as CEO. During conversations and meetings over the past two months, I have been struck by the knowledge, experience, dedication and passion that are present in the company. Given the changes facing our sector, this is a solid foundation. After all, there is currently a lack of a clear vision in the sector with regard to how we can make the sector more sustainable in a good and appropriate manner. That has to change and I want to actively contribute to this with ForFarmers. So that all players in the chain know where they stand and can act accordingly. I am confident that we can do this. We have a good team and our strategy and focus are clear. In addition, we have recently sharpened the core values, building on the already existing corporate culture. This culture will help us to adapt the organization needed to properly implement the strategy.
We cannot do without our customers, the members of the cooperative, employees, shareholders, suppliers and other stakeholders. On behalf of myself and my colleagues in the Executive Team I want to thank them, for the trust placed in us in 2022."

Lochem, 22 February 2023

Theo Spierings, CEO
Roeland Tjebbes, CFO
Pieter Wolleswinkel, COO

Who we are and what we do

Our mission:

For the Future of Farming

For the Future of Farming: that is the ForFarmers mission. We strive towards a strong farming business. We supply good feed at competitive prices and support farmers with tools and advice. We are aware of the impact our sector has on the climate and on nature. That is why we help livestock farmers to achieve a better return on-farm in a sustainable way and we strive for a production method in which we emit fewer and fewer greenhouse gases, among other things.

ForFarmers has a prominent position in the European animal nutrition industry. It is a dynamic world in which legislation and regulations, sustainability requirements and consumer sentiment are constantly changing. At the same time global demand for animal proteins continues to grow steadily. This calls for innovative and sustainable solutions.

Given our position we not only have the opportunity but also the responsibility to make a real contribution to the efficient and sustainable production of meat, eggs and dairy produce. Our mission, **For the Future of Farming**, not only demonstrates the confidence we have in the future of the agricultural sector; above all our efforts are focused on responsible food production. We do everything we can to enable farmers to produce high-quality food in a sustainable way, thus working towards a strong and future-proof agricultural sector.

We are active in five countries: the Netherlands, Belgium, Germany, Poland and the United Kingdom. We have 35 mills that produce (compound) feed for ruminants, pigs and poultry under the ForFarmers brand name. We also supply and use co-products and residual flows from the food industry. We are a leading player in the organic sector with the Reudink brand name, while under the Pavo brand we supply horse feed in around 30 countries. We also provide livestock farmers with advice and monitoring tools. We have a total of around 2,500 employees, including over 400 advisers who pay regular on-farm visits to our approximately 26,000 customers to assist them with their operational management and business decisions.

Core values

Successfully implementing the mission requires an appropriate corporate culture. For this, five core values have been determined, which we express through the acronym PROUD: passionate, responsible, open-minded, united and delivering.

Passionate

Working for ForFarmers is more than a job; it's a passion. The farming business is what makes us tick. We do everything we can to future-proof the sector, and this ambition shines through in our behaviour and our way of working. We push back boundaries and go the extra mile for our customers, suppliers and colleagues.

Responsible

Our actions have an impact. We help farmers work in a sustainable way so that together we can safeguard the continuity of the farming business. The same principle applies to our day-to-day operations: we take good care of our customers and other stakeholders, and always aim for the best, most efficient and most sustainable result.

Open-minded
Keeping an open mind enables us to support farmers in the rapidly changing agricultural sector. We are able to adapt to the needs and working methods of the industry and are always on the lookout for new opportunities. We are clear about our intentions and expectations and prefer to listen than to speak.

United
Addressing the challenges with which the agricultural industry is faced requires a joint effort and mutual trust. We join forces with colleagues and customers and work as one team towards our shared goals. In many cases we take the lead but we are also able to follow if that produces better results.

Delivering
We have a natural ambition to get things done, regardless of how difficult the job is. We do what we say and say what we do. We are respectful, honest and direct at all times. It is the sign of a ForFarmers employee.

(Compound) feed

Specialities

Co-products*

Crop solutions

Total Feed approach:

Knowledge and advice from specialists

Planning and monitoring tools

For the Future of Farming

- Better returns
- Greater efficiency
- Healthier livestock
- Lower carbon footprint

forfarmers the total feed business

Tailor the solution to the customer's needs

Solutions for all types of feeding systems (milk robot, home mixing, liquid/dry feeding, welfare concepts)

Offer solutions for every stage of animal's life cycle

Specialty products for young animals and animals in transition

Specific concepts such as slow growing, organic, non-GMO

Compound feed and co-products*

Offer solutions for key species

* These include (circular) co-products such as residual flows from food production.

The chain and markets in which we operate

All over the world the agricultural sector is facing the huge challenge of feeding a growing global population while at the same time reducing the impact this has on the climate, biodiversity and nature in general. ForFarmers is part of the agricultural sector and as such feels a responsibility to work with our partners in the chain to meet this challenge.

ForFarmers is part of the food chain which begins with consumer demand for meat, eggs and dairy produce. To meet this demand retailers and processors rely on livestock farmers, who produce this food with the aid of our feed solutions. The ingredients in our feed solutions include co-products which are unsuitable for human consumption. We also use raw materials such as wheat, other grains and soy.

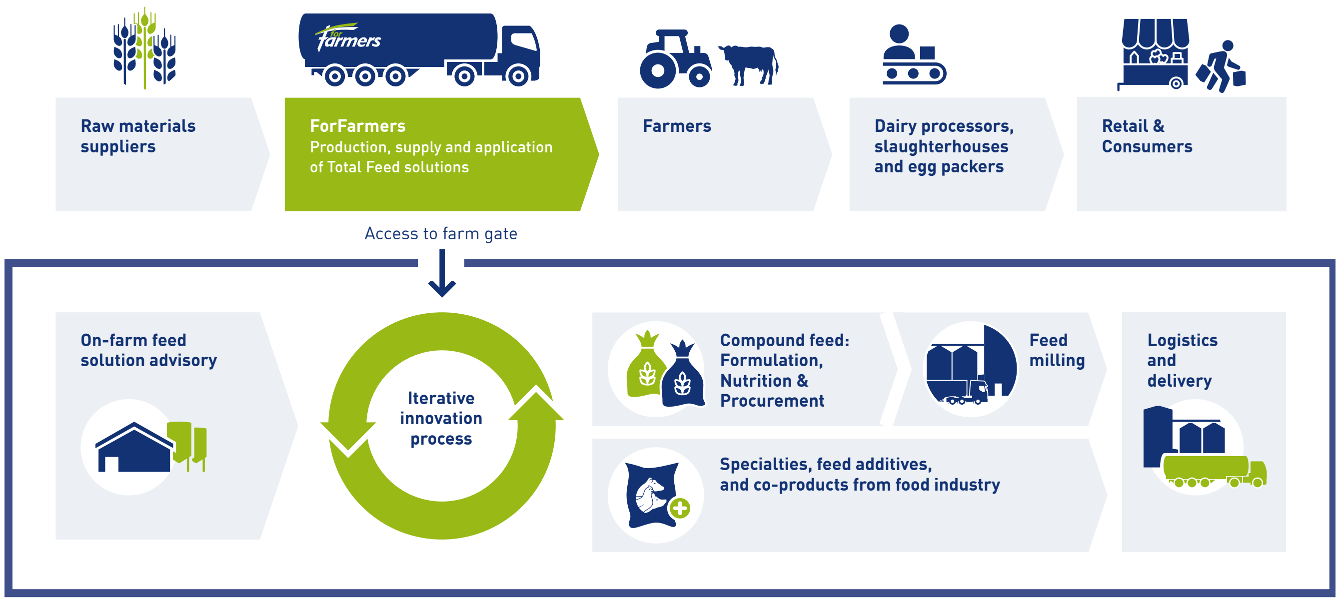
Raw materials market

ForFarmers is intensively involved in purchasing various raw materials to produce feed. We want to do this in a socially responsible way and so we make conscious choices regarding the provenance and production means of the raw materials that we use. We are increasingly using alternative proteins to reduce our reliance on raw materials such as soy.

We use micro and macro ingredients in our feed. Micro ingredients include amino acids, vitamins and minerals. Since 2014 we have purchased these as much as possible via our strategic partner Nutreco. Key macro ingredients include cereals, plant-based proteins and high-fibre raw materials. Many of these are suitable for animal feed but not for human consumption. We purchase our macro ingredients from a small number of global suppliers as well as from local arable farmers. The procurement process is initiated by the local market teams and supported by both local and central purchasing managers. In addition to the use of co-products, residual flows from the food industry are processed in the feed. We do this to combat waste and to reduce the carbon footprint of feed concepts.

Raw materials account for a substantial part of the cost price of feed. Following the Russian invasion of Ukraine on 24 February 2022 raw material prices rose to unprecedented levels. Russia and Ukraine together account for around 30% of global grain exports. Exports from these countries virtually ground to a halt due to the war situation in Ukraine and the sanctions imposed on Russia. This resulted in a very volatile market in terms of supply and raw material prices. Under these circumstances supply security of feed to our customers was our foremost concern. We managed this very well, partly thanks to close collaboration between all the departments and with our partners in the chain.

The chain in which we operate



With the prices of milk, meat and eggs also having risen in line with the costs, a large number of our customers in the poultry and dairy farming sectors enjoyed good returns. The same cannot be said for pig farmers. Partly because China imported fewer pigs from Europe, pig prices failed to keep pace with the increase in raw material prices.

ForFarmers' competitive position

The international compound feed market is highly fragmented. ForFarmers has to compete with large multinational companies as well as for example local family-run businesses and cooperatives. Annual global sales of animal feed total approximately 1.1 billion tonnes, of which some 155 million tonnes of compound feed in Europe. With a market share in Europe of roughly 4%, ForFarmers is a prominent player in the European compound feed industry.

We are active in five countries: the Netherlands, Belgium, Germany, Poland and the United Kingdom. These markets are very different. In the Netherlands ForFarmers, Agrifirm and De Heus are the three largest players. The rest of the market is shared among some 65 other feed producers.

With ForFarmers having ceased production of poultry feed in Belgium in 2022 we are now the fourth-largest feed company in the country after Arvesta, Vanden Avenne and Agrifirm-Quartes in a playing field of some 50 companies.

In the German market the five largest companies are Agravis, DTC, Bröring, Mega and ForFarmers. Germany also has around 300 medium-sized and smaller players, many of which are owned by a cooperative or by one or several families.

In Poland many feed companies operate in integrated chains. ForFarmers/Tasomix holds the number three position in the non-integrated market, after De Heus and Cargill. In addition to the top three, some 35 other non-integrated players are active in the Polish market for compound feed. Major integrated players include Smithfield and Wipasz.

There are over 100 feed companies operational in the United Kingdom, of which ForFarmers, AB Agri and 2Agriculture are the larger players.

Farming businesses

ForFarmers mainly caters to the ruminant, swine and poultry sectors. In addition we are active in the horse sector with the Pavo brand and hold a prominent position in the organic livestock feed market under the Reudink brand name. The United Kingdom is the only country where we sell organic feed under the ForFarmers name.

The year under review was a turbulent one for the agricultural sector. In addition to the consequences of the war in Ukraine livestock farmers were confronted with ever stricter regulations on sustainability including measures to reduce nitrogen emissions in the Netherlands. The Covid lockdowns at the beginning of the year, the rising inflation and the outbreaks of avian flu and African swine fever led to a drop in demand for feed. This resulted in production overcapacity and margin pressure in the majority of our home markets.

Nitrogen

Ruminant sector

In the ruminant sector we mainly operate in the dairy segment but we also count beef farmers among our customers. We also supply to goat farmers, mainly in the Netherlands, and to sheep farmers, mainly in the United Kingdom. We are seeing similar developments in all these markets.

In all our home markets we need to work with livestock farmers to reduce nitrogen, CO_2 and methane emissions and improve phosphate efficiency. How and how fast this should happen differs from country to country. We work with chain partners to develop ways of reducing emissions to enable us to meet the targets while at the same time retaining a strong dairy farming sector.

The growing focus on sustainability and animal welfare as well as specific consumer preferences is leading to more differentiation in dairy flows in the countries where we operate. For example, livestock farmers in the Netherlands and Belgium export a large quantity of non-GMO products to Germany. Consequently, they need feed which does not contain ingredients which are genetically modified.

We are also seeing growing interest in automation. Farming businesses are getting bigger, which increases the workload on-farm at a time when tightness in the labour market is making it difficult to find good employees. This is fuelling the need for on-farm automation, for example milking robots.

Swine sector

The European swine sector is going through tough times. This is due to various reasons including swine fever and declining demand from China, the world's largest importer of pig meat and as a result the over production in Europe. Furthermore, there has been a slow decline in pork consumption in Northwest Europe.

Swine fever

African swine fever broke out in China in the second half of 2018, leading to a substantial drop in local production and a sharp increase in imports from Europe. European pig prices rose sharply as a result.

When African swine fever was detected mainly amongst wild boars in Germany in late 2020, China imposed an import ban on pigs from Germany. Until recently China had a large number of small scale farming businesses which produced solely for their own consumption. In order to control swine fever outbreaks, many of these have been rationalised in recent years and replaced by large professional farming businesses which largely produce for the domestic market. This has made the country less dependent on imports from Europe and elsewhere.

German and Spanish pig farmers consequently increased their exports to other European countries, putting unprecedented pressure on European pig prices. This crisis continued to have global reverberations in 2022. While pig prices rose significantly during the year, commodity prices increased relatively more. The margin pressure for pig farmers therefore only increased.

Increase in regulations

In the Netherlands, Germany and Belgium, there are more and more regulations to reduce the environmental impact of pig farming, to prevent odour nuisance and to improve animal welfare.

In the Netherlands the pig farming sector has undergone a 'warm restructuring'. Under the scheme the Dutch government reduced the pig herd by approximately 9 per cent between 2019 and 2021 by buying up the pig production rights of farmers who voluntarily exited the industry. At present the voluntary buyout of pig farmers is part of the government's new agricultural policy in the context of the nitrogen approach. In 2022 this saw the introduction of the Landelijke Beëindigingsregeling Veehouderij (national cessation scheme for the livestock farming industry), a voluntary buyout scheme under which pig, cattle and poultry farmers are offered compensation for discontinuing their business. Under the current coalition agreement the Dutch government has made a total of around €6 billion available until 2030 for buying up cattle- , poultry- and pig farmers.

Pig farmers in Germany are also faced with environmental and animal welfare measures, for example compelling them to make better use of animal manure and to cut ammonia emissions and the runoff to ground and surface water. Pig farmers in the United Kingdom had a tough year with the sector facing financial challenges as well as labour shortages in the chain.

Poultry sector

The poultry sector has been developing for some considerable time now. European consumers increasingly switch to chicken meat, which is seen as an affordable, healthy and sustainable choice. In addition the sector is strongly impacted by the various quality labels; these include Beter Leven, an independent quality mark issued by the Dutch Society for the Protection of Animals for chickens of slower growing breeds. Chickens with this quality mark also enjoy better living conditions with for example barns that have plenty of space and daylight and a covered outdoor run.

All Dutch supermarkets have agreed that from 2023 they will only sell fresh chicken bearing at least one Beter Leven star. In Belgium several retailers have also voiced the ambition to meet the similar welfare criteria of the European Chicken Commitment (ECC) by 2026. Poultry farmers are now using specially developed welfare feed to meet the demand for slow-growing chickens and free-range eggs.

Integration

In the Netherlands intensive collaboration between retailers, slaughterhouses, hatcheries and feed companies is increasing. This may result in greater transparency on provenance and quality, more efficient working methods and more added value, as well as increasing security of sales in the domestic market.

In Germany traditional chickens are reared based on the Initiative Tierwohl concept. The Better Chicken Commitment (BCC) in the United Kingdom is still in its early stage. In other European countries conventional production remains the norm for the time being, particularly where exports are concerned.

The poultry market in Poland is a growth market and an export market, in terms of both the integrated chain and the non-integrated segment of the market. We hold a good position in this country thanks to our 60% stake in Polish poultry feed company Tasomix.

Avian influenza

In 2022, the poultry sector in our home countries had to deal with a violent outbreak of avian influenza (i.e.bird flu). In order to prevent the disease from spreading, a temporary measure was introduced in some countries to keep the chickens in the barns. Unfortunately, several poultry farmers have had to clear their barns.

Organic sector

Compared to conventional livestock farming the organic sector is a niche market. In the past year the market is experiencing the impact of the rising inflation which is putting pressure on consumer demand. In the longer term, however, there would appear to be growing demand and hence steady growth within the sector. This is partly driven by one of the targets of the European Green Deal, which is that by 2030 a quarter of agricultural land should be used for organic farming.

With our Reudink brand we hold a leading position in the European organic market. Our factory in the Netherlands specialises in the production of organic feeds, including for other feed producers. Reudink also produces specific concepts for the German market, such as Bioland and Naturland. In the United Kingdom our organic feeds are produced locally and sold under the ForFarmers brand name.

Horse sector

Horse riding and farming has been growing in popularity in Europe for some years now and the specialist retail sector is benefiting from the trend. Equestrian sport is now also adopting data-driven solutions and tools, allowing rations to be better tailored to the individual needs of the horse. We are responding to these trends with our Pavo brand. A growing percentage of orders in this sector are placed online. Pavo handles online sales through its own digital platform as well as through Amazon.

Retail
Generally speaking, retailers have a significant impact on the food production chain. They strive for cost control, greater efficiency in the supply chain and lower emissions, and increasingly demand transparency regarding food provenance and sustainability. In addition they promote animal welfare and seek to keep the food chain manageable. As such they aim towards intensive cooperation between partners in the chain. Our strong position in the market enables us to play a key role in bringing about this cooperation.

With the entire agricultural chain faced with higher costs in 2022 retailers were forced to substantially raise product prices. Increased inflation also means that consumers are choosing different products and buying less.

Consumers
Non-governmental organisations (NGOs) have a significant influence on the food chain and the agricultural sector. They get issues such as carbon footprint, deforestation and animal welfare onto the public debate agenda. They promote plant-based alternatives to meat as well as organic and locally produced foods. This results in changing concepts in the livestock farming industry, for example the Beter Leven concept in the poultry and swine sectors. At the same time, price and convenience still remain important to consumers, who have become more price-conscious due to the worsening economic conditions, buying less and more often opting for cheaper products.

Trends and opportunities in our markets
Some global events, such as the Covid pandemic and the war in Ukraine, are not directly related to the agricultural sector but their impact is nevertheless felt throughout the entire chain. Other developments are directly linked to the sector, such as the trends described below.

Environmental measures and legislation
Northwest Europe has the right conditions for the efficient production of animal proteins. The region is home to a number of renowned universities that conduct intensive research into nutrition and food production. In addition it has an optimum climate and good logistical infrastructure along with a plentiful supply of residual flows from the human food industry. Given the impact of the agricultural sector on the climate, biodiversity and water resources it is precisely this densely population region that is seeing mounting social pressure on the production and consumption of animal proteins.

This was one of the reasons for the adoption of the European Green Deal in 2020, which aims to turn the EU into a resource-efficient, competitive economy while reducing greenhouse gas emissions to net zero by 2050. The EU Green Deal includes Farm to Fork, a strategic action plan to make food systems more sustainable. To this end the plan includes guidelines and regulations with regard to such matters as reducing the carbon footprint, cutting nitrogen emissions, improving animal welfare and protecting biodiversity.

The impact of these plans has become clearer over the last two years, such as regarding the reduction of nitrogen emissions for example. This was one of the reasons for revising our 2025 strategy. For our customers in the Netherlands 2022 was dominated by the nitrogen debate and the recommendation from independent mediator Johan Remkes regarding the future of the agricultural sector. He emphasised that the Netherlands must maintain Natura 2000 sites under the EU habitat guideline. One of the key conclusions is that nitrogen is not a standalone issue and must be part of a broad transition of agriculture and rural areas. The mobility, industry and construction sectors will also have to contribute to this process.

This transition has consequences for livestock farmers and may involve extensification, switching, regularisation and/or relocation. Along with other players in the chain ForFarmers emphasises the importance of innovation as an alternative to rationalisation alone. The various Dutch provinces must present their detailed plans in 2023. ForFarmers is acting in concert with parties including Coöperatie FromFarmers and Nevedi in the various discussions.

As a prominent feed producer in Europe we play a vital role in the ongoing process of making our sector more sustainable. We take this seriously, as is evidenced by the strong emphasis we lay on our Going Circular sustainability agenda and the targets associated with it.

We convert low-value ingredients into high-quality food. Wherever possible we produce our feed using ingredients such as co-products which are not suitable for human consumption. We advise dairy farmers on high-quality forage that is suited to their business operations. We also offer advice on the reuse of manure to ensure that the available animal waste is put to the best possible use. In addition we help our customers in all sectors improve their feed conversion and provide innovative solutions for reducing emissions.

Antibiotics

Reducing the use of antibiotics in the agricultural sector is another crucial theme of the Farm to Fork strategy. New EU regulations on veterinary medicinal products and the routine use of medicated animal feed came into force at the beginning of 2022 with the aim of limiting the risk of antimicrobial resistance in the EU. The pre-emptive use of antibiotics in feed is now banned across the EU. Although these regulations do not apply in the United Kingdom ForFarmers has chosen to apply the same policy in that country as well.

Smart use of data

A growing group of consumers want to know where and how food has been produced. This is linked to concerns about food safety as well as consideration for animal welfare and the environment. Supermarket chains want to work with slaughterhouses and feed companies to offer sustainable concepts with clear traceability.

The agricultural sector wants to accelerate digitalisation because cooperation between the parties depends on them being able to share and analyse data. ForFarmers already applies data sharing and analysis on a wide scale to help livestock farmers with matters such as business management, food chain management and controlling their environmental impact.

Alternative proteins as a feed ingredient

For animals to grow and produce well and healthily their feed must include the right amount of energy and proteins. Using soy as a source of protein has the potential unwanted side effect of deforestation. To cut down on the amount of soy we use we are investigating alternative sources of protein; it is even one of the pillars of our revised strategy. Insects are an example of an alternative protein source; they can be sourced locally and are traceable and sustainable. Some hurdles still remain, including the considerable cost price. Over the next two years, we will be working together in a consortium of Dutch companies in the poultry value chain to investigate how insect ingredients of the black soldier fly in poultry feed affect sustainability, health and welfare aspects of slow-growing broilers. Another alternative to using soy is processed animal protein (PAP). Since 2021, the EU has allowed the use of this protein under strict conditions as an ingredient for pig and chicken feed. ForFarmers has started with the application of this in chicken feed in Belgium and Germany.

Furthermore we are involved in research projects into single-cell proteins – protein extracts derived from microorganisms through fermentation. Eventually it will be possible to use these proteins as a substitute for fishmeal and soy in feed for all the sectors. However, expectations are that it will take some time to reach this stage given the still limited availability and high price. We also help dairy farmers to meet their own protein needs, for example by advising them on forage crops and fertilisation.

Growing professionalism and consolidation of livestock farmers, slaughterhouses and dairy processors

The number of livestock farmers in Northwest Europe has been declining for years. Farmers do not always have successors who want to take over their farms. Moreover, the decline is partly due to the increasing regulatory pressure which requires extra investments which cannot yet be easily passed on in the consumer price. This is leading to further consolidation of farming companies because increased scale is needed to make business operations profitable. This increase in scale creates a different demand for feed solutions, advice and tools.

There are various examples of this changing demand. In the United Kingdom consolidation has led to the creation of large slaughterhouses in a bid to cut costs. These slaughterhouses form integrated chains with pig farmers, in some cases even taking them over, and determine what type of feed is used in the supply chain. Meanwhile in the Netherlands livestock farmers are increasingly focusing on automation, with around 35 per cent of Dutch cows already being milked by robots. Farmers make this choice in order to save on labour costs but also in the interests of animal welfare and maximising technical results.

These two examples call for different solutions from feed companies. ForFarmers uses innovative monitoring systems to convert farming business data into information that livestock farmers can use to improve their results. We also have the scale to invest in concepts and resources that meet the technical requirements. For example, we recently started to focus on real-time monitoring of the data from the milking robot. This allows us to give the farmer even more accurate advice.

ForFarmers is uniquely well placed to distinguish itself in each individual market and segment by providing a differentiated offering tailored to the local situation in the respective sectors. This may range from total solutions aimed at optimum returns to the supply of specific products to best suit livestock farmers amid challenging market conditions.

Pressure on consumption of animal proteins in home markets

Global demand for animal proteins is rising. In Northwest Europe, however, overall consumption appears to be stabilising or even falling slightly, and consumers appear to be increasingly choosing chicken and fish rather than red meat. In addition, demand for plant-based meat alternatives and organic, vegetarian and vegan food is growing. However some consumers are simply adding plant-based options to a diet that includes animal proteins.

Our strategy 2025

In 2020 ForFarmers launched its strategy for the next five years. Since then, circumstances in the agricultural sector have changed drastically, prompting us to take a fresh look at the basic principles of the strategy. This resulted in a revised version of our strategy for 2025.

ForFarmers strategic principles

Even closer to farmers/customers

... with local business in the lead, enchanced by group values, know-how and governance

Differentiate in specific local products/makets

... by investing in and delivering innovative concepts

Good feed at a competitive price

... to provide economic returns for farmers and ForFarmers

Provide sustainable solutions

... to drive success in markets and operati-ons in a changing ESG environment

Enhance (virtual) supply chain integration

... together with farmers – supply concepts and take initiative to actively manage the chain

Some trends developed more rapidly during the past year or have proved to be more significant than expected. The EU Green Deal has led to an increased and accelerated focus on making the agricultural sector more sustainable. We are faced with a volatile raw materials market and sharp increases in raw material, energy and fuel prices, exacerbated by the war in Ukraine. This has made it more difficult to pass on raw material price fluctuations. In addition the market circumstances are leading to consolidation of farming businesses, more intensive cooperation in the chain and overcapacity among feed producers. This resulted in pressure on our financial results.

First we identified the trends that had to be taken into account when revising the strategy. Next we determined which elements were still relevant and which needed to be replaced or adapted. We consulted intensively with customers, shareholders and other stakeholders, and gathered input from across the organisation. We have done this to create even more support for the strategy within and outside the company.

Five strategic principles

ForFarmers is adhering to its mission, For the Future of Farming. Our aim is a strong farming business, and we contribute to making the sector more sustainable. In order to strengthen our position we follow five strategic principles.

Local ownership

Firstly, emphasis is placed on local ownership. We see that different sectors in the various countries require their own approach. We also want to be even closer to the customer. Our local teams are leading, are supported by the ForFarmers central departments and can draw on the knowledge, expertise and resources that are present within the group.

Differentiation

Secondly we distinguish ourselves through tailoring our offering to the market, to the segment and to the local situation. With such a differentiated offering, we make the difference.We can offer total solutions aimed at achieving optimum returns as well as supplying specific products which best meet the livestock farmer's needs in certain circumstances.

Sustainability drive

Thirdly we are giving fresh impetus to our Going Circular sustainability agenda. We will set up a new organization, including the activities of Reudink (organic feed) and the co-products, to develop and market concepts with which we make a positive contribution to making the sector more sustainable. We will start with this in the Netherlands. Examples include concepts which make use of alternative raw materials or which contain more moist co-products and residual flows from the food industry. These are concepts that will allow us to contribute to the fight against climate change and the prevention of food waste.

Cooperation with chain parties

Fourthly we will strive towards more active cooperation with parties in the chain, partly in order to realise our sustainability ambitions. The sustainable concepts we develop are essential to establishing collaborative partnerships in the chain as well as being crucial to livestock farmers and other stakeholders as we work towards a climate-neutral sector.

Trends in the chain

Agricultural sector to be more sustainable

- Acceleration EU Green Deal (Farm to Fork)
- Change in consumer preferences

Higher and more volatile raw material and energy prices

- Pass-through costs more complex

Consolidation and professionalisation of lifestock farming

- Vertical and other integrations

Tightening labour market & increased adoption digital on-farm

- Mainly the result of Covid

These developments have led to **overcapacity** in feed production and **pressure on ForFarmers' results**.

Good feed at a competitive price

Fifthly we will continue to supply good feed at competitive prices, enabling our customers and ourselves to achieve optimum returns. That is what we excel at, how we can add value for our customers and how we can distinguish ourselves from the competition. To this end, we continue to focus on optimally efficient and effective business processes.

#proudtobeforfarmers

In the course of the strategy review we replaced our former core values with values that are more in keeping with our business culture: passionate, responsible, open-minded, united and delivering. The initials of these core values together spell the word PROUD. We will take a closer look at this in the chapter on our mission.

Financial objective

With this revised strategy ForFarmers is aiming for a consolidated return on average capital employed (ROACE) of at least 10% in 2025, barring unforeseen circumstances. This objective is at the level of underlying operating profit (EBIT).

The dividend policy will continue to be aimed at distributing a cash dividend of between 40% and 60% of underlying net profit.

Our integrated objectives for 2025:

Developing talent For the Future of Farming	• Lost Time Incidents frequency rate <0.5% per 100 employees (in FTE) • More diversity in (senior) management positions • Better score employee engagement survey
Sharing knowledge For the Future of Farming	• Better feed conversion ratio each year • Bespoke solutions for specific chains • Focus on good feed at competitive price
Going Circular For the Future of Farming	• Leadership position in reducing CO_2 emissions of feed materials (scope 3) • Energy and fuel reduction per tonne of feed: 10% compared to 2020 • Leadership position on percentage non-human edible feed materials in diets • 100% responsibly sourced soy and palm oil • Deliver feed concepts that address societal requirements
Creating value For the Future of Farming	• M&A: enhance and broaden in selective segments, both in and outside of home markets • Dividend distribution: 40%-60% of underlying net profit • Consolidated ROACE (on underlying EBIT) of at least 10% by 2025, barring unforeseen circumstances

Long-term value creation

The primary objective of our strategy is to create long-term value for all ForFarmers stakeholders. Our value creation model outlines our input and output on a social, economic and sustainability level.

Social

Social value comprises human capital (labour), intellectual capital and social capital (network and partnerships).

Human capital

We aim to attract, train and retain talented people. We use a range of training courses and resources to help our employees become more effective and to work on their personal development. We also make investments in providing a safe and inspiring working environment. Not only do we attach great importance to the interests of our own people, but also to acting ethically towards employees throughout the value chain. We have recorded this in our supplier code of conduct.

Intellectual capital
Our intellectual capital comprises the knowledge and experience we gain through doing business, with reference to our own processes as well as onsite at the farm and in the chain. We employ this capital to make further improvements in the livestock sector and to make the sector more sustainable. The ForFarmers Nutrition Innovation Centre (NIC) plays a key role in this.

Social capital
We focus on what we are good at whilst cooperating with others. This value is expressed in our various existing partnerships and those we will enter into in the future.

Sustainability
Corporate social responsibility is at the heart of our business operations. We maintain a constant dialogue with our stakeholders and our local environment in order to make the best possible contribution to a sustainable world. The natural capital we use consists mainly of raw materials for our feeds. As well as supplying good feed we provide advice supported by monitoring tools, thus helping livestock farmers achieve optimum returns whilst reducing their carbon footprint.

Our Going Circular sustainability agenda follows the trend of social developments. We have set targets for our own activities (scope 1 and 2) as well as targets specifically focused on our supply chain and the impact on-farm (scope 3). A detailed discussion of these targets can be found in the chapter on our sustainability agenda.

Economic
Our total feed portfolio is largely produced in 35 mills we operate in five countries and is delivered by bulk trucks to around 26,000 customers. Some of these trucks are operated by us and others by partner companies.

We employ our financial capital to invest each year in maintaining and innovating our production capital. We aim to use our financial resources in such a way as to create maximum value for all stakeholders.

Long-term value creation model

Input

Social

Human

Developing talent

Intellectual

Sharing knowledge
Experience

Social & relationships

Ambition
Partnerships

Sustainability

Natural

Going Circular:
• Feed resources
• Feed production
• Feed solutions
Animal health & welfare

Economic

Manufactured

Total Feed concepts
Mills
Transport equipment

Financial

Shareholder equity
Lones & credit facilities
Customers

Strategy

Strategy 2025

#PROUDTOBEFORFARMERS

Output

Social

Human

Engaged workforce
Diversity
Safe working environment

Intellectual

Academies and training programmes
Next Level Innovation

Social & relationships

Code of Conduct
Partnerships
Feed safety

Sustainability

Natural

Responsible sourcing
Reduction CO_2 emission of feed materials and production
Maximise use of non-human edible feed materials

Economic

Manufactured

Volumes
Production mills in 5 countries

Financial

Revenues
Underlying EBITDA
Net cash flow from operating activities
ROACE (underlying EBIT)
Dividend per share

Output created

Social

Human

Employees (FTE): 2.468
• Female: 22%
• Male: 78%
• LTIs: 17
• LTI rate: 0.65%

Intellectual

Training expenses: €1.7 million
R&D expenses €6.6 million

Social & relationships

85% suppliers signed Sedex code
Feed safety incidents: 5

Sustainability

Natural

Sustainable soy: 75%
Sustainable palmoil: 70%
GHG emissions/tonne:
Production (scope 1+2): 12,0
Logistics (scope 1+2): 8.0
Emissions/tonne (scope 3): 1.073
67% non-human edible feed materials in diets
Phosphate efficiency (dairy NL): 38.3%
Nitrogen efficiency (dairy NL):29.6%

Economic

Manufactured

9.0m tonnes Total Feed
6.3m tonnes Compound Feed
35 mills

Financial

€3.3 billion
€76.1 million
€48.2 million
7.8%
€0.20

SWOT analysis of ForFarmers and its markets

Our strategy is aimed at long-term value creation for customers, shareholders, employees and other stakeholders. To ensure that we are able to respond to market developments in a timely and effective manner we maintain a constant dialogue with stakeholders and conduct a SWOT analysis. This allows us to identify the strengths and weaknesses of our own organisation and spot the opportunities and threats in the market. Based on this we perform regular checks to ascertain whether the strategy remains adequate for achieving the set objectives.

Internal

Strengths

- Unique position on-farm: strong relationships and expertise; Total Feed solutions
- Substantial business (approx. 9mT volume, €3.3 billion revenue) with economies of scale
- Farm focused business model with strong position in multiple countries
- Technical expertise and know how to support transition to sustainable farming (both ecological and economic)
- Well positioned in specific growing segments: organic, horse feed, Poland and co-products

Weaknesses

- Imbalance in portfolio between mature markets and growth markets
- Position not yet strong enough in all markets to leverage scale
- Full-service model (and relating costs) not commercially valued in all markets
- Narrow product offering / scope (complete feed)
- Not always possible to pass on rising raw material, gas and electricity prices

External

Opportunities

- Support farmers in transition to sustainable farming (both ecological and economic)
- Growing consumer interest in quality and provenance of food
- Acquisition opportunities to strengthen positions in specific market segment
- Need for feed concepts and advice arising from environmental legislation and societal concerns
- Chain partnerships to provide security of supply

Threats

- Increasing pressure on animal numbers in Western Europe
- Growing interest in, and presence of, alternatives for animal proteins for human consumption
- Labour shortages and price of labour impacting both ForFarmers and our customers
- Volatility and price of raw materials and utilities in relation to transparency of feed prices
- Animal diseases

Our dialogue with stakeholders

We maintain a constant dialogue with our stakeholders. We want to know what they think about our business, our strategic choices and our activities. This input is crucial to establishing whether we are getting our priorities right. Our stakeholders also help us take a clear position in certain situations.

Sustainability is one of the most important topics we discuss with our stakeholders and is a vital aspect of our revised strategy. During the revision process we further tightened our sustainability agenda and made it more ambitious. We focus on converting low-value ingredients into high-quality food with zero pollution or waste. For this we will pursue more intensive cooperation with partners in the chain and develop sustainable concepts that address social themes. The acquisition of De Hoop Mengvoeders is already an example of this. In addition, we try to replace soy more often with alternative protein sources, for example.

Materiality matrix based on stakeholder dialogue

Once every two years we conduct an extensive survey among stakeholders and record the results in a materiality matrix. The next survey will take place in 2023. In the last survey in 2021 we asked over 300 internal and external stakeholders what they considered important when it comes to our activities and our role in society. The survey took place in the form of an online questionnaire with a number of quantitative and qualitative questions on ESG-related topics (Environmental, Social, Governance).

The questions focused on the following areas:

1. What do our stakeholders see as the most important ESG topics in society at this time?
2. How do stakeholders feel about certain dilemmas and considerations associated with sustainability?
3. How do our stakeholders feel about adopting new technologies such as gene editing?
4. What do our stakeholders think the impact will be of forthcoming policy and legislation such as the European Green Deal and the Farm to Fork strategy?

The Sustainability Appendix of this Annual Report contains further information about the stakeholder dialogue and the preparation of the materiality analysis.

Materialiteitsmatrix

Environment

1 **GHG emissions**
2 Nitrogen emissions (mainly problematic locally)
3 Air quality
4 Use of renewable energy sources
5 **Land use & ecological impacts**
6 **Deforestation**
7 Biodiversity
8 Organic feed production
9 Soil health & fertility
10 **Nutrient utilization optimalisation in the total value chain (phosphates & nitrates)**
11 Regional or local sourcing of raw materials (e.g., EU)
12 **Use of residual flows (co-products & by-products) in livestock feed**
13 Use of alternative raw materials (insects, algae, duckweed)
14 Water usage (raw materials & feed production)
15 Water pollution

Social

16 Community relations (around the feed mills)
17 **Food & feed quality & safety**
18 Customer satisfaction
19 **Fair labour practices and workforce health & safety**
20 Employee engagement, diversity & inclusion
21 **Environmental & social impacts of the ingredient supply chain**
22 Genetic modification (GMO) management
23 Antimicrobial resistance (AMR) management
24 Animal health & welfare
25 **Human rights related to raw material supply**
26 Social role as representative for the sector
27 Feeding the world (i.e., a world without hunger)
28 Level playing field (Europe vs rest of the world)

Governance

29 Business ethics
30 Business model resilience (e.g., climate risk)
31 Crisis management
32 Systemic risk management
33 Management of the legal & regulatory environment
34 Transparency & traceability in the value chain
35 Preventing corruption, bribery & discrimination
36 Fair distribution of margins along the value chain
37 **Employee training and development**
38 Stakeholder engagement
39 Customer privacy
40 Data security
41 Compliance with EU Green Deal
42 Climate reporting (mandatory ESG reporting)

Materiality matrix

The materiality matrix revealed 10 topics that could be considered the most material based on their position on the x and y axes of the table. These topics were included in our strategy review, are part of our sustainability approach and are discussed in the risk management section. In the sections on our employees and on sustainability we explain how we are addressing these topics and what results were achieved in 2022. It goes without saying that animal health and welfare are always regarded as material topics and are taken into consideration in everything we do.

Dialogue with stakeholders

In the Netherlands, we conducted an image survey among customers in 2022. 422 customers from all sectors participated. We also asked employees of ForFarmers Netherlands what they thought the image in the market is or should be. Customers believe that ForFarmers distinguishes itself mainly by expert and committed advisors, contribution to a good return and good feed quality. In addition, the reliability and delivery performance were highly valued. The rating of the employees was very similar to that of the customers. Based on the results of the research, points for improvement will be implemented in 2023.

Material theme	Description of material theme	Reference to chapter (how ForFarmers addresses this material theme)
Feed & feed quality [17]	Ensuring the safety and quality of our feed for the whole food supply chain	Going Circular
Land use and ecological impacts [5]	Minimising the land needed to produce feed materials	
Use of residual flows (co-products and by-products) in livestock feed [12]	Maximising the use of non-human edible feed materials	
Deforestation [6]	Eliminating deforestation and conversion from our supply chain	
GHG emissions [1]	Reducing the carbon footprint of our whole supply chain	
Environmental and social impacts of the ingredient supply chain [21]	Sourcing the feed materials we use responsibly	
Nutrient utilisation – optimisation in the total value chain (phosphates and nitrates) [10]	Optimising nutrient utilisation in the total animal chain to improve phosphate and nitrogen/ammonia emissions on farm	
Human rights related to raw material supply [25]	Protecting workers in the raw material supply chain from human rights abuses.	
Fair labour policies and workforce health and safety [19]	Ensuring safe and healthy working conditions for employees, contractors, visitors and those working in our feed material supply chain	Our employees
Employee training and development [37]	Developing our people	

ESG topics, alongside the financial results, are increasingly on the agenda at meetings between the board and investors. In recent years the potential impact of the nitrogen debate in the Netherlands has also been a frequent topic of discussion. Investors and ESG rating agencies require companies to be more transparent about non-financial indicators, for example those relating to the environment, governance and corporate social responsibility. These indicators are examined in more detail in the Risk Management section of this report. During our conversations with investors we discussed our Going Circular sustainability agenda along with the goals we have set ourselves in this area.

Media interest

In 2022 the Dutch media continued to focus on the question of how a reduction in nitrogen emissions should be achieved. Media interest intensified as a result of the farmers' protests in response to the Dutch government's decision to cut nitrogen emissions at the expense of a large number of farming businesses. ForFarmers together with its stakeholders put forward various possible solutions based on innovation as a positive alternative to simply reducing the number of animals in order to comply with the nitrogen limits.

Other topics covered in the media in 2022 included the impact of the war in Ukraine on the availability and affordability of raw materials. And the rising prices of energy, feed and food. In the United Kingdom, the consequences of Brexit, including the shortage of labour, were extensively covered. Furthermore, animal diseases, animal welfare and sustainability initiatives in the agricultural sector were discussed in the media in our home countries. There was also a great deal of coverage on veganism and meat substitutes, circular agriculture, and the link between soy and deforestation. The regular financial press releases issued by ForFarmers were also covered in the media.

Our employees

Our employees are key to the success of our company and so we provide them with a working environment where they can feel both safe and seen. We help them to work on their development and to progress within the organisation. We also work hard to attract and retain talented people.

In 2022 sentiment surrounding the agricultural sector was not always positive – not easy for our employees, many of whom have relatives who are also employed in the sector. Partly for this reason it was great to see the passion and commitment displayed by our employees, even during the farmers' protests in the Netherlands.

In Poland many of our colleagues took in Ukrainian refugees. Commitment remained high in the United Kingdom despite the tight labour market, while in Belgium and Germany we also saw huge resilience at a time of severe crisis in energy and raw materials. In 2022 we once again took on many new talents – and sadly also saw some of them leave, partly as a result of the tight labour market. This makes it all the more important to be optimally positioned in the job market.

2022 was also dominated by our revised strategy. It is important to us that our strategic choices are supported by our employees and that people feel involved with the company, which is why everyone could sign up to contribute to the review process. In addition we facilitated internal discussions about the strategy, ranging from coffee-and-biscuit sessions in the Netherlands to town hall meetings in the United Kingdom and webcasts in Germany. One aspect of the strategy revision involved defining new core values, which we express through the acronym PROUD: passionate, responsible, open-minded, united and delivering.

Employer branding

In 2022 we initiated an employer branding process in conjunction with a specialist agency. The aim was to sharpen up our identity to ensure that we attract and retain the right people. First we asked for input from a group of dedicated employees, who were asked for example about why they work for ForFarmers, how they characterise the company and what they value about our organisation.

This process led to the development of an employer brand. We started from a metaphor that lies at our core: feed. This also touches everyone who works for us. The core is reflected in the slogan 'Feed your ambition' and in the corresponding qualities: free and responsible, aim for the best, with passionate and dedicated colleagues, together for a sustainable future and keep challenging yourself.

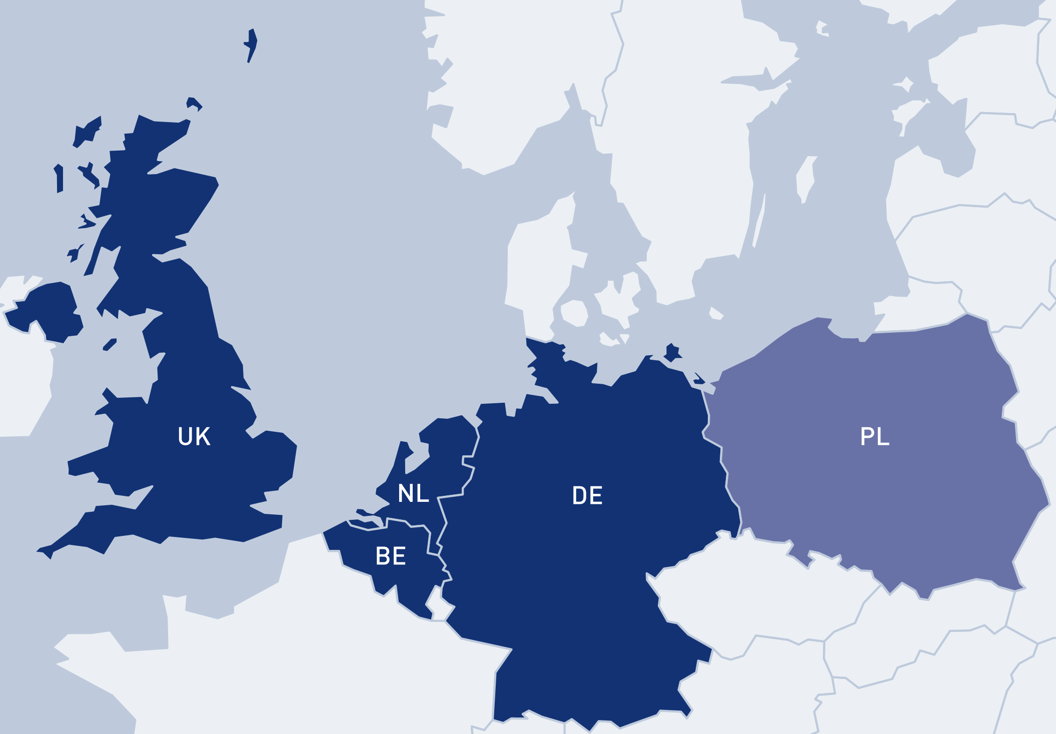
We can use the result of the process to strengthen ForFarmers' positioning as an employer. For example the employer brand will help us to develop promotional materials, to turn our employees into ambassadors and to communicate a clear and honest message. It will also help in wording job adverts and elaborating an effective social media strategy.

Diversity and inclusion

In recruiting and promoting employees in 2022 we focused on creating a more balanced composition of our workforce. This is in line with our diversity policy and the objectives we have set in connection with this. By 2030 we want at least 30% of the members of the Executive Board and the Executive Team to be female and at least 30% male. Furthermore we want to increase the range of nationalities at management level. This is reflected in the recent organisational change which explicitly placed responsibility with local management teams in the countries. With regard to the composition of the Executive Board and the other members of the Executive Team steps will need to be taken in the coming years in terms of gender diversity. In the event of vacancies explicit focus will be placed on creating diversity in the team.

In 2022 women accounted for 27% of all newly hired employees (2021: 24%), 17% of all internal promotions (2021: 32%) and 13% of the senior management (2021: 18%). The male/female ratio for senior management is 87%/13% and for managers 79%/21%.

Employees ForFarmers



ForFarmers

Employees	**2,577** (2,550)
Female	**22%** (22%)
Male	**78%** (78%)
Retention grade	**82%** (83%)
LTIs	**17** (28)
LTI frequency rate	**0.65** (1.05)

Age structure

18 – 25 years	**6%** (6%)
26 – 35 years	**23%** (23%)
36 – 45 years	**21%** (20%)
46 – 55 years	**24%** (25%)
55 > year	**26%** (26%)

Contract per gender

	female	male
Parttime	**7%** (7%)	**5%** (5%)
Fulltime	**15%** (15%)	**73%** (73%)
Temporary	**2%** (2%)	**5%** (5%)
Permanent	**20%** (20%)	**73%** (73%)

Contract per country

	The Netherlands	Belgium	Germany	Poland	United Kingdom
Temporary	**4%** (4%)	**0%** (0%)	**0%** (0%)	**2%** (2%)	**0%** (0%)
Permanent	**35%** (35%)	**3%** (4%)	**11%** (12%)	**10%** (9%)	**35%** (34%)
LTIs	**7** (11)	**1** (1)	**4** (8)	**1** (5)	**4** (3)
LTI frequency rate	**0.75** (1.16)	**1.15** (1.06)	**1.29** (2.39)	**0.32** (1.64)	**0.41** (0.30)
Number of employees	**986** (987)	**86** (90)	**292** (318)	**298** (288)	**915** (867)

2021: Comparative data are presented in between brackets

ForFarmers is open-minded. We hire employees based on the desired skills, regardless of gender, age, race or religion. This is woven into the culture of the organisation. We promote an inclusive culture which embraces the power of difference. At the same time it is clear from the figures that we are less diverse than we would like to be. Where candidates are of equal suitability we will therefore focus on increasing diversity in our workforce.
The aforementioned employer branding process is one of the ways in which we will tackle this.

There are various ways in which ForFarmers applies equal opportunity principles. One of the outcomes of the most recent employee engagement survey was that there is no difference in how male and female employees experience possibilities and opportunities for career development within the organisation. In line with local legal requirements we conducted a test into the pay differentials between male and female employees in the United Kingdom and Belgium. The results showed that we comply with the legal requirements.

Three leadership competencies

In 2022 we devoted a lot of attention to the range of leadership training courses which focus on ownership and trust. In addition the strategy review resulted in new core values and with these new desired leadership competencies. These are: vision, commitment and execution.

Vision

Employees with vision are able to place everyday practice in a broader context. They have the ability to focus on the long term, reflect on the effect of their own approach and translate the outcome into ideas for the future.

For example senior managers look beyond today, bring the outside world into the company and are able to point out the challenges and opportunities for ForFarmers. Managers and team leaders make plans that support the strategy and consider which milestones we need to reach. They use the vision and strategy to set the course and keep sight of the long term while responding to current developments.

Commitment

Employees are involved in the company and are committed to For the Future of Farming. They work together, take a constructive approach and are interested in others.
They work out of intrinsic motivation.

We expect managers and team leaders to value employees for the work that they deliver. This includes celebrating team successes and actively working on employees' development. Members of the Executive Team and senior managers are visible and encourage people to take responsibility and initiative. They do so by communicating with staff in a motivating, involved way.

Execution

This competency requires employees to be able to translate strategy into key performance indicators (KPIs), competencies and development objectives. Employees apply a recognisable, result-focused way of working and make sure that everyone is focused on the same targets.

We expect managers and team leaders to base decisions on a careful consideration of opportunities and consequences. They are able to keep an overview and to intervene or make changes if this is necessary in order to realise objectives. Among other duties the members of the Executive Team and senior managers determine the required direction and set the priorities so that they can take the right decisions at the right time to guarantee the results.

The vast majority of managers (80%) engaged in leadership training in 2022. Three-quarters of the senior management followed the Lead as One training module.

Being a good employer

Culture of development and performance

Developing leadership competencies supports one of our objectives for 2025: to be able to fill vacancies mainly with internal candidates. This is conditional on talent being retained so that employees have the chance to work on their development. ForFarmers believes that this is important, both from the point of view of being a good employer and for the success of the strategy. ForFarmers offers several training programmes in this area, including the Sales Academy comprising the induction programme and various online modules and e-learning tools.

ForFarmers uses an HR cycle. This contributes towards a business culture in which we encourage performance and allow space for personal development. At the start of the year we set individual targets for behaviour and results. We base the behavioural targets on the three leadership competencies.

Midway through the year we hold a progress meeting with each employee, which is used both to discuss individual performance and to look at specific development needs and growth opportunities. High potentials are supported and encouraged to draw up a personal development plan together with their manager.

At the end of the year this is followed by a review and performance assessment. This session is a contributory factor in determining the extent of any pay rise.
The employee and their manager are jointly responsible for the HR cycle.

Employee engagement

The last employee engagement survey took place in 2020. We decided not to conduct a survey in 2022 in view of the organisational changes, as a result of which more responsibilities and duties have been transferred to the local organisations. A new survey will be conducted in 2023 once these changes have been implemented at both local and group level. Points of attention in 2022 were improving internal communications and tackling the workload within the organisation.

Working safely and responsibly

We must provide our employees with safe and responsible working conditions. In recent years we have improved the preconditions for safe working conditions. In addition we have worked hard to develop a culture of safety, including social safety, across the organisation. Safety away from the company is also important to us and so we developed our FarmRisk approach, under which drivers are specially trained to assess on-farm safety risks and make livestock farmers aware of the risks on their premises.

From the perspective of social responsibility we also focus on ethical working conditions in the chain. We do this using our Supplier Code of Conduct, which makes explicit reference to the recognition of universal human rights.

One of our objectives is to reduce the number of lost-time incidents (LTIs). We have a dedicated IT system for recording LTIs, and all LTIs are notified to the Executive Team within 24 hours of their being reported to the relevant managers. We have appointed Health and Safety Officers in every country who are responsible for coordinating training courses and sharing best practices in the field of health and safety.

LTIs are monitored and the results displayed on screens at a number of our offices with the aim of raising safety awareness among both employees and visitors. LTIs are a fixed item on the agenda of Executive Board and Executive Team meetings. Both the number of LTIs and the LTI ratio were much lower in 2022 compared to the previous year; we suspect that this was partly thanks to the milder winter. The long-term trend looks positive.

	2022 Number	2022 Frequency rate	2021 Number	2021 Frequency rate
Netherlands	7	0.75	11	1.16
Belgium	1	1.15	1	1.06
Germany	4	1.29	8	2.39
Poland	1	0.32	5	1.64
United Kingdom	4	0.41	3	0.30
Total	**17**	**0.65**	**28**	**1.05**

In 2022 our factory workers in the Netherlands were offered a preventive health check, focusing on markers such as blood pressure, heart risk and weight. Those who took part were sent advice leaflets with tips for improving their lifestyle. Some participants were immediately referred to their GP. Based on this experience we decided to draw up an annual vitality plan and to keep monitoring the medical wellbeing of our employees on a regular basis. The project will be continued in the Netherlands in 2023 and we are looking at how a similar health check can be rolled out more broadly.

Based on our experiences with the flexibility of working from home during the pandemic we have decided to adapt working arrangements to facilitate hybrid working on a permanent basis.

Code of conduct

We have a code of conduct and a whistle-blower policy in place to ensure social safety within our company. The code of conduct ensures awareness of behaviour connected with for example (sexual) intimidation and discrimination, conflict of interest and competition. The code also sets out how to ensure compliance. The code is a standard part of the induction programme for new employees, and all new employees are required to sign to confirm they are aware of and support the code.

ForFarmers is committed to an ethical value chain. This means that child labour is prohibited and employees must be paid a reasonable (living) wage and be allowed to work a normal working day. We therefore have our own supplier code of conduct. We will take a closer look at this in the chapter on our Going Circular sustainability agenda.

Staff movements

As at the end of 2022 ForFarmers employed 2,468 FTEs (2021: 2,444), equating to 2,572 employees (2021: 2,550). In 2022 ForFarmers attracted 475 (2021: 400) new employees, of whom 15 through acquisitions. A total of 448 employees left ForFarmers in 2022 for a variety of reasons (2021: 462) including voluntary redundancy, retirement, restructuring and poor performance. The number of FTEs was once again closely monitored in 2022 in the context of cost savings. In the Netherlands, Belgium and Germany the number of employees declined while in Poland the workforce was expanded slightly to support the growth in activities. In the United Kingdom the decision was taken to add employees in order to enable a change in shift patterns and sharply reduce the amount of overtime.

Employee participation plan

ForFarmers has had an employee participation plan for permanent employees in place since 2015. Under the plan employees can purchase ForFarmers shares or depositary receipts for an amount of up to €5,000 at a discount of 13.5%, with the securities then being subject to a lock-up period of three years. Members of the Executive Team and senior managers could purchase ForFarmers shares for an amount equalling the maximum possible gross bonus amount, at a discount of 20%, with the securities being subject to a five-year lock-up period. Employees in the Netherlands receive a direct discount on the shares while in the other countries the discount is granted in the form of free shares or depositary receipts at the end of the lock-up period due to local legislation and regulations. The offer of the employee participation plan is reassessed each year.

European Works Council

The European Works Council held a meeting in Lochem on 1 December 2022. It was attended by three representatives of ForFarmers in the Netherlands, one from Belgium, two from Germany and two from ForFarmers/Tasomix in Poland. The delegates arrived the day before to get acquainted and to attend a course on

European legislation and regulations. Items on the agenda for the meeting included the purpose of the European Works Council, the results to date and the revised strategy. Other topics of discussion included the tightness in the labour market and how this should be tackled in the various countries, including using the aforementioned employer branding project. The next meeting will be held in mid-2023.

Priorities for 2023

In 2023 attention will mainly be focused on the organisational change arising from the revised strategy under which the local teams are leading and are supported by the central departments. Living our core values will be instrumental in supporting our employees during this change.

In addition we will focus on the successful implementation of employer branding to enable us to attract new talents in the current difficult labour markets in all our home markets. In our quest for new employees we will first and foremost seek to make our workforce more diverse and inclusive.

Our sustainability agenda: Going Circular

Sustainability is a vital topic for ForFarmers. In the years ahead the worldwide agricultural sector will have to feed a growing global population while at the same time considerably reducing its impact on the environment. We work hard to make our business and our activities more sustainable and to contribute to making processes more sustainable both on-site at our customers and throughout the chain.

No food system can be truly sustainable without livestock farming and the products from this industry. For example, animals convert raw materials that are not suitable for human consumption into high-quality proteins. Such as dairy cows eating grass. In addition, ruminant grazing habits promote certain species of flora and fauna and manure from livestock is a valuable organic fertilizer that improves soil health. As a result, arable farmers, for example, have less need for artificial fertilizer. At the same time it is crucial that livestock farming becomes more sustainable so that the industry does not overburden the planet. ForFarmers has adopted a circular approach to contribute towards making the livestock farming industry more sustainable.

ForFarmers defines Going Circular as

- Transform low value materials into high quality food
- No waste of resources
- Zero pollution

Feed Resources
- Responsible sourcing soy bean meal and palm oil
- Sedex Supplier Code of Conduct
- Reduce CO_2 emissions of feed materials (scope 3-upstream)
- Optimise use of co-products and non-human edible feed ingredients

Feed Production
- Renewable energy
- Energy & fuel reduction per tonne of feed

Feed Solutions
- Nitrogen & phosphate efficiency on-farm

Going Circular

Strategy, governance and implementation

Our approach is set out in our sustainability strategy, Going Circular. The core of the strategy is to convert low-value ingredients into high-quality food without wasting any resources or placing an undue burden on the environment. By doing so we enable farmers to achieve optimal returns with the lowest possible carbon footprint.

Our sustainability strategy contributes to creating long-term value for all ForFarmers stakeholders and is the responsibility of the Executive Board.
Our sustainability activities are managed by the Sustainability Task Force, and overseen by the Sustainability Advisory Board, which is chaired by the CEO of ForFarmers. Progress with regard to sustainability is one of the qualitative targets for the long-term variable remuneration of the members of the Executive Board.
All countries report on the KPIs in their quarterly updates to the Executive Team and propose initiatives for improving the results. An annual review of the forecasts and progress against the 2025 targets is held with all KPI owners.

To raise awareness of sustainability issues we have established our Ambassadors' Network, an informal network of internal colleagues with an interest in sustainability. Network meetings provide an opportunity to generate ideas and initiate projects in areas such as biodiversity and energy saving. These projects help boost our sustainability performance.

Sustainable Development Goals

We have aligned Going Circular with three United Nations Sustainable Development Goals (SDGs): SDG 2 (zero hunger), SDG 12 (responsible production and consumption) and SDG 15 (life on land). The SDGs are subdivided into targets, some of which are applicable to ForFarmers.

SDG 2 – Zero Hunger

2.4 *By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality.*

Our contribution

ForFarmers contributes to feeding a growing world population in a sustainable way. We support livestock farmers to improve their efficiency and resilience. We see to it that they can produce more with less feed. In addition, we focus on improving animal welfare and reducing emissions of greenhouse gases such as carbon dioxide and methane as well as of phosphate and ammonia.
We only report on the percentage of nitrogen and phosphate efficiency in the various sectors in the Netherlands, because that is the only country in which there are enough available data to be able to draw reliable conclusions from.

SDG 12 - Responsible production and consumption

12.2 *By 2030, achieve the sustainable management and efficient use of natural resources.*

12.3 *By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses.*

Our contribution

Our target is to source all palm oil and soybean meal responsibly by 2025 and our ambition is to source all raw materials responsibly and transparently by 2030.
Furthermore we reduce food waste by feeding animals low-value ingredients which they can convert into high-quality food for human consumption.
Many ingredients in our animal feed are residual flows and co-products of primary processing in the food, drink and biofuel industries. Ruminants are able to eat forage which is grown on land that cannot be used for any other purpose. While cereals remain an important feed material for pigs and poultry in particular, we use cereal lots which do not meet the quality requirements for human foodstuffs. We have calculated that around 67% of the feed ingredients we use (excluding Poland) are non- human-edible according to FAO definitions.

SDG 15 - Life on Land

15.2 *By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.*

15.5 *Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.*

Our contribution

As part of the revised 2025 strategy, we are putting more emphasis on sustainable solutions that address societal themes, such as the use of alternative raw materials to combat deforestation. We are even more actively committed to cooperation between the chain parties in the various markets. This is important both ecologically and economically. ForFarmers endorses the Amazon Soy Moratorium of 2006, which ensures that the European feed industry refrains from using soy derived from lands in the Amazon which have been subject to deforestation since 2008. We have also signed the Responsible Soy Declaration of 2019 which allows European feed manufacturers to state their commitment to purchase responsibly produced soy.

Furthermore we are a member of the Round Table on Responsible Soy (RTRS) and the Round Table on Sustainable Palm Oil (RSPO). We are involved in research projects aimed at developing alternative proteins, such as using insects and algae in animal feed. These measures and research efforts are aimed at contributing to a reduction in the use of soy.

Three central themes

Our sustainability strategy is focused on three central themes: feed resources, feed production and feed solutions. We have short-term objectives for 2025 and longer-term ambitions for 2030. We have formulated ten KPIs for these themes.

Feed resources

A large proportion of the CO_2 emissions associated with the production and supply of feed is caused by the cultivation, harvesting, processing, storage and transport of feed materials. We have linked four KPIs to this theme on the following topics:

1. Percentage of responsibly sourced soy meal and palm oil
2. Percentage of suppliers who signed the Sedex supplier code of conduct
3. CO_2 emissions from feed ingredients (scope 3 - upstream)
4. Percentage of ingredients not suitable for human consumption

Feed production

We aim to produce and supply feed with minimal adverse impact on the environment. Emissions from our own activities are relatively limited compared to the overall emissions of the chain. We do, however, have the ability to influence the emissions in the chain. For 2025, we have formulated three KPIs aimed at reducing carbon emissions per tonne of feed and we have the ambition to emit 75% less CO_2 per tonne by 2030 (compared to 2015).

In line with the ambitions for scope 1, 2 and 3, we are evaluating our next steps towards a net-zero commitment. The three KPIs are:

5. Largest feed mill carbon neutral as proof of concept
6. Renewable energy (50% in 2025)
7. Energy and fuel reduction (10% less per tonne in 2025 compared to in 2020)

Feed solutions

ForFarmers strives for balanced use of raw materials throughout the chain. A key on-farm sustainability objective is to improve nitrogen and phosphate efficiency in the animal chain. Livestock farmers use different production systems and set their own technical and financial objectives. The employees of the ForFarmers Nutrition Innovation Centre (NIC) combine laboratory analysis with on-farm feed testing to develop new feed concepts that help livestock farmers reduce emissions of nitrogen and phosphate without losing sight of animal health and welfare.

8. Take a leading position in phosphate efficiency
9. Take a leading position in nitrogen efficiency
10. Feed safety incidents

Objectives 2025	Ambitions 2030
100% responsibly sourced palm oil and soy bean meal	100% responsible and transparent sourcing of all ingredients
85% suppliers signed Sedex code of conduct	
Take leadership position on reduction CO_2 emissions of feed materials (scope 3 – upstream)	30% CO_2 reduction compared to 2020
Take leadership position on % non-human edible feed materials in diets	Maximise use of non-human edible feed materials
Largest mill carbon neutral as proof of concept	75% reduction of CO_2 per tonne of feed (scope 1 and 2) compared to 2015
50% renewable energy	
10% energy/fuel reduction per tonne feed compared to 2020	
Take leadership position on % phosphate efficiency	Take leadership position in circular livestock farming
Take leadership position on % nitrogen efficiency	
Lost Time Incident frequency rate @ 0.5 (pe 100 FTE) and a 50% reduction[1] in Number of Lost Time Incidents	Creating a Zero LTI Culture
Reduction of 50% of Feed Safety Incidents[2]	Creating a Zero Feed Safety Incident Culture

[1] *Baseline 2019*
[2] *Baseline 2017 Feed safety = External audit gaps, control authority warnings or fines*

Results for each KPI

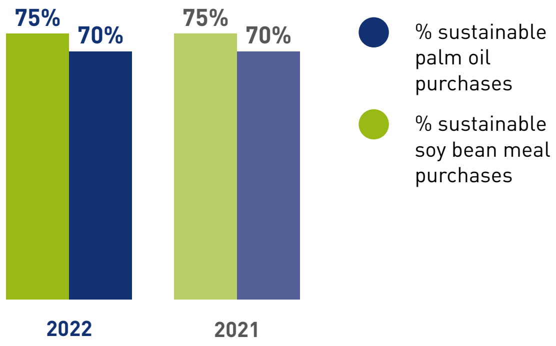
Feed resources

1. Percentage of responsibly sourced soybean meal and palm oil

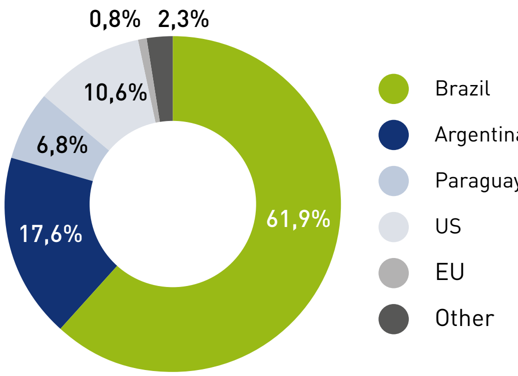
Growing raw materials such as soybeans and palm oil is associated with deforestation and conversion of natural ecosystems. It is our objective to only purchase sustainable soybean meal by 2025. We consider soybean meal to be sustainable if it is certified based on the FEFAC Soy Sourcing Guidelines soy sourcing guidelines. In addition, by 2025 we will only purchase sustainable palm oil and derivatives. This means that we will buy RSPO certificates for the equivalent amount of sourced palm oil and derivatives.

Certification is an effective way to incentivise and reward growers in source countries and ensures that verified quantities of raw materials have been produced in a responsible manner. We opt for certification because it is difficult for us to trace the soybean meal that we use to the land on which the soybeans were grown. We use processed soybean meal, a co-product of soybean oil extraction. At each stage of the supply chain soybean meal

Percentage sustainable soy bean meal and palm oil purchases



Country of origin soy – 2022



originating from different sources is mixed together. Certification is a way of ensuring that the soybean meal entering the supply chain has been responsibly sourced.

What was done in 2022

By 2022, 75% of all soybean meal purchased by ForFarmers was certified, as described earlier.
The purchase of RSPO certificates meant that 70% of palm oil and derivatives met our definition of sustainably sourced. Both figures meet our target for 2022 and are in line with our objective of 100% sustainable purchasing in 2025.

	g CO_2 eq per kg product – excluding LUC[1]	g CO_2 eq per kg product – including LUC
Soy bean meal – Argentina	462	4,204
Soybean meal – Brazil	576	4,272
Rapeseed meal	353	596
Sunflower meal	523	637
Peas	649	983
Soybean meal – US	489	540

2. Percentage of suppliers who signed the Sedex supplier code of conduct

We aim to purchase raw materials in accordance with recognised social, ethical and environmental standards. We require our suppliers of raw materials to be members of Sedex, a platform that helps companies to operate in a responsible and sustainable manner and which strives to improve working conditions in global supply chains. Sedex uses a risk analysis that takes into account both the industry and the country in which the supplier is operational. In addition, members of Sedex must provide information on their own policies on risks in areas such as working conditions and the environment. This information is used in assessing suppliers and helps to identify high-risk ingredients or origins. If suppliers are assessed on points with a 'high risk qualification', we ask them to address the points. If that does not happen, we will stop the relationship with the relevant supplier.This creates a foundation for transparent supply chains.

ForFarmers also has its own Supplier Code of Conduct, which was developed in conjunction with Sedex.
This includes ethical standards aimed at preventing bribery, discrimination and fraudulent business practices as well as standards for matters such as transparency, environmental protection and working conditions.
For example we demand that suppliers respect freedom of association and the right to collective bargaining, that they prohibit child labour and that they pay their staff a living wage. Our code of conduct serves as a reference for suppliers.

	2022	2021
Total	85%	85%

What was done in 2022

Our objective for 2025 is for 85% of our raw materials suppliers to be members of Sedex and to have signed our supplier code of conduct. The remaining 15% are individual farmers and growers whose organisations are not large enough to be eligible for this, and with whom direct relationships are maintained, including in the field of corporate social responsibility. We have already achieved this objective in 2021.

3. CO_2 emissions from feed ingredients (scope 3 - upstream)

Producing and supplying animal feed to livestock farmers causes greenhouse gas emissions. A large proportion of these are scope 3 emissions which are generated upstream in the chain, released for example by the growing of crops as well as during their harvesting, processing and transportation to our mills. Our objective for 2025 is to have a leading position in terms of reducing these scope 3 greenhouse gas emissions, for example by reporting on them annually. Our ambition is to have reduced these emissions by 30% in 2030 (compared to 2020).

In some cases, for example soy, the impact of land use change (LUC) is included in the calculation of the carbon footprint. The accounting methodology for this is set out in the Product Environmental Footprint Category Rules PEFCR. In order to rule out land having been deforested for the purpose of growing crops or producing raw materials we must prove that the land has not been cleared in the last 20 years and that no native plants were cleared. The certificates that we purchase include a declaration that the certified farms have not deforested any land in the last 20 years.

What was done in 2022

Customers and chain partners are increasingly interested in the carbon footprint of the feed that we supply. In some cases we provide this information for each batch of feed. In the year under review we purchased more certificates for 100% LUC-free feed materials. As a consequence scope 3 emissions were lower compared to the previous year.

	2022				2021			
	Excluding Land Use Change		Including Land Use Change		Excluding Land Use Change		Including Land Use Change	
	Kg CO_2 per tonne feed	Total Tonnes CO_2	Kg CO_2 per tonne feed	Total Tonnes CO_2	Kg CO_2 per tonne feed	Total Tonnes CO_2	Kg CO_2 per tonne feed	Total Tonnes CO_2
Netherlands	547	1,660,978	977	2,967,523	533	1,530,913	795	2,284,199
Belgium	577	170,073	1,077	317,336	548	204,583	850	317,095
Germany	580	390,557	934	628,919	571	423,570	854	633,545
Poland	628	433,189	1,386	955,484	620	381,882	1,357	835,317
United Kingdom	578	921,623	1,177	1,876,171	560	838,101	617	924,399
Total/Average	**569**	**3,576,421**	**1,073**	**6,745,433**	**554**	**3,379,049**	**819**	**4,994,554**

4. Percentage of feed ingredients not suitable for human consumption

Livestock is able to convert residual flows from the biofuel, food and drink industries into animal proteins. This principle is at the heart of Going Circular: instead of going to waste the residual flows remain part of the food chain. In so doing the livestock farming sector makes an essential contribution to the circular economy and ecology. It also reduces the need for land to grow feed crops, which means that the land can be used for other purposes.

Land use is a major factor in the debate about the impact of meat consumption on climate change. Research by Wageningen University & Research shows that animals can provide a third of our daily protein requirement without causing competition for land use between feed and food production. ForFarmers is a frontrunner in terms of using residual flows and co-products, as is evidenced by the roughly 3 million tonnes of co-products and residual flows we supply to livestock farmers each year.

What was done in 2022

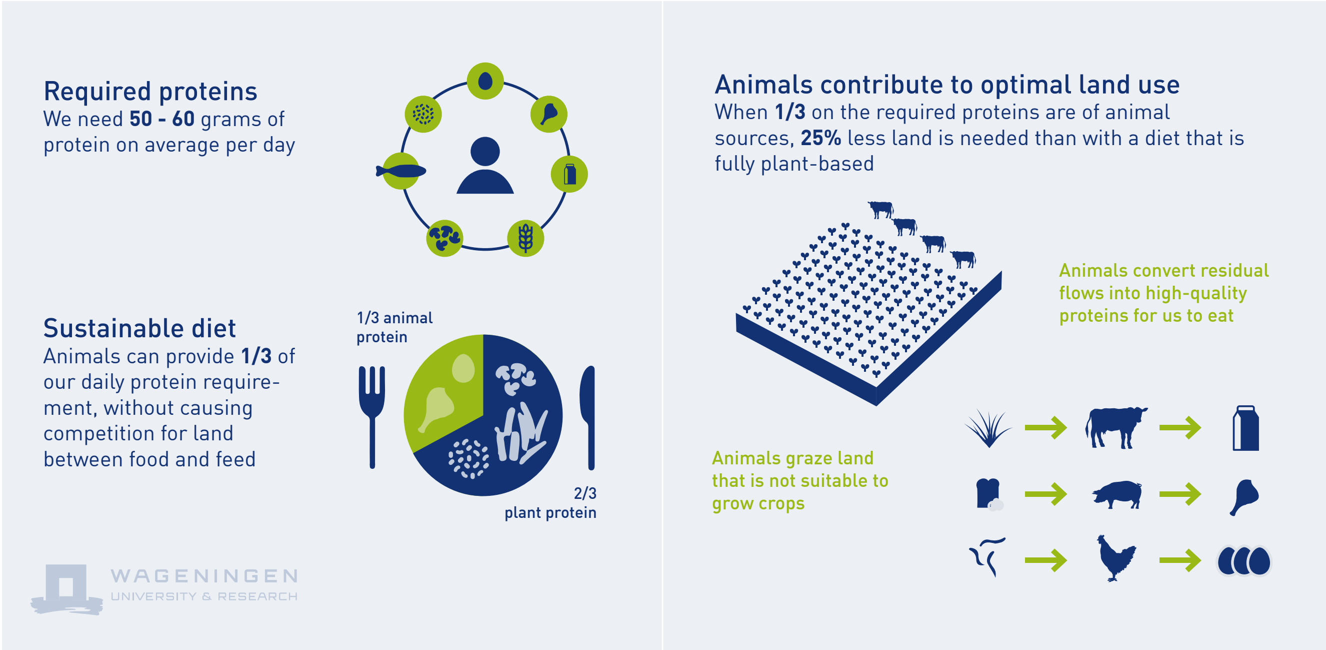
The collaboration between ForFarmers and Sedamyl in the United Kingdom illustrates how co-products can be used. Sedamyl buys wheat from local farmers and processes this into starch for industrial and consumer applications. ForFarmers sells the high energy and protein liquid co-product of this process to livestock farmers under the name SedaGold.

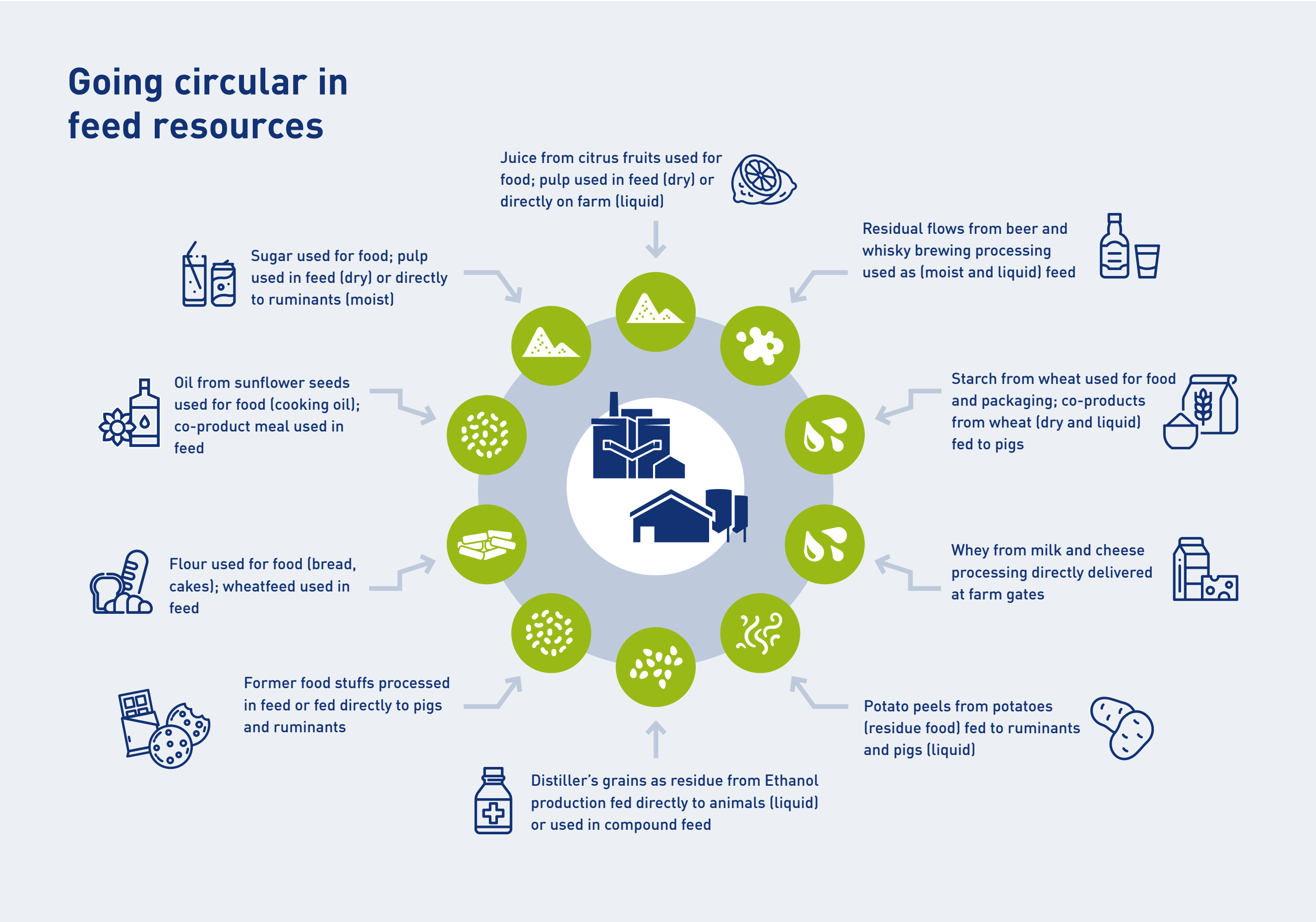
Last year we reported that as from September 2021 processed animal proteins (PAPs) are once again allowed to be used as a feed ingredient for pigs and poultry in EU member states. PAPs are a protein-rich ingredient with an attractive carbon footprint that can be used as a substitute for soy in certain diets. We started using PAPs in our poultry feed in Belgium and Germany during the year under review.

67% of the ingredients we used this year in the Netherlands, Belgium, Germany and the United Kingdom were non-human edible as defined by the Food and Agriculture Organization (FAO). In 2021 this was 64%.

FAO Category	Edible/Non Edible
By products	Non Edible
Grains	Edible
Grass and Leaves	Non Edible
Oil Seed Cakes	Non Edible
Other Edible	Edible
Other non Edible	Non Edible

The role of animals in a sustainable diet





Feed production

5. Largest feed mill carbon neutral as proof of concept

We aim to make our largest feed mill, which is located in Lochem, carbon neutral by 2025. This will serve as a proof of concept for other mills. The local management teams have initiated various other projects aimed at reducing our carbon emissions.

We have three key parameters for reducing our scope 1 and 2 greenhouse gas emissions: energy saving per tonne of feed produced, own generation of renewable energy, and access to renewable energy via the grid and green-energy certificates.

We monitor the greenhouse gas emissions of our activities at all our mills. First we measure the amount of gas, oil, diesel (scope 1) and electricity (scope 2) used in the production of feed and the operation of our vehicle fleet. Then we use published conversion factors to calculate the carbon emissions of our primary energy consumption.

What was done in 2022

In 2021 we installed solar panels on the roofs of the warehouse and office buildings at Lochem. We also initiated several energy-saving projects in our production processes, including for example more efficient use of the cooling systems, optimising the grinding and mixing lines, process control adjustments to optimise pelleting and the replacement of sieves. These projects, which were continued during the year under review, all help to reduce energy consumption.

In 2022 the conversion factors showed an increase in the share of renewable and nuclear energy we purchased, resulting in a considerable reduction in our carbon emissions per tonne of feed produced.

	2022	2021
Total CO^2	3.20	20.06

6. Renewable energy

We aim to use 50% renewable energy in our transport and logistics operations by 2025. This will be achieved through own generation of renewable energy via solar panels and, for example, through our biogas plant in Lochem.
In addition, we work together with local producers. Part of the electricity and diesel that ForFarmers uses is already renewable.

What was done in 2022

In December 2021 we joined forces with five dairy farmers in the Netherlands to start work on building a gas pipeline in Oxe, near the city of Deventer. The gas pipeline will supply our mill in Deventer and others with biogas generated on the farmers' farms using the manure from their own businesses. We will use this biogas to generate steam for the boiler; the steam is needed to press pellets. This biogas is a good, sustainable and even circular alternative to the natural gas that we still use at present. In addition it will make a concrete contribution to our objectives to make our production more sustainable by using renewable energy. We hope to bring the pipeline on stream in the early months of 2023.

	2022	2021
Percentage Renewable Energy	15.54	11.48

Physical soya supply chain

7. Energy and fuel reduction

ForFarmers has various environmental certifications. In Germany and the United Kingdom we are ISO 50001 certified; this helps us improve our energy performance using an energy management system. In the United Kingdom we are also ISO 14001 certified; this helps us improve our sustainability performance using an environmental management system.

We also use an energy saving matrix to reduce our energy and diesel consumption. The matrix comprises over 150 projects, many of which relate to optimising or replacing existing equipment. We also conduct measurements to refine the process.

What was done in 2022

Greenhouse gas emissions fell by 40% in 2022 compared to the previous year. This substantial drop is linked to an improvement in the carbon conversion factors, which provide a more accurate picture of the share of renewable and nuclear energy in the electricity that we purchase from the grid. Electricity consumption decreased marginally overall compared to 2021, with increases in the Netherlands, and Belgium offset by improvements in the other countries. Gas emissions were similar to 2021. A significant decrease was reported in Germany, Belgium and the United Kingdom but this was offset by increases in Poland and the Netherlands, including the use of the biomass plant. Diesel emissions fell by 2%. We will continue to assess alternatives to diesel for our trucks but for the time being we still consider LNG to be the best option.

Greenhouse gas (GHG) emissions (Kg of CO_2 per tonne feed)

	2022						2021					
						Scope 2						Scope 2
	Production				Logistics	Production	Production				Logistics	Production
	Gas	Kerosene	Gas oil	Coal	Diesel	Electricty*	Gas	Kerosene	Gas Oil	Coal	Diesel	Electricty*
Netherlands	3.81				5.47	1.22	3.57				5.34	13.91
Belgium	1.85					3.82	2.12					4.82
Germany	3.05				4.85	7.99	3.40				5.43	7.80
Poland	2.07		1.00	5.72	8.86	20.12	2.29		0.41	6.36	8.55	22.42
UK	4.69	1.40	0.07		10.98	13.11	5.07	1.03	0.13		11.00	15.47
Total	**3.64**	**0.35**	**0.14**	**0.67**	**8.00**	**7.24**	**3.72**	**1.03**	**0.21**	**6.36**	**8.03**	**13.91**

Greenhouse gas emissions in scope 2 are based on the market method.

GHG emissions (total tonnes of CO_2)

	2022						2021					
					Scope 1	Scope 2					Scope 1	Scope 2
	Production				Logistics	Production	Production				Logistics	Production
	Gas	Kerosene	Gas oil	Coal	Diesel	Electricty*	Gas	Kerosene	Gas Oil	Coal	Diesel	Electricty*
Netherlands	10,716				6,086	3,434	10,020				5,801	39,051
Belgium	530					1,094	769					1,753
Germany	1,964				1,659	5,155	2,451				2,305	5,627
Poland	1,427		688	3,941	4,272	13,853	1,417		253	3,934	3,849	13,872
UK	6,831	2,034	108		12,843	19,102	7,964	1,613	197		14,069	24,318
Total	**21,469**	**2,034**	**797**	**3,941**	**24,860**	**42,638**	**22,621**	**1,613**	**451**	**3,934**	**26,024**	**84,622**

Greenhouse gas emissions in scope 2 are based on the market method.
The conversion factors used to translate primary energy consumption into CO_2 in 2022 can be found in the sustainability appendix.

Energy (fuel and diesel) use

('000)

	2022						2021					
					Scope 1	Scope 2					Scope 1	Scope 2
	Production				Logistics	Production	Production				Logistics	Production
	Gas (KwH)	Kerosene (KwH)	Gas oil (KwH)	Coal (KwH)	Diesel (KwH)	Electricity (KwH)	Gas (KwH)	Kerosene (KwH)	Gas oil (KwH)	Coal (KwH)	Diesel (KwH)	Electricity (KwH)
Netherlands	58,977				2,460	101,611	55,150				2,345	99,621
Belgium	2,916					7,332	4,232					8,551
Germany	10,808				670	16,737	13,491				932	20,098
Poland	7,841		2,868	12,858	1,727	21,850	7,783		911	12,857	1,556	19,902
UK	37,432	8,240	422		5,021	57,580	43,001	6,531	710		5,687	64,505
Total	**117,973**	**8,240**	**3,290**	**12,858**	**9,878**	**205,110**	**123,658**	**6,531**	**1,621**	**12,857**	**10,519**	**212,677**

Feed solutions

8. Take a leading position in phosphate efficiency

It is important to us to help our customers improve their phosphate efficiency. This reduces losses of and therefore the need for phosphate, which is an increasingly scarce raw material worldwide. Better phosphate efficiency can also contribute to reducing emissions to surface water, while too little phosphate can lead to health issues and poorer animal performance. Improving phosphate efficiency must therefore be done responsibly.

What was done in 2022

Phosphate efficiency results are always one year behind the current year due to the availability of data. Given that the data required to calculate phosphate efficiency are available and reliable only in the Netherlands, the scope is limited to the Netherlands.

The data shows a mixed trend for phosphate efficiency in 2021. Efficiency in the dairy sector was unchanged.
The dietary fibres were of a lesser quality, meaning that more feed was needed per litre of output. The swine sector reported a slight improvement while efficiency in the broiler sector increased significantly.

Phosphate efficiency (only for the Netherlands)	2021		2020	
	%	Number of farms in sample	%	Number of farms in sample
Dairy	38.3%	2,074	39.6%	2,211
Finisher pigs	56.2%	147	54.6%	197
Sows	41.8%	61	40.6%	75
Closed herds (sows and finishers) *	50.3%	31	48.2%	46
Broilers** - regular	72.3%	138	62.7%	203
Broilers** - animal welfare concepts	60.0%	539	53.1%	466
Layers** - regular	16.8%	31	15.4%	26
Layers** - animal welfare concepts	15.6%	16	14.0%	10

* The results are one year behind the current year due to data availability

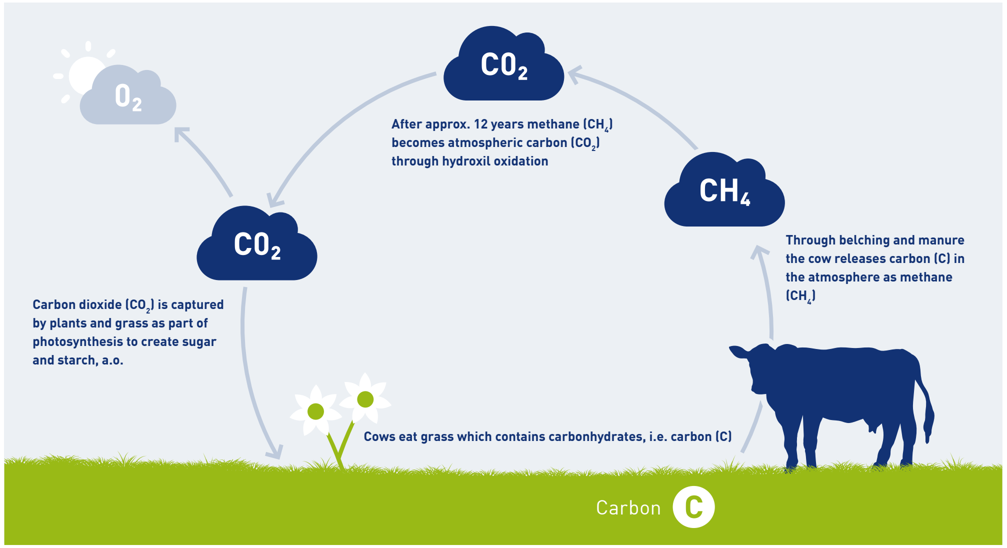
** For broilers and layers the number of flocks in the sample (instead of farms) are included in layers a new outlier correction was introduced to make data more robust. This method is applied to all reported years, leading to some (small) changes vs. reporting in previous year.

Nitrogen efficiency (only for The Netherlands)

	2021		2020	
	%	Number of farms in sample	%	Number of farms in sample
Dairy	29.6%	2,074	29.8%	2,211
Finisher pigs	42.9%	160	42.9%	191
Sows	39.3%	65	38.5%	75
Closed herds (sows and finishers)	41.8%	29	41.1%	47
Broilers ** - regular	63.1%	138	61.3%	203
Broilers ** - animal welfare concepts	53.0%	539	51.6%	467
Layers ** - regular	35.3%	31	33.4%	26
Layers ** - animal welfare concepts	33.7%	16	32.0%	10

* *The results are one year behind the current year due to data availability*
** *For broilers and layers the number of flocks in the sample (instead of farms) are included in layers a new outlier correction was introduced to make data more robust. This method is applied to all reported years, leading to some small changes vs. reporting in previous year.*

Biogenic carbon cycle



9. Take a leading position in nitrogen efficiency

Nitrogen efficiency is a key parameter for assessing the environmental impact of the livestock farming sector. High levels of nitrogen in the atmosphere result in the formation of pollutants such as ammonia which can impact biodiversity, soil and water courses as well as human health. Reducing nitrogen depositions near nature areas has become a major topic on the political agenda in the Netherlands. This follows a 2019 ruling by the Dutch Council of State which stated that the Integrated Approach to Nitrogen (PAS) was not compatible with EU nature legislation. One of our objectives is to take a leadership position in nitrogen efficiency.

What was done in 2022

Nitrogen efficiency results are always one year behind the current year due to the availability of data. Given that the data required to calculate nitrogen efficiency are available and reliable only in the Netherlands, the scope is limited to the Netherlands. The data shows a mixed trend for nitrogen efficiency in 2021

The trend was positive with the exception of the dairy sector, where nitrogen efficiency was unchanged from the previous years. The efficiency in the swine sector reported a slight improvement, partly thanks to the use of high-quality feed and additives. Efficiency in the broiler sector increased significantly. Given the new nitrogen rules it is important that efficiency continues to increase.

10. Feed safety incidents

Feed safety is not directly linked to Going Circular but it is connected to corporate social responsibility. A feed safety incident occurs when animal feed does not comply with the legal requirements and voluntary codes. All feed safety incidents are monitored and managed and our goal is zero incidents.

We check feedstuffs and compound feed in accordance with the requirements of EU legislation, GMP+ International, the Feed Chain Alliance, UFAS and QS quality standards, the SecureFeed control plan and our own risk analyses. In each country we ascertain whether the regulations are being complied with. This is done by means of our own inspections, audits by parties such as retailers, and external checks by the relevant competent authorities and external certification bodies.

In the United Kingdom there is an 'earned recognition' agreement between UFAS (the Universal Feed Assurance Scheme) and the national regulator, the Food Standards Agency. As a result there is a different emphasis on risk analysis in the United Kingdom compared to continental European countries, where the national control bodies play a more proactive role.

What was done in 2022

There were five feed safety incidents in 2022, slightly more than in 2021. For each incident, measures have been taken to correct the reported imperfections. For each incident, approval has been obtained for the steps taken during follow-up inspection.

	Non-compliance with regulations resulting in a fine or penalty		Non-compliance with regulations resulting in warning		Non-compliance with voluntary codes	
	2022	2021	**2022**	2021	**2022**	2021
Netherlands	0	0	3	0	1	1
Belgium	0	1	0	0	0	0
Germany	0	0	0	1	0	0
Poland	0	0	0	0	0	0
United Kingdom	0	0	0	0	1	0
Total	**0**	**1**	**3**	**1**	**2**	**1**

Water

The use of water was not identified as a material theme in the stakeholder survey in 2020. Nevertheless, as a responsible organization, we find it important to ensure that as little water as possible is wasted or polluted, both in our own processes and in the chain. In the production process, water is used to generate steam for pressing chunks. We realize that there must be a balance between the use of steam and electricity consumption during the production process. On the farm, we focus on improving efficiency by helping livestock farmers reduce their water consumption. The trend towards feed with less crude protein also translates into lower water consumption by livestock.

Connectivity table

Theme	Focus area (link to materiality matrix)[1]	Link to SDG	Impact in the value chain		Objective 2025[3]	Associated risks	Result[2]
Feed Resources	Responsible and transparent sourcing of feed materials **(5,6,7)**	12.2; 15.2, 15.5	Supply chain, ForFarmers, Customers	1	100 % responsibly sourced palm oil and soy bean meal by 2030	Environmental legislation and regulations & Climate change	=
				2	85% van leveranciers heeft Sedex Code of Conduct ondertekend		=
	Limit carbon emissions **(1)**	12.2; 15.5	Supply chain, ForFarmers, Customers	3	Take leadership position on reduction CO_2 emissions of feed materials (scope 3 upstream)	Environmental legislation and regulations & Climate change	–
	Use of non-human edible feed materials **(12)**	2.4; 12.3	Supply chain, ForFarmers, Customers	4	Take leadership position on % non human edible feed materials in diets	Environmental legislation and regulations & Climate change	+
Feed Production	Reduction in carbon emissions **(1)**	15.5	Supply chain, ForFarmers, Customers	5	Largest mill carbon neutral as proof of concept	Environmental legislation and regulations & Climate change	+
				6	50% renewable energy		+
				7	Energy/fuel reduction per tonne feed: 10% compared to 2020		+
Feed Solutions	Nutrient utilisation optimisation in the total value chain **(10)**	2.4; 15.5	ForFarmers Customers	8, 9	Take leadership position on % phosphate and nitrogen efficiency	Environmental legislation and regulations & Climate change	=
People & Society	Food and feed quality and safety **(17)**		Supply chain, ForFarmers, Customers	10	Reduction of 50% of Feed Safety Incidents compared to 2017	Feed safety	–
	Ensure safe and good working conditions **(19)**		Supply chain, ForFarmers Employees, Customers	11	LTI[4] Frequency Rate <0.5 per 100 FTE; 50% reduction in number of LTIs compared to 2019	Health & Safety	+

1 *The Materiality Matrix is presented in the Chapter The dialogue with our stakeholders: the material themes*
2 *Explanation: (+) the results have improved; (=) the results are stable; (-) the results have deteriorated*
3 *Link to KPI*
4 *LTI means Lost Time Incidents*

EU Taxonomy

The EU Taxonomy regulation, which came into force in 2020 is a mandatory classification system to determine which economic activities are considered 'environmentally sustainable'. Accordingly, to classify an activity as 'environmentally sustainable', a distinction between Taxonomy-eligibility and Taxonomy-alignment is required. If an activity meets the description in the Delegated Regulations, it is considered Taxonomy-eligible. Activities can be considered 'environmentally sustainable' if certain criteria are met (Taxonomy-alignment).

The EU Taxonomy regulation covers six environmental pillars, of which in 2021 the Delegated Act was adopted for the first two environmental pillars (Climate Change Mitigation and Climate Change Adaptation), to be followed by the other four in the coming years (sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems).

Our ambitions with regard to sustainability, such as our focus on circularity via the use of non-human-edible moist and liquid feeds, or our continued efforts to reduce energy consumption per tonne of feed are not yet covered under the first two environmental pillars of the EU taxonomy. As a result, the current eligibility of these activities of ForFarmers for revenues is still nil (2021: 0%). However, a part of our capex and operational expenses relates to climate change mitigation and is eligible under the pillar of climate change mitigation in 2022, namely 7.0% of capex (2021: 7.4%) and 4.3% of operational expenses (2021: 2.8%).

In 2022 none of the activities of the EU Taxonomy are aligned. This is mainly the result of not performing human rights due diligence throughout the value chain. Nevertheless, ForFarmers considers human rights important and several measures, like the SEDEX code and supplier code of conduct, are in place to ensure human rights within the supply chain. Next to that, ForFarmers operates in North-Western Europe, complies with local regulations, has internal procedures against bribery and corruption and has a strategic objective to improve and ensure a safe working environment.

Furthermore, ForFarmers has currently no formal process regarding all the "Do no significant harm" (hereafter: DNSH) criteria in place and as a result is not yet able to evidence all detailed requirements. ForFarmers is currently implementing a task force to prepare for human rights due diligence and to evidence all DNSH criteria going forward. As no economic activities qualify as Taxonomy-aligned ForFarmers reports a condensed format of the tables for 2022, which are based on the standard tables as provided in the EU Taxonomy (Article 8 Delegated Act, Annex 2).

Turnover

Total turnover under the EU Taxonomy equals 'Revenue' as included in the Consolidated Financial Statements.
The proportion of eligible Turnover is calculated by assessing which portion of total turnover derives from products or services associated with economic activities included in the EU Taxonomy. Under the first two pillars of the EU Taxonomy, there is no economic activity that clearly matches the business of ForFarmers. It is expected that this figure will increase once the other four pillars come into force, if the production of animal feed will be included in the EU Taxonomy as an economic activity.

Proportion of 2022 turnover from products or services associated with Taxonomy-eligible economic activities

Economic activities	Code(s)	Turnover (EURm)	Proportion of turnover (%)
Taxonomy eligible activities			
Environmentally sustainable activities (Taxonomy aligned)			
Total Taxonomy aligned		0.0	0.0%
Taxonomy eligible, but not aligned activities			
Total Taxonomy eligible, not aligned		0.0	0.0%
Total Taxonomy eligible		0.0	0.0%
Taxonomy non-eligible activities		3,315	100%
Total		**3,315**	**100%**

Capital expenditure

Total capital expenditure under the EU Taxonomy corresponds to the following Consolidated Financial Statements line items:

- Additions, new lease contracts and acquisitions through business combinations in property, plant and equipment and right of use assets (note 18)
- Additions and acquisitions through business combinations in intangible fixed assets (note 19)
- Purchases of poultry livestock, feed and nurture (note 24)

The proportion of eligible capital expenditure is calculated by assessing which portion of total capital expenditure of ForFarmers relates to assets or processes associated with economic activities included in the EU Taxonomy or measures which enables our activities to become low-carbon or lead to greenhouse gas reduction.
The conclusion is that eligible capital expenditure is limited to a small portion of total capital expenditure, and mainly relates to investments in trucks (6.6 – freight transport services by road), IFRS16 additions for lease cars (6.5 – Transport by passenger cars), and investments in energy efficient equipment (7.3 – installation, maintenance and repair of energy efficiency equipment). The decrease in eligibility from 7.4% to 7.0% is mainly caused by a decrease in additions relating to new electric lease cars.

Proportion of 2022 capital expenditure from products or services associated with Taxonomy-eligible economic activities

Economic activities	Code(s)	Capex (EURm)	Proportion of capex (%)
Taxonomy eligible activities			
Environmentally sustainable activities (Taxonomy aligned)			
Total Taxonomy aligned		0.0	0%
Taxonomy eligible, but not aligned activities			
Transport by passenger cars	6.5	2.2	2.6%
Freight transport services by road	6.6	1.2	1.4%
Installation, maintenance and repair of energy efficiency equipment	7.3	2.4	2.8%
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	0.1	0.1%
Installation, maintenance and repair of renewable energy technologies, on-site.	7.6	0.1	0.1%
Total Taxonomy eligible, not aligned		**6.0**	7.0%
Total Taxonomy eligible		**6.0**	7.0%
Taxonomy non-eligible activities		79.0	93.0%
Total		**85.0**	100%

Operational expenses
Total operational expenses under the EU Taxonomy concerns includes the following categories of operational expenditure for ForFarmers: direct non-capitalized costs that relate to research and development, short-term leases and maintenance and repair. As an accounting policy choice, ForFarmers also included in the total operational expenses variable lease payments and low-value leases, refer to note 18 for the related amounts and to note 39 for the applied lease accounting policies.

The proportion of eligible operational expenses is calculated by assessing which portion of total operational expenses relates to assets or processes associated with economic activities included in the EU Taxonomy or measures which enables our activities to become low-carbon or lead to greenhouse gas reduction.
The conclusion is that eligible operational expenses is limited to a small portion of total operational expenses, and mainly relates to variable and short-term lease payments for lease cars and the fuel and charging costs of the passenger cars (6.5 – Transport by passenger cars).

ForFarmers avoided double-counting in calculating the Taxonomy-eligible capital expenditure and operational expenses across economic activities by tracking capital expenditure and operational expenses items by their nature.

The increase in eligibility from 2.8% to 4.3% is mainly due to an increase in the variable and short-term lease payments for lease cars.

The innovation of ForFarmers mainly relates to reducing greenhouse gas emission in the production process and/or use of animal feed. As (the production of) animal feed is not included as an economic activity in the Delegated Act adopted for climate change mitigation ForFarmers does not expect to obtain alignment on innovation under the current EU Taxonomy regulations.

Proportion of 2022 operational expenses from products or services associated with Taxonomy-eligible economic activities

Economic activities	Code(s)	Opex (EURm)	Proportion of opex (%)
Taxonomy eligible activities			
Environmentally sustainable activities (Taxonomy aligned)			
Total Taxonomy aligned		0.0	0.0%
Taxonomy eligible, but not aligned activities			
Production of heat/cool from bioenergy	4.24	0.1	0.4%
Transport by passenger cars	6.5	1.3	3.5%
Close to market research, development and innovation	9.1	0.2	0.4%
Total Taxonomy eligible, not aligned		**1.6**	**4.3%**
Total Taxonomy eligible		**1.6**	**4.3%**
Taxonomy non-eligible activities		36.7	95.7%
Total		**38.3**	**100.0%**

Financial and operational review 2022, Dividend proposal

Report 2022

Financial highlights 2022 [1]:

Total Feed volume [2]:	-6.6% to 9.0 million tonnes; down in every cluster
Of which compound feed volume:	-7.8% to 6.3 million ton; decline mainly in swine sector; growth in the poultry sector in Germany/Poland
• **Revenue**	+24.1% to €3,315 million; due to higher raw material and energy prices
• **Gross profit:**	+13.4% to €494.8 million; up relatively less than revenue due to high raw material prices and like-for-like volume decline
• **Underlying EBITDA:**	-2.7% to €76.1 million; due to sharp increase in energy costs
• **Underlying EBIT:**	-4.4%% to €38.9 million
• **Underlying net profit[3]:**	+3.4% to €30.0 million
• **Working capital:**	€38.8 million (2021: €37.4 million)
• **ROACE (based on EBIT)[4]**	7.8% (2021: 8.4%)
• **Dividend proposal:**	€0.20 per ordinary share (2021: €0.29, of which €0.19 regular dividend)

1 *Results are always compared year-on-year*
2 *Total Feed covers the entire product portfolio and consists of compound feed, specialties, co-products (including DML products), seed and other products (such as forage)*
3 *Net profit: in this context is defined as profit attributable to shareholders in the Company*
4 *ROACE means underlying EBIT (EBITDA) divided by 12-months average capital employed*

Consolidated key figures

In millions of euro (unless indicated otherwise)	2022	2021	Total change in %	Currency	Acquisition	Like-for-like [2]
Total Feed volume (x 1.000 ton)	9,032	9,666	–6.6%		0.2%	–6.8%
Compound feed	6,284	6,819	–7.8%		0.3%	–8.1%
Revenue	3,315.	2,670.5	24.1%	0.1%	0.2%	23.9%
Gross profit	494.8	436.3	13.4%	0.1%	0.2%	13.1%
Operating expenses	–471.1	–417.3	12.9%	0.1%	0.2%	12.7%
Underlying operating expenses	–456.6	–396.6	15.1%	0.0%	0.2%	14.9%
EBITDA	72.5	72.9	–0.7%	–0.1%	0.1%	–0.7%
Underlying (1) EBITDA	**76.1**	**78.2**	**–2.7%**	**–0.1%**	**0.1%**	**–2.8%**
EBIT	24.4	22.6	8.0%	0.5%	0.0%	7.5%
Underlying EBIT	**38.9**	**40.7**	**–4.4%**	**–0.2%**	**0.2%**	**–4.5%**
Profit attributable to shareholders of the Company	18.0	12.0	50.0%	0.6%	0.0%	49.4%
Underlying profit	30.0	29.0	3.4%	–0.1%	0.3%	3.2%
Net cash from operating activities	48.2	54.7	–11.9%			
Underlying EBITDA / Gross profit	15.4%	17.9%	–14.0%			
ROACE [3] on underlying EBIT	7.8%	8.4%				
ROACE [3] on underlying EBITDA	**15.3%**	**16.2%**				
Basic earnings per share (x €1)	0.20	0.13	53.8%			
Underlying earnings per share (x €1)	0.33	0.32	3.1%			

[1] *Underlying means excluding incidental items (see note 17 of the financial statements regarding the Alternative Performance Measures (APMs))*
[2] *Like-for-like is defined as the change excluding currency effects and acquisitions and divestments*
[3] *ROACE means underlying EBIT (EBITDA) divided by 12-month average capital employed*
General note: percentages are presented based on the rounded amounts in millions of euros. This may result in slight differences when numbers are added.

General

In 2022 the markets where ForFarmers is active were mainly affected by the following developments.

Raw material, energy and fuel prices

After a significant increase in raw material prices at the end of 2021, prices seemed to stabilise somewhat at the start of 2022. This lasted until the horrific invasion of Ukraine by Russia at the end of February. As a result, the export of raw materials from both Ukraine and Russia came to a virtual halt. This led to exceptional price increases. From the summer of 2022 most raw material prices fell back to pre-war levels. In response to the war Europe imposed sanctions on Russia, after which Russia cut off virtually all gas supplies. This resulted in extreme increases in gas and electricity prices, with energy prices in the Netherlands on average for example being up by over 100 per cent compared to 2021. Fluctuations in raw material, energy and fuel prices are normally passed on in the chain. This turned out to be temporarily more difficult due to the rapid and sharp rise in prices immediately after the start of the war. The economic impact of the war became visible from the second quarter onwards, with prices of consumer goods and services in the Netherlands for example on average 10% higher than in 2021[1].

[1] *Source: Statistics Netherlands release of 10 January 2023*

Development of milk, meat and egg prices[1]

Average milk prices rose to historically high levels in Europe in 2022[2]. This was mainly due to the fact that demand for dairy products is constantly edging higher and livestock farmers generally did not increase production in 2022. The various reasons for this differed in each country and included high feed prices, a disappointing quality of forage and uncertain future prospects.

At the beginning of 2022 average European pig prices were well below the five-year average. In the second quarter prices soared to well above the levels recorded in 2021 and the five-year average. Because feed prices rose even faster, the majority of pig farmers continued to see negative returns. For this reason some pig farmers decided to quit the industry with some in the Netherlands making this move because they were offered exit schemes. As a result the European pig population fell in 2022.

In 2022 prices of European broilers were on average much higher than the year before. Partly due to high inflation, demand for chicken meat (which is relatively cheaper compared to other sources of animal protein) increased. At the same time the total supply of broilers and turkeys decreased due to major outbreaks of avian flu in Europe. However, the rise in feed and energy prices meant that poultry farmers saw little or no increase in their income.

Layer farmers were confronted with the same developments in 2022. More than 48 million layers were culled in Europe as a result of avian flu. With demand for eggs remaining high, however, average egg prices were much higher in 2022 compared to a year earlier.

Animal diseases

In addition to the major outbreak of avian flu in Europe already mentioned, pig farmers also had to deal with animal diseases this past year. The Chinese import ban on pigs from Germany, which has been in force since the end of 2020, was also imposed by other Asian countries in 2022. Europe exported nearly 50% fewer pigs to China than in 2021. New outbreaks of swine fever, especially among wild boars, are still occurring in some parts of Europe. It seems unlikely that the Asian import ban will be lifted any time soon. Therefore – and because of the uncertain future prospects – many pig farmers in Germany have quit the industry.

Climate

Europe experienced an extremely long, hot and dry summer in 2022. Sharply lower river levels led to load restrictions, meaning that more ships were needed to supply raw materials to the factories by water, resulting in higher costs than in 2021. This was particularly the case in the Netherlands and Belgium. Another effect of the heat is that animals eat less.

Financial analysis

The following analysis (year-on-year, hereinafter: y-o-y) covers the 2022 consolidated annual results, followed by specific further information on the individual clusters. The contributions of acquired companies are specified under 'acquisition effect' for a period of one year from the date of acquisition.

[1] *Source: EU DG Agri Dashboards*

[2] *Europe: in this context Europe also includes the home market of the United Kingdom*

Alternative Performance Measures (APMs)

ForFarmers uses APMs to provide a better insight into the business development and financial performance of the Group. APMs are key metrics which are presented as 'underlying' (i.e. excluding incidental items) and are reported and explained at the level of operating expenses, EBITDA, operating profit (EBIT) and profit attributable to shareholders. Further information on the APMs can be found in note 17 to the 2022 financial statements.

2022

In millions of euro	IFRS	Impairments	Business Combinations and Divestments	Restructuring	Other	Total APM items	Underlying excluding APM items
EBITDA [1]	72.5		−1.6	−3.6	1.6	−3.6	76.1
EBIT	24.4	−2.6	−9.9	−3.6	1.6	−14.5	38.9
Net finance result			−1.1		–	−1.1	
Tax effect		0.6	1.9	0.9	0.2	3.6	
Profit attributable to Shareholders of the Company	18.0	−2.0	−9.1	−2.7	1.8	−12.0	30.0
Earnings per share in euro [2]	0.20	−0.02	−0.10	−0.03	0.02	−0.13	0.33

[1] *EBITDA is operating profit before depreciation, amortization and impairments.*
[2] *Earnings per share attributable to Shareholders of the Company.*
Total additions may lead to small differences due to roundings

At EBITDA level:

The charge of €1.6 million is related to M&A activities. The restructuring costs (€3.6 million) mainly include the costs related to the announced closure of a production facility in the Netherlands. The other costs (€1,6 million) relate to a net amount including both a release from and a contribution to a provision. The balance of APM items in 2022 was a loss of € 3.6 million (2021: a loss of €5.3 million).

At EBIT level:

The impairment of €2.6 million relates to the write-down of a production facility in the Netherlands due to decision in 2022 to close this mill. The loss of €9.9 million relates mainly to the amortisation of acquired intangible assets. The balance of APM items in 2022 was a loss of €14.5 million (2021: loss of €18.1 million).

At net financing result level:

The €1.1 million (loss) relates mainly to the revaluation of and annual interest accrued on the put option liability in respect of Tasomix (Poland) and is also related to contingent considerations related to acquisitions made. The balance of APM items in 2022 was therefore a loss of €1.1 million (2021: loss of €2.5 million).

Notes to the consolidated results for 2022

The following analysis shows the overall development of the consolidated results and the individual clusters, unless stated otherwise.

Total Feed volumes decreased by 6.6% to 9.0 million tonnes. There was a slight acquisition effect of 0.2% due to the fact that De Hoop Mengvoeders and Mühldorfer Pferdefutter were both acquired with effect from 1 February 2021. Like-for-like therefore, volumes fell by 6.8%. In the first half of 2022 Total Feed volumes fell more than in the second half of the year, while the drop in compound feed volume was the same in each half of the year. This means that the second half of 2022 saw relatively more co-products and residual flows sold than in the first six months of the year. The volume decline slowed in the fourth quarter compared to the previous quarter.

Compound feed volumes, as part of the Total Feed portfolio, decreased by 7.8%. Like-for-like, volumes fell by 8.1%. Sales of compound feed declined mainly in the swine sector, partly due to the currently low profitability of pig farming in general, the contraction of the sector in the Netherlands, and because farmers in Germany quit the business out of financial necessity. In addition, a contract with a large pig customer in the United Kingdom was not renewed in April 2021.

Total sales in the ruminant and poultry sectors were slightly lower. However, the volume in the ruminant sector in the Netherlands remained virtually stable. In the United Kingdom the volume in the ruminant sector grew due to a very strong fourth quarter. Sales to poultry farmers in Poland rose sharply.

Total revenue rose by 24.1% to €3,315 million, mainly because the sharp increase in raw material prices was partly passed on in the chain.

Gross profit increased by 13.4% to €494.8 million. Gross profit increased in every cluster, with a relatively strong increase reported in Germany/Poland where gross profit was reduced by around €4 million in 2021 due to an incident with a few loss-making contracts.

Underlying total operating expenses, including depreciation and amortisation, increased by 15.1% to €456.6 million. This increase was mainly due to the significantly higher energy and fuel costs. In addition, the costs of supplying raw materials rose, particularly in the Netherlands. This was due to the low water levels during the hot, dry summer. Staffing costs increased due to wage indexation and a slight rise in the number of FTEs. In light of the volatile market conditions €3.4 million was added to the provision for bad debts (2021: addition of €0.3 million).

Underlying depreciation[1] decreased by €0.2 million to €37.3 million, because no material acquisitions were made and other capital investments were somewhat lower than in 2021.

[1] *In this context depreciation means including amortisation*

Underlying operating profit (EBIT) was €38.9 million (2021: €40.7 million) and **underlying EBITDA** €76.1 million (2021: €78.2 million).

Underlying net finance expenses increased by 75.9% to €5.4 million. Interest expenses were higher due to the increased debt position and a sharply higher interest rate in Poland. The debt position increased as a result of a lower cash flow, mainly due to a volume decline and higher working capital as a result of increased raw material and energy prices.

The contribution of the German joint venture HaBeMa (which is reported under share of profit of **participating interests accounted for using the equity method** (after tax)), rose to €4.1 million (2021: €3.8 million). The volume of transhipment activities was virtually unchanged compared to 2021.

The **underlying effective tax rate** was 22.7% (2021: 31.9%), mainly due to settlements of tax declarations of previous years in some countries and an adjustment of deferred tax positions mainly in the United Kingdom.

Underlying net profit was €30.0 million (2021: €29.0 million), putting underlying earnings per share at €0.33 (2021: €0.32).

The number of employees (2,468) (calculated in full-time equivalents (FTEs)) at the end of 2022 was higher than at the end of 2021 (2,444). The number of employees fell in the Netherlands, Belgium and Germany. In Poland the workforce was slightly expanded to support the growth of the business. The number of employees in the United Kingdom rose, in part to reduce the number of structural hours of overtime and in relation to the in 2022 intended joint venture with 2Agriculture.

Summary consolidated statement of cash flows

In millions of euro	2022	2021
Net cash from operating activities	48.2	54.7
Net cash used in investing activities	–34.8	–55.5
Net cash used in financing activities	–17.8	–2.5
Net increase/decrease in cash and cash equivalents	**–4.4**	**–3.4**
Cash and cash equivalents at 1 January[1]	33.8	38.0
Effect of movements in exchange rates on cash held	–3.1	–0.8
Cash and cash equivalents as at 31 December[1]	**26.3**	**33.8**

1 *Net of short term bank debts*

Net cash flow from operating activities declined by €6.5 million to €48.2 million, mainly due to the further increase in working capital driven by higher raw material prices. The decrease in net cash flow for investing activities by €20.7 million to €34.8 million is a reflection of the fact that no material acquisitions were made in the year under review. 2021 featured the acquisitions of De Hoop Mengvoeders and Mühldorfer Pferdefutter. In addition, other capital investments were somewhat lower than in 2021.

Net cash used in **financing activities** equalled a cash out of €17.8 million (2021: a cash out of €2.5 million). The amount for dividend distribution was virtually unchanged. In addition, investments were made in a share buy-back programme which was suspended in March 2022 for reasons of prudence and terminated later in the year. The credit facility was used in order to finance the increase in working capital due to the sharp rise in raw material and energy prices.

Summary consolidated statement of financial position

In millions of euro	31 December 2022	31 December 2021
Total Assets	1,020.4	943.4
Equity	344.2	366.2
Solvency ratio [1]	**33.7%**	**38.8%**
Net working capital	**38.8**	**37.4**
• Current assets [2]	490.4	407.4
• Current liabilities [3]	451.6	370.0
Overdue receivables	10.6%	11.6%
Net Debt / (Cash) [4]	**68.6**	**28.7**
IFRS 16 Lease liabilities	29.8	34.7

1 *Solvency ratio is equity divided by total assets*
2 *Current assets excluding cash and cash equivalents and assets held for sale*
3 *Current liabilities excluding bank overdrafts, loans and borrowings and lease liabilities*
4 *Excluding IFRS 16 lease liabilities*
General remark: additions may lead to small differences due to rounding.

Capital structure and solvency

Group equity decreased in 2022 by €22.0 million to €344.2 million (compared to 31 December 2021). The drop is mainly attributable to the balance of the addition of net profit for 2022 (€18.2 million) less the distribution of dividend (€26.4 million) and the share buy-back programme (€15.4 million). Other comprehensive income was directly recognised in group equity (in total a charge of €2.1 million), and consisted mainly of revaluations of the pension liability (due to higher interest rates) mainly in the Netherlands (€3.8 million) and currency translation differences (-€5.8 million).

An amount of €35.3 million was invested in 2022 (2021: €39.5 million), mainly to maintain and improve the performance and efficiency of the production facilities, including the expansion in Izegem (Belgium), the installation of a bagged feed line in Almelo (the Netherlands), the adaptation of facilities in Germany and the Netherlands for the use of processed animal proteins (PAPs) in the production of animal feed, and replacement and modernisation initiatives of various equipment in several other production facilities.

The **net debt position** (the net balance of long-term and short-term bank loans and other borrowings less available cash and cash equivalents) was €68.6 million (end 2021: net debt position van €28.7 million). This is the balance of the result of the operating cash flow of €48.2 million, including the increase in working capital, less items including the expenses related to the investment and acquisition programme (€34.8 million) and the distribution of dividend (€25.3 million).

Net working capital rose to €38.8 million per 31 December 2022 (end-2021: €37.4 million), due to increased raw material costs.

2022 was another difficult year for many of our customers. Although the selling prices of their products rose, for many of them this was outpaced by the rise in feed prices. Nevertheless, the percentage of the total amount of overdue receivables improved slightly to 10.6% per 31 December 2022 (per end 2021: 11.6%).

ROACE[1] based on underlying EBIT declined from 8.4% in 2021 to 7.8%. This is mainly due to the increase in average capital employed as a result of the development of working capital throughout the year. The same applies to ROACE based on underlying EBITDA which declined from 16.2% in 2021 to 15.3%.

[1] *ROACE means underlying EBIT (EBITDA) divided by 12-month average capital employed*

Delta comparison core parameters 2022–2021

The table below provides a breakdown of results in the first half and second half of 2022.
It reveals the following:

- The acquisition effect of De Hoop Mengvoeders and Mühldorfer Pferdefutter (both acquired as of 1 February 2021) is particularly visible in the development of compound feed volume in the first half of 2022.
- Volume development in the second half of 2022 was slightly better than in the first half of the year. Volume decline slowed in the fourth quarter of 2022 compared to the third.
- With regard to the like-for-like increase in gross profit in the first half of 2022 it should be noted that there was a negative impact due to the unfavourably priced sales contracts in Germany in the first half of 2021.
  The increase in gross profit in the second half of 2022 shows that there was some room in the chain to pass on the higher raw material and energy prices.
- The increase in underlying operating expenses in the first half of 2022 was mainly driven by the spike in raw material and energy prices due to the war in Ukraine. Raw material and energy prices were slightly lower in the second half of 2022, albeit still at high levels.

Core parameters 2022 and year-on-year delta versus 2021 (1)

		2022	2021	Total change in %	Currency	Acquisition	Like-for-like (2)
Total Feed volume (x 1,000 ton)	H1	4,526	4,885	−7.4%		0.4%	−7.8%
	H2	4,506	4,781	−5.8%		0.0%	−5.8%
	FY	9,032	9,666	−6.6%		0.2%	−6.8%
Compound feed (x 1,000 ton)	H1	3,187	3,459	−7.9%		0.6%	−8.5%
	H2	3,097	3,360	−7.8%		0.0%	−7.8%
	FY	6,284	6,819	−7.8%		0.3%	−8.1%
Gross profit	H1	257.3	217.5	18.3%	0.8%	0.3%	17.2%
	H2	237.5	218.8	8.5%	−0.4%	0.0%	8.9%
	FY	494.8	436.3	13.4%	0.1%	0.2%	13.1%
Underlying operating expenses	H1	−233.4	−195.3	19.5%	0.6%	0.3%	18.3%
	H2	−232.2	−201.3	10.9%	−0.3%	0.0%	11.2%
	FY	−456.6	−396.6	15.1%	0.0%	0.2%	14.9%
Underlying EBITDA	H1	43.1	40.8	5.6%	0.5%	0.2%	4.9%
	H2	33.0	37.4	−11.5%	−0.6%	0.0%	−10.9%
	FY	76.1	78.2	−2.7%	−0.1%	0.1%	−2.8%

Results by cluster

Netherlands/Belgium

in millions of euro	2022	2021	Δ%
Total Feed volume (in tons)	4,705	5,069	−7.2%
Revenue	**1,747.8**	**1,416.8**	**23.4%**
Gross profit	**269.3**	**249.6**	**7.9%**
Other operating income	0.1	2.0	−95.0%
Operating expenses	−242.2	−209.9	15.4%
Underlying operating expenses	−233.6	−201.2	16.1%
EBIT	**27.2**	**41.7**	**−34.8%**
Underlying EBIT	**35.8**	**48.5**	**−26.2%**
Add back: depreciation, amortisation and impairment	18.2	19.8	−8.1%
Add back: underlying depreciation, amortisation and impairment	12.4	12.8	−3.1%
EBITDA	**45.4**	**61.5**	**−26.2%**
Underlying EBITDA	48.2	61.3	−21.4%
Underlying EBITDA / Gross profit	17.9%	24.6%	−27.1%
ROACE on underlying EBIT	**17.3%**	**23.1%**	**−25.3%**
ROACE on underlying EBITDA	**23.2%**	**29.2%**	**−20.4%**

Cluster-specific developments

For livestock farmers in the Netherlands the past year was dominated by the Dutch government's nitrogen policy and farmers' protests. The new cabinet took office early in 2022 and quickly presented proposals for nitrogen measures. Reducing livestock numbers appeared to the focus. This ignited huge protests by farmers. In order to get both sides talking again, former politician Johan Remkes was asked to act as an independent mediator. In early October he published his report based on the discussions held. In it, he stressed that under the EU Habitats Directive the Netherlands is obliged to maintain Natura 2000-designated nature areas. He also drew the important conclusion that the nitrogen issue is not isolated and should be part of a wider transition of the agricultural sector and rural areas, adding that the mobility, industrial and construction sectors must also contribute.
This transition has implications for livestock farmers as it may involve more extensive farming, conversion, legalisation and/or relocation of farming businesses. More detailed plans from the Dutch provinces should be ready in the summer of 2023. Uncertainty about the final measures therefore remained in 2022. ForFarmers is acting in concert with parties including Coöperatie FromFarmers and Nevedi in the various talks. ForFarmers stresses the importance of innovation as an alternative to restructuring alone. This is an important part of the revised strategy for 2025.

In Belgium, politicians are also working on a nitrogen policy to significantly reduce emissions by buying out farming businesses that emit large quantities of nitrogen.

Further notes on the results in the Netherlands/ Belgium

Sales to ruminant farmers in the year under review were in line with 2021. In view of the ongoing uncertainty in the market, dairy farmers remained reluctant to increase their production, particularly in the first half of 2022.
At the same time their average returns were better than in 2021 due to high milk prices. We continued to provide a lot of advice on an integrated approach to dairy farming, also within the context of the ever-increasing focus on circular agriculture. We do this using online programmes that help us calculate the best possible use of both compound feed and forage by the farmer. The result of this approach was a slight improvement in our market position.

Our sales to pig farmers fell sharply, mainly due to the contraction of the market. This applied not only in the Netherlands due to the 'exit scheme' and 'warm restructuring scheme' but also in Belgium as pig farmers quit the industry because of policy decisions.

Volumes in the poultry sector decreased, albeit relatively less than the overall market. This was partly due to strategic choices. The number of broilers is falling as a result of the Beter Leven concepts which see to it that fewer chickens are kept per square meter and that they

live longer. However, expansion restrictions mean that it is not easy for poultry farms to grow. Feed producers are increasingly looking to work with other players in the chain in order to meet the wishes of consumers with regard to animal welfare, transparency and quality.
We are well-positioned in this respect due to the acquisition of De Hoop Mengvoeders in 2021. Furthermore, layer farmers in particular also suffered from the many outbreaks of avian flu. Volumes were also affected by the fact that ForFarmers' sales from the Netherlands to the German border region were invoiced in Germany in 2022.
In Belgium we stopped producing feed for the layer farming sector. Since then, customers in Belgium are being supplied from the Netherlands.

Sales by organic feed producer Reudink were lower due to a drop in contract production for third parties. Production for its own customers increased despite weakened consumer demand for organic products. These products are often slightly more expensive than regular products. The buying behaviour of consumers changed due to the rapid, sharp rise in inflation. Just after the outbreak of the war in Ukraine, there was reduced availability of sunflower seed and sunflower seed flakes, an essential ingredient of organic poultry feed. Together with representatives of special interest groups, Reudink managed to obtain a temporary derogation from the EU to use 5% non-organic protein sources in its pig and poultry feed.

Pavo (horse feed) reported an improved result in 2022, partly due to the successful integration of the Mühldorfer Pferdefutter portfolio.

The increase in gross profit in this cluster was not sufficient to fully absorb the higher operating costs, resulting in a drop in underlying EBITDA and underlying EBIT. As a result ROACE (based on EBIT) also decreased.

Germany/Poland

in millions of euro	2022	2021	Δ%
Total Feed volume (in tons)	1,993	2,176	–8.4%
Revenue	**829.2**	**645.4**	**28.5%**
Gross profit	**98.6**	**73.5**	**34.1%**
Other operating income	0.3	0.7	–57.1%
Operating expenses	–85.6	–74.4	15.1%
Underlying operating expenses	–82.4	–71.8	14.8%
EBIT	**13.3**	**–0.2**	
Underlying EBIT	**16.5**	**2.4**	**587.5%**
Add back: depreciation, amortisation and impairment	8.8	9.0	–2.2%
Add back: underlying depreciation, amortisation and impairment	6.6	6.6	0.0%
EBITDA	**22.1**	**8.8**	**151.1%**
Underlying EBITDA	**23.1**	**9.0**	**156.7%**
Underlying EBITDA / Gross profit	23.4%	12.2%	91.3%
ROACE on underlying EBIT	**10.5%**	**1.7%**	**516.7%**
ROACE on underlying EBITDA	**14.7%**	**6.3%**	**133.3%**

Cluster-specific developments

Farming businesses are getting bigger and the on-farm workload is increasing. Moreover, it is difficult to find good farm workers. This is fuelling interest in robotic milking among dairy farmers, particularly in Germany. ForFarmers is focusing on this segment with special advisors and concepts. Incidentally, slightly less milk was produced in this cluster in 2022 compared to the year before.

The poultry market in Poland is a growth and export market, in terms of both the integrated chain and the non-integrated segment of the market. Demand for poultry products from Poland increased because exports from Ukraine came to a standstill in the first months after the outbreak of the war. Due to high inflation, consumers also opted for poultry more often as a cheaper alternative to other types of meat.

In 2022 China maintained its import ban on pigs from Germany after African swine fever was detected there in 2020. Various other Asian countries have now also stopped importing pigs from Germany. This has resulted in a surplus of pigs throughout Europe and consequently increased competition. Many pig farmers ran into financial problems as feed prices rose faster than the selling prices of their products. This, combined with unclear or unfavourable prospects, prompted many pig farmers in Germany to cease operating.

Further notes on the results in Germany/Poland

Sales in the poultry sector were higher while sales to pig farmers and ruminant farmers fell. However, volume developments in this cluster show a mixed picture. Volumes in Poland increased in all sectors, primarily due to market conditions. The introduction of some new feed concepts also resulted in volume growth. In Germany, on the other hand, sales were lower in all sectors partly because a conscious effort has been made to place more emphasis on entering into long-term contracts that are profitable for both customers and ForFarmers. This is in line with the revised strategy focused on providing good feed at a competitive price to deliver returns for farmers as well as ForFarmers. The use of processed animal proteins (PAPs) as alternative proteins in poultry feed was appreciated by customers in Germany, as evidenced by growing demand for the relevant concepts. These innovative concepts meet our tightened sustainability agenda which is aimed at addressing issues within society more explicitly.

Gross profit rose sharply due to the positioning and pricing policy pursued by ForFarmers. In the year-on-year comparison it should be noted that there was a one-off drop in gross profit of around €4 million in 2021 due to a few unfavourably priced contracts. Gross profit increased more than operating expenses in absolute terms.
The result is substantially higher underlying EBITDA and EBIT than in 2021. ROACE (based on EBIT) therefore also improved.

United Kingdom

in millions of euro	2022	2021	Δ%
Total Feed volume (in tons)	2,334	2,421	−3.6%
Revenue	**788.8**	**648.8**	**21.6%**
Gross profit	**126.4**	**112.6**	**12.3%**
Other operating income	0.1	1.0	−90.0%
Operating expenses	−127.0	−117.2	8.4%
Underlying operating expenses	−124.2	−110.5	12.4%
EBIT	**−0.5**	**−3.6**	**86.1%**
Underlying EBIT	**2.3**	**2.2**	**4.5%**
Add back: depreciation, amortisation and impairment	16.4	16.9	−3.0%
Add back: underlying depreciation, amortisation and impairment	13.7	13.6	0.7%
EBITDA	**15.9**	**13.3**	**19.5%**
Underlying EBITDA	**16.0**	**15.8**	**1.3%**
Underlying EBITDA / Gross profit	12.7%	14.0%	−9.8%
ROACE on underlying EBIT	**1.9%**	**1.9%**	**2.2%**
ROACE on underlying EBITDA	**13.0%**	**13.2%**	**−1.9%**

Cluster-specific developments

Labour shortages, partly as a result of Brexit and exacerbated by Covid, were felt throughout the agricultural chain in 2022. For example the capacity of slaughterhouses was under pressure, so pig farmers were unable to bring their animals to slaughter on time. At the same time, interest in robotic milking increased, partly due to the labour shortage. Milk prices in the United Kingdom were also higher than the year before. Less milk was produced in 2022, particularly in the first six months. With many pig farmers having been unable to produce profitably for quite some time, a few quit the industry. In addition to relatively high production costs, poultry farmers had to deal with the presence of avian flu.

High inflation saw consumers make different food choices. This ultimately benefits poultry farmers as chicken is seen as a cheap and healthy alternative to other types of meat.

In the summer of 2022 ForFarmers announced its intention to form a joint venture with 2Agriculture in order to further improve the service to poultry farmers, supplying them even more efficiently with appropriate concepts and solutions. In February 2023 we announced, together with 2Agriculture, that we had decided to abandon the proposed joint venture due to the duration and cost of the competition process.

Further notes on the results in the United Kingdom

Total Feed volume declined, with sales of co-products and residual flows decreasing relatively less than sales of compound feed. Sales to dairy farmers increased due to increased market share and improved milk prices and hence more feeding on farm. Our dairy market share improved as a result of our differentiated sales approach offering targeted solutions to dairy farmers. Volumes in the swine sector decreased in line with market conditions. In the poultry sector sales to broiler farmers grew, due to growth in our market share as our nutritional proposition was valued by farmers. Sales to layer and turkey farmers suffered due to the spread of Avian influenza and hence culling of animals. Furthermore, unprofitable contracts with several customers were not renewed.

Gross profit increased by 12.3%, including a positive currency translation effect of 0.8%. This was just enough to offset higher energy and diesel prices. As a result underlying EBITDA was slightly higher than in 2021. Underlying EBIT also marginally improved. ROACE based on EBIT was stable, mainly due to the higher average capital employed due to higher raw materials.

Central and support services

in millions of euro	2022	2021	Δ%
Gross profit	**0.5**	**0.6**	**–16.7%**
Other operating income	0.2	–	0.0%
Underlying operating expenses	**–16.4**	**–13.1**	**25.2%**
EBIT	**–15.6**	**–15.3**	**2.0%**
Underlying EBIT	–15.8	–12.5	26.4%
Add back: depreciation, amortisation and impairment	4.7	4.5	4.4%
Add back: underlying depreciation, amortisation and impairment	4.7	4.5	4.4%
Underlying EBITDA	**–11.1**	**–7.9**	**40.5%**

Underlying operating expenses of Central and support services are the expenses net of overhead costs allocated to the clusters. In 2022 underlying central operating expenses increased by €3.3 million, despite €1.4 million more being passed on to the clusters, mainly due to higher IT costs. The net increase of €4.7 million (excluding the change in cost allocation) is partly explained by the expenses incurred for revising the strategy. In 2021 there was a release from the bonus reserve. In addition, the costs for recruitment, travel, training and events increased (post-covid effect). Despite the effect of wage indexation, staffing costs remained virtually unchanged due to the reduction in the number of FTEs in Central and support services.

Sustainability, innovation and collaboration

Innovation and collaboration are important for making the livestock farming sector more sustainable. This is reflected in the five principles of our revised 2025 strategy. Among other things, our focus is on constantly improving feed concepts and providing feed advice to livestock farmers based on data analysis. An example of this is the Robot Analysis Programme which allows our robot specialists to advise customers both onsite at the farm and remotely. Advice can be provided based at herd level and based on lactation number, but also at animal level. Another example of a nice step we are taking to make the feed chain more sustainable is the use of processed animal proteins (PAPs). The EU recently allowed the use of PAPs again under certain conditions. We use PAPs in the Netherlands and Germany to replace soy as an ingredient in poultry feed.

We are also a member of a public-private consortium of Dutch players in the poultry chain conducting research into insects as a protein source in poultry diets.
The research focuses on how insect components of the black soldier fly in poultry feed affect sustainability, health and welfare parameters of slow-growing broilers. These initiatives are driven by demand and the wishes of customers, and also by the sustainability objectives that we have set for ourselves for 2025.

In 2022 the number of Lost Time Incidents (LTIs) was much lower than the year before. This was mainly due to the less severe winter weather and was also the result of the ongoing attention paid to the prevention of accidents in training, communication and daily practice.

Dividend proposal

ForFarmers' dividend policy is aimed at distributing a dividend of between 40% and 60% of underlying net profit. In 2022 underlying net profit amounted to €30.0 million.

ForFarmers proposes to distribute a dividend of €0.20 per ordinary share, based on 89,384,795 ordinary shares outstanding (2021: €0.29, consisting of a regular dividend of €0.19 plus a special dividend of €0.10).

On 13 April 2023 the financial statements will be submitted to the General Meeting of Shareholders for adoption.
The dividend will be made payable on 26 April 2023.

Subsequent events

On 1 July 2022 ForFarmers announced that ForFarmers UK and poultry feed company 2Agriculture had reached agreement on combining their businesses in a joint venture. The transaction was subject to regulatory approval from the Competition and Markets Authority (CMA) in the UK. In December 2022, the CMA reported its conclusion that competition in some parts of the country would become too limited. The remedies offered by ForFarmers and 2Agriculture were not accepted by the CMA. At the beginning of February, both parties announced that they decided to abandon the proposed joint venture.

General market outlook

Raw material prices are generally expected to remain volatile and relatively high in 2023, as will energy, labour and transport costs. Uncertainty surrounding macroeconomic developments and associated consumer confidence and disposable income are also expected to persist.

At the same time there is growing pressure on the agricultural sector in Northwest Europe to become more sustainable, to move towards more extensive farming and to focus less on quantity (exports) and more on quality (welfare concepts). This poses challenges but also presents opportunities. Further improving feed conversion, developing innovative concepts that reduce the carbon footprint onsite at farms and providing sustainable feed concepts based on alternative proteins will become increasingly important. Demand for organic feed solutions and advice will also start to grow again as soon as inflation subsides. ForFarmers has all the attributes to further expand its position amid these trends, both in conventional markets and in the growing organic market through Reudink.

Financial objective

ForFarmers aims to achieve a consolidated return on average capital employed (at the level of underlying operating profit (EBIT)) of at least 10% in 2025, barring any unexpected events.

Given the ongoing geopolitical, macroeconomic and policy-related uncertainties the company is refraining from making any statements about the financial prospects.

ForFarmers' shares

The ordinary shares of ForFarmers N.V. have been listed on Euronext Amsterdam since 24 May 2016 under the symbol 'FFARM'. ForFarmers has been included in Euronext Amsterdam's AScX index since September 2016.

The company's issued share capital amounted to € 952,188.22 on 31 December 2022. This is divided into 95,218,821 issued ordinary shares and one priority share, each with a nominal value of € 0.01. Coöperatie FromFarmers U.A. holds the priority share. On 31 December 2022 ForFarmers held 5,834,026 of its own shares, meaning that 89,384,795 ordinary shares were outstanding at that time.

Share information

In euro	2022	2021
Earnings per share [1]	0.20	0.13
Dividend [2]	0.20	0.29
Number of ordinary shares outstanding (x 1 million) as of 31 December	89.40	93.30
Market capitalisation (€million) on 31 December [3]	261.9	376.9
Highest price	4.28	6.18
Lowest price	2.32	3.47
Closing price	2.93	4.04

[1] *Earnings per share is calculated based on the weighted average of the number of ordinary shares outstanding. In 2022 this number was 89,805,719 (2021: 95,091,689).*
[2] *Dividend is calculated based on the number of ordinary shares outstanding as at 31 December (2022: 89,384,795; 2021: 93,307,212).*
[3] *Market capitalisation is calculated based on the number of ordinary shares outstanding as at 31 December.*

Dividend policy

ForFarmers aims to distribute a dividend, taking into consideration the need for long-term value creation and a healthy financial structure to implement its strategy. The company's policy is aimed at distributing a dividend of between 40% and 60% of of underlying net profit[1].

2022 dividend proposal

ForFarmers will propose to the General Meeting of Shareholders on 13 April 2023 that a dividend of € 0.20 be distributed per ordinary share with a nominal value of € 0.01 based on 89,384,795 million ordinary shares outstanding. This equates to 60% of underlying net profit (2021: €0.29 per ordinary share, of which €0.19 regular dividend and a special dividend of €0.10).

[1] *Underlying net profit is the result attributable to shareholders of the Company excluding non-recurring items. ForFarmers regards this as one of its alternative performance measures (APMs), see Note 17 to the financial statements.*

Reporting of substantial holdings

As at 31 December 2022 the following shareholders with a substantial participating interest (>3%) were registered with the Dutch Authority for the Financial Markets (AFM), in accordance with the reporting requirement under the Dutch Financial Supervision Act ('Wft').

	Capital interest [1]	Registration date
Coöperatie FromFarmers U.A. (direct en indirect) [2]	49.99%	18 October 2017
Stichting Beheer- en Administratiekantoor ForFarmers [2]	9.69%	31 March 2017
ForFarmers N.V. [3]	5.02%	24 February 2022
D. Lindenbergh	5.00%	11 April 2022

[1] *based on 106,261,040 issued ordinary shares as at the time of the registration with AFM. On 11 September 2020 ForFarmers cancelled the treasury shares (repurchased through the SBB programmes). As of 11 September 2020 ForFarmers has 95,218,821 issued ordinary shares.*

[2] *As of 31 Dec 2022 the capital interest of Coöperatie FromFarmers U.A. is 45.45%, of Stichting Beheer- en Administratiekantoor ForFarmers 8.91% based on 95,218,821 issued ordinary shares.*

[3] *per 31 December 2022 the capital interest of ForFarmers N.V. is 6.13% based on 95,218,821 issued ordinary shares*

Share buy-back programme

On 1 December 2021 ForFarmers announced that it would start a regular share buy-back programme for a maximum amount of € 50 million, in part to make the balance sheet more efficient (capital reduction). ForFarmers used the authorisations granted by the AGMs of 23 April 2021 and 14 April 2022 to buy back up to 10% of the issued treasury shares. The share buyback programme started on 2 December 2021 and was carried out by an independent financial intermediary.

On 15 March 2022 ForFarmers temporarily suspended the share buy-back programme as a prudential measure due to increased uncertainty surrounding raw material and gas prices as a result of the war in Ukraine. On 1 November 2022 the company reported in its third-quarter trading update that the share buy-back programme was discontinued permanently.

A total of € 23.2 million had been spent on 5,935,004 treasury shares that had been purchased since the start of the programme on 2 December 2021. A total of 4,060,958 of these shares were bought back in 2022 for a total amount of € 15.9 million putting the average price per share at € 3.92. An update of the share buy-back programme was provided in a weekly press release.
In accordance with the intention announced at the start of the share buy-back programme, the company will withdraw the purchased shares. This is expected to happen in 2023.

Specification of shares

ForFarmers held 5,834,026 of its own ordinary shares (treasury shares) as at 31 December 2022. These treasury shares do not have voting rights, nor are they entitled to the distribution of dividend. Consequently, the number of ordinary shares outstanding on 31 December 2022 was 89,384,795.

Based on the number of shares issued the Coöperatie FromFarmers (the Cooperative) had a direct equity interest of 19.4% on 31 December 2022 and an indirect interest of 26.0% for which the Cooperative has issued participation accounts to individual members.

The Cooperative holds the priority share as long as certain conditions are met, as laid down in the Articles of Association. As the holder of the priority share the Cooperative has certain rights which are partly determined by the number of shares for which it can exercise voting rights and give voting instructions to Stichting Beheer- en Administratiekantoor ForFarmers (the Trust Office Foundation) on the reference date of 1 January of each year. Members of the Cooperative can request the voting rights of their individual depositary receipts for shares at any given time.
On the reference date of 1 January 2023 the Cooperative represented the voting rights attached to the 43,270,594 shares it held (both directly and indirectly) and could give voting instructions for the 8,488,132 shares which were held by the Trust Office Foundation. Accordingly, the Cooperative had a combined voting interest of 54.4% based on the number of issued ordinary shares on that date.

Shares / Depositary receipts

	Shares / depositary receipts	Capital interest	Shares / depositary receipts	Capital interest
	31 December 2022		31 december 2021	
Total of ordinary shares issued	95,218,821	100.00%	95,218,821	100.00%
Held by ForFarmers	5,834,026	6.13%	1,911,609	2.01%
Number of ordinary shares outstanding	**89,384,795**	**93.87%**	**93,307,212**	**97.99%**
Shares Coöperatie FromFarmers U.A. (Direct)	18,498,469	19.43%	18,498,469	19.43%
Participation accounts of members (Indirect)	24,772,125	26.02%	25,726,090	27.02%
Coöperatie FromFarmers U.A.	**43,270,594**	**45.45%**	**44,224,559**	**46.45%**
Depositary receipts of members	6,121,057	6.43%	5,726,660	6.01%
Depositary receipts in lock-up	699,093	0.73%	917,578	0.96%
Depositary receipts other holders (1)	1,667,982	1.75%	1,467,150	1.54%
Shares Stichting Beheer- en Administratiekantoor ForFarmers	**8,488,132**	**8.91%**	**8,111,388**	**8.51%**
Shareholders (external)	37,626,069	39.51%	40,971,265	43.03%
Total of ordinary shares outstanding	**89,384,795**	**93.87%**	**93,307,212**	**97.99%**

1 *These concern (former) employees of ForFarmers for whose depositary receipts of shares no lock-up exists (anymore) and third parties which did not (yet) convert their depositary receipts into shares*

Trading volume

In 2022 the average daily trading volume of ForFarmers shares was around 219,000. The average daily trading volume was around 180,000 in 2021.

Liquidity provider

In its role as liquidity provider ABN AMRO supports trading in ordinary ForFarmers shares on Euronext Amsterdam by issuing permanent buying and selling orders. ABN AMRO operates fully independently of the company and is subject to the rules and regulations set out by the Dutch Authority for the Financial Markets (AFM).

General Meeting of Shareholders

The General Meeting of Shareholders (AGM) will be held in Laren (Gelderland, the Netherlands) on 13 April 2023. Further information about the AGM was announced via a press release and on the ForFarmers website.

Financial calendar

23 February 2023	Publication annual results and annual report 2022
13 April 2023	General Meeting of Shareholders
17 April 2023	Ex-dividend date
18 April 2023	Registration date for dividend entitlements
26 April 2023	Dividend Payout date
4 May 2023	Q1 2023 Trading update
10 August 2023	Publication of half-year results 2023
3 November 2023	Q3 2023 Trading update
22 February 2024	Publication annual results and annual report 2023
11 April 2024	General Meeting of Shareholders

The company has its registered office in Lochem (the Netherlands) and is entered into the trade register of the Chamber of Commerce under number 08159661.

Profile of ForFarmers for investors

FFARM
LISTED
EURONEXT

ForFarmers is an attractive company for investors. We have good positions in local markets that are crucial in the transition to sustainable livestock farming.

Key points for investors

- We have a clear and telling mission: For the Future of Farming.
- We have unique access to farms as a feed supplier.
- The range we offer varies from Total Feed solutions with advice to specific products.
- We support livestock farmers with good feed and sound advice at a competitive price so that they can optimise their (technical) return on- farm with healthy animals while reducing their impact on nature and climate.
- Thanks to our local organisations we are agile and able to respond quickly while reaping the benefits of our central expertise, core values and governance.
- We set ourselves apart in each market and segment thanks to our differentiating offering.
- We have an ambitious sustainability agenda with specific targets including reducing greenhouse gas emissions, improving nitrogen and phosphate efficiency and using renewable energy.
- We focus on sustainable concepts that address social themes, including the use of alternative raw materials, circularity and the further reduction of emissions.
- We are strongly positioned to work together throughout the value chain to create greater efficiency and transparency.
- We have a healthy balance sheet to strengthen and expand our positions through mergers and acquisitions both in our home markets and in new regions that are a good fit in terms of culture (country and company).

Financial profile

- We have a healthy balance sheet and recurring free cash flow.
- We aim to achieve a consolidated return on average capital employed (at the level of underlying operating profit (EBIT)) of at least 10% in 2025, not taking into account any unforeseen events.
- We distribute dividends (40 to 60% of underlying net profit).
- We are exposed to highly fluctuating energy and raw material prices.

We value having a good and open relationship with our shareholders, holders of depositary receipts, investors, analysts and other financial stakeholders (hereinafter: investors). Our aim is to provide investors with transparent, accurate and prompt information about developments at ForFarmers. We do so in the form of press releases, annual reports, qualitative quarterly statements, presentations and audio recordings. All information is available on our corporate website.

Furthermore, we arrange audio webcasts to present the annual and half-year results, we visit shareholders and take part in investor conferences organised by banks. All information that is shared with Investors is based on publicly available information. This is laid down in the Policy regarding bilateral contact with shareholders. A relationship agreement has been put in place in view of the key interest held by the Coöperatie FromFarmers U.A. in ForFarmers.

Contact with investors

In 2022 most investor relations conferences were once again held on location. One conference was entirely online. Last year marked the first time that ForFarmers was invited to a theme-based online conference in which mainly ESG investors participated. Throughout the year investor relations officers were invited to many webinars on ESG and upcoming CSRD reporting requirements. These webinars are organised by banks, law firms, ESG ratings agencies, accountants and consultancy firms. While these webinars are not opportunities for investors and companies to meet one-on-one, they do play a role in the Investor Relations spectrum.

Throughout the year we spoke with around 50 investors at five conferences and various one-on-one meetings. Investors focused less on ForFarmers shares than in 2021. However, the quality of the talks was generally good. These discussions were conducted by the CFO and the director of investor relations. Bilateral contacts with investors always took place in accordance with said policy.

Regular topics of discussion included the impact of the agricultural policy and nitrogen measures in the Netherlands on ForFarmers, developments in energy and raw material prices, M&A policy, the revision of the company's strategic direction and the composition of the Executive Board. Apart from the stake that FromFarmers holds in ForFarmers, we noticed there were fewer index investors and more value investors in the shareholder base in 2022.

In November the revised strategy was presented by Roeland Tjebbes (CFO) and Pieter Wolleswinkel (COO), who together temporarily fulfilled the role of CEO. The chairman of the Supervisory Board was also present. The five sell-side analysts and various investors were invited to the event. The audio recording of the details was posted on the website later that day.

As is customary, the Executive Board members attended meetings of the council of members and the annual members' evening of Coöperatie FromFarmers this year. All meetings took place on location in 2022. Information is exchanged subject to the provisions of said policy.

The AGM can be attended by all shareholders, depositary receipt holders and members of the cooperative who have a participation account with FromFarmers. In 2022 the AGM was held at a physical location. In June 2022 an EGM was held on the topic of the appointment of Chris Deen to the Executive Board as CEO. In December an invitation was sent for the EGM in January 2023 with regard to the appointment of Theo Spierings as member of the Executive Board and CEO.

Disclosure

Information is provided to Investors in accordance with the requirements of the Dutch Financial Supervision Act (Wft) and the European Market Abuse Regulation. Investors are notified of relevant developments promptly, simultaneously and in full by means of a press release that is also posted on the corporate website and submitted to the AFM.

The Executive Board assesses, in consultation with the Disclosure Committee assesses if and when the disclosure obligation applies.

Independent analyst reports

In 2022 ForFarmers was followed by financial analysts from six different organisations. ABN AMRO, the Idea-Driven Equities Analyses company, KBC, Kempen, Kepler Cheuvreux and Bank Degroof Petercam all published analyst reports on ForFarmers. Periodic updates were published as well as detailed reports. At the end of 2022 Kempen decided to no longer follow ForFarmers due to adjusted policy and the departure of the analyst in question.

In the year under review ForFarmers retained its AA (on a scale of AAA-CCC) rating in the MSCI ESG Ratings assessment. In 2022 we once again participated in the CDP Climate Change Disclosure program and our score remained D, the same score as in 2021. We obtained two Cs for the CDP Forest Disclosure programme and also a C for the Water Security programme. Furthermore, we participated in ESG studies conducted by S&P Global, Gaia Research, Corporate Knights, Vigeo-Eiris and Sustainalytics.

In 2022 the company was nominated for the Crystal Award, an award presented by the Dutch Ministry of Economic Affairs and Climate Policy to the Dutch company with the best CSR reporting. The nominated companies show that they are clearly motivated to be an example in the field of human rights or to learn from the feedback of the panel of experts and the Crystal Award jury. The award was won by ABN AMRO.

ForFarmers scores well in the field of taxes. We came in twelfth place in the VBDO Tax Transparency Benchmark 2022, directly behind KPN and Unilever and ahead of Rabobank, Wolters Kluwer and TKH Group, among others. In 2021 ForFarmers ranked joint tenth with the same number of points.

How we safeguard long term value

How we safeguard long-term value creation

Organisation

In order to properly implement the strategy it is important to have a decisive organization. The organisational structure must offer the right balance between entrepreneurship in the local markets and the use of the available knowledge and experience within the ForFarmers organisation.

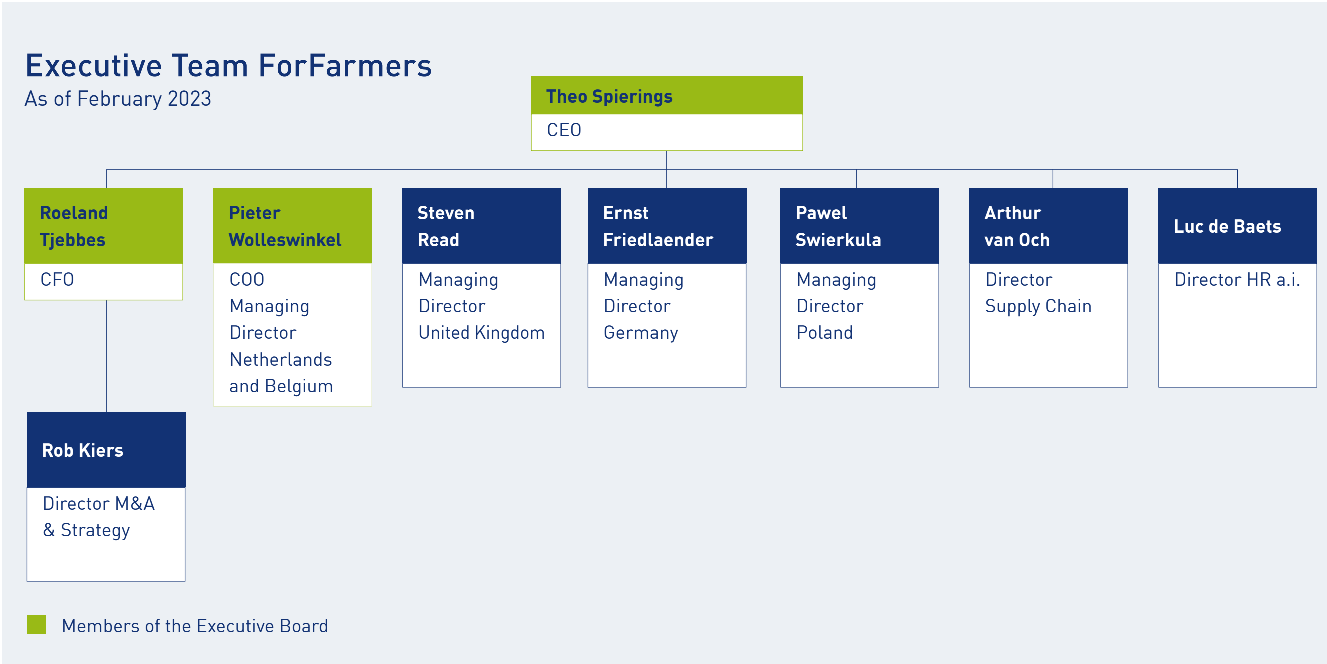
The organisational structure of ForFarmers is therefore set up according to the principle 'primarily local, close to the customer, supported by central', to be able to respond quickly and adequately to local commercial opportunities and threats. Each country in which ForFarmers is active is managed by a (national) managing director, who is fully responsible for local performance.

Composition of the Executive Board

In principle, the Executive Board of ForFarmers consists of three members: the CEO, the CFO and the COO. They are not only responsible for the company's results but also for realising its mission, strategy and objectives.

In the first quarter of 2022 the Executive Board consisted of two members: Yoram Knoop (CEO) and Roeland Tjebbes (CFO). On 14 April 2022 Pieter Wolleswinkel was appointed to fill the vacant position of COO. At the same time Yoram Knoop resigned as CEO and the Executive Board once again temporarily consisted of two members. On 23 June Chris Deen was appointed CEO with effect from 1 July 2022.

On 19 October 2022 Chris Deen announced he was stepping down for health reasons. Roeland Tjebbes and Pieter Wolleswinkel temporarily took over the CEO duties. On 15 November the Supervisory Board nominated Theo Spierings to be appointed to the Executive Board as CEO. He joined ForFarmers on 1 January 2023 and was appointed at an Extraordinary General Meeting of Shareholders on 17 January 2023. He has a one-year contract.



Executive Board

Theo Spierings
CEO (Chief Executive Officer)

Theo Spierings (1964, Dutch nationality) joined ForFarmers on 1 January 2023. He was appointed to the Executive Board as CEO of ForFarmers with effect from 17 January 2023. As CEO he is ultimately responsible for all strategic and operational matters. He has been appointed for one year.

Theo Spierings has a bachelor's degree in food technology and an MBA from Glasgow University. He started his career at Friesland Foods, where he was CEO at the time of the merger with Campina. Subsequently he served as CEO of Fonterra, the New Zealand-based global dairy nutrition cooperative, for eight years. Since then, he has established a consultancy firm to assist companies with transformation and sustainable business practices. The consultancy focuses mainly on companies in the agricultural sector.

Roeland Tjebbes
CFO (Chief Financial Officer)

Roeland Tjebbes (1969, Dutch nationality) joined ForFarmers on 1 March 2020. On 24 April 2020 he was appointed to the Executive Board of ForFarmers for a four-year term. In his role as CFO he heads the departments of Control/Finance, Information Technology (IT), Legal Affairs, Risk Management, Mergers & Acquisitions (M&A) and Investor Relations. He will be eligible for reappointment for another four-year term at the AGM in 2024.

Roeland Tjebbes has a degree in business economics from the University of Maastricht and also attained a postgraduate degree as chartered accountant from Tilburg University. After working as an accountant for several years he held financial management positions at various companies in the food and animal feed sector, including Perfetti Van Melle, Nutreco, Vion and Hoogwegt Group. He is also a member of the supervisory board of Royal Koopmans.

Pieter Wolleswinkel
COO (Chief Operating Officer)

Pieter Wolleswinkel (1977, Dutch nationality) joined ForFarmers in 2014 as director of the business unit North Germany at ForFarmers Germany and in 2018 he became director of the business unit Pigs at ForFarmers Nederland. He was appointed Managing Director of ForFarmers Nederland on 1 January 2019. Reudink, ForFarmers Belgium and Pavo became part of his portfolio at a later date. On 14 April 2022 he was appointed to the Executive Board as COO of ForFarmers. His current four-year term ends at the AGM in 2026, at which time he will be eligible for reappointment for another four years.

Pieter Wolleswinkel grew up on a mixed farm. He has a degree in veterinary medicine and obtained an MBA from the TIAS School for Business and Society in 2010. After his studies he worked as a veterinarian for several years and then in international managerial positions at Provimi (now Cargill).

	Theo Spierings	Roeland Tjebbes	Pieter Wolleswinkel
Year of birth	1964	1969	1977
Gender	Male	Male	Male
Nationality	NL	NL	NL
Year of most recent appointment	2023	2020	2022
Eligible for reappointment in	–	2024	2026
Knowledge and experience:			
National and international business experience	Yes	Yes	Yes
International management experience	Yes	Yes	Yes
Specific knowledge of agricultural sector	Yes	Yes	Yes
Financial knowledge	Yes	Yes	Yes
M&A experience	Yes	Yes	Yes
Sustainability	Yes	Yes	Yes
Corporate governance experience	Yes	Yes	Yes

Executive Team

The Executive Team consists of the Executive Board members and other members who assist the Executive Board. This includes the managing directors of Germany, Poland and the United Kingdom, and the directors of Supply Chain, M&A and Strategy, and HR.

Ernst Friedlaender is **Managing Director of ForFarmers Germany**

Pawel Swierkula is **Managing Director of ForFarmers/Tasomix in Poland**

Steven Read is **Managing Director of ForFarmers UK** and head of the Marketing and Innovation departments

Arthur van Och is **Director of Supply Chain**

Rob Kiers is **Director of M&A and Strategy**

Luc de Baets is **Group Director of HR** on an ad interim basis

Composition of the Supervisory Board and Committees

In 2022 the Supervisory Board consisted of six members. Sandra Addink-Berendsen resigned as a Supervisory Board member at the AGM of 14 April 2022, at which time Marijke Folkers-in 't Hout joined the board and Roger Gerritzen and Vincent Hulshof were reappointed.

The composition of the Supervisory Board is currently as follows:

Jan van Nieuwenhuizen, Chairman
(1961, Dutch nationality)

A member of the Supervisory Board since 2021 and eligible for reappointment in 2025, Jan van Nieuwenhuizen is also a member of the audit committee at Leids Universiteitsfonds. His extensive international management experience includes being a member of the board of Rabobank Group as well as holding management positions at JP Morgan, Morgan Stanley and NIBC. In 2022, he was appointed chairman of the supervisory board of Wealth Management Partners, an asset manager in Amstelveen. In the past he has been a member of various supervisory boards, including at FGH Bank and Bouwfonds Property Development. He held no shares or depositary receipts for shares in ForFarmers N.V. on 31 December 2022.

Erwin Wunnekink, Vice-chairman
(1970, Dutch nationality)

Erwin Wunnekink has been a member of the Supervisory Board since 2015 and is eligible for reappointment in 2023. He is a dairy farmer and has been chairman of the dairy farming division of the Netherlands Agricultural and Horticultural Association (LTO Nederland) since March 2022. He was a member of the Supervisory Board of Royal FrieslandCampina N.V. and a member of the board of Zuivelcoöperatie FrieslandCampina U.A. until 22 September 2021. He holds no shares or depositary receipts for shares in ForFarmers N.V. and is a member of Coöperatie FromFarmers with no balance in a participation account issued by the Cooperative.

Marijke Folkers-in 't Hout
(1983, Dutch nationality)

Marijke Folkers–in 't Hout joined the Supervisory Board in 2022 on the recommendation of Coöperatie FromFarmers. The owner of agricultural, poultry and pig farming company Mevar Meeden and a former head of procurement at Nedmag Industries Mining and Manufacturing, she was nominated for appointment because of her experience in the agricultural sector, which she also gained at Coöperatie Koninklijke Avebe U.A. She holds no shares or depositary receipts for shares in ForFarmers N.V. Through Mevar Meeden she holds a participation account issued by the Cooperative, that corresponds to 24,243 shares and can be converted into (depositary receipts for) ForFarmers N.V. shares.

Roger Gerritzen
(1972, Dutch nationality)

Vincent Hulshof
(1962, Dutch nationality)

Annemieke den Otter
(1979, Dutch nationality)

A member of the Supervisory Board since 2018 and reappointed until 2026 at the AGM of 14 April 2022, Roger Gerritzen has been a board member of the FromFarmers Cooperative since 2017. He is actively involved in his family's agricultural business and is a partner at Yeald, a company operating in the horticultural sector. He has held various financial and organisational management positions at companies including Syngenta and Unilever and he was chairman of the board of Agro-Polen, a company active in arable and dairy farming in Poland. He holds no shares or depositary receipts for shares in ForFarmers N.V. and is a member of Coöperatie FromFarmers with no balance in a participation account issued by the Cooperative.

Vincent Hulshof has been a member of the Supervisory Board since 2014 and was reappointed in 2022 until 2026. He is pig farmer and a member of the board of Coöperatie FromFarmers, he was previously chairman of the supervisory board of KI Nederland, a board member of Coöperatie Topigs and a board member of Dutch regional pig farming group division of GLTO. He holds no shares or depositary receipts for shares in ForFarmers N.V. and as a member of Coöperatie FromFarmers U.A. has a balance in a participation account issued by the Cooperative that corresponds to 8,640 shares which can be converted into shares or depositary receipts for shares in ForFarmers N.V.

A member of the Supervisory Board since 2020 and eligible for reappointment in 2024, Annemieke den Otter has been CFO at Renewi since June 2022. Prior to that she held the position of CFO at ERIKS N.V. During her career she has fulfilled financial roles at companies including Royal VolkerWessels Stevin, Macquarie Capital Advisors in the United Kingdom and ING. She holds no shares or depositary receipts for shares in ForFarmers N.V.

Composition:

	Jan van Nieuwenhuizen	Marijke Folkers-in 't Hout	Roger Gerritzen	Vincent Hulshof	Annemieke den Otter	Erwin Wunnekink
Date of Birth	1961	1983	1972	1962	1979	1970
Gender	Male	Female	Male	Male	Female	Male
Nationality	NL	NL	NL	NL	NL	NL
Year last appointment	2021	2022	2022	2022	2020	2019
Eligible for reappointment in	2025	2026	2026	–	2024	2023
To retire no later than	2033	2034	2030	2026	2032	2027
Independent	Yes	Yes	No	No	Yes	Yes
Core Commitees (see below)	RC en S&BC	S&BC	AC and RC	S&AC	AC	AC and RC
Knowledge and Experience:						
(Inter)national business experience	Yes	Yes	Yes	Yes	Yes	Yes
International Management experience	Yes	–	Yes	–	Yes	–
Specific agri sector knowledge	Yes	Yes	Yes	Yes	–	Yes
Financial knowledge	Yes	–	Yes	–	Yes	Yes
M&A experience	Yes	–	Yes	–	Yes	–
Sustainability	Yes	Yes	Yes	Yes	Yes	Yes
Corporate Governance experience	Yes	Yes	Yes	Yes	Yes	Yes

The abbreviations stand for: AC = Audit Committee, RC = Remuneration Committee, S&AC = Selection and Appointment Committee

The diversity policy and its implementation are explained in the Corporate Governance Statement. ForFarmers deviates slightly from the Dutch Corporate Governance Code (the Code) with regard to the reappointment terms for Supervisory Board members. This will be explained in more detail in the Corporate Governance section.

Two Supervisory Board members (Vincent Hulshof and Roger Gerritzen) are also directors of Coöperatie FromFarmers. The Supervisory Board does not consider them to be independent within the meaning of the Code. Our basic starting point is that the other Supervisory Board members are independent within the meaning of the code. In assessing this, the Supervisory Board takes into account that there is no question of an important business relationship as long as there is no contractual obligation to purchase products or services from ForFarmers. This assessment was performed by the individual members and the Supervisory Board.

No member of the Supervisory Board sits on more than five supervisory boards of legal entities as referred to in the rules and Supervisory Board Regulations. The Board is not aware of any type of conflict of interest between ForFarmers and the members of the Supervisory Board, nor between ForFarmers and any natural or legal persons holding at least 10 percent of the shares or depositary receipts for shares in ForFarmers N.V.

During the year under review, the following members of the Supervisory Board purchased feed – via the (family) company in which they are involved - from ForFarmers or one of its subsidiaries under the same customary conditions that apply to other customers of ForFarmers or any of its subsidiaries: Ms Addink-Berendsen and Ms Folkers-In't Hout and Messrs Gerritzen, Wunnekink and Hulshof. These transactions do not automatically lead to a conflict of interest pursuant to the regulations of the Supervisory Board.

Committees of the Supervisory Board

The Supervisory Board has three core committees: the Audit Committee, the Selection and Appointment Committee and the Remuneration Committee. The Supervisory Board is responsible for decisions prepared by the committees. The Supervisory Board has drawn up regulations for each core committee. In 2022, the committees provided the Supervisory Board with reports on their deliberations and findings.

Audit Committee

As of the AGM of 14 April 2022 the Audit Committee has consisted of Erwin Wunnekink (chairman), Roger Gerritzen (member) and Annemieke den Otter (member). The Audit Committee supports the Supervisory Board with its supervisory tasks and responsibilities in the field of external financial reporting, auditing and the application of guidelines for annual reporting. It also supports the Supervisory Board with regard to the appointment and functioning of the external auditor and monitors the quality and effectiveness of internal, financial and management reporting as well as the internal risk management and control systems. Furthermore, the committee monitors compliance with internal procedures, laws and regulations, and the codes of conduct.

Selection and Appointment Committee

As of the AGM of 14 April 2022 the Selection and Appointment Committee has consisted of Marijke Folkers-in 't Hout (chair), Vincent Hulshof (member) and Jan van Nieuwenhuizen (member). As laid down in the Regulations of the Selection and Appointments Committee, the committee makes proposals to the Supervisory Board with regard to the selection criteria and appointment procedures, succession planning, appointments (and reappointments) and the assessment of the performance of members of the Executive Board and the Supervisory Board.

Remuneration Committee

The Remuneration Committee has consisted of Roger Gerritzen (chairman), Erwin Wunnekink (member) and Jan van Nieuwenhuizen (member) since the AGM of 14 April 2022. The committee's tasks include making proposals to the Supervisory Board about the remuneration policy and the remuneration of individual board members.

Corporate Governance

The Executive Board and Supervisory Board are responsible for the corporate governance structure at ForFarmers. This structure is determined by laws, regulations and our Articles of Association. The regulations have been drawn up based on the Dutch Corporate Governance Code.

Our Corporate Governance Statement is included at the end of this annual report and can also be found as a separate document on ForFarmers' website.
The statement explains how the company applies the Dutch Corporate Governance Code (hereinafter: the Code). It also provides information on decisions concerning Article 10 of the EU Takeover Directive and Article 3 of the EU Directive on disclosure of non-financial information. The statement also contains information on the execution of the company's diversity policy.

The corporate governance statement provides information about the internal risk management and control systems surrounding ForFarmers' financial reporting process, the composition and performance of the Executive Board, Executive Team and Supervisory Board, and the functioning of the General Meeting of Shareholders.

The competencies required for long-term value creation for all ForFarmers stakeholders are taken into consideration in the composition and functioning of both the Executive Board and the Supervisory Board. This is expanded on in more detail in the sections Composition of the Executive Board and Composition of the Supervisory Board and Committees.

Deviations from the Code

In principle ForFarmers closely follows the provisions of the Code, but occasionally it deviates from them. These deviations are listed below.

2.1.7 en 2.1.8 Independence of Supervisory Board members

The Board does not consider members of the Supervisory Board (the 'Board') who are also directors of Coöperatie FromFarmers U.A. (the 'Cooperative'), namely Messrs Vincent Hulshof and Roger Gerritzen, to be independent. This is explained in more detail in the Report of the Supervisory Board. These supervisory board members have been nominated for appointment on the recommendation of the Cooperative, being the holder of the priority share in the capital of ForFarmers.

2.2.2 Term of appointment and reappointment of supervisory board members

In order to guarantee continuity, ForFarmers deviates from this provision with regard to the persons who were members of the Board on 1 January 2017; for those persons, the Company applies the principle that they can be reappointed for a third period of four years. For persons who have been or will be appointed after the said date, this provision of the Code will be applied.

2.3.4 Composition of committees (Supervisory Board)

ForFarmers reserves the right to deviate from this provision for practical reasons. The regulations of the relevant committees state that at least half of the members of the committees are independent within the meaning of best practice provision 2.1.8.

4.4.5 Exercise of voting rights

Insofar as no voting rights have been requested with regard to the shares held by the Stichting Beheer- en Administratiekantoor ForFarmers ('Stichting Beheer') and no voting instruction has been given by the Cooperative in accordance with the provisions of Article 8 of the administration conditions, Stichting Beheer will determine the manner in which the voting rights attached to those shares are exercised at its own discretion, on the understanding that it will primarily be guided by the interests of the depositary receipt holders and will take into account the interests of ForFarmers and its affiliated enterprise. Since the listing of the ordinary shares of ForFarmers on Euronext Amsterdam, the Cooperative has the opportunity to give voting instruction as intended above. This partly determines the rights that the Cooperative can exercise as the holder of the priority share in ForFarmers.

4.4.8 Proxy votes

Only depositary receipt holders who are also employees of ForFarmers or members of the Cooperative can request voting rights as stipulated in the administration conditions of Stichting Beheer. Other depositary receipt holders cannot request voting rights but have the option to convert their depositary receipts into shares. Only the Cooperative can give a binding voting instruction for the shares held by Stichting Beheer (and for which shares no voting rights have been requested). Depositary receipt holders cannot give a binding voting instruction. Furthermore, the restrictions as included in the aforementioned administration conditions apply. At the time, this arrangement was included in the administration conditions with a view to the listing of the ordinary shares of ForFarmers on Euronext Amsterdam.

Key aspects of Corporate Governance

Executive Board and Executive Team

The Executive Board is responsible for the Executive Board and the continuity of ForFarmers and its affiliated business. The Executive Board has developed a vision on long-term value creation and has formulated a corresponding strategy in consultation with the Supervisory Board. The value creation model outlines the contribution that ForFarmers makes on a social, sustainable and economic level. In the Report of the Supervisory Board the Board accounts for how it was involved in the creation of the strategy and how it supervises its implementation.

ForFarmers is in ongoing dialogue with stakeholders about the implementation of the strategy and themes that require more or less attention. These material themes are included in a materiality matrix. They are also taken into account when determining the strategy.

The Executive Board works with an Executive Team that manages ForFarmers' operational activities.
The Executive Team consists of the Executive Board members, the managing directors of Germany, Poland and the United Kingdom, and the directors of Supply Chain, M&A and Strategy, and HR. This is in line with the strategy which explicitly focuses on local companies. Executive Team members who are not members of the Executive Board regularly provide details on specific topics for which they are responsible. They usually do so at Executive Team meetings and sometimes also at Supervisory Board meetings.

In 2022, the Executive Board had varying compositions. Yoram Knoop stepped down as ForFarmers CEO after the AGM of 14 April 2022. That same day Pieter Wolleswinkel became a member of the executive board. He has since held the position of COO. From 14 April to 1 July Roeland Tjebbes (CFO) took on the role of CEO on an interim basis.

On 1 July 2022 Yoram Knoop was succeeded by Chris Deen who announced on 19 October 2022 that he would step down on 1 February 2023 for health reasons. The CEO tasks were carried out by the CFO and the COO until the appointment of Theo Spierings to the Executive Board as CEO at the EGM on 17 January 2023. Theo Spierings has been appointed for a period of one year.

There is no limit to the number of times members of the Executive Board can be reappointed, with each reappointment applying for a period of up to four years. In 2022 the Executive Board assessed its own performance.

The following appointment schedule applies to the members of the Executive Board:

Name	Year of latest appointment	Eligible for reappointment in
R.J. Tjebbes	2020	2024
P.E. Wolleswinkel	2022	2026
T. Spierings	2023	–

Supervisory Board

The Supervisory Board monitors the policy pursued by the Executive Board and the general course of affairs at ForFarmers and provides advice to the Executive Board. The Supervisory Board consists of six people and has three core committees: the Audit Committee, the Remuneration Committee and the Selection and Appointment Committee. A Profile of the Supervisory Board is published on the ForFarmers website along with the Regulations of the Supervisory Board and its committees.

Annual General Meeting of Shareholders

The Executive Board and de Supervisory Board are responsible for ensuring that the AGM is properly informed. ForFarmers has formulated a Policy on bilateral contact(s) with its shareholders. Additional agreements about the relationship between ForFarmers and Coöperatie FromFarmers (hereinafter: the Cooperative) have been laid down in a Relationship Agreement. Note 36 to the consolidated financial statements provides information on transactions with related parties, including the Cooperative.

ForFarmers' share capital consists of ordinary shares, preference shares and one priority share. The ordinary shares have been listed on Euronext Amsterdam since 24 May 2016. Depositary receipts for ordinary shares have also been issued in collaboration with ForFarmers.
No preference shares have been issued. The Cooperative holds the priority share. The issued share capital amounts to €952,188.22, consisting of 95,218,821 ordinary shares and 1 priority share, each with a nominal value of €0.01.

ForFarmers Trust Office Foundation

After the ForFarmers shares were listed on Euronext Amsterdam, Stichting Beheer- en Administratiekantoor ForFarmers (hereinafter: the ForFarmers Trust Office Foundation) retained the shares for which depositary receipts had been issued, in line with the existing infra-structure and the listing on Euronext Amsterdam in 2016. Holders of depositary receipts have time to decide if and when they want to convert their depositary receipts into shares and whether they want to sell the shares for which the depositary receipts were issued. Under an employee participation plan, the ForFarmers Trust Office Foundation holds the shares for which depositary receipts have been issued to employees.

The board of the ForFarmers Trust Office Foundation operates independently of ForFarmers. The Trust Office Foundation holds ordinary shares in ForFarmers and has various purposes such as holding ordinary shares, issuing depositary receipts and granting proxies to exercise voting rights. The Cooperative can only issue binding voting instructions for shares held by the Trust Office Foundation for which the voting rights have not been requested.
The trust conditions, Articles of Association and Report of the Trust Office Foundation can be found on our website.

Priority shareholder

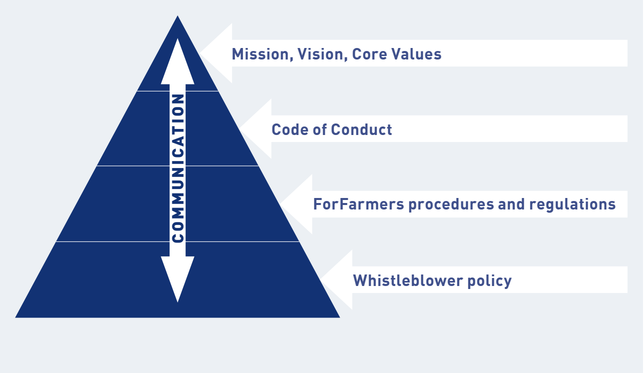
The priority share is held by the Cooperative under the proviso that on 1 January of each calendar year it can exercise voting rights or issue voting instructions for at least 20% of the total number of ordinary ForFarmers shares. The Corporate Governance Statement sets out the other conditions for holding the priority share.

On the most recent reference date the cooperative was able to exercise voting rights on over 50% of its shares and issue voting instructions on the shares held by the Trust Office Foundation. This meant that the cooperative, among other things, had a right of recommendation for four of the six members of the Supervisory Board, that it could appoint a Supervisory Board member as chairman and that it had a right of approval with regard to various Executive Board decisions.

As a result the Cooperative also holds one priority share bearing the rights stated in the ForFarmers Articles of Association. The appointment of Executive Board members is made exclusively on the binding recommen-dation of the Supervisory Board and material decisions taken at the AGM, such as with regard to the issuance of shares, distributions and mergers, can only be taken on the proposal of the Executive Board with the approval of the Supervisory Board.

Protective measures

ForFarmers has entered into a call option agreement with Stichting Continuïteit ForFarmers (the ForFarmers Conti-nuity Foundation) with regard to preference shares.
The aim of the foundation is to protect the interests of ForFarmers and its stakeholders against threats to the company's identity, strategy, independence and continuity. The ForFarmers Continuity Foundation is a fully independent entity with an independent board.
As mentioned, ForFarmers has one priority share that is currently held by the Cooperative.



Culture, Code of Conduct and Whistle-blower policy

ForFarmers expects its employees to act with integrity and to abide by local rules and procedures. Endorsed by the Supervisory Board, the core values underpin a culture aimed at long-term value creation. ForFarmers has a Code of Conduct and a Whistle-blower Policy in place.
The values on which the Code of Conduct is based are universal and in line with the values stipulated in the Universal Declaration of Human Rights and the principles of the UN Global Compact. ForFarmers' core values and the Code of Conduct are actively communicated within the organisation. In addition, employees are encouraged to give and receive constructive feedback, for example via regular employee engagement surveys.

Ethical practices, training and awareness

Employees are trained and made aware of the business ethics and culture at ForFarmers by means of e-learning modules. New employees take an e-learning course covering all aspects of the Code of Conduct such as privacy, business communications and the prevention of

harassment. E-learning modules are regularly presented to draw more attention to several topics in the Code of Conduct. In 2022 the e-learning focused on the topics of bribery and corruption, privacy and security, and the Whistle-blower policy. Employees can contact a legal business partner or the compliance officer for questions or advice on legal and/or ethical dilemmas.

Incident reports

Nine incidents or suspected incidents were reported in the year under review. In each case a high degree of confidentiality was maintained and the procedure set out in the Whistle-blower policy was followed. Given the nature and/or impact of the incidents reported there was no need to disclose these publicly. The overview of reported incidents and their follow-up is discussed periodically with the Supervisory Board and the Audit Committee.

Corporate Social Responsibility

ForFarmers provides feed and advice to farmers to help them achieve optimal returns with a decreasing carbon footprint. The company sees its corporate social responsibility as an integral part of its day-to-day business operations. In this context, ForFarmers has set objectives that contribute to sustainable, socially accepted livestock farming and society at large. The dialogue conducted with stakeholders on the subject forms the basis of a further recalibration of the company's sustainability strategy.

Sustainability Advisory Board

ForFarmers has set up a Sustainability Advisory Board to provide insight into ForFarmers' sustainability results and to gather input from key external stakeholders.
The Advisory Board is chaired by the CEO. The Board also includes the Supply Chain Director and the Corporate Affairs Director of ForFarmers. External representatives from the retail sector, NGOs, the academic world, the agricultural sector and the world of research are also part of the advisory board.

The Sustainability Advisory Board is supported by a Sustainability Task Force. Consisting of representatives from all levels of the company, this working group assesses the progress of the implementation plan, identifies any gaps and initiates additional actions where necessary.

Risk management

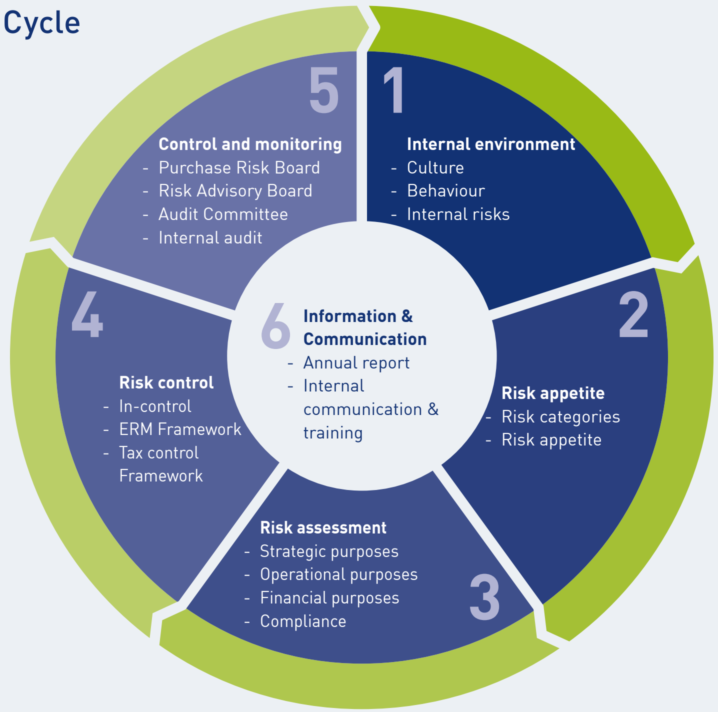
Risk management approach

ForFarmers must capitalise on opportunities and take risks to achieve its strategic, operational and financial objectives. In light of this ForFarmers acknowledges the importance of properly functioning internal risk management and control systems in identifying, weighing up and managing risks, including fraud risks.
This approach is embedded in the organisation: from the Executive Board and the Executive Team (under the supervision of the Supervisory Board) to all the operating and financial departments.

Risk management, including fraud risks, is actively monitored and steps are taken to increase risk awareness in the organisation. Both the tone at the top and the hard and soft control measures are important in this context, with risk and compliance workshops being organised and the implementation of the processes being assessed by the business unit managers themselves. Key officers (risk owners and risk managers) are assigned to the major (fraud) risks. Their roles include being responsible for risk management, putting control measures in place and conducting an annual review of how the various measures were executed.

To control and manage the various risks ForFarmers adopts a risk process based on the methodology formulated by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The accompanying figure provides an overview of the process as it is implemented at ForFarmers.

Risk management Cycle



Internal environment

In the interest of efficient risk control ForFarmers has installed various bodies, including the Risk Advisory Board (RAB) and the Purchase Risk Board (PRB), and has implemented various measures such as the Code of Conduct, the Whistle-blower policy and the planning and control cycle.

The Executive Board bears ultimate responsibility for all aspects of risk management and is accountable to the Supervisory Board. Appointed by the Executive Board, the RAB is responsible for executing, monitoring and reporting on this topic. The RAB comprises the CFO, the Supply Chain Director (who is also responsible for the sustainability agenda), the Managing Director for the UK, the Group Finance Director and the Accounting and Risk Manager. The Internal Auditor sits in on the meetings of the RAB as an observer. The RAB monitors the checks of the principal risks based on the periodic reporting. The objectives of this reporting include measuring ForFarmers' risk appetite with regard to the actual risks and taking additional control measures where necessary and possible.

The Purchase Risk Board is responsible for approving the procurement of raw materials, the use of derivatives, the hedging of energy contracts and the conclusion of pre-sales contracts that exceed local authorisation or risk limits. The PRB meets on an ad hoc basis when a request for approval is received from procurement or business unit directors. The permanent members of the PRB are the members of the Executive Board, the Supply Chain Director and the Group Finance Director.

ForFarmers has a Code of Conduct in place to ensure in the best possible way that its employees act ethically and follow (local) rules and procedures. The company also has a Whistle-blower policy in place.

Finally, ForFarmers has a regular planning and control cycle in order to mitigate financial and commercial risks (including risks relating to sustainability and fraud). This cycle comprises the monthly reports, the quarterly forecasts for the current year, the quarterly sustainability KPI reports, the annual budget for the following year, the annual five-year forecast including scenario analyses, and an update of the strategic plan once every five years. The content and key points of all these reports are

discussed by the Executive Board and the local management teams. In addition, the Executive Board discusses ForFarmers' financial performance with the Supervisory Board.

Risk appetite and risk assessment

The risk profile and risk acceptance are reviewed periodically by the Executive Board and risk managers, and where necessary adjusted to reflect changing market conditions or a revision of the strategy. The outcomes are reported to the Audit Committee and the Supervisory Board.

In its decision-making ForFarmers aims to strike the best possible balance between commercial and/or strategic goals and the associated risks and opportunities. In terms of risk appetite and risk assessment ForFarmers makes a distinction between operational business risks that the company is able to influence and ESG-related risks and other risks on which it has minimal or no influence. In the first case both the risk appetite of ForFarmers and the quality of the control measures are relevant. In the second case both the effective functioning of existing control measures and a scenario analysis of potential consequences of the identified risks and opportunities are crucial.

Risk appetite with regard to operational business risks:

Risk appetite	Very low	Low	Average	High	Very high
Strategic					
Mergers & Acquisitions (M&A)				■	
Going Circular Sustainability policy			■		
Reputational damage		■			
Size of animal herd and animal diseases		■			
Operational & social					
Health & Safety	■				
Availability, price and origin of raw materials		■	■		
Development energy prices and fuel prices			■		
Feed quality	■				
Business continuity	■				
Cyber-security	■				
Financial					
Currency and interest risks	■				
Credit risks and liquidity risks at contract parties		■			
Liquidity risks	■				
Pension risks		■			
Compliance					
Changes in (environmental) legislation and regulations	■				
Tax	■				

Risk appetite with regard to operational business risks

Strategic objectives

Investments (substantial) are made in order to meet the growth objectives, both organically and through acquisitions. On average ForFarmers has a high risk appetite with respect to mergers and acquisitions.

It is important to note that the risk appetite with respect to the underlying activities of any companies to be acquired is the same as that of ForFarmers, for example in the field of environmental impact and compliance with social legislation and other regulations.

As regards the objectives of Going Circular the risk appetite is average. The company aims to produce feed in a circular manner, taking into account animal health and the future prospects for livestock farmers. This requires finding a balance between reality, realism and ambition. Going Circular – the sustainability agenda of ForFarmers and an important part of the strategy for 2025 – is aimed at reducing the environmental impact of both Forfarmers and the entire value chain.

In pursuing its strategic objectives there are two specific areas in which ForFarmers has a low risk acceptance level.

- **Reputation:** this is crucial for the trust placed in ForFarmers by customers, shareholders, suppliers, employees and society in general.
- **Animal health and welfare:** ForFarmers believes that contributing towards improving animal health and welfare is a prerequisite for developing animal feed and providing advice. By providing sustainable nutritional solutions ForFarmers contributes to better returns for livestock farmers with healthy animals and a focus on animal welfare.

As global demand for animal and other proteins continues to increase, the more prosperous western countries are seeing a growing demand for meat substitutes, including plant-based 'meat' products and going forward possibly meat produced in a laboratory (also referred to as alternative meat, or alt-meat).

In addition, there is increasing political pressure on respecting animal welfare and to reduce meat production and consumption and to reduce the impact of livestock farming on the climate. An example of this is the switch by Dutch supermarkets to only sell fresh chicken bearing at least one Beter Leven star, leading to fewer animals being held per square in the Netherlands, which will lead to fewer animals being held per square meter of barn space, and in the long term to fewer chickens being kept in the Netherlands. The social and political pressure on the agricultural sector may lead to a decrease in the consumption of the amount of animal protein per capita which, in turn, may eventually affect the **size of the herd** in the countries where ForFarmers currently operates. The speed at which and the geographical areas in which these trends will occur is difficult to predict. However, it seems realistic to assume that more and more consumers in more affluent countries will opt for alternative proteins.

Monitoring the consequences of **animal diseases** remains a current topic. In Poland there were outbreaks of bird flu throughout 2022. In the Netherlands bird flu season already started during the summer (earlier than last year. This led to the largest outbreak of bird flu in the country to date. There were also outbreaks in the United Kingdom in 2022, particularly among turkeys. In addition, African swine fever was already detected in eastern Germany in the third quarter of 2020, initially only in wild boars. In 2022 swine fever was again detected in Germany, also in the west of the country near the Dutch border. This has led to export restrictions on pigs and pork from Germany that are still in place. Strict hygiene protocols are in place to prevent further contamination. The spread of the disease is also being closely monitored in Poland, where an outbreak was detected (particularly in the east of the country) as well as in countries in which ForFarmers is not active.

Operational objectives

As a socially responsible company ForFarmers believes it is vital to provide a good and **safe working environment** for its employees as well as for staff hired on a temporary basis, contract workers and visitors. ForFarmers therefore maintains a very low risk acceptance level in regard to operational aspects. The target for 2025 is to reduce the number of lost-time injuries (LTIs) to below 0.5 per 100 FTEs a year and to achieve a 50% decline in the number of LTIs compared to 2020. The ambition for 2030 is zero LTIs.

The **procurement of raw materials** is an inherent and essential part of ForFarmers' business operations. Raw material prices are subject to considerable fluctuation, so the procurement of these materials presents a risk for ForFarmers. It is customary in the sector to pass fluctuations in raw material prices on to customers. However, at the current high levels and volatility in commodity prices, this practice may be temporarily disrupted. When conducting procurement activities, it can therefore happen that not all fluctuations in raw material prices can be passed on to customers in full or in a timely manner, which may put pressure on the development of the gross profit. Moreover, fluctuations in prices of raw materials could have a direct impact on the level of working capital. Consequently, an average risk acceptance level applies to the procurement policy. In order to control these purchasing risks, limits apply for the length of the purchasing position per raw material category per

business unit. In addition, the risk limits are set both at business unit level and at ForFarmers level based on the value at risk principle. This applies to the organisation as a whole and is translated to the various business units. Within these limits and together with Procurement, the countries are in the lead in structuring their purchasing positions by means of physical contracts or financial instruments.

The same principle applies to energy prices, such as the electricity and gas required for the production process and diesel for transport activities. ForFarmers also has an average risk appetite for this price risk, as price fluctuations within acceptable ranges can normally be fully and timely passed on to customers. This has appeared not been possible when both energy prices and raw material prices spike at the same time, such as was the case in 2021 and 2022. Moreover, pass-through also depends on the liquidity position of livestock farmers, which is strongly influenced by the price development for their products (meat, dairy and eggs) and the hedging strategy of competitors with regard to energy prices.

ForFarmers has a low risk appetite with respect to the origin of the raw materials. ForFarmers has formulated objectives and ambitions as part of its Going Circular sustainability agenda, including when it comes to the responsible sourcing of raw materials in general and soy and palm oil in particular. This is discussed in more detail in the chapter Going Circular For the Future of Farming.

ForFarmers applies a very low risk acceptance level with regard to both the quality of purchased products and the quality of feed. Ensuring consistent quality of the feed supplied is crucial in providing good service to customers, partly in view of the correlation between the quality of feed and feed safety. In producing feed ForFarmers is dependent on the quality and origin of the raw materials processed in the feed. There is a risk that the raw materials purchased fail to comply with the legal requirements or the quality description based upon which they were purchased. Processing such raw materials in feed could result in a feed safety risk.

Furthermore, there is a risk of feed fraud and potential contamination of products or cross-contamination of raw materials during the production process.

ForFarmers is highly alert to cybercrime. There is a high risk of unauthorised people gaining access to the ForFarmers IT systems through hacking and/or phishing emails, so the security of the IT systems is tested and upgraded on an ongoing basis. A mandatory annual e-learning programme has been introduced to keep employees sufficiently alert to cyber security and their own responsibility in this respect.

In addition, employees are trained to recognise phishing. In the year under review the IT department once again conducted more tests with fake phishing emails and a mandatory training was introduced for employees who clicked on links in fake phishing emails three times.

Finally, the risk of fraudulent payments is minimised through internal control processes on both incoming invoices and outgoing payments, and by alerting employees on how to recognise such risks. However, ForFarmers recognises that cybercrime can come from all directions, some of which are not yet known. Companies like ForFarmers will always be vulnerable to certain attacks.

Financial objectives

ForFarmers has a very low risk acceptance level with regard to risks that may have a considerable impact on the financial results and the reliability of the company's financial or other information.

ForFarmers hedges **currency positions** relating to major investments or other purchases for operational activities. Currency risks relating to assets outside the Eurozone are partially hedged through financing in the local currency. Currency risks relating to the annual result and undistributed dividends are not hedged.

Credit risks are subject to a low level of risk acceptance. There is always an open (receivable) position at risk given the agreed payment terms with customers, but this is kept as low as possible. For each customer a maximum is set on the acceptable amount outstanding based on the customer's financial position. The credit risk of larger customers is insured. In addition, overdue payments are followed up directly with customers to further reduce the risk of default.

ForFarmers is partly **funded** by interest-bearing debt, which has an inherent **interest rate risk**. Developments on the interest rate and currency markets are monitored closely and any risks are hedged with swaps and other financial instruments where necessary.
As the financing agreement runs until 2026, the risk is limited to the variable part of the financing. Furthermore, interest rate levels may affect the share of the employer **pension contribution** payable by ForFarmers for employees included in the schemes. ForFarmers maintains robust equity and liquidity positions to ensure it is able to meet its financial obligations.

Compliance

ForFarmers has a very low risk acceptance level with regard to the risks relating to compliance with (local) **legislation and regulations**. The ForFarmers Code of Conduct acts as a control instrument to combat bribery and corruption, along with the Whistle-blower policy.

The of underlying norms and values the Code of Conduct are universal - as also included in, for example, the Universal Declaration of Human Rights and the principles of the UN Global Compact. All ForFarmers employees must be familiar with the Code of Conduct and be aware of its implications. Regular attention is paid to this within the company. New employees are issued a copy of the Code of Conduct in their own language and are tested on how to apply it through case studies. They are also required to sign the Code of Conduct. Moreover, all employees are required to follow a mandatory e-learning training on the Code of Conduct each year. ForFarmers has a zero-tolerance policy with regard to breaches of certain sections of the Code of Conduct.

In addition ForFarmers requires that all its suppliers subscribe to the Sedex code (Supplier Ethical Data Exchange), which sets out ethical standards aimed at preventing bribery, corruption and fraudulent practices. ForFarmers' sustainability targets include achieving an annual increase in the number of suppliers (including suppliers of raw materials) who endorse the Sedex code and that this percentage reach 85% in 2025. This target has already been realised in 2021.

ForFarmers' **tax policy** is based on the principle that paying tax is part of its social responsibility, which aligns with the core values of ForFarmers. The company therefore complies with local legislation and regulations relating to tax and pays its taxes on time.

Environmental and other legislation and regulations and their impact on the feed industry

There is increasing pressure, particularly in Western Europe and other parts of the continent, to reduce the impact of business operations on nature and the climate. The agricultural sector in general and livestock farming in particular are under growing pressure to reduce their carbon footprint and the amount of substances such as nitrogen and phosphate emitted by animals, as well as to improve animal health and welfare. This pressure could lead to voluntary or binding measures, legislation and regulations, including a possible carbon tax. This in turn could impact the size of a country's livestock population or the scope for livestock farmers to expand their production and other operations.

In the Netherlands, the Council of State ruled in May 2019 that the Nitrogen Approach Programme (PAS) did not comply with the European Habitats Directive. Since then the reduction of nitrogen emissions, which sectors have a share in this, and what the possible measures should be, has been high on the political agenda in the Netherlands. In view of the relatively large share that livestock farming has in emitting nitrogen and ammonia, a substantial contribution is required from this sector to reduce emissions. The measures proposed by the government, mainly aimed at buying out livestock farmers, led to a lot of unrest in the agricultural sector in 2022 and to the appointment of a mediator. The resulting report by this mediator, Mr Remkes, emphasises that the Habitats Directive obliges the Netherlands to preserve Natura 2000 sites. An important conclusion of Remkes, however, is that the nitrogen issue is not an issue onto itself and must be part of a broad transition of agriculture and rural areas. In order to improve and support the quality of life in the Netherlands, the mobility, industry and construction sectors must also make their contribution. This transition has consequences for livestock farmers. There may be extensification, conversion, legalisation and/or relocation. At the same time, it stresses the need to work towards a longer-term perspective, with an eye for innovation and clear, consistent policies. Like other players in the chain, ForFarmers emphasises the importance of innovating as an alternative to remediation alone. In 2023, the more detailed plans of the various provinces must be ready.

Other countries in which ForFarmers operates are also taking measures to reduce the environmental impact of the sector, driven for example by the European Green Deal agenda. Uncertainty about the impact of the various measures to be imposed, especially in the Netherlands and to a lesser extent in Germany and Belgium, means that livestock farmers are reluctant to invest in expanding or improving production.

Covid

Covid had a limited impact on business operations in 2022. Operations normalised after Covid restrictions were eased and largely lifted at the beginning of the year.
Many employees started working more in the office again from the start of 2022, albeit less than before the pandemic. Working from home has become a normal part of flexible working. The autumn Covid wave only led to a limited number of infections and mild symptoms among the affected employees. Despite the impact of the Covid infections and measures, ForFarmers was able to continuously supply customers in a service-oriented and optimal way throughout 2022.

Control measures

In 2022 there were no significant changes in the regular control measures compared to 2021. As a result of the BPO initiative further process improvements have been made. In view of market developments, particular attention has been paid to already existing control measures with regard to the purchase of raw materials, energy prices and credit risks.

The following is an overview of the main operational business risks and associated control measures as established by the ForFarmers Executive Board:

Risk	Description	Trend	Control measure	Effectiveness
Strategic risks				
Mergers & acquisitions (M&A)	Acquisitions come with inherent risks, for example with regard to due diligence, valuation, risk management, achieving synergies, management and integration. In addition, there is the risk of losing key employees and customers of the acquired company to third parties.	Stable risk	ForFarmers has an M&A team that collaborates closely with the Executive Board, the country directors, the business unit directors and other relevant key employees. ForFarmers uses consultants for all acquisition processes. ForFarmers conducts thorough due diligence for every acquisition accordingly. Afterwards an assessment takes place, the learnings of which are included in subsequent projects. There is an integration playbook setting out the relevant procedures for integrating acquisitions. The synergies and integration status of acquisitions are reviewed periodically by the Executive and Supervisory Boards.	Risk largely mitigated
Reputational damage	ForFarmers' reputation in particular, or of the animal feed and food sector in general, can be damaged by scandals or as a result of a changing public opinion.	Increasing risk	ForFarmers' stakeholders can contact the company via various channels, including customer service desks in each country, the general e-mail address info@forfarmers.eu, via the contact persons disclosed on the website, or via social media. In addition, social media and traditional media are continuously monitored to follow developments with regard to ForFarmers and/or the sector.	Risk partly mitigated
Size of livestock herd and animal diseases	The size of livestock herds can change, for example due to animal diseases or legislation, including government-imposed transport restrictions. As a result, demand for raw materials and/or compound feed may fluctuate, which may impact ForFarmers' results.	Increasing risk	ForFarmers' activities are spread both geographically and over various animal species. The revised Build to Grow 2025 strategy is aimed at creating a better balance between having operations in mature markets and regions, and countries and animal species with more growth potential through a targeted M&A policy. In the event of an outbreak of animal disease, a national or international crisis team is established to closely monitor developments and decide what actions need to be taken and which protocols should be followed. In such cases, the crisis team will stay in close contact with the relevant authorities.	Limited risk mitigated

Trend → Stable risk ↗ Increasing risk ↘ Decreasing risk

Effectivness Limited risk mitigated, Risk partly mitigated, Risk largely mitigated, Risk (almost) completd mitigated

Risk	Description	Trend	Control measure	Effectiveness
Operational and social risks				
Health & Safety	ForFarmers employees are exposed to safety risks during operating activities due to the nature of the activities that take place in the mills, during transport and on-farm. All employees, external hauliers and contracted staff must therefore have sufficient awareness of safety and incident prevention. .	→	Safety plans are in place for all ForFarmers sites. A great deal of attention is devoted to raising safety awareness, offering training to all staff (including in the area of logistical safety), taking stock of safety aspects at all the mills, including the risk of fire and dust explosion, and reporting any shortcomings and measures to resolve these. On-farm risk assessments are also conducted at customers.	◕
Price development, availability and origin of raw materials	Prices of raw materials may fluctuate and are influenced by external factors such as the quality and size of harvests, demand from the biofuel industry and speculative trading. In the interests of supply security ForFarmers takes forward positions and keeps inventories of raw materials. This involves a price risk for ForFarmers. In addition, there is a risk with regard to the origin of raw materials, for example with respect to palm oil or soy, in relation to the risk of deforestation of rainforests.	↗	ForFarmers closely monitors developments in prices and availability of raw materials. A risk management system has been implemented that outlines who is authorised to take positions, up to what limit and under what conditions agreements can be made. Authorisation limits are set at business unit level. Pre-sales contracts for supply to customers in the longer term are immediately hedged to a level of at least 85%. Due to the war in Ukraine the availability of biological raw materials for Reudink was under pressure in 2022, and the global supply of cereals was lower. ForFarmers has the objective to source 100% responsible palm oil and soy by 2025, and the ambition to have achieved this for all raw materials by 2030.	◑
Development of energy and fuel prices	Changes in energy and fuel prices have implications for ForFarmers' production and transport costs. Cost fluctuations cannot always be passed on to customers in full and in a timely manner, which may affect the result.	↗	Developments on the energy and fuel markets are closely monitored. ForFarmers has an energy and fuel purchasing policy in place. Where necessary and depending on market circumstances price risks can be hedged using financial instruments and commodity contracts. Compliance with the purchasing policy is monitored.	◔
Feed quality	The quality of raw materials is of crucial importance to the production of safe and reliable compound feed and the delivery of Total Feed solutions. There is a risk that ForFarmers' finished products will fail to meet the stated requirements due to contamination of products or cross-contamination during the production process. Apart from the risk of claims and the costs of potential recalls, there is the risk of losing customers.	→	In the various countries ForFarmers works in various partnerships such as SecureFeed to ensure maximum feed safety. The number of feed safety incidents is one of ForFarmers' KPIs. ForFarmers subscribes to the Sedex code and requires its suppliers to do the same. Knowledge is shared in the areas of monitoring, quality control, tracking and tracing, and crisis management. In addition, analyses are carried out to detect any potential contamination at an early stage so that appropriate measures can then be taken.	◕

Risk	Description	Trend	Control measure	Effectiveness
Business continuity	Operational business continuity is crucial to ForFarmers and its customers, who rely on guaranteed supplies of feed for their animals. Business continuity may be jeopardised by disruption to the inbound logistics chain (e.g. obstruction in or of waterways used to transport incoming raw materials), temporary disruption of production at one of ForFarmers' larger mills or illness among employees for example due to large-scale infection with Covid-19.	→	ForFarmers has disaster recovery protocols in place for events that may impact on business continuity. These stipulate who must be informed, what steps must be taken to minimise disruption and what follow-up steps are necessary. In addition, each country has trained crisis managers to head up the relevant teams in the event of a disaster. Mills are inspected regularly to assess potential risks. This is done in consultation with the insurers and others. Finally strict hygiene measures have been taken to combat the spread of Covid-19.	
Cyber security	Organisations are increasingly confronted with cybercrime. Failure to adequately restrict access to ICT systems by internal and external parties or the lack of effective back-up and recovery procedures may result in the disruption of business operations, unauthorised transactions or data changes, unauthorised use of information and knowledge, reduced data integrity or data loss.	↗	ForFarmers constantly takes steps to enhance cyber security under the guidance of the group information security manager and based on a five-year plan of approach. Besides continuous tests conducted among employees, specific access control ('PAM'), continuous cyber-security screening, network segmentation and safety training for production systems are implemented. In addition, ForFarmers has two external data centres with back-up process facilities to guarantee business continuity in the event of an emergency.	
Financial risks				
Currency and interest rate risks	The purchase of raw materials, the conclusion of sales contracts and investment projects may entail currency risks. Raw materials may be purchased in a currency other than the currency in which they are sold. It may not be possible to pass on any resulting currency differences in the selling prices. ForFarmers is partly financed by interest-bearing debt, which entails an interest rate risk.	→	In principle raw material positions are purchased in the local currency. If material positions are entered into in a currency other than euro, they are immediately hedged by means of forward currency contracts and/or other financial instruments. The financing agreement runs until July 2026 and any risks related to volatility in interest rates are hedged by swaps and other financial instruments if necessary. Compliance with the principles, which are formally set out in the purchasing risk management policy, are closely monitored by the Executive Board and the Purchase Risk Board (PRB) as part of the monthly reporting cycle.	
Credit and liquidity risks of contracting parties	Credit risks of customers may result in buyers being unable (or possibly no longer able) to meet their contractual obligation. This may result in the outstanding claim having to be written off or a provision having to be taken. Credit risks of suppliers may result in their failing to comply with their obligation to supply contracted raw materials. This may lead to inefficiency in the production processes or ad-hoc purchases of raw materials at higher spot prices.	↗	ForFarmers actively reviews the financial situation of its customers. If necessary additional arrangements are made, for example regarding the provision of collateral. In addition, the credit risk of larger customers is insured. Strict arrangements and order release procedures are in place regarding the maximum outstanding amounts per customer as well as the applicable payment terms. Furthermore, a system is in place for alerting customers to overdue payments and communicating with them about these, and to reduce the overdue payments balance on an ongoing basis. Nevertheless, the risk increased in 2022 due to the challenging financial situation, particularly for pig farmers, and uncertain political decision-making. ForFarmers also aims to do business with reliable and financially healthy suppliers (counterparties).	

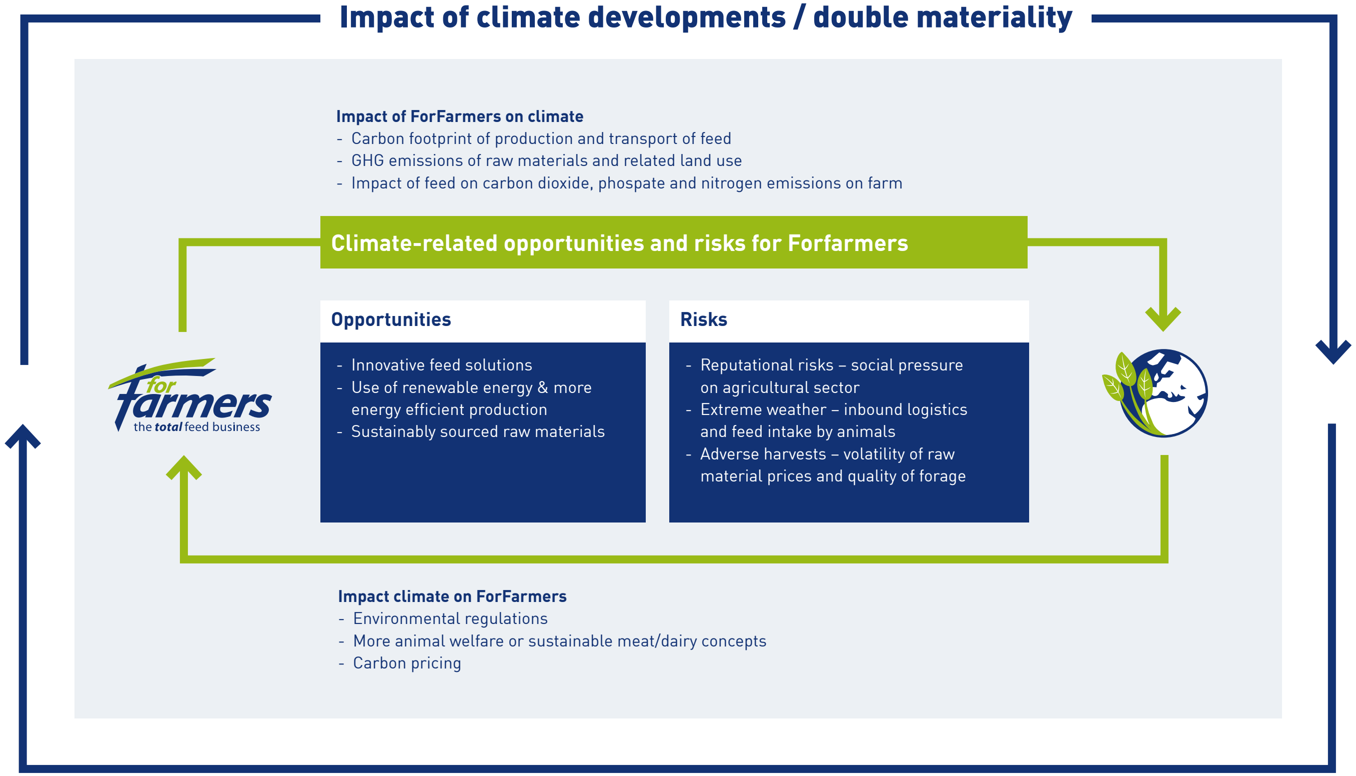
Risk	Description	Trend	Control measure	Effectiveness
Liquidity risks	If ForFarmers is unable to meet its financial obligations this may jeopardise the continuity of its operations.	→	ForFarmers has a multicurrency revolving credit facility agreement in place with ABN AMRO, Rabobank, HSBC, ING and BNP Paribas. The agreement was once again extended by one year in 2022 and now has a maturity date at the end of July 2026. The facility concerns an amount of up to €300 million, plus an accordion feature for a further €150 million. The funding agreement includes bank covenants which ForFarmers must meet. No collateral has been provided. ForFarmers monitors its liquidity position continuously and its bank covenants periodically.	
Pension risks	Changes in actuarial assumptions and other external developments such as the new pension scheme in the Netherlands, may have a negative impact on defined benefit (DB) pension schemes, and hence on the financing of such schemes by ForFarmers. Interest rate developments may also have an impact on contributions to defined contribution (DC) pension schemes given that future contributions may lead to rising pension contributions amid falling interest rate levels.	→	The pension schemes currently in operation in the Netherlands and the UK are DC schemes, which involve no risk to ForFarmers in relation to pensions already agreed. The old DB schemes in the Netherlands are all insured, so that ForFarmers no longer runs any risk. In the UK a DB scheme was in operation until 2006, which was subsequently converted into a closed scheme for which ForFarmers still bears the associated risk. The risk management model applicable to the investments for the closed pension scheme in the UK is reviewed periodically and the investment policy is in the hands of a fiduciary manager. In addition, there are DB schemes in Germany and Belgium which apply to a small number of people. While the risks associated with these DB schemes cannot be mitigated, they are limited in view of the small number of employees involved.	
Compliance				
Changes in (environ-mental) legislation and regulations	Changes in legislation and regulations at a European, national or local level may affect the activities of ForFarmers or its contracting parties. This applies for example to legislation in the area of the environment, feed and food safety and production processes as well as HR and social.	→	ForFarmers closely monitors any developments in legislation and regulations that are relevant to its business and contracting parties and implements any adjustments necessary as a result of legislative changes.	
Taxes	ForFarmers operates in five different countries, each with a different tax system. The complexity of the various tax systems and fiscal legislation means that there is a risk that ForFarmers' policy will fail to comply with all the local requirements.	→	ForFarmers believes that paying tax is part and parcel of social responsibility. The company therefore complies with legislation and regulations relating to tax and pays its taxes on time. This is laid down in the Tax Policy of ForFarmers, which can be found on the corporate website. ForFarmers monitors potential changes in legislation and regulations at both group and local level and acts ahead of these. ForFarmers maintains an open line of communication with the tax authorities for this purpose and holds several meetings with the tax authorities in the various countries in the course of the year. ForFarmers employees of the financial departments are trained to keep their knowledge of the legislation up to date.	

Climate risks and opportunities

In addition to the risks for which ForFarmers can implement specific control measures and determine the risk appetite, there are also inherent risks which ForFarmers has little to no influence on. Effective measures are crucial in controlling these risks too. To this end, ForFarmers continuously monitors relevant external trends and potential threats to the sector. New external risks are identified and analysed in order to be able to take appropriate control measures based on these findings. The concept of double materiality is applied here, taking into account ForFarmers' contribution to climate change in a general sense, for example through the emission of greenhouse gases in the food chain, as well as the financial consequences that climate change may have on, for example, ForFarmers' physical assets and profitability.

Climate risks

Extreme weather conditions can have an impact on supply costs, among other things. Low (or lower) water levels in rivers can disrupt the supply of raw materials to ForFarmers' mills in a few countries. As a result ForFarmers' logistics costs can be negatively impacted in the countries where the mills are mainly supplied via water (primarily in the Netherlands, but also partly in Germany and Belgium). These extra costs cannot be passed on in the feed prices in all cases. The risk of low water as well as the stock positions are monitored by the Purchasing Logistics department.



Climate change and more extreme weather conditions can also affect the volatility of raw material prices as revised harvest forecasts or disappointing harvests result in shortages of certain raw materials.

Finally, hot summers in the countries where we operate affect the amount of feed that an animal consumes, because animals eat little to nothing at extremely high temperatures. At the same time warm winters and mild springs affect the quantity and quality of grass, which can have an impact on demand for performance feed products.

It is not possible to make a reliable quantitative assessment of the potential impact of climate change on the future results of ForFarmers. This is partly due to the fact that the effect of fluctuating raw material prices also depends on the purchasing positions which ForFarmers has taken in comparison to those of its competitors. The assessment of climate change had no impact on the 2022 financial statements, however. At the end of 2022 there was no indication that individual assets are at risk of impairment due to insufficient continuity of future economic activity as a result of climate change.

Climate opportunities

In addition to the aforementioned climate-related risks, there are also opportunities for ForFarmers in the current climate discussion and with regard to climate change.

- Playing a leading role in reducing the impact of climate change by focusing on innovative raw materials and feed efficiency. With our financial strength and expertise in the Nutrition and Innovation Team, combined with the knowledge within the Dutch agricultural sector and Wageningen University, ForFarmers is well-positioned to achieve improved feed efficiency and use fewer raw materials that have a negative environmental impact. This presents opportunities compared to smaller competitors and for a future-proof agricultural industry in north-west Europe;
- Increasing use of co-products to achieve a circular food chain. Thanks to our Total Feed approach and focus on an increasing use of moist and liquid co-products from the food industry, ForFarmers has the opportunity to grow further towards a food chain that is as circular as possible;
- Being better able to comply with stricter regulations than smaller competitors. Our financial strength and technical expertise, combined with our relatively large mills, may place us in a better position to make the necessary capital-intensive investments in the mills;
- Playing a leading role in the production of feed without CO_2 emissions from the mills. Our objectives to increase the use of renewable energy and reduce GHG emissions ensure that ForFarmers is well-positioned to participate in new supply chain concepts that focus on reducing the impact of animal proteins on the climate.

The climate risks and associated control measures for the Environmental (E), Social (S) and Governance (G) and risks and opportunities are shown below.

	TCFD	E	S	G	Trend	Control measures and scenario analyses
Strategic						
Climate: Global warming can have harmful economic and social consequences. In addition, rising prices of CO_2 emissions can have a cost-increasing effect throughout the feed chain, also for ForFarmers.	A B	●			↗	ForFarmers monitors the consequences of climate change, also with regard to the availability and quality of raw materials. Energy prices are monitored, defined by means of a hedging strategy, and in principle price fluctuations are passed on to customers. In order to reduce the sector's direct impact on the climate, targets have been set to reduce GHG emissions, both in ForFarmers' own production and logistics activities and in the supply chain and on-farm, with specific targets set for the levels in 2025 and 2030.
Environmental and other legislation and regulations: Growing political and other pressure to reduce the impact of livestock farming on the climate and nature (including the EU Green Deal measures and nitrogen measures in the Netherlands). Operational scale and innovative power are increasingly important.	C D	●	●		↗	ForFarmers works with interest groups and partners from within the supply chain to promote the importance of livestock farming in the home markets, and to work on solutions to reduce the impact of the sector on the environment by using our joint innovative power. ForFarmers' Nutrition Innovation Centre (NIC) and our business development consultant FarmConsult are constantly developing concepts that contribute to sustainable livestock farming.
Consumer trends: Growing demand for meat substitutes and a possible decline in the consumption of animal proteins in Western Europe. In addition, there is increasing attention for the sustainability and origin of raw materials.	B	●	●		↗	Scenarios for the development of meat consumption in Western Europe have been calculated and measures have been defined for each scenario in the five-year plan. ForFarmers aims to source 100% of its palm oil and soy responsibly by 2025, and has set the ambition to source all its raw materials responsibly by 2030. ForFarmers also invests in research into alternative sources of protein, such as algae and insects, which could provide a sustainable alternative for the protein needed in animal feed.
Operational						
Animal diseases: Animal diseases affect animal numbers and frequently lead to temporary export restrictions.		●			↗	The consequences of local animal diseases can be better absorbed by spreading feed production across various countries and animal species. The five-year plan outlines scenarios for the outbreak of animal diseases, in particular avian flu and African swine fever, and identifies potential measures to be taken.

Task Force on Climate-Related Financial Disclosures **TCDF**

A Physical, acute and chronic risk B Market transition risk C Transition policy risk D Transition legal risk E Transition reputation risk

	TCFD	E	S	G	Trend	Control measures and scenario analyses
Climate: Climate change can have an impact on the availability of raw materials and forage, for example due to disappointing harvests as a result of more frequent extreme rainfall or drought and periods with high temperatures and increased risks of fires. In addition, extreme water levels in rivers increase the supply costs of raw materials as a result of the need to use road transport, or due to the risk of flooding of mills located on rivers.	A	●			↗	ForFarmers spreads the procurement of raw materials geographically and over time to mitigate the impact of local climate fluctuations. In addition, a contingency plan is in place to safeguard the supply of raw materials at low water levels, with water levels being monitored weekly. Additional supply-related logistical costs in the event of low water levels and flood risks in the event of high water levels are some of the risks included in the annual financial targets.
Covid-19: The outbreak of Covid-19 has had implications for the sales channels of ForFarmers' customers and therefore on ForFarmers' volume development. The use of online tools has increased sharply due to the Covid restrictions. This presents opportunities to increase efficiency in business processes.			●		↘	Spreading feed production across multiple animal species and sales channels also spreads the impact of Covid-19. Strict operating measures reduce the risk of infection among employees.
Financial						
Investments: Business operations, local production and tax payments stimulate the local economy.			●		→	Producing locally and using local and international suppliers as well as local employees stimulates the local economy and ensures constant investment in it.
Investors: A growing number of investors along with strict ESG restrictions can affect the possibility to invest in companies operating in livestock farming, such as ForFarmers.	E			●	→	The revised 2025 strategy and the 'Going Circular' sustainability agenda focus on long-term value creation. Capital, divided into a social, environmental or economic theme, is used to achieve results that support a healthy and sustainable future for livestock farming and create value for all stakeholders on each theme.
Employees: Employees are increasingly placing higher demands on a company's sustainability focus when deciding who to work for.	E	●	●		→	The revised 2025 strategy, including the sustainability agenda 'Going Circular' and the ambition to develop talent for future generations in livestock farming, appeals to (younger) candidates.

	TCFD	E	S	G	Trend	Control measures and scenario analyses
Compliance						
Reporting standards: Growing demand for non-financial reporting, including ESG reporting, may lead to less transparency in reporting as long as there is no standardised reporting. Consistent reporting on the sustainability agenda will provide assurance and insights.	C			●	→	Every year, ForFarmers tries to report non-financial information more transparently by means of integrated reporting in anticipation of future mandatory guidelines. ForFarmers also participates in surveys and ratings of multiple ESG agencies, has an AA MSCI ESG rating and complies with relevant environmental and ISO certifications (as included in the sustainability appendix).
Emissions: Stricter rules with regard to reducing emissions, including GHG emissions, may lead to additional costs and may result in unfair competition in the event of different rules in different countries.	C D	●		●	↗	As part of the 'Going Circular' agenda the aim is to reduce energy consumption and associated GHG emissions year-on-year to achieve a 75% drop in CO_2 emissions per tonne of feed in 2030 (compared to 2015).
Tax transparency: Growing requirements and pressure from society to pay taxes in a socially responsible way and to report on this in a transparent way.	C		●	●	→	ForFarmers believes that paying taxes is an integral part of the social responsibility that companies have within society. Transparency on this can be found in the Tax strategy document that can be found on the corporate website.

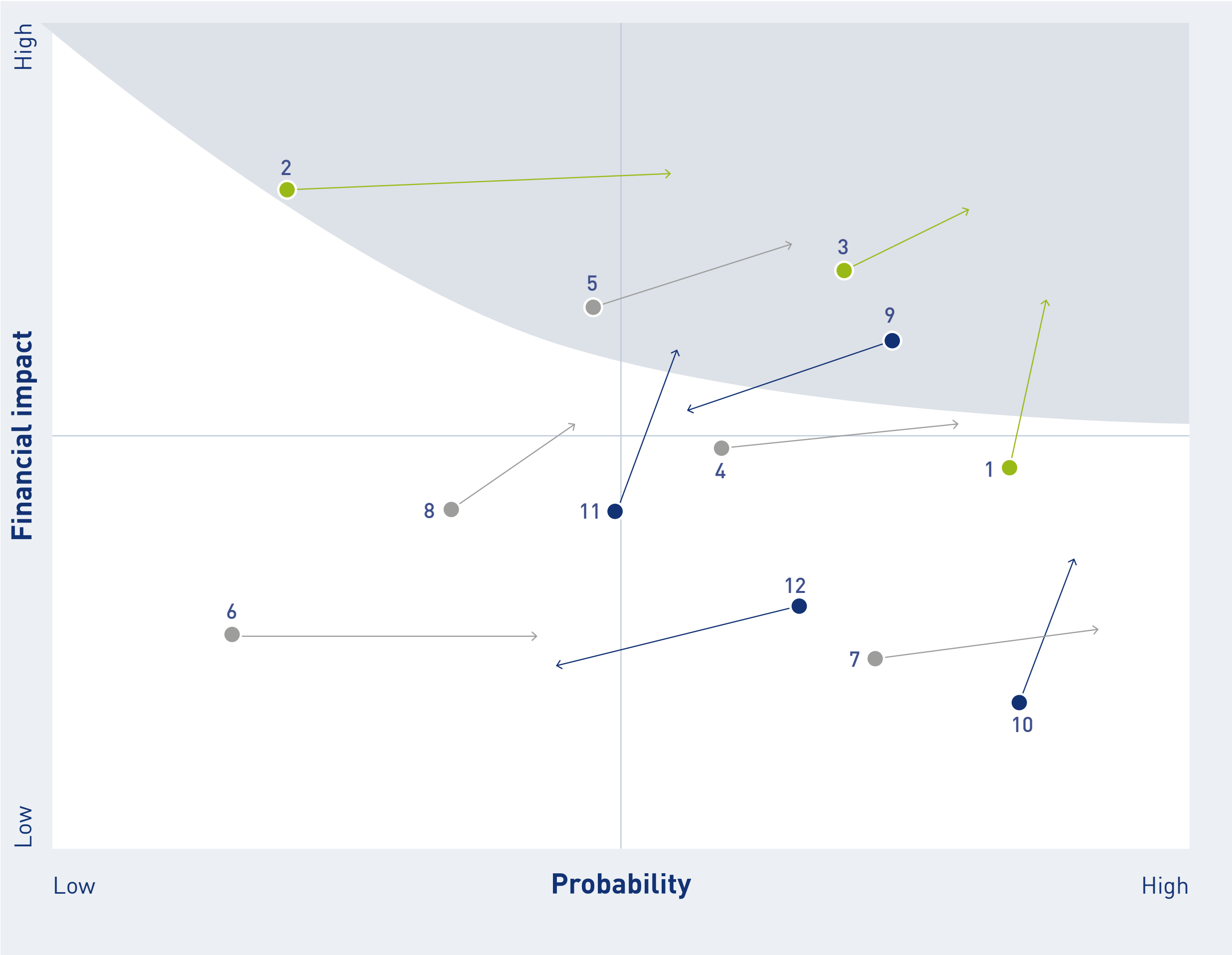
Climate change scenario analysis

The effect of these risks and opportunities depends on the frequency and impact in which they may occur under different climate change scenarios. We have based this analysis on two scenarios:

1. Global warming of 1.5°C to 2°C. In the two best-case scenarios of the Intergovernmental Panel on Climate Change (IPCC) the goals of the Paris Agreement will be achieved in 2050 or not long thereafter. In both scenarios, however, the climate will still continue to change due to further global warming. This will pose additional risks including the risk of an accelerated introduction of regulations for the agricultural sector, the risk of a potential drop in the appetite of animals, the risk of necessary adjustments in barns, the risk of amended regulations for transporting animals on hot days, and a risk relating to the frequency and severity of flooding or drought, including consequences for low water levels in rivers. However, such scenarios also present opportunities for ForFarmers, including with regard to innovation and helping to reduce the environmental impact of the agricultural sector. In addition, areas where agricultural crops are grown could shift from the more affected areas in South America to less affected areas in Europe;
2. Global warming of 3.5°C to 4.5°C. In the two worst-case scenarios of the Intergovernmental Panel on Climate Change (IPCC) the climate goals will not be met and CO_2 emissions will continue to rise. In such a scenario, the climate will change at an accelerated pace.

The probability and impact of the aforementioned risks in the best-case scenario will rise, in addition to the occurrence of possibly longer and more severe heat waves. In the event of a global failure to meet the climate targets, a local introduction of stricter regulations for the agricultural sector in north-west Europe will mainly result in additional risks – rather than additional opportunities – for ForFarmers. Additional opportunities can arise in the form of crops that are better able to withstand drought, farm animals that are better able to withstand high temperatures, and increased innovation and knowledge transfer on-farm.

Risks



Strategic risks	
1	Rising energy prices due to rising costs of CO_2 emissions;
2	Environmental impact on raw materials for the animal feed industry or on consumer finished products;
3	Increasing regulations to reduce the impact of livestock farming on the climate;

Operational Risks	
4	Lower yield harvests and higher raw material costs due to extreme precipitation or extreme drought or temperatures;
5	Higher cost to supply factories due to extreme water levels;
6	Flooding hazard of factories located on rivers;
7	Reduced feed consumption of animals during periods of very high temperatures;
8	Increasing regulation on how animals can be kept or transported;

Chances	
9	Leading role in reducing climate impact through innovation in feed efficiency;
10	Increasing use of co-products to achieve a circular food chain, in addition to freeing up land to grow crops for food instead of feed;
11	Better able to comply with stricter regulations than smaller competitors;
12	Leading role in the production of feed without CO_2 emissions from the factories.

The Executive Board has made the following qualitative assessment for the two different scenarios, specifically with regard to these climate-related risks and opportunities. This assessment is taken into account in the strategic and capital investment decisions that are made. These decisions will be adjusted depending on future expectations of the most likely climate change scenario.

Control and monitoring

In the year under review the design and operation of the internal risk management and control systems were systematically assessed by the Executive Board based on reports drawn up by the internal auditor and the risk manager. The reports were produced as part of the internal audit programme for 2022 which was approved by the Supervisory Board. The Executive Board also discussed the effectiveness of the design and operation of these systems with the Audit Committee, the Supervisory Board and the external auditor.

ForFarmers has various tools at its disposal including the Enterprise Risk Management (ERM) framework, the In-Control Framework (ICF) and the Tax Control Framework (TCF) to control, monitor and test the risks and associated control measures at least once a year. The tests are discussed and reviewed by the Risk Advisory Board (RAB) and the Executive Board.

The ICF audits are reviewed annually by means of a self-assessment by the managers of the control owners, followed by a full assessment by the risk manager and sampling by the internal auditor. The risk owners evaluate and test the ERM risks and control measures annually, in collaboration with the risk manager. This is followed by a review by the internal auditor. The checks within the ICF and ERM are reviewed periodically and adjusted or widened where necessary. The constant aim within the ICF is to move towards more preventive, system-based checks and fewer manual, detective checks.

Furthermore, a Tax Control Framework (TCF) was put in place to control the risks relating to corporate income tax, VAT and wage tax. Due in part to the implementation of the TCF in the Netherlands, ForFarmers reached a horizontal tax monitoring agreement with the Dutch tax authorities in 2020.

In addition to these pre-defined frameworks ForFarmers' internal auditor performs their own audits (subject to the approval of the Supervisory Board) of the risks, control measures and procedures within ForFarmers. At the same time the External Auditor performs audits in connection with the annual financial statements. Finally, due diligence checks are carried out by various external experts, and external legal assistance is commissioned to assess complex legal issues.

Based on these checks ForFarmers' business unit directors sign a Letter of Representation (LOR) twice a year to declare that they comply with both local and other legislation and regulations and the internal control rules, including the Code of Conduct. Similar to the Whistle-blower policy, the LOR is a means of reporting potential fraud and incidents.

What went wrong in 2022

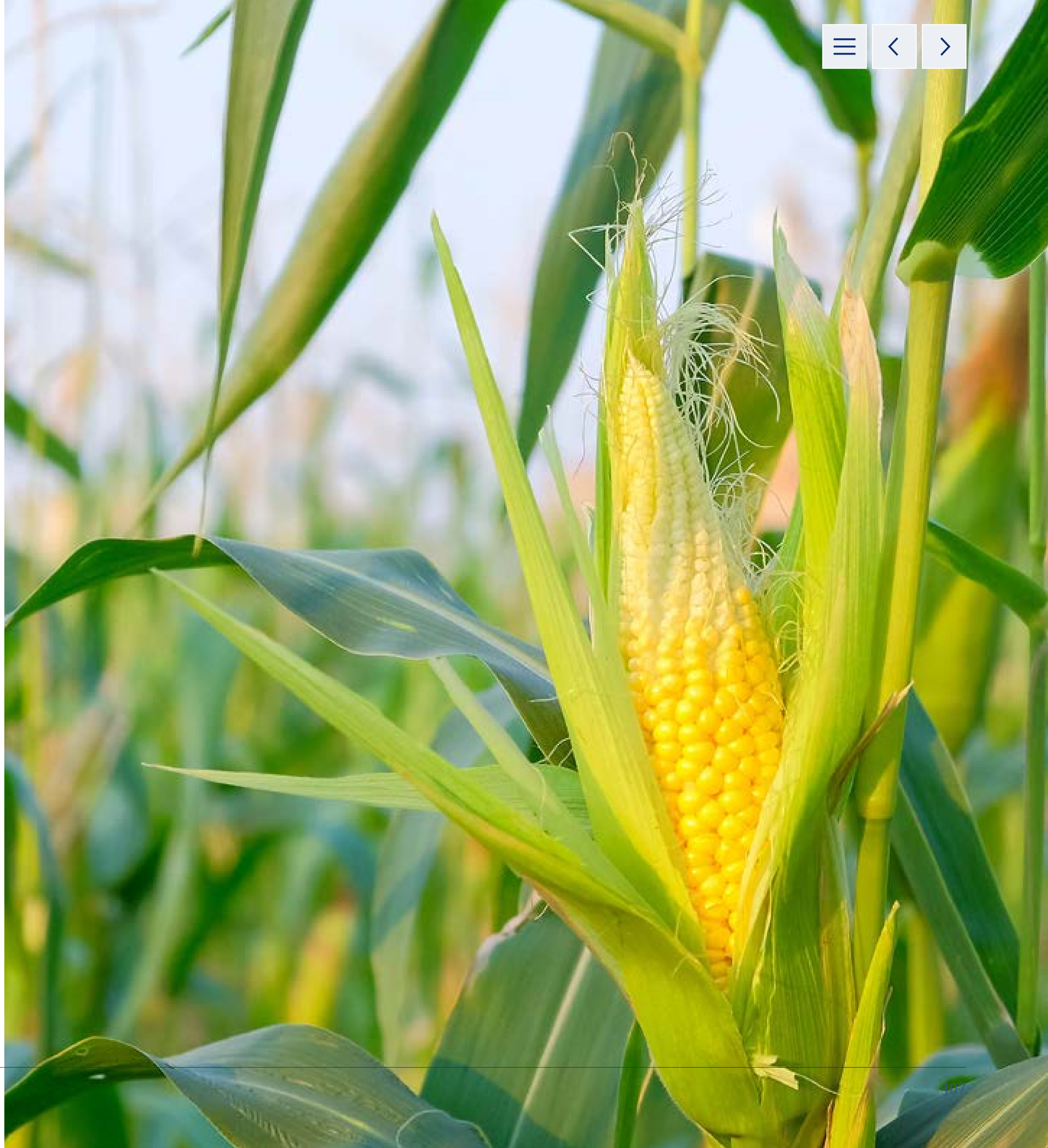
In 2022 the risk management policy worked adequately. Nevertheless, several things did not go well.

In the first half of 2022 there was a very strong increase in both raw material prices and energy prices as a result of the Russian invasion of Ukraine, on top of the substantial increase already posted in 2021. There was a combination of extreme competition in the feed sector as a result of declining volumes and, especially at the beginning of the year, and the difficult financial situation among farmers due to a small increase in meat and dairy prices. As a result, the increased raw material and energy prices in the first quarter of 2022 could not be sufficiently passed on to ForFarmers' customers. The financial situation could temporarily partly recover in the second quarter due to positive developments outside the Netherlands. The full and timely passing on of increased prices also proved to be difficult in the second half of the year. This illustrates the high risk of the volatility of commodity and energy prices, which with the increased severity also has an increased effect on the profitability of ForFarmers.

Due to increasing climate change there was a large shortage of rainfall in western Europe in 2022, resulting in very low water levels in rivers in the third quarter. This led to higher supply costs – particularly in the Netherlands and part of Germany where raw materials are supplied to our mills over water – due to less-heavily loaded ships and an increase in transport by road. Due to climate change it is expected that these periods of low water levels will occur more frequently and therefore disrupt the supply chain more often. Depending on the specific rivers affected by low water levels, the related costs could only be partly passed on within the chain.

Furthermore, the outbreak of animal diseases including avian flu in Poland (in 2021 and 2022) and increasingly in the Netherlands and the United Kingdom (in 2022), as well as African swine fever in eastern Germany (in 2020) followed by individual cases in western Germany (in 2022) affected our customers' animals and therefore our activities. Export restrictions imposed by countries particularly outside the EU on pork from Germany are putting pressure on pork prices in Germany and abroad.

In 2022, 9 reports were made under the Whistleblower Scheme (2021: 3). These were isolated incidents that, if justified, were discussed and resolved with those involved.



Declaration by the Executive Board

The Executive Board has made an assessment of the effectiveness of the design and operation of the internal control and risk management systems. The risk section expands on the systems and explains how they were implemented in the company and affiliated business.

It should be noted that the systems provide no assurance as to the realisation of objectives. Nor do they guarantee that they are able to prevent any misstatements, errors and/or violations. Nevertheless, the Executive Board declares that:

- the internal risk management and control systems provide a reasonable degree of assurance that the Executive Board is informed in a timely manner of the degree to which the company's strategic, operational and financial objectives are being achieved;
- the report provides sufficient insight into any shortcomings in the operation of the internal risk management and control systems;
- these systems provide a reasonable degree of assurance that the financial reporting does not contain any material misstatements;
- drawing up the financial reporting on a going concern basis is justified based on the current state of affairs; and that the report states any material risks and uncertainties that are relevant as regards the expectation of continuity of the company for a period of twelve months after drawing up the report.

The Executive Board makes this declaration based on this report, the aforementioned assessment and the current state of affairs. It does so in accordance with best practice provision 1.4.3 of the Dutch Corporate Governance Code of December 2016 and article 5:25c paragraph 2 under c of the Dutch Financial Supervision Act (Wft).

In view of the above the Executive Board declares that:

- the annual accounts give a true and fair view of the assets, liabilities, financial position and results of the company and the enterprises included in their consolidation;
- the management report gives a true and fair view of the situation as at 31 December 2022 and of the state of affairs of the company and its affiliated enterprise in the 2022 financial year, the details of which are included in its annual accounts; and that
- the management report describes the main risks faced by the company.

Lochem, 22 February 2023

The Executive Board of ForFarmers N.V.
Theo Spierings, CEO
Roeland Tjebbes, CFO
Pieter Wolleswinkel, COO

Report of the Supervisory Board

Letter of the chairman of the Supervisory Board

2022 was an eventful year for ForFarmers and its customers. The horrendous invasion of Ukraine by Russia has led to a great deal of human suffering. It further propelled volatility in the raw material markets, resulting in high inflation, high energy prices and consequently high feed prices. Our customers in the Netherlands in particular also had to deal with the heated nitrogen debate and the impact the issue will have on the future of our beautiful sector.

Within society there are concerns about the impact of the agricultural sector on our climate, biodiversity and nature in general. We recognise these concerns and take them seriously. At the same time, we realise that the sector is facing the challenge of producing high-quality food at an affordable price and in a sustainable way. The revised strategy announced in November shows that ForFarmers is working on solutions that help our customers and at the same time address these social concerns and challenges.

We have been closely involved in the strategic choices made by ForFarmers and have assisted the Executive Board members where possible by providing advice. It is important to us that the Supervisory Board stays in close contact with the Executive Board. Looking back on 2022 we can conclude that ForFarmers achieved a respectable result despite declining volumes and the huge increase in raw material and energy prices.

Strategy and sustainability

ForFarmers felt the impact of climate change in different ways this past year. For one, we had to deal with lower water levels in rivers. As a result the supply of raw materials to ForFarmers' mills was disrupted, particularly in the Netherlands. The extremely high temperatures also led to animals eating less, resulting in lower demand for feed. Where possible and appropriate, the Supervisory Board challenged the Executive Board to make strategic choices with a view to climate change.

It is therefore a good thing that ForFarmers is boosting its sustainability agenda in the revised strategy. Finding a balance between ecology and the economy is being targeted even more to support the transition to further increasing sustainability within the agricultural sector. Furthermore, we feel that the development of innovative concepts that address social issues is also a good step towards a more sustainable chain.

We are positive about the focus on good feed at a competitive price because that is where ForFarmers derives its right to exist. We are also pleased with the emphasis placed on local corporate culture. We believe that the five new core values can help create a shared sense of commitment and pride among employees in the different countries.

Safety and respect

Having a safe and respectful working environment is extremely important to the Supervisory Board. In this context, we are very pleased with the further increase in safety at our sites and the decrease in the number of lost-time injuries. We also place great value on creating socially safe workplaces. We believe mutual respect is a precondition for long-term value creation and a sustainable corporate culture. This is inherently anchored in the new core values.

Composition of the Supervisory Board and the Executive Board

ForFarmers had to deal with several board changes in 2022. Chris Deen joined the Executive Board as CEO in the summer as successor to Yoram Knoop, but unfortunately stepped down fairly quickly for health reasons. In the months that he was with ForFarmers he was able to share his vision of the company. To ensure continuity, fellow Executive Board members Roeland Tjebbes and Pieter Wolleswinkel assumed his duties. We are delighted that we were able to quickly find a new CEO, Theo Spierings.

Two female Executive Team members left in 2022. As a result the team now consists solely of men.
The Supervisory Board is not satisfied with this. In 2022 we regularly discussed the topic of diversity in the Executive Board and Executive Team. Although good steps have been taken in the field of talent development, we must ensure that ForFarmers achieves its own diversity objectives. The composition of the Supervisory Board is diverse in terms of gender, knowledge and experience. This greatly benefits how the Supervisory Board works together.

Word of gratitude

Livestock farmers faced volatile markets and margin pressure in 2022. The Supervisory Board is grateful to customers for purchasing feed from ForFarmers. We also want to thank the staff at ForFarmers. They have worked hard this past difficult year to ensure that the company has been able to continue to supply its customers well.
On behalf of the Supervisory Board, I would also like to express my gratitude to our shareholders, partners, suppliers and other stakeholders who have supported ForFarmers.

A special word of thanks also goes out to Roeland Tjebbes and Pieter Wolleswinkel who both fulfilled duo roles for several months with a great deal of energy and commitment.

We are confident in the refined strategy and in the steps that ForFarmers is taking towards a sustainable and fruitful future for the agricultural sector.

Jan van Nieuwenhuizen

Report of the Supervisory Board

The Supervisory Board monitors the Executive Board of ForFarmers and, where necessary, plays an advisory role. For example, the Supervisory Board sees to it that the company implements its financial and strategic policy properly. Every member of the Supervisory Board is on at least one of the three core committees: the Audit Committee, the Selection and Appointment Committee and the Remuneration Committee.

In the year under review the Supervisory Board held sixteen plenary meetings dealing with topics including several current matters. Before or after these meetings, the Supervisory Board met without members of the Executive Board being present. In addition, the Supervisory Board met nine more times without (representatives of) the Executive Board. The Supervisory Board discussed several topics, including current themes during the meetings. The year was marked by the war in Ukraine and its consequences for the agricultural sector. In line with this the Supervisory Board discussed the volatility on commodity markets and the rising costs of raw materials, energy and fuel.

Meeting [1]	Jan van Nieuwenhuizen	Marijke Folkers [2]	Roger Gerritzen	Vincent Hulshof	Annemieke den Otter	Erwin Wunnekink	Sandra-Addink-Berendsen [3]
SB	25/25	15/15	22/25	24/25	24/25	24/25	7/10
AC			5/6		5/6	5/5	1/1
RC	4/4		4/4			3/3	1/1
S&AC	4/4	3/3		4/4		1/1	

1 *The abbreviations stand for: SB = plenary Supervisory Board, AC = Audit Committee, RC = Remuneration Committee, S&AC = Selection and Appointment Committee*
2 *As of 14 April 2022*
3 *Up to 14 April 2022*

Logistics and the supply of raw materials per vessel were discussed during the plenary meetings, particularly in the summertime when water levels were low. Throughout the year another topic of discussion was the nitrogen crisis which not only dominated the news in the Netherlands but also had major consequences for our customers.
In addition, the diversity policy was discussed on various occasions. And the adoption of the EU taxonomy was also discussed in the Supervisory Board. A detailed description of this taxonomy is provided in Going Circular, the chapter on our sustainability agenda.

Like every year, numerous deep dives took place. These are meetings focused on of one specific topic, such as market developments in a country or ForFarmers' general sustainability agenda. In January there was a deep dive about the financial situation, in February about the German market and in May about the Polish market.
In June the plenary Supervisory Board paid a two-day visit to the United Kingdom where members spoke at length with the local management team, visited a factory and were informed about the strategy in the United Kingdom.

Furthermore, a lot of time was spent on the process of revising ForFarmers' strategy. Two strategy days were organised in May and October during which the Supervisory Board was updated by the Executive Board, the Executive Team and especially the director of strategy on developments surrounding the strategy process.
The Supervisory Board pointed out that our customers and sustainability must be given a prominent role.
The Supervisory Board approved the strategy and supports the Executive Board in its implementation.
The strategy process was completed on 17 November 2022 with the presentation of the revised strategy.

All countries where ForFarmers operates were again affected by avian flu in 2022 while African swine fever also took hold again. We believe that the company has taken the right measures to limit the negative impact of these epidemics.

In 2017 the European Commission introduced the concept of double materiality. Companies are expected to provide insight into not only the impact of climate change on their performance and results, but also how their operational activities (can) have an impact on climate change. This is a core part of the new CSRD reporting guideline that will take effect soon and will apply for the first time to annual reports for 2024. The Council endorses the importance of double materiality.

Annual Evaluation

The annual evaluation of the functioning of the Supervisory Board of ForFarmers took place this year under the supervision of an external monitor. The following process was established based on an intake with the chairman of the Supervisory Board:

- individual talks between the monitor and the members of the Executive Board, the Supervisory Board and the Corporate Secretary;
- a focus on what is going well and what can be improved;
- a look at the committees, the functioning of the Supervisory Board and the cooperation between the Executive Board and the Supervisory Board.

The external advisor then linked the findings and presented them to the Supervisory Board during a meeting on 1 December 2022. A number of external factors had an impact on ForFarmers and its stakeholders in the past year, the most notable being the nitrogen crisis, the war in Ukraine and its impact on world markets. Internally, ForFarmers had to deal with various changes in the Executive Board. These developments placed demands on the Supervisory Board's agenda.

In broad terms it can be stated that:

- the provision of information by the Executive Board and from within the organisation was satisfactory;
- the work of the Audit Committee, the Selection and Appointment Committee and the Remuneration Committee was assessed as positive;
- the Supervisory Board was found to be engaged and to act as a unit.

These findings were discussed in detail and follow-up steps were determined at the meeting of 1 December.

Audit Committee

The Audit Committee held six regular meetings in 2022. The external auditor was present at all meetings, as were the CFO and the Corporate Secretary. The Internal Auditor was not present during one meeting due to illness.
The CEO was not present at every meeting due to changes in this position. The same applies to the Group Finance director who attended most of the meetings.

The Audit Committee discussed the 2021 annual report, the 2022 first-half results, the trading updates and associated press releases, and the internal and external audit plan for 2022 with the Executive Board and the external auditor. The progress made with respect to integrated reporting in 2022 was also discussed.

In the context of the 2022 financial statements the Audit Committee considered the challenging market conditions and the development of energy and raw material costs. Attention was also paid to the goodwill impairment test with regard to the various clusters and to Enterprise Risk Management (ERM). The committee is satisfied with the control effectiveness score. No significant findings emerged from the internal audit review, although the forecasting process is a point of attention. The Audit Committee realises that forecasting in volatile markets is no easy feat.

During various meetings the Audit Committee was updated on the developments of various digitisation projects and data analyses as part of the Business Process Optimisation (BPO) project. In this context the Audit Committee specifically requested that an insight be provided into the intended result for the selected processes as well as into the benefit for the user.

In 2022, several members of the senior management team were invited to provide further explanations on topics such as treasury, taxes, insurance and IT. Overviews of legal claims and incident reports were always provided as a fixed annex to the agenda. The Audit Committee met with the external auditor after each meeting and shared with the Supervisory Board its findings on the relationship with the external auditor. The Executive Board was not present at these meetings.

In formulating the external auditor's brief, attention was paid to the audit scope, the materiality to be applied and the audit fee. The committee is of the opinion that relations with the external auditor are satisfactory and supports the proposal to appoint KPMG as auditor for the 2023 financial year.

The Audit Committee and the Executive Board discussed the effectiveness of the design and operation of the internal risk management and control systems, as well as the topics of corruption and fraud. The Audit Committee determined that the Executive Board had identified the risks related to ForFarmers' strategy and that the control measures aimed at strategic, operational and social risks as well as at compliance and reporting risks had been implemented. The Audit Committee reported on this to the Supervisory Board.

Remuneration Committee

The Remuneration Committee met four times in 2022. De group director HR was present four times and the CEO and/or substitute CEO were present during two of those meetings. This year the committee prepared the remuneration report and discussed the remuneration of Executive Board and Executive Team members as well as the objectives for the short-term and long-term variable remuneration plans. The targets were subsequently discussed and approved by the plenary Supervisory Board. The Remuneration Committee also discussed the remuneration ratios within ForFarmers. The remuneration report expands on the implementation of the remuneration policy in 2022. This will be discussed in more detail in the next chapter.

Remuneration

In formulating the proposal for the remuneration of the Executive Board the Remuneration Committee took note of the views of the individual members with regard to the level and structure of their personal remuneration.
The Remuneration Committee discussed the realisation of the all members of the Executive Team's previously agreed targets and determined the amount of variable remuneration. In doing so the Remuneration Committee drew on a report of the external auditor containing factual findings about the activities included the calculation of the variable compensation. The Supervisory Board then approved the proposed incentive amounts. On the advice of the Remuneration Committee the employee participation

plans for 2022 were approved. The main elements of the contracts with Executive Board members are published on the ForFarmers website.

Remuneration policy

The remuneration policy was adopted during the annual general meeting of shareholders (AGM) of 14 April 2022 for the components that concern the Executive Board. The components that relate to the Supervisory Board were adopted unchanged. At the beginning of 2022 the Remuneration Committee, with the help of an external advisor, reassessed the remuneration policy. Various elements were reviewed including the composition of the peer group, the market position of the total direct remuneration and the guidelines for the ownership of shares or depositary receipts for shares.
The remuneration report can be read in the eponymous chapter in this annual report.

The Remuneration Committee has made scenario analyses to compare the proposed remuneration package with the current package. The proposals for the remuneration policy were discussed with various stakeholders, including a selection of shareholders, a voting advisory organisation and the works council in the Netherlands. Their feedback was taken into account in the final remuneration policy.

Selection and Appointment Committee

The Selection and Appointment Committee met four times in 2022. Preparations were made and interviews held with candidates in connection with the succession of Sandra Addink-Berendsen. The preparations took into account considerations including the diversity policy and the right of recommendation that Coöperatie FromFarmers has as a priority shareholder. Marijke Folkers-in 't Hout was introduced to the Supervisory Board on the recommendation of Coöperatie FromFarmers U.A. because of her experience in the agricultural sector. The Supervisory Board followed the committee's proposal, upon which Marijke Folkers-in 't Hout was appointed to the Supervisory Board during the AGM of 14 April 2022.
The Supervisory Board continues to comply with the Quota and Target Figures Act applicable in the Netherlands.

The Selection and Appointment Committee also prepared the reappointment of Roger Gerritzen and Vincent Hulshof as supervisory board members. For this, discussions with Vincent Hulshof were conducted by the chairman of the committee together with Supervisory Board chairman Jan van Nieuwenhuizen. The Board proposed to nominate both members for reappointment on the recommendation of Coöperatie FromFarmers and subsequently made the proposal to the AGM to reappoint them as members of the Board. Both were reappointed for a period of four years at the AGM of 14 April 2022.

The appointments committee has had a busy year. First, the committee dealt with the succession of Yoram Knoop, who stepped down as CEO of ForFarmers during the AGM of 14 April 2022. Until the start of the new CEO, Chris Deen, on 1 July, Roeland Tjebbes (CFO) took over the duties of CEO. Unfortunately, Chris Deen announced on October 19, 2022, that he was retiring due to health reasons. Roeland Tjebbes and Pieter Wolleswinkel (COO) have since taken over the tasks of the CEO together.

On 19 November 2022, it was announced that Theo Spierings was nominated as a member of the Board of Directors and CEO for one year. During the extraordinary general meeting of shareholders organized for this purpose on 17 January 2023, Theo Spierings was appointed.

Due to these developments the Selection and Appointment Committee was intensively involved in the appointment plan in 2022 in order to be prepared for changes in the Executive Board and to be able to respond adequately to any unforeseen events. Furthermore, performance interviews took place with the members of the Executive Board and an assessment was made of the members of the Executive Team.

Remuneration Report

The Supervisory Board drafts the remuneration policy for the Executive Board and the Supervisory Board. This is done upon proposal by the remuneration committee. This chapter expands on the implementation of the remuneration policy in 2022.

ForFarmers' remuneration policy is aimed at attracting qualified people with an eye for the interests of stakeholders. They are able to support the success of the organisation and promote long-term value creation. They do so in a way that is in keeping with our identity, culture, mission and values.

Remuneration policy

In principle, the Board has the remuneration package of the board reviewed once every three years by an external advisor to ensure that the package complies with the principles of the remuneration policy. This review took place in 2021 and in early 2022 and included scenario analyses to compare the planned remuneration package with the existing package. The planned package was discussed with various stakeholders, including a selection of shareholders, a voting advisory organisation and the works council in the Netherlands. Their feedback has been included in the final remuneration policy, which was submitted to and approved by the AGM in 2022. With this revision, important changes have been made, including the payment of the long-term bonus. For the plans that started after 2021, these bonuses will no longer be paid out in cash, but in (depositary receipts of) ForFarmers shares. This is a prevailing market practice and aligns with the long-term interests of shareholders. As a result, the participation programme for directors has expired on 1 January 2022. The long-term variable remuneration plans started for 2022 are still paid out in cash.
In addition, the performance bandwidth and remuneration range of the variable remuneration have been adjusted.

A notable change is the link between Environmental, Social & Governance (ESG) objectives and the short-term and long-term variable remuneration. The Supervisory Board will link at least 50% of the non-financial objectives to ESG. Furthermore, it is no longer possible to give members of the Executive Board a guaranteed variable remuneration upon their appointment as this is not in line with market practice.

In addition, the new policy includes the possibility to increase the fixed base salary of an Executive Board member if his or her range of tasks is temporarily or permanently extended. A complete overview of the changes can be found in the remuneration policy on our website.

Remuneration in 2022

Annual salary of members of the Executive Board

The fixed salaries of Yoram Knoop and Roeland Tjebbes were indexed as of 1 January 2022. The fixed salary of Chris Deen (CEO) was announced in 2022 prior to his nomination as a member of the Executive Board.
The percentages used and the salaries of each director in 2022 were as follows.

In euro	Per year	Increase [1]
Yoram Knoop [2]	581,757	3.5%
Chris Deen [3]	565,000	n/a
Roeland Tjebbes	393,750	5.0%
Pieter Wolleswinkel [4]	360,000	n/a

1 *Increase per 1 January 2022 compared to 2021*
2 *Out of service as of 14 April 2022*
3 *Member of the Executive Board from 1 July 2022 until 17 January 2023; out of service as of 1 February 2023*
4 *Member of the Executive Board as of 14 April 2022*

The position of CEO was vacant from 14 April to 1 July 2022. During that period Roeland Tjebbes (CFO) received a stand-in allowance of € 18,929 in addition to his annual salary. Roeland Tjebbes (CFO) and Pieter Wolleswinkel (COO) each received a stand-in allowance of € 12,784 relating to the period from 20 September to 31 December.

Variable remuneration of members of the Executive Board

The Supervisory Board and the Executive Board agreed short-term targets for 2022 and long-term targets for 2020-2022. These objectives contribute to the implementation of ForFarmers' strategic agenda, long-term interests and sustainability agenda. They do not encourage taking inappropriate risks. The Supervisory Board determined the actual amount of short-term and long-term variable remuneration on the advice of the remuneration committee using the following method.

Score for financial targets applicable for short term (2022)

Performance	Variable remuneration
< 80% of the target	No variable remuneration for that target
≥ 80% - 100% of the target	Proportional variable remuneration for that target between 50% and 100%
≥ 100% - 120% of the target	Proportional variable remuneration for that target between 100% and 150%
≥ 120% of the target	Maximum variable remuneration for that target of 150%

Score for financial targets applicable for long term (2020-2022) with respect to ROACE

Performance	Variable remuneration
< 80% of the target	No variable remuneration for that target
≥ 80% - 120% of the target	Proportional variable remuneration for that target between 0% and 120%
≥ 120% of the target	Maximum variable remuneration for that target of 120%

Score for financial targets applicable for the long-term (2020-2022) with respect to EPS

Performance	Variable remuneration
< 90% of the target	No variable remuneration for that target
≥ 90% - 110% of the target	Proportional variable remuneration for that target between 0% and 120%
≥ 110% of the target	Maximum variable remuneration for that target of 120%

The Supervisory Board has set the minimum and maximum realisation level in advance in order to determine the qualitative targets. The variable remuneration is awarded proportionally in the case of a performance score in between these levels. Where the minimum performance level was not achieved, no variable remuneration was paid.

In 2022 the Supervisory Board and the Executive Board discussed the development of ForFarmers' results multiple times. This included talks on the financial scope available for making distributions and granting variable remuneration. The Supervisory Board awarded variable remuneration based on this. The Supervisory Board has used the results (including the impact of external factors such as high prices for raw materials and energy and the war in Ukraine) as the basis for this.

Short-term variable remuneration of members of the Executive Board

The targets for the 2022 short-term variable remuneration of the CEO and CFO were 60% financial and 40% qualitative. The targets for the COO were 70% financial and 30% qualitative. At the end of the performance period the Supervisory Board assessed to what extent the objectives linked to this remuneration were achieved by each Executive Board member.

Under the remuneration policy the CEO will receive a short-term variable remuneration of between 55% and 82.5% of his fixed base salary if all objectives are achieved. For the other board members these percentages are between 45% and 67.5%, respectively.

Chris Deen joined halfway through the year and prematurely terminated his contract with ForFarmers. Given his short tenure, no targets were set for him for 2022. For Yoram Knoop, a short-term variable remuneration of 60% and a maximum of 72% will be paid on the basis of the remuneration policy that was effective at the time (until 14 April 2022).

The Supervisory Board assessed the short-term financial performance criteria for the other board members as follows. The variable remuneration rate that was awarded (for the entire Executive Board) based on underlying net profit of ForFarmers group and on underlying EBITDA of the cluster in question (for the COO), was determined by what was realised compared to the budget for the year as approved by the Supervisory Board prior to the financial year. For 2022, the budgeted underlying net profit amounted to €29.1 million. This was adjusted for currency translation effects of foreign activities, non-budgeted mergers & acquisitions and non-budgeted tax effects as a result of additional changes in tax rates.

Information on 2022 short-term performance [1]

Performance criteria	Yoram Knoop (CEO)		Roeland Tjebbes (CFO)		Pieter Wolleswinkel (COO)	
	Target 60% Max 72%		Target 45% Max 67,5%		Target 45% Max 67,5%	
	Target (at target)	Actual	Target (at target)	Actual	Target (at target)	Actual
Underlying net profit [2]	36.0%	37.2%	27.0%	29.3%	13.5%	14.7%
Underlying operating profit cluster	–	–	–	–	13.5%	0.0%
Working capital days	–	–	–	–	4.5%	3.5%
Implementation of strategy	6.0%	4.8%	4.5%	6.7%	3.4%	5.0%
Operational effectiveness	6.0%	6.0%	4.5%	4.1%	3.4%	3.4%
Team development/ESG	12.0%	10.8%	9.0%	9.0%	6.7%	6.1%
Total short-term '22	**60.0%**	**58.8%**	**45.0%**	**49.1%**	**45.0%**	**32.7%**

[1] *Percentages in relation to the applicable fixed salary.*
[2] *Reference is made to Note 17 of the financial statements, relating to the Alternative Performance Measures (APMs)*

The Supervisory Board assessed the qualitative short-term performance criteria as follows:

Member of the Executive Board	Performance criterion	Assessment performance
Yoram Knoop	- Execution of strategy - Operational effectiveness - ESG and team development	• Strategic revision well prepared • Delay on M&A • Progression on organisation improvement and change management realised • More staff changes in senior management than desired
Roeland Tjebbes	- Execution of strategy - Operational effectiveness - ESG and team development	• Strategic revision carried out well and on time. Structured approach with a lot of involvement and a focus on culture and ESG. • Sufficient progress made with M&A, despite some delays. • Good progress on critical projects with respect to Business Process Optimisation (BPO). • Vacancies in finance department mainly filled through internal transitions. In 2022 steps were made with respect to hedging policy and the use of derivatives.
Pieter Wolleswinkel	- Execution of strategy - Operational effectiveness - ESG and team development	• Strong plan formulated for revised 2025 strategy. Detailed transformation set out, specifically for pig business. • Planned (supply chain) operations back on schedule after several backlogs • A number of changes took place in team NL. • Multiple interactions with partners in the value chain to strengthen the agenda 'Innovate, rather than restructure'.

Long-term variable remuneration of Executive Board members

The targets for the long-term variable remuneration are 60% financial and 40% qualitative. This remuneration is determined over a three-year period from 2020 to 2022. At the end of the performance period the Supervisory Board assesses to what extent the objectives linked to this remuneration have been achieved by each Executive Board member

Information on 2020-2022 long-term performance

Performance criteria	Yoram Knoop (CEO) [1]		Roeland Tjebbes (CFO)		Pieter Wolleswinkel (COO)	
	Target 60% Max 72%		Target 40% Max 48%		Target 40% Max 48%	
	Target (at target)	Actual	Target (at target)	Actual	Target (at target)	Actual
Development of earnings per share [2]	10.8%	0.0%	7.2%	2.1%	7.2%	0.0%
Development of total shareholder return (TSR) [3]	12.6%	0.0%	8.4%	2.5%	8.4%	0.0%
Return on average capital employed (ROACE) [4]	12.6%	0.0%	8.4%	2.5%	8.4%	0.0%
Implementation of strategy	9.0%	7.2%	6.0%	5.0%	6.0%	4.8%
M&A	9.0%	9.0%	6.0%	6.1%	6.0%	6.0%
Implementation of sustainability policy/ESG	6.0%	5.4%	4.0%	3.7%	4.0%	3.6%
Total long-term '22	**60.0%**	**21.6%**	**40.0%**	**21.9%**	**40.0%**	**14.4%**

[1] *Out of service as of 14 April 2022.*
[2] *Earnings Per Share (EPS) (adjusted for share buy-back)*
[3] *Total Shareholder Return (TSR) according to the scale in this report*
[4] *Return on Average Capital Employed (ROACE)*

The proportional 2020 part of the long-term variable remuneration which was guaranteed for Roeland Tjebbes when he started working, was taken into account in the realisation percentages.

The Supervisory Board assessed the qualitative long-term performance criteria as follows.

Performance criterion	Assessment performance
Execution of strategy	• Good preparation, revision strategy and launch to stakeholders • Progress on parts of the strategy (Build to Grow) • Improvements activated • Introduction of new core values to strengthen corporate culture and support the revised strategy
M&A	• Two acquisitions made to strengthen position in existing markets • Adjustment M&A policy in line with revised strategy
Execution of sustainability policy	• Progress on integrated reporting • Progress on sustainability targets • ESG concepts and related, required, organisation

For the targets for Total Shareholder Return (TSR) the Supervisory Board established in advance which companies are part of the peer group. This was based on the ten companies ranked 15 to 25 in the AMX index (mid-cap index) on 1 October of the year preceding the performance period for the long-term target and the ten companies ranked 1 to 10 in the AScX index (small-cap index) of Euronext Amsterdam on that date (based on market capitalisation). The variable remuneration percentage awarded based on TSR is determined by the position held by ForFarmers within the peer group based on the following scale.

Position	11–20	10	9	8	7	4–6	1–3
Realisation %	0	50	66.7	83.4	100	110	120

Over the 2020-2022 period ForFarmers was below position 10 on this scale, meaning that the realisation was 0%. The variable remuneration rate awarded for EPS and ROACE, respectively, was determined by the development of after-tax earnings per share (adjusted for repurchased own shares) and the return on average capital employed (ROACE) against a predetermined three-year average growth target, as approved by the Supervisory Board.

The financial and qualitative performance criteria for the ongoing long-term variable remuneration plan for 2021-2023 are the same as the criteria set for the 2020-2022 period. At least 50% of the qualitative criteria for the 2022-2024 long-term variable remuneration plan launched in 2022 are ESG-related and, similar to the 2022 short-term variable remuneration, the payout ranges have been adjusted to 50%-150% in the event that the targets are achieved (see the remuneration policy for more information).

Employee participation plan

Members of the Executive Board could take part in the employee participation plan for senior management until the end of 2021. A 20% discount was granted on the purchase price. This scheme was abolished for Executive Board members with effect from 2022. Since then they have received long-term variable remuneration plans in shares and depositary receipts for shares. The shares and depositary receipts for shares acquired under these pre-2022 schemes are subject to a five-year lock-up period from the moment they were awarded. As at 31 December 2022 the members of the Executive Board held the following shares or depositary receipts for shares:

Depositary receipts or Shares held by the Executive Board

	Depositary receipts in lock-up (5 years, release 2023)	Depositary receipts in lock-up (5 years, release 2024)	Depositary receipts in lock-up (5 years, release 2025)	Depositary receipts in lock-up (5 years, release 2026)	Depositary receipts in lock-up (5 years, release 2027)	Depositary receipts/ Shares (not in lock-up)	Total
Roeland Tjebbes	–	–	26,041	30,241	–	17,500	73,782
Pieter Wolleswinkel	5,332	6,944	6,250	11,200	–	40,481	70,207

Total remuneration of members of the Executive Board

The following table provides an overview of the total remuneration of the members of the Executive Board.

Executive Board remuneration in 2022

In euro	Fixed remuneration Salary	Other benefits [1]	Variable remuneration Short term (1 year) [3]	Long term (3 years) [3]	Special payments [2]	Pension contributions	Total remuneration	Fixed/variable ratio
Roeland Tjebbes	393,750	131,122	56,000	–	21,667	78,750	681,289	89%–11%
Pieter Wolleswinkel [4]	360,000	74,615	29,674	36,000	7,500	51,429	559,217	87%–13%
Chris Deen [5]	282,500	18,898	–	–	–	56,500	357,898	100%–0%
Yoram Knoop [6]	168,525	15,566	121,410	148,061	8,750	33,705	496,017	44%–56%

1 *Concerns employer contributions social securities, lease cars and pension compensation own arrangement, and for Roeland Tjebbes the second term for lapsed deferred benefits from previous employment as explained in more detail in this report.*
2 *Concerns 20% discount due to participation in employee participation plan*
3 *The amounts relate to the 2021 short-term and 2019-2021 long-term variable remuneration paid in 2022. The 2022 short- and 2020-2022 long-term variable remuneration will be paid after the adoption of the annual accounts for the financial year 2022.*
4 *The amounts for Pieter Wolleswinkel relate to the employment relationship for the whole of 2022.*
5 *The amounts cover the period from 1 July 2022 to 31 December 2022.*
6 *The amounts for Yoram Knoop relate to the 2021 short-term and 2019-2021 long-term variable remuneration paid in 2022, respectively the fixed and other remuneration components until his end of employment 14 April 2022.*

Share-based long-term variable compensation plans

Members of the Executive Board hold (depositary receipts for) shares in ForFarmers worth at least twice the target level of the long-term variable remuneration (i.e. 140% of the fixed base salary for the CEO and 110% for each of the other members of the board). This is subject to an accrual period of 5 years after the date of conditional granting of the long-term variable remuneration. The conditionally granted (depositary receipts for) shares with regard to the long-term variable remuneration plan 2022-2024 are included in the table below.

Long term incentive plan - conditionnaly granted (certificates) of shares

In euro

	Grant date	No. of conditionally granted (certificates) of shares	Values (certificates of) shares conditionally granted as of the grant date (€)	No. of (certificates) of shares forfeited	Vesting date	No. of (certificates of) shares vesting on vesting date (before tax)	No. of (certificates of) shares vesting on vesting date (after tax)	End of lock-up period (date available)	Value of unvested or locked-up (certificates of) shares as of 31-12-22 (€)
Roeland Tjebbes	2022	71,237	216,560	–	4/29/2025	0	0	4/29/2027	208,368
Pieter Wolleswinkel	2022	65,131	197,998	–	4/29/2025	0	0	4/29/2027	190,508
Yoram Knoop [1]	2022	11,163	33,936	–	4/29/2025	0	0	4/29/2027	32,652
Chris Deen	2022	108,415	329,582	108,415	4/29/2025	0	0	7/1/2027	–

Guaranteed variable remuneration

No guaranteed short-term variable remuneration was granted for 2022. When Roeland Tjebbes joined the Executive Board the proportional part for 2020 was guaranteed with respect to the long-term variable remuneration for 2020-2022. This amount of €41,667 is included in the total realisation of his long-term variable remuneration.

Compensation for contracts relating to previous jobs

Roeland Tjebbes is receiving € 250,000 (gross) as compensation for rewards to which he would have been entitled with his previous employer. This amount is being paid out between 2021 and 2024 in four annual instalments of € 62,500.

Remuneration ratios

In assessing the amount and structure of the remuneration of the Executive Board members the Supervisory Board also considered the pay ratios and other ForFarmers conditions of employment.
The remuneration ratios within the company are based on the ratio between the total annual remuneration of the CEO and the average annual remuneration of the employees of the company and the group companies whose financial data the company consolidates.

Performance and reward over 5 financial years

The following tables show the development of the remuneration ratios within and the performance of ForFarmers. The Supervisory Board believes that this development is balanced.

Total Executive Board remuneration

in thousands of euro	2018	2019	2020	2021	2022
CEO [1]	1,267	979	1,101	1,611	854
CFO [2]	740	610	781	621	681
COO	776	622	597	979	559

[1] *In 2022 this concerned the joint remuneration of Yoram Knoop and Chris Deen.*
[2] *In 2020 this concerned the joint remuneration of Arnout Traas and Roeland Tjebbes.*

Annual change total Executive Board remuneration

In percentage	2018	2019	2020	2021	2022
CEO	–8.4%	–22.7%	12.5%	46.3%	–47.0%
CFO	–8.4%	–17.6%	28.0%	–20.5%	9.7%
COO	–7.2%	–19.8%	–4.0%	64.0%	–42.9%

Annual change fixed basis Executive Board remuneration

In percentage	2018	2019	2020	2021	2022
CEO [1]	18.8%	2.5%	2.5%	0.0%	3.5%
CFO	2.0%	2.5%	2.5%	0.0%	5.0%
COO [2]	2.0%	2.5%	2.5%	0.0%	n.a.

[1] *The fixed short-term bonus amounting €100,000 a year, which was received by the CEO in the period 2014-2017, was ceased as of 1 January 2018 and partly included in the fixed remuneration as of 2018.*
[2] *The annual change in 2022 is not applicable for the COO as the COO was appointed during the AGM on 14 April 2022*

Performance ForFarmers

in thousands of euro (unless indicated otherwise)	2018	2019	2020	2021	2022
Underlying EBITDA [1]	100,052	88,520	96,232	78,199	76,112
Change in % year-on-year	–1.4%	–11.5%	8.7%	–18.7%	–2.7%
Underlying profit [1]	61,801	42,139	46,266	28,353	30,024
Change in % year-on-year	–2.5%	–31.8%	9.8%	–38.7%	5.9%
Average ForFarmers employees remuneration [2]	63,851	66,281	65,119	67,893	70,486
Change in % year-on-year	–1.9%	3.8%	–1.8%	4.3%	3.8%
Remuneration CEO/ average remuneration ratio [3]	19.9	14.8	16.9	14.9	12.1

[1] *Please refer to Note 17 of the financial statements concerning Alternative Performance Measures (APMs).*
[2] *Concerns the calculation as described above under "Pay ratios"*
[3] *Excluding the severance payment*

Remuneration passed on to subsidiaries and other companies

In 2022 part of the remuneration costs for each board member were passed on (indirectly) to subsidiaries or other companies whose financial data is consolidated by ForFarmers in accordance with the overhead cost allocation model.

Remuneration of members of the Supervisory Board

In 2022, the annual gross remuneration of the members of the Supervisory Board amounted to € 60,000 for the chair, € 46,000 for the vice-chair and € 43,000 for the other Supervisory Board members. Additional payments were made of € 10,000 for the chair of the audit committee, € 7,500 for the chairs of other committees, € 7,000 for the members of the audit committee and € 6,000 for the members of other committees. Each Supervisory Board member receives an annual fixed expense allowance of € 500.

In 2022 the following remuneration was paid to the members of the Supervisory Board.

Supervisory Board remuneration in 2022

	Supervisory Board	Commissions	Other compensation [1]	Total
Jan van Nieuwenhuizen	60,000	12,000	500	72,500
Sandra Addink-Berendsen [2]	13,325	4,635	530	18,490
Roger Gerritzen	43,000	14,500	1,602	59,102
Vincent Hulshof	43,000	6,000	500	49,500
Annemieke den Otter	43,000	7,000	500	50,500
Erwin Wunnekink	45,143	13,571	2,324	61,038
Marijke Folkers-In 't Hout [3]	30,714	5,357	1,145	37,216

[1] *Relates to reimbursement for travel and fixed expenses*
[2] *Until end of terms 14 April 2022*
[3] *As of 14 April 2022*

Total Supervisory Board remuneration over 5 years

in thousands of euro	2018	2019	2020	2021	2022
Chairman [1]	63	77	73	74	73
Vice-Chairman [2]	60	63	64	64	61
Other members [3]	54	54	55	52	54

[1] *Concerns the remuneration of the current Chairman as of 23 April 2021 and for the former Chairman up to and including that date.*
[2] *Concerns the remuneration of the current Vice-Chairman as of 14 April 2022 and for the former Vice-Chairman up to and including that date.*
[3] *Concerns the average remuneration of the other Supervisory Board members.*

In the year under review the Supervisory Board made no additional remuneration payments to members of the Supervisory Board in connection with the performance of additional tasks. As at 31 December 2022 the members of the Supervisory Board held the following shares or depositary receipts in ForFarmers N.V. and/or a balance in the participation account of Coöperatie FromFarmers U.A.:

	Depository receipts/ Shares	Participation accounts [1]	Total
Jan van Nieuwenhuizen	–	–	–
Roger Gerritzen	–	–	–
Vincent Hulshof	–	8,640	8,640
Annemieke den Otter	–	–	–
Marijke Folkers - In 't Hout	–	24,243	24,243
Erwin Wunnekink	–	–	–

[1] *The balance on the participation account can solely be held by members of FromFarmers and can be converted into depositary receipts or shares of ForFarmers N.V.*

The members of the Supervisory Board with shares, depositary receipts or participation accounts are also members of FromFarmers and have obtained their shares, depositary receipts or participation accounts by participating in the Equity on Name programme offered by FromFarmers from 2007-2017.

ForFarmers allocated no options, depositary receipts or shares to members of the Supervisory Board.
The remuneration of the members of the Supervisory Board is not dependent on the results of ForFarmers; nor is it affected by a change of control in the Company.
No loans were provided to members of the Supervisory Board.

Advisory vote of the General Meeting of Shareholders

The remuneration report for the 2021 financial year was submitted to the AGM of 14 April 2022 for an advisory vote. The vote of the AGM was taken into account in the aforementioned revision of the remuneration policy.

The result of the advisory vote was as follows:

	Votes	Percentage
For	58,285,983	95.1%
Against	3,019,169	4.9%
Abstain	103,189	–

This remuneration report will be submitted to the AGM of 13 April 2023 for an advisory vote. The remuneration report for 2023 will expand on how this advisory vote was taken into account.

Lochem, 22 February 2023

Supervisory Board of ForFarmers

Financial statements 2022

Consolidated financial statements

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Consolidated statement of financial position

in millions of euro (before profit appropriation)	Note	31 December 2022	31 December 2021
Assets			
Property, plant and equipment	18	311.8	317.7
Intangible assets and goodwill	19	105.2	107.9
Investment property	20	0.6	0.6
Trade and other receivables	22	3.4	5.3
Equity-accounted investees	21	32.0	28.9
Deferred tax assets	16	2.5	2.8
Employee benefits	15	5.8	3.9
Non-current assets		**461.3**	**467.1**
Inventories	23	152.1	116.5
Biological assets	24	6.1	8.5
Trade and other receivables	22	330.7	273.4
Current tax assets		1.5	9.0
Cash and cash equivalents	25	68.4	68.3
Assets held for sale	26	0.3	0.6
Current assets		**559.1**	**476.3**
Total assets		**1,020.4**	**943.4**

in millions of euro (before profit appropriation)	Note	31 December 2022	31 December 2021
Equity			
Share capital		0.9	0.9
Share premium		143.6	143.6
Treasury share reserve		–	–0.0
Translation reserve		–10.5	–5.2
Hedging reserve		–1.2	–0.5
Other reserves and retained earnings		184.3	209.7
Unappropriated result		18.0	12.0
Equity attributable to shareholders of the Company	27	335.1	360.5
Non-controlling interests	34	9.1	5.7
Total equity		**344.2**	**366.2**
Liabilities			
Loans and borrowings	29	118.0	87.1
Employee benefits	15	16.7	23.9
Provisions	30	2.5	6.1
Trade and other payables	31	24.2	28.7
Deferred tax liabilities	16	14.2	16.9
Non-current liabilities		175.6	162.7
Bank overdrafts	32	42.1	34.5
Loans and borrowings	29	6.7	10.1
Provisions	30	1.7	1.9
Trade and other payables	31	449.9	367.5
Current tax liabilities		0.2	0.5
Current liabilities		**500.6**	**414.5**
Total liabilities		**676.2**	**577.2**
Total equity and liabilities		**1,020.4**	**943.4**

The notes 1 to 40 are an integral part of these consolidated financial statements.

Consolidated statement of profit or loss

in millions of euro	Note	2022	2021
Revenue	8	3,315.0	2,670.5
Cost of raw materials and consumables	9	−2,820.2	−2,234.2
Gross profit		494.8	436.3
Other operating income	10	0.7	3.7
Operating income		**495.5**	**440.0**
Employee benefit expenses	15	−167.7	−164.3
Depreciation, amortisation and impairment	18,19	−48.1	−50.3
Net (reversal of) impairment loss on trade receivables	32	−3.4	−0.2
Other operating expenses	11	−251.9	−202.6
Operating expenses		**−471.1**	**−417.4**
Operating profit		24.4	22.6
Net finance result	6.12	−6.5	−5.6
Share of profit of equity-accounted investees, net of tax	21	4.3	3.8
Profit before tax		**22.2**	**20.8**
Income tax expense	16	−4.0	−8.3
Profit for the period		**18.2**	**12.5**
Profit attributable to:			
Shareholders of the Company		18.0	12.0
Non-controlling interests	34	0.2	0.5
Profit for the period		**18.2**	**12.5**
Earnings per share in euro [1]			
Basic earnings per share	13	0.20	0.13
Diluted earnings per share	13	0.20	0.13

[1] Earnings per share attributable to the shareholders of the Company

The notes 1 to 40 are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

in millions of euro	Note	2022	2021
Profit for the period		18.2	12.5
Other comprehensive income			
Items that will never be reclassified to profit or loss			
Remeasurement of defined benefit liabilities	15,16	4.7	27.9
Equity-accounted investees - share of other comprehensive income	16	0.1	–
Related tax		–0.9	–5.8
		3.9	**22.1**
Items that are or may be reclassified to profit or loss			
Foreign operations - foreign currency translation differences	16	–5.8	5.4
Cash flow hedges - effective portion of changes in fair value	16	–0.9	0.1
Cash flow hedges - reclassified to statement of profit or loss / statement of financial position	16	–	–
Related tax	16	0.7	–1.2
		–6.0	**4.3**
Other comprehensive income, net of tax		–2.1	26.4
Total comprehensive income		**16.1**	**38.9**
Total comprehensive income attributable to:			
Shareholders of the Company		15.9	38.4
Non-controlling interests	34	0.2	0.5
Total comprehensive income		**16.1**	**38.9**

The notes 1 to 40 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

in millions of euro	Note	Share Capital	Share premium	Treasury share reserve	Translation reserve	Hedging reserve	Other reserves and retained earnings	Unappropri-ated result	Subtotal [1]	Non-controlling interest	Total
Balance as at 1 January 2022		**0.9**	**143.6**	**–**	**–5.2**	**–0.5**	**209.7**	**12.0**	**360.5**	**5.7**	**366.2**
Addition from unappropriated result		–	–	–	–	–	12.0	–12.0	–	–	–
Total comprehensive income											
Profit		–	–	–	–	–	–	18.0	18.0	0.2	18.2
Other comprehensive income		–	–	–	–5.3	–0.7	3.9	–	–2.1	–	–2.1
Total comprehensive income		**–**	**–**	**–**	**–5.3**	**–0.7**	**3.9**	**18.0**	**15.9**	**0.2**	**16.1**
Transactions with shareholders of the Company, recognised directly in equity											
Contributions and distributions											
Dividends	27	–	–	–	–	–	–25.9	–	–25.9	–0.5	–26.4
Purchase of own shares		–	–	–	–	–	–15.4	–	–15.4	–	–15.4
Equity-settled share-based payments	27	–	–	–	–	–	–0.0	–	–0.0	–	–0.0
Tax movements directly in equity	27	–	–	–	–	–	–	–	–	0.1	0.1
Acquisition of a subsidiary	6, 27	–	–	–	–	–	–	–	–	3.6	3.6
Total transactions with shareholders of the Company	27	**–**	**–**	**–**	**–**	**–**	**–41.3**	**–**	**–41.3**	**3.2**	**–38.1**
Balance as at 31 December 2022		**0.9**	**143.6**	**–**	**–10.5**	**–1.2**	**184.3**	**18.0**	**335.1**	**9.1**	**344.2**

[1] Sub-total equity refers to equity attributable to the Company's shareholders.

The notes 1 to 40 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

in millions of euro	Share Capital	Share premium	Treasury share reserve	Translation reserve	Hedging reserve	Other reserves and retained earnings	Unappropri-ated result	Subtotal [1]	Non-controlling interest	Total
Balance as at 1 January 2021	**0.9**	**143.6**	**–**	**–9.4**	**–0.6**	**208.3**	**14.2**	**357.0**	**5.6**	**362.6**
Addition from unappropriated result	–	–	–	–	–	14.2	–14.2	–	–	–
Total comprehensive income										
Profit	–	–	–	–	–	–	12.0	12.0	0.5	12.5
Other comprehensive income	–	–	–	4.2	0.1	22.1	–	26.4	–	26.4
Total comprehensive income	**–**	**–**	**–**	**4.2**	**0.1**	**22.1**	**12.0**	**38.4**	**0.5**	**38.9**
Transactions with shareholders of the Company, recognised directly in equity										
Contributions and distributions										
Dividends	–	–	–	–	–	–27.6	–	–27.6	–0.5	–28.1
Purchase of own shares	–	–	–	–	–	–7.3	–	–7.3	–	–7.3
Equity-settled share-based payments	–	–	–	–	–	0.0	–	0.0	–	0.0
Tax movements directly in equity	–	–	–	–	–	–	–	–	0.1	0.1
Total transactions with shareholders of the Company	**–**	**–**	**–**	**–**	**–**	**–34.9**	**–**	**–34.9**	**–0.4**	**–35.3**
Balance as at 31 December 2021	**0.9**	**143.6**	**–**	**–5.2**	**–0.5**	**209.7**	**12.0**	**360.5**	**5.7**	**366.2**

[1] Sub-total equity refers to equity attributable to the Company's shareholders.

The notes 1 to 40 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

in millions of euro	Note	2022	2021
Cash flows from operating activities			
Profit for the year		18.2	12.5
Adjustments for:			
Depreciation	18	35.1	35.2
Amortisation	19	10.4	10.6
Net (reversal of) impairment loss	18,19	2.6	4.5
Change in fair value of biological assets (unrealised)	24	1.7	0.1
Net (reversal of) impairment loss on trade receivables	32	3.4	0.2
Net finance result	12	6.5	5.6
Share of profit of equity-accounted investees, net of tax	21	−4.3	−3.8
Gain on sale of property, plant and equipment / investment property	10	−0.3	−0.7
Gain on sale of assets held for sale	26	–	−2.0
Equity-settled share-based payment expenses	15	0.6	0.2
Expenses related to post-employment defined benefit plans	15	1.0	1.0
Expenses related to long term incentive plans	15	–	0.3
Income tax expense	16	4.0	8.3
		78.9	**72.0**
Changes in:			
Inventories & biological assets		−34.6	−21.2
Trade and other receivables		−65.4	−45.3
Trade and other payables		82.7	73.2
Provisions and employee benefits		−9.8	−5.8
Cash generated from operating activities		**51.8**	**72.9**
Interest paid		−3.5	−1.3
Income taxes paid		−0.1	−16.9
Net cash from operating activities		**48.2**	**54.7**

The notes 1 to 40 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

in millions of euro	Note	2022	2021
Cash flows from investing activities			
Interest received		0.7	0.8
Dividends received from equity-accounted investees	21	2.2	2.4
Proceeds from sale of property, plant and equipment / investment property	10	1.0	3.2
Proceeds from sale of assets held for sale	26	–	2.6
Acquisition of subsidiaries, net of cash acquired	6	−3.4	−25.0
Acquisition of property, plant and equipment	18	−33.4	−36.5
Acquisition of intangible assets	19	−1.9	−3.0
Net cash used in investing activities		**−34.8**	**−55.5**
Cash flows from financing activities			
Purchase of own shares	27,29	−15.4	−7.3
Proceeds from sale of treasury shares relating to employee participation plan	27,29	0.2	0.7
Purchase of treasury shares relating to employee participation plan	27,29	−0.4	−1.0
Lease payments	29	−8.8	−8.0
Proceeds from borrowings	29	75.0	68.0
Repayment of borrowings	29	−43.0	−28.0
Transaction costs related to borrowings	29	−0.1	−0.1
Dividend paid	27,29	−25.3	−26.8
Net cash used in financing activities		**−17.8**	**−2.5**
Net increase/decrease in cash and cash equivalents		−4.4	−3.4
Cash and cash equivalents at 1 January		33.8	38.0
Effect of movements in exchange rates on cash held		−3.1	−0.8
Cash and cash equivalents as at 31 December [1]	25	**26.3**	**33.8**

[1] Net of bank overdrafts

The notes 1 to 40 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

Basis of preparation

1. ForFarmers N.V.

ForFarmers N.V. (the 'Company') is a public limited company domiciled in the Netherlands. The Company's registered office is at Kwinkweerd 12, 7241 CW Lochem. The consolidated financial statements for the financial year ended 31 December 2022 comprise ForFarmers N.V. and its subsidiaries (jointly the 'Group' or 'ForFarmers') and the Group's interest in its joint venture HaBeMa and associates.

As at 31 December 2022, the capital interest and voting rights in the Company is distributed as follows:

	31 December 2022		31 December 2021	
	Capital interest	Voting rights	Capital interest	Voting rights
Held by ForFarmers	6.13%		2.01%	
Shares Coöperatie FromFarmers U.A. (Direct)	19.43%	20.70%	19.43%	19.83%
Participation accounts of members (Indirect)	26.02%	27.71%	27.02%	27.57%
Coöperatie FromFarmers U.A.	**45.45%**	**48.41%**	**46.45%**	**47.40%**
Depositary receipts of members	6.43%	6.85%	6.01%	6.14%
Depositary receipts in lock-up	0.73%	0.78%	0.96%	0.98%
Depositary receipts other holders [1]	1.75%	1.87%	1.54%	1.57%
Shares Stichting Beheer- en Administratiekantoor ForFarmers	**8.91%**	**9.50%**	**8.51%**	**8.69%**
Shareholders (external)	39.51%	42.09%	43.03%	43.91%
Total of ordinary shares outstanding	**100%**	**100%**	**100%**	**100%**

[1] These concern (former) employees of ForFarmers for whose depositary receipts of shares no lock-up exists (anymore) and third parties which did not (yet) convert their depositary receipts into shares.

ForFarmers N.V. is an internationally operating feed company that offers Total Feed solutions for conventional and organic livestock farming. ForFarmers gives its very best "For the Future of Farming": for the continuity of farming and for a financially secure agricultural sector .

2. Basis of accounting

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs, hereafter stated as IFRS) and section 2:362 sub 9 of the Netherlands Civil Code.

The consolidated (and company) financial statements were approved for issuance by the Executive Board and Supervisory Board on 22 February 2023. The Group's financial statements will be subject to adoption by the Annual General Meeting of Shareholders on 13 April 2023.

Going concern

The consolidated financial statements are prepared in accordance with the going concern principle.

In 2022 ForFarmers did not experience material issues in its core processes as result of raw material availability.

The covid-19 pandemic had a limited impact on the business operations of ForFarmers in 2022. Operational activities normalized after easing and largely abolished covid restrictions at the beginning of the year. Despite the impact of covid-19-infections and -regulations, ForFarmers managed to serve clients optimally and service-oriented throughout 2022.

ForFarmers' position in a vital sector supports the continuity of operational cashflows. In addition, ForFarmers has a strong balance sheet and a solid financial position with sufficient cash and headroom in its credit facilities.

Changes in accounting policies in 2022

In 2022, the following new standards, amendments or interpretations of the International Accounting Standard Board (IASB) came into effect. These have no significant impact on the Total equity as at 31 December 2022, Net result for the 2022 financial year, nor comparative figures of ForFarmers:

- IFRS 3 Business combinations
- IAS 16 Property plant and equipment
- IAS 37 Provisions, contingent liabilities and contingent assets

For explanatory notes on the standards issued but not yet effective, reference is made to Note 40.

Comparative information

When necessary prior year amounts have been adjusted to conform to the current year presentation.

Accounting policies

Details of the Group's significant accounting policies are included in Notes 38 and 39.

3. Functional and presentation currency

These consolidated financial statements are presented in euro, which is the Company's functional currency. All amounts have been rounded to the nearest million with one digit after comma, unless otherwise indicated. The subsidiaries' functional currencies are mainly the euro, pound sterling and Polish zloty. Most of the transactions, and resulting balances, occur in the local and functional currency.

The following exchange rates have been applied during the year:

Rate as at 31 December	€ 1.00	€ 1.00
2020	£ 0.8990	zł 4.5597
2021	£ 0.8403	zł 4.5969
2022	£ 0.8869	zł 4.6808

Average rate	€ 1.00	€ 1.00
2021	£ 0.8596	zł 4.5652
2022	£ 0.8528	zł 4.6861

4. Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual valuation of assets and liabilities may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis, taking into account the opinions and advice of (external) experts. Changes to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

A. Judgements

Information about judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

- revenue: whether the Group acts as an agent in the transaction rather than as a principal (Note 8);
- consolidation: whether the Group has de facto control over an investee (Note 33).

B. Assumptions and estimation uncertainties

The estimates and assumptions considered most critical are:

- measurement of defined benefit obligations: key actuarial assumptions (Note 15);
- recognition of deferred tax assets: availability of future taxable profit against which carry forward tax losses can be used (Note 16);
- useful life of property, plant and equipment and intangible assets (Notes 18 and 19);
- expected lease term and discount rate of right-of-use assets (Note 18);
- impairment test: key assumptions underlying recoverable amounts (Note 19);
- valuation of trade and other receivables (Note 22);
- recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources relating to provisions (Note 30); and
- measurement of put option liabilities and contingent considerations as a result of business combinations (Note 31).

C. Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

The Group uses market observable-input to the extent possible-in determination and calculation of the fair value of an asset or a liability. Fair values are categorised into different Levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Group recognises transfers between Levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. If the inputs used to measure the fair value of an asset or a liability might be categorised in different Levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same Level of the fair value hierarchy as the lowest Level input that is significant to the entire measurement.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price.

Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS, including the Level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.
Further information about the assumptions made in measuring fair values is included in the following notes:

- Share-based payment arrangements (Note 14)
- Property, plant and equipment and investment property (Notes 18 and 20)
- Intangible assets, excluding goodwill (Note 19)
- Inventories (Note 23)
- Biological assets (Note 24)
- Derivatives (Note 32)
- Financial instruments, other than derivatives (Note 32)

5. Operating segments

A. Basis for segmentation

The Group has the following three strategic clusters, which are its reportable segments:

- The Netherlands / Belgium
- Germany / Poland
- United Kingdom

Each country is a separate operating segment, but can be aggregated into reportable segments depending on similarity of economic, market and competition characteristics, given that the nature of the products and services, the nature of the production processes, the type of customer, the methods used to distribute the products, and the nature of the regulatory environment, is similar.

The Group's products include, amongst other things, compound feed and blends, feed for young animals and specialities, raw materials and coproducts, seeds and fertilisers. Core activities are production and delivery of feed, logistics and providing Total Feed solutions based on nutritional expertise.

The Group's Executive Board reviews internal management reports of each reportable segment on a monthly basis and its members are considered as the chief operating decision making body.

B. Information about reportable segments

Information related to each reportable segment is set out on the next pages.

The column Group / eliminations represents and includes amounts as a result of Group activities and eliminations in the context of the consolidation. There are various levels of integration between the segments. This integration includes, amongst others, transfers of inventories and shared distribution services. Inter-segment pricing is determined on an arm's length basis.

The Group is not reliant on any individual major customers.

C. Reconciliation of profit

The reconciliation between the reportable segments' operating profits and the Group's profit before tax is as follows:

in millions of euro	Note	2022	2021
Segment operating profit		24.4	22.6
Net finance result	12	−6.5	−5.6
Share of profit of equity-accounted investees, net of tax	21	4.3	3.8
Profit before tax		**22.2**	**20.8**

in millions of euro	The Netherlands / Belgium	Germany / Poland	United Kingdom	Group / eliminations	2022 Consolidated
Compound feed revenues	1,362.6	749.8	616.3	–	2,728.7
Other revenue	335.1	78.7	172.5	–	586.3
External revenues	**1,697.7**	**828.5**	**788.8**	**–**	**3,315.0**
Inter-segment revenues	50.1	0.7	–	–50.8	–
Revenue	**1,747.8**	**829.2**	**788.8**	**–50.8**	**3,315.0**
Gross profit	269.3	98.6	126.4	0.5	494.8
Other operating income	0.1	0.3	0.1	0.2	0.7
Operating expenses	–242.2	–85.6	–127.0	–16.3	–471.1
Operating profit	**27.2**	**13.3**	**–0.5**	**–15.6**	**24.4**
Depreciation, amortisation and impairment	18.2	8.8	16.4	4.7	48.1
EBITDA	**45.4**	**22.1**	**15.9**	**–10.9**	**72.5**
Property, plant and equipment	141.0	70.6	94.8	5.4	311.8
Intangible assets and goodwill	78.8	13.6	6.9	5.9	105.2
Equity-accounted investees	–	30.8	1.2	–	32.0
Other non-current assets	0.7	9.5	6.1	–4.0	12.3
Non-current assets	**220.5**	**124.5**	**109.0**	**7.3**	**461.3**
Current assets	**311.7**	**216.1**	**151.0**	**–119.7**	**559.1**
Total assets	**532.2**	**340.6**	**260.0**	**–112.4**	**1,020.4**
Equity	–224.3	–64.3	–102.7	47.1	–344.2
Liabilities	–307.9	–276.3	–157.3	65.3	–676.2
Total equity and liabilities	**–532.2**	**–340.6**	**–260.0**	**112.4**	**–1,020.4**
Working capital	–18.1	54.6	9.5	–7.2	38.8
Capital expenditure[1]	17.1	9.6	6.6	2.9	36.2

[1] Additions to intangible assets and property, plant and equipment.

in millions of euro	The Netherlands / Belgium	Germany / Poland	United Kingdom	Group / eliminations	Consolidated
					2021
Compound feed revenues	1,120.6	568.7	516.3	–	2,205.6
Other revenue	256.4	76.0	132.5	–	464.9
External revenues	**1,377.0**	**644.7**	**648.8**	**–**	**2,670.5**
Inter-segment revenues	39.8	0.7	–	−40.5	–
Revenue	**1,416.8**	**645.4**	**648.8**	**−40.5**	**2,670.5**
Gross profit	249.6	73.5	112.6	0.6	436.3
Other operating income	2.0	0.7	1.0	–	3.7
Operating expenses	−209.9	−74.4	−117.2	−15.9	−417.4
Operating profit	**41.7**	**−0.2**	**−3.6**	**−15.3**	**22.6**
Depreciation, amortisation and impairment	19.8	9.0	16.9	4.6	50.3
EBITDA	**61.5**	**8.8**	**13.3**	**−10.7**	**72.9**
Property, plant and equipment	136.9	68.0	106.5	6.3	317.7
Intangible assets and goodwill	75.5	15.9	10.2	6.3	107.9
Equity-accounted investees	–	27.8	1.1	–	28.9
Other non-current assets	1.4	9.2	4.4	−2.4	12.6
Non-current assets	213.8	120.9	122.2	10.2	467.1
Current assets	275.6	188.5	126.1	−113.9	476.3
Total assets	**489.4**	**309.4**	**248.3**	**−103.7**	**943.4**
Equity	−209.6	−52.0	−25.1	−79.5	−366.2
Liabilities	−279.8	−257.4	−223.2	183.2	−577.2
Total equity and liabilities	**−489.4**	**−309.4**	**−248.3**	**103.7**	**−943.4**
Working capital	−28.4	61.4	8.6	−4.1	37.5
Capital expenditure[1]	18.3	10.1	7.7	4.5	40.6

[1] Additions to intangible assets and property, plant and equipment

6. Business combinations

Acquisitions 2022

During 2022, the following acquisitions took place.

In December 2022 ForFarmers acquired the majority of the shares in a small compound feed business, which is mainly active in the swine sector in the Netherlands. As well in December 2022, Forfarmers completed the acquisition of all of the shares in a small firm in the ruminants sector in the Netherlands.

Both acquisitions are not material for the Group for the disclosure requirements of IFRS 3 (Business Combinations).

Acquisitions 2021

Acquisition De Hoop Mengvoeders B.V.

On 2 February 2021 ForFarmers acquired all shares of De Hoop Mengvoeders B.V. (De Hoop, the Netherlands) for the compound feed business and its related transport activities, and the mill with adjacent real estate.

The purchase price amounts to €31.1 million, including contingent considerations with a fair value of €6.7 million at acquisition date. During 2022 the first part of the contingent consideration, amounting €2.0 million, is paid. The outstanding consideration amounts €5.5 million as at 31 December and will be paid in 2023.

Acquisition Mühldorfer

On 2 February 2021, ForFarmers acquired a specific business unit from Mühldorfer AG that focuses on the production of horse feed. The acquisition price was €4.4 million, including a contingent consideration of €1.3 million, payable between 2022 and 2024. The acquired assets mainly relate to customer relationships. The acquisition is not material to the Group under the disclosure requirements of IFRS 3 (Business Combinations).

Developments previous acquisitions

Tasomix Group (Poland)

The put option liability for the remaining 40%, which has to be paid in PLN, has been valued and amounted to €30.0 million, which represent its fair value at the date of acquisition. As at 31 December 2022 the put option liability amounts to €23.2 million (31 December 2021 €22.8million). The decrease of this liability relates to the discounting effect of €2.7 million and remeasurement gain amounting to €1.9 million (both recognised in the income statement as a non-operational finance result, refer to Note 12) and a foreign currency translation gain (€0.4 million included in other comprehensive income).

Acquisition-related cash flows

The acquisition-related cash flows in 2022 amounted to €3.4 million and mainly relate to contingent considerations of De Hoop €2,0 million and two acquisitions in 2022 (2021: €25.0 million in relation to acquisitions of De Hoop and Mühldorfer).

Measurement of fair values

The table below provides an overview of valuation techniques regarding the fair values of the identifiable assets and liabilities of the acquired businesses.

Assets acquired	Valuation technique
Property, plant and equipment	Market comparison technique and cost technique: The valuation model considers market prices for similar items when available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.
Intangible assets	Multi-period excess earnings method: The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer bases.
Inventories	Market comparison technique: The fair value is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

7. Disposals

There were no disposals during 2021 and 2022.

8. Revenue

The geographic distribution of the revenue is as follows:

In millions of euro	2022	2021
The Netherlands	1,313.9	1,052.3
Germany	666.9	562.4
Belgium	202.3	183.0
Poland	324.3	205.8
United Kingdom	788.9	648.8
Other EU countries	18.2	17.5
Other countries outside the EU	0.5	0.7
Total	**3,315.0**	**2,670.5**

The distribution of the revenue per category is as follows:

in millions of euro	2022	2021
Compound feed	2,728.7	2,205.6
Other revenue	586.3	464.9
Total	**3,315.0**	**2,670.5**

The increase of the revenue by €644.5 million includes a positive currency impact of €2.6 million. Furthermore, the net effect of acquisitions and disposals results in a increase effect on revenue of €4.1 million. This results in a like-for-like increase of €637.8 million. This like-for-like increase was due to higher raw material prices partly offset by the decrease in volumes.

The other revenue mainly relates to the sale of single, moist and liquid feed, other trading products, and services. The increase relates to increased prices for energy and fuel.

9. Cost of raw materials and consumables

The increase in the cost of raw materials and consumables by €586.0 million includes a currency impact of €2.1 million (increase of cost). The net effect of acquisitions results in an increase of €3.4 million. This results in a like-for-like increase of €580.5 million. This increase is mainly due to an increase in raw material prices, partly offset by a decrease in volumes.

10. Other operating income

Other operating income 2022 is relatively limited. The other operating income in 2021 mainly relates to the divestment of property in the Netherlands (€0.8 million), United Kingdom (€0.9 million) and Belgium (€1.2 million).

11. Operating expenses

The increase of the operating expenses amounts to €53.8 million, and contains a increase of €0.2 million caused by a currency impact. The net effect of acquisitions and divestments amounts to €0.7 million. The like-for-like increase of the operating expenses was €52.9 million. The increase is mainly caused by the significantly higher energy and fuel costs. Additionally, the impairment loss on trade receivables increased by €3.2 million compared to last year. Personnel costs rose due to wage indexation and small increase of the number of FTEs.

A. Other operating expenses

in millions of euro	2022	2021
Energy costs	76.6	41.3
Transport costs	80.2	73.7
Maintenance costs	29.4	26.5
Sales expenses	9.9	7.1
Other	55.8	54.0
Total	**251.9**	**202.6**

The other operating expenses increased by €49.3 million, including an increase of €0.2 million caused by a currency impact and an increase of €0.7 million caused by the net effect of acquisitions and divestments. The like-for-like increase therefore amounts to €48.4 million. This is mainly due to increased energy and fuel prices.

The other expenses include costs of temporary personnel and IT licences, together approximately 34% of the total (2021: 35% of the total).

B. Research and development expenses

In 2022 the Group incurred an amount of €6.6 million (2021: €6.7 million) relating to research and development expenses. These expenses mainly comprise personnel expenses of nutrition specialists, product managers and laboratory workers.

C. Auditor’s fee

The following fees were charged by KPMG Accountants N.V. to the Company, its subsidiaries and other consolidated companies, as referred to in Section 2:382a (1) and (2) of the Netherlands Civil Code.

in millions of euro	KPMG Accountants NV	Other KPMG network	Total KPMG
2022			
Audit of the financial statements	0.8	0.6	1.4
Other audit engagements	0.1	0.0	0.1
Tax-related advisory services	–	–	–
Other non-audit services	–	–	–
Total	**0.9**	**0.6**	**1.5**
2021			
Audit of the financial statements	0.6	0.5	1.1
Other audit engagements	0.1	0.0	0.1
Tax-related advisory services	–	–	–
Other non-audit services	–	–	–
Total	**0.7**	**0.5**	**1.2**

The fees mentioned in the table for the audit of the financial statements relate to the total fees for the audit of the financial statements, irrespective of whether the activities have been performed during the financial year.

The remaining auditor´s costs (the 'Other audit engagements'), were charged to the financial year in which the services were rendered.

The engagements performed by KPMG Accountants N.V., other than the audit of the financial statements, consist of the review of selected sustainability indicators and agreed-upon procedures regarding board remuneration and bonus targets.

12. Net finance result

in millions of euro	Note	2022	2021
Interest income		0.9	0.7
Interest expenses		–3.9	–1.0
Other financial expenses		–0.7	–1.1
Net interest on loans[1]		–3.7	–1.4
Foreign exchange income (expense)		–0.3	0.0
Pension interest expenses	15	–0.1	–0.5
Interest on lease liabilities		–1.3	–1.2
Change in fair value instruments		–	–
Net other finance result		–1.7	–1.7
Underlying net finance result		**–5.4**	**–3.1**
Change in fair value contingent considerations	6, 32	–0.3	–0.2
Change in fair value put option liability	6, 32	–0.8	–2.3
Net non-operational finance result		–1.1	–2.5
Net finance result recognised in profit or loss		**–6.5**	**–5.6**

[1] Included in interest coverage ratio calculation, refer to Note 29

Net finance result amounts to €6.5 million negative (2021: €5.6 million negative) and includes, among others, a non-operational finance result of €1.1 million negative (2021: € 2.5 million negative).

The non-operating financing result of €1.1 million negative (2021: €2.5 million negative) mainly relates to the regular annual interest accrual and remeasurement of the put option liability with regard to Tasomix (Poland) and contingent considerations regarding past acquisitions.

The interest income mainly comprises interest received on long-term outstanding receivables (loans to customers).

The interest expenses mainly comprise interest paid on bank loans and other financing liabilities.

The other financial expenses include amortisation of €0.3 million (2021: €0.3 million) which relates to capitalized cost in relation to the financing arrangement, as further disclosed in Note 29.

On foreign currency transactions, which were settled in 2022 and the translation of monetary items, an expense is recognized (2021: nil).

13. Earnings per share

A. Basis earnings per share

The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

Profit attributable to ordinary shareholders:

in millions of euro	2022	2021
Profit for the year, attributable to the shareholders of the Company	18.0	12.0

Weighted-average number of shares:

	Note	2022	2021
Shares in issue	27	95,218,822	95,218,822
Effect of treasury shares held (weighted-average during the year)		−5,413,103	−127,133
Weighted average number of shares		**89,805,719**	**95,091,689**

Basis earnings per share:

In euro	2022	2021
Basic earnings per share	0.20	0.13

The increase of the basic earnings per share is mainly caused by the higher results.

B. Diluted earnings per share

The calculation of diluted earnings per share is equal to the calculation of basic earnings per share, since no new shares have been issued in In 2022 and 2021. For further information we refer to note 27.

14. Share-based payment arrangements

A. Description of the share-based compensation plan Executive Team

On 29 April 2022, after approval by the AGM, a change to the remuneration policy was implemented including a payment mechanism for long-term variable remuneration with use of (rights to) shares or depositary receipts thereof. This plan mainly applies to the members of the Executive Team.

The long-term variable remuneration consists of a conditional award of (certificates of) ForFarmers shares (respectively Performance Stock Units, ForFarmers PSUs) with the aim of aligning the long-term interests of the Executive Team with the long-term interests of the shareholders. The amount of the long-term variable remuneration depends on the extent to which the objectives have been achieved over a period of three years. The targets include among others the development of earnings per share and ROACE and are described in more detail in the Remuneration Report. As of 2022, the participants of this plan are not allowed to participate in the 2022 participation plans.

The maximum number of depositary receipts that the participants will receive is based on a bonus amount related to the above-mentioned objectives and on the average closing price on Euronext in the five trading days from April 21, 2022 up to and including April 27, 2022. This value amounted to €3.04 per share.

The overview below shows the number of (conditional rights to) shares or depositary receipts thereof. For all participants, the award took place in 2022 and the vesting period is 3 years. After the vesting period, a lock-up period of 2 years applies, which means that the date on which the shares are available is 29 April 2027. No dividend will be paid on the shares in the period between the grant date and the vesting date.

in millions of euro	2022 number of (certificates) of shares
Outstanding as at 1 January	**-**
Conditionally granted	452,097
Forfeited	(139,336)
Vested	-
Performance adjustment	-
Other changes	-
Outstanding as at 31 December	**312,761**
	-
Share price as at 31 December	2.93

The conditional rights to (depositary receipts for) shares that have been forfeited in 2022 are related to the in 2022 announced departure one of the members of the Executive Team.

The weighted average share price of the shares conditionally awarded in 2022 is €3.04 (2021: not applicable).

The weighted average remaining duration of the share plans at December 31 is 2.8 years (2021: not applicable).

The carrying amount of the (contingent) liability at the balance sheet date is €0.3 million (2021: nil).

The costs related to this plan amount to €0.3 million for 2022 (2021: nil). These costs fully relate to the awarding of (rights to) shares or depositary receipts thereof in 2022.

B. Description of the other share-based compensation plans

The Group distinguishes two other participation plans. One plan relates to members of the senior management (applicable as of 2014) and the other plan relates to other employees (applicable as of 2015). Both plans have further details set out for employees in The Netherlands ("The Netherlands participation plan") and for employees in the United Kingdom, Germany and Belgium (collectively the "Foreign participation plan"). The number of participants in all current participation plans is equal to 10.1% (2021: 13.2%) of the number of employees of the Group.

The participation plans are annual plans only applicable for the respective year to which they relate, any additional participation plans are considered new plans.
New participation plans can only be executed upon approval of the Supervisory Board and on the basis of authorization by the Annual General Meeting of Shareholders for the purchase of shares related to the participation plan.

Participation plans 2022

On 14 April 2022, the Group launched two employee participation plans. One plan relates to members of the Executive Team and senior management, the other plan relates to other employees. For both plans the participants are required to remain in service for 36 consecutive months to be entitled to the discount on the depositary receipts being purchased. The employees are entitled to buy depositary receipts at a discount of 13.5% (employees) or 20% (senior management) on the fair value of the depositary receipt at the grant date, for which additional depositary receipts are provided.

During 2022, 8 employees (of which 2 foreign employees) participated in the participation plan for the Executive Board and senior management and 78 employees (of which 13 foreign employees) participated in the participation plan for other employees.

The number of depositary receipts granted with respect to the 2022 participations plans were as follows:

In numbers	The Netherlands	Foreign countries
Board / senior management	38,322	2,431
Other employees	66,139	10,844

In 2022 no granted depositary receipts were cancelled as a result of leavers.

Participation plans 2021 and 2020

In 2021 and 2020 the Group offered two participation plans to the employees. One plan relates to members of the Executive Board and senior management, the other plan relates to other employees. The conditions of both plans are consistent with the participation plans applicable for 2022.

During 2021, 23 employees (of which 5 foreign employees) participated in the participation plan for the Executive Board and senior management and 116 employees (of which 19 foreign employees) participated in the participation plan for other employees.

The number of depositary receipts granted with respect to the 2021 participations plans were as follows:

In numbers	The Netherlands	Foreign countries
Board / senior management	102,007	8,487
Other employees	59,202	6,653

In 2022, 1,534 (2021: 560) granted depositary receipts were cancelled as a result of leavers.

During 2020, 25 employees (of which 7 foreign employees) participated in the participation plan for the Executive Board and senior management and 162 employees (of which 25 foreign employees) participated in the participation plan for other employees.

The number of depositary receipts granted with respect to the 2020 participations plans were as follows:

In numbers	The Netherlands	Foreign countries
Board / senior management	95,557	8,148
Other employees	76,819	11,322

In 2022, 1,784 (2021: 1,041) granted depositary receipts were cancelled as a result of leavers.

Differences between the Netherlands and Foreign plans

Key differences between the Netherlands and Foreign participation plans for the additional depositary receipts are:

- The Netherlands participation plan: A service related vesting condition applies, in that the original value of the discount is repaid by the employee to the Group if the employee leaves within 3 years after allocation. The allocated depositary receipts are at inception of the plan conditional granted.
- Foreign participation plan: A service related vesting condition applies, in that the employee will not be entitled to receive the additional depositary receipts if employee leaves within 3 years after allocation. Additional depositary receipts for foreign employees are held in custody by the Company during the term and are issued to the foreign employees at settlement date. The total cost to the Company for the additional depositary receipts, including the cash-settled employee tax obligations, is limited to the total value of the discount provided to Dutch participants.

Participation plans 2019

The participation plans 2019 were completed during 2022.

C. Measurement of the fair values

Participation plans 2022

The value of the depositary receipts of the Company, for which the employee (members of the Executive Board, senior management and other employees) could buy their depositary receipts, was determined as the average closing price in the five trading days during the period 21 April 2022 until 27 April 2022 and amount0ed to € 3.04 per share.

Participation plans 2021

The value at which the employee (both members of the Executive Board, senior management and other employees) could obtain the depositary receipts for shares is set at the average of the closing price that applied on Euronext in the five trading days from 28 April 2021 up to and including 4 May 2021 and amounted to € 5.58 per share.

Participation plans 2020

The value of the depositary receipts of the Company, for which the employee (members of the Executive Board, senior management and other employees) could buy their depositary receipts, was determined as the average closing price in the five trading days during the period 29 April 2020 up to and including 6 May 2020 and amounted to € 6.00 per share.

For all participation plans, the fiscal obligations for a foreign employee are based on the fair value of the depositary receipt at the date of settlement.

D. Amounts recognised in statement of profit or loss and statement of financial position

The expenses are recognised in the statement of profit or loss over the term of the participation plan (3 years), see Note 15F. The depositary receipts for the employees in the Netherlands participation plan were fully granted in the respective years.
The non-vested portion was not recognized within profit and loss, but rather as other receivables within trade and other receivables of €0.1 million (2021:€ 0.2 million) of which €0.1 million was classified as current (2021: €0.1 million) .
The cumulative share-based payment reserve relating to the Foreign participation plan amounts to €0.1 million (2021: €0.1 million).

15. Employee benefits

Separate employee benefit plans are applicable in the various countries where the Group operates.

in millions of euro	Note	31 December 2022	31 December 2021
Liability for defined benefit obligations		12.2	19.4
Asset for defined benefit obligations		–5.8	–3.9
Net asset / liability for defined benefit obligations		6.4	15.5
Liability for other long-term service plans	15E	4.5	4.5
Total		**10.9**	**20.0**

For details on the employee benefit expenses, see Note 15F.

A. Post-employment plans and funding

The Group contributes to the following post-employment plans which are described per reportable segment.

The Netherlands / Belgium

In the Netherlands the employees of different subsidiaries were covered by two post-employment plans up to and until 2015. An insured defined benefit plan was in place for (former) employees of Hendrix, which company was acquired by the Group in 2012. Furthermore, an insured defined contribution plan was in place for (former) ForFarmers employees. Effective per 1 January 2016, the Group entered into a post-employment plan that is applicable for all Dutch employees, leaving all post-employment rights accrued until 31 December 2015 in the old post-employment plans. Therefore, both former post-employment plans are closed as of 31 December 2015.

An insurance company administers the obligations under these plans. As of that date no further obligations will remain under the former ForFarmers post-employment plan. Under the former Hendrix post-employment plan, for the pension rights accrued up to 31 December 2015, the Group will remain committed to pay the related guarantee premiums and as such accounts for the plan as a defined benefit plan.

The net liability related to the defined benefit plans in the Netherlands per 31 December 2022 amounts to €9.0 million (31 December 2021: €14.9 million). The decrease in this liability is mainly caused by the increase in the interest rate, whereby the change in the financial assumptions was recognized in other comprehensive income.

From 2016 onwards, pension rights will be accrued under the new plan on the basis of collective defined contribution. Together with this post-employment plan, the Group has also agreed on a defined contribution plan for employees with a salary above €59,706 (2022). An insurance company will be administering the obligations under both plans as of 1 January 2016 .

From 2022 onwards the collective defined contribution plan has been changed to an individual defined contribution plan, which will be administered by an insurance company.

The Belgian subsidiaries have two insured benefit plans for their employees which qualify as defined benefit plans. The net liability related to the defined benefit plans in Belgium per 31 December 2022 amounts to nil (31 December 2021: €0.3 million).

Germany / Poland

The German subsidiaries have, for a limited number of persons, an in-house defined benefit plan that is already closed so no new obligations are being incurred.
The commitments were calculated on the basis of actuarial calculations in the course of which the applicable discount rate was taken into account. Actuarial results are recorded directly into equity as other comprehensive income. The German defined benefit plan is unfunded.

In addition to the in-house defined benefit plan, a defined contribution plan is in place for all other employees of the German subsidiaries.

The net liability related to the defined benefit plans in Germany per 31 December 2022 amounts to €3.2 million (31 December 2021: €4.2 million).

The Polish subsidiaries do not have a pension plan. In accordance with local regulations the employees receive a one month salary when they retire.

United Kingdom

In the United Kingdom, two defined benefit plans previously existed. The first plan relates to (former) employees of BOCM PAULS Ltd., which company was acquired by the Group in 2012. As per 1 October 2006, this plan was closed, so no new obligations are being incurred. The second plan is a small defined benefit plan that relates to (former) employees of HST Feeds Ltd., which company was acquired by the Group in 2014.
Also for this plan no new post-employment rights are being built up. Both defined benefit plans in the United Kingdom are funded plans, for which the funding requirements are based on the pension fund's actuarial measurement framework set out in the funding policies of the plan. During 2021 the HST plan merged into the BOCM PAULS plan.

The funding requirements are based on the actuarial calculation framework as out in the funding policy of the plans. From October 1, 2006, a new plan exists on the basis of defined contribution. An insurance company administers the obligations under that plan.

The net asset related to the defined benefit plans in the United Kingdom per 31 December 2022 amounts to €5.8 million (31 December 2021: €3.9 million).
The increase in this receivable is mainly due to employee contributions (€4.1 million) less the combined effect of change in assumptions and return on plan assets (approximately €1.6 million).

B. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balance to the closing balances for net defined benefit liability and its components.

					2022
	Defined benefit obligation (funded plans)	Fair value of plan assets (funded plans)	Net defined benefit liability (funded plans)	Net defined benefit liability (unfunded plans)	Total net defined benefit obligation
Balance at 1 January	**327.3**	**–316.0**	**11.3**	**4.2**	**15.5**
Included in profit or loss					
Current service cost	0.5	–	0.5	–	0.5
Past service cost	–	–	–	–	–
Administrative expenses	–	0.5	0.5	–	0.5
Interest cost (income)	5.4	–5.3	0.1	–	0.1
	5.9	**–4.8**	**1.1**	**–**	**1.1**
Included in Other Comprehensive Income					
Actuarial loss (gain) arising from:					
demographic assumptions	1.4	–	1.4	–	1.4
financial assumptions	–113.3	–	–113.3	–0.8	–114.1
experience adjustment	12.7	–	12.7	–	12.7
Return on plan assets excluding interest income	–	95.3	95.3	–	95.3
Remeasurement loss (gain)	**–99.2**	**95.3**	**–3.9**	**–0.8**	**–4.7**
Effect of movements in exchange rates	–8.9	9.1	0.2	–	0.2
	–108.1	**104.4**	**–3.7**	**–0.8**	**–4.5**
Other					
Employer contributions (to plan assets)	–	–5.5	–5.5	–	–5.5
Employer direct benefit payments	–	–	–	–0.2	–0.2
Benefits paid from plan assets	–10.4	10.4	–	–	–
	–10.4	**4.9**	**–5.5**	**–0.2**	**–5.7**
Balance as at 31 December	**214.7**	**–211.5**	**3.2**	**3.2**	**6.4**

2021

in millions of euro	Defined benefit obligation (funded plans)	Fair value of plan assets (funded plans)	Net defined benefit liability (funded plans)	Net defined benefit liability (unfunded plans)	Total net defined benefit liability
Balance at 1 January	**322.0**	**−280.1**	**41.9**	**4.8**	**46.7**
Included in profit or loss					
Current service cost	0.5	–	0.5	–	0.5
Past service cost	–	–	–	–	–
Administrative expenses	–	0.5	0.5	–	0.5
Interest cost (income)	4.4	−3.9	0.5	–	0.5
	4.9	**−3.4**	**1.5**	**–**	**1.5**
Included in Other Comprehensive Income					
Actuarial loss (gain) arising from:					
demographic assumptions	−0.2	–	−0.2	–	−0.2
financial assumptions	−3.9	–	−3.9	−0.2	−4.1
experience adjustment	–	–	–	−0.2	−0.2
Return on plan assets excluding interest income	–	−23.4	−23.4	–	−23.4
Remeasurement loss (gain)	**−4.1**	**−23.4**	**−27.5**	**−0.4**	**−27.9**
Effect of movements in exchange rates	14.7	−13.7	1.0	–	1.0
	10.6	**−37.1**	**−26.5**	**−0.4**	**−26.9**
Other					
Employer contributions (to plan assets)	–	−5.6	−5.6	–	−5.6
Employer direct benefit payments	–	–	–	−0.2	−0.2
Benefits paid from plan assets	−10.2	10.2	–	–	–
	−10.2	**4.6**	**−5.6**	**−0.2**	**−5.8**
Balance as at 31 December	**327.3**	**−316.0**	**11.3**	**4.2**	**15.5**

The remeasurement gain (actuarial loss/gain and return on plan assets) of €4.7 million (2021: gain €27.9 million) after tax amounted to €3.8 million (2021: gain €22.1 million), see Note 16B. The change in the actuarial result compared to last year is mainly due to adjustments in the financial assumptions, including in particular the discount rate. A lower return on plan assets in the United Kingdom also has a significant impact on the development of the actuarial result (2021: increase in return on plan assets). For the defined benefit pension plans in the United Kingdom, the fair value of plan assets exceeds the gross liability resulting in a receivable.

C. Plan asset

Periodically, an Asset-Liability Matching study is performed in which the consequences of the strategic investment policies are analysed. Based on market conditions a strategic asset mix has been made between shares, bonds, real estate, cash and other investments in predominantly active markets, which is comprised as follows in the plan assets:

Fair value

in millions of euro	31 December 2022	31 December 2021
Shares	34.3	80.4
Real estate	9.5	5.8
Bonds	71.2	138.5
Cash and other assets	30.6	2.7
Other (insurance contracts)	65.8	88.6
Total	**211.5**	**316.0**

D. Defined benefit obligation

Risk Exposure

The defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

Actuarial assumptions

The principal actuarial assumptions at the reporting date (expressed as weighted averages) were the following:

Weighted-average assumptions to determine defined benefit obligations

	2022	2021
Discount rate	4,10% – 4,90%	1,08% – 1,80%
Future salary growth [1]	0.0%	0.0%
Future pension growth	2,00% – 2,60%	1,50% – 2,90%
Inflation	2,00% – 2,70%	1,50% – 2,90%
Salary increase[2]	3.0%	2,75%

[1] Not applicable
[2] Only applicable for Belgium

Weighted-average assumptions to determine defined benefit cost

	2022	2021
Discount rate	1,06% – 4.22%	0,70% – 1,45%
Future salary growth [1]	0.0%	0.0%
Future pension growth	1,50% – 2,80%	1,50% – 2,40%
Inflation	1,50% – 2,90%	1,50% – 2,40%
Salary increase [2]	2,75%	2,75%

[1] Not applicable
[2] Only applicable for Belgium

Assumptions regarding future mortality have been based on published statistics and mortality tables:

- The Netherlands (funded plans): AG2022 (2021: AG2020)
- Germany (unfunded plans): RT Heubeck 2018G (2021: ditto)
- Belgium (funded plans): MR/FR-5 (2021: ditto)
- UK (funded plans): CMI Mortality Projects Model 'CMI_2021' (2021: CMI Mortality Projects Model 'CMI_2020)

The current longevities underlying the values of the defined benefit obligation at the reporting date were as follows (expressed as weighted averages):

	2022	2021
Longevity at age 65 for current pensioners		
Males	21.1	21.5
Females	23.4	23.9
Longevity at age 65 for current members aged 40		
Males	23.4	23.2
Females	25.7	25.7

As at 31 December 2022, the weighted-average duration of the defined benefit obligation was 12.7 years (31 December 2021: 18.2 years).

Sensitivity analysis

Possible changes at the reporting date to one of the relevant actuarial assumptions, which could reasonably be expected, keeping other assumptions constant, would have affected the defined benefit obligation of € 217.9 million (31 December 2021: €331.6 million) by the amounts shown below:

in millions of euro	31 December 2022	31 December 2021
Decrease of 0.25% to discount rate	6.7	16.1
Increase of 0.25% to discount rate	−6.4	−13.6
Decrease of 0.25% to inflation	−4.3	−8.8
Increase of 0.25% to inflation	4.5	10.9
Increase of 1 year to life expectancy	2.7	12.3

Employer contributions

The Group expects to pay €5.1 million in contributions to its defined benefit plans in 2023 (for 2022 an amount of €5.2 million was expected) .

E. Other long-term service plans

The liabilities and expenses related to other long-term service plans mainly relate to anniversary benefits for employees in The Netherlands, Germany and Belgium and to the long-term incentive plans.

F. Employee benefit expenses

in millions of euro	Note	2022	2021
Wages and salaries		139.1	136.7
Social security contributions		19.0	18.3
Post-employment expenses		9.0	8.8
Expenses related to equity-setstled long-term service plans	14	0.6	0.3
Expenses related to other long-term service plans	14	–	0.2
Total		**167.7**	**164.3**

The employee benefit expenses increase by €3.4 million, and includes an increase of €0.2 million due to a currency translation difference and the effect of acquisitions and disposals. The like-for-like increase is therefore €3.2 million. This increase is mainly due to a salary increase as a result of collective labour agreement developments and a slight increase in the number of employees.

The costs related to share-based payments with settlement in equity instruments relate to the (certificates of) shares issued in the Group under the employee participation plans and the plans introduced in 2022 for the Executive Board.

The post-employment expenses comprises:

in millions of euro	Note	2022	2021
Current service costs	15B	0.5	0.5
Past service cost	15A, B	–	–
Administrative expenses	15B	0.5	0.5
Expenses related to post-employment defined benefit plans		**1.0**	**1.0**
Contributions to defined contribution plans		8.0	7.8
Post-employment expenses		**9.0**	**8.8**

The interest charges related to the defined benefit plans amounting to €0.1 million (2021: €0.5 million) are recognised in the net finance result, refer to Note 12. Refer to Note 15A for further details on the post-employment plans.

Number of employees per staff category 2022

Converted to full-time equivalents

	The Netherlands	Foreign countries	Total
Supply chain	373	952	1,325
Support and management	389	453	842
Other	165	136	301
Balance as at 31 December	**927**	**1,541**	**2,468**

Number of employees per staff category 2021

Converted to full-time equivalents

	The Netherlands	Foreign countries	Total
Supply chain	371	928	1,299
Support and management	406	482	888
Other	153	104	257
Balance as at 31 December	**930**	**1,514**	**2,444**

Movement number of employees:

Converted to full-time equivalents

	2022	2021
At 1 January	**2,444**	**2,502**
Acquisitions	11	44
Joiners	449	335
Leavers	–436	–437
Balance as at 31 December	**2,468**	**2,444**

16. Income taxes

A. Amounts recognised in statement of profit or loss

in millions of euro	Note	2022	2021
Current tax expense			
Current year		7.8	9.1
Changes prior years	16C	–0.5	–0.3
Total		**7.3**	**8.8**
Deferred tax expense			
Deferred tax current year		–3.4	–4.3
Changes in tax rate	16C	–0.1	1.7
(De)recognition of deferred tax assets		0.1	1.4
Changes in estimates related to prior years	16C	0.1	0.7
Total	16D	**–3.3**	**–0.5**
Total tax expenses		**4.0**	**8.3**

The prior year adjustments in 2022 and in 2021, for both the current tax expenses and the deferred tax, relates to the final tax filings for corporate income tax returns of previous years for several countries (net effect a gain of €0.4 million in 2022 and a expense of €0.4 million in 2021 – refer to note 16C). In 2022, this is mainly due to processing outstanding tax returns in the Netherlands, the United Kingdom and Belgium and further a transfer from current tax to deferred tax in the United Kingdom.

The movement in 2021 was mainly caused by changes in deferred positions in the Netherlands and the United Kingdom and by a transfer from deferred tax to current tax in Germany.

In addition, the enacted increase of the deferred tax rate in the United Kingdom and the Netherlands have also an increasing impact in 2021 on the deferred tax expense due to a net deferred tax liability position. The write-down of deferred tax assets in 2021 mainly concerns the Netherlands.

The total tax expense excludes the Group's share of tax expense of the equity-accounted investees of €1.0 million (2021: €0.9 million), which is included in 'share of profit of equity accounted investees, net of tax', see Note 16G.

B. Amounts recognised in Other Comprehensive Income (OCI)

in millions of euro	2022 Before tax	2022 Tax benefit (expense)	2022 Net of Tax	2021 Before tax	2021 Tax benefit (expense)	2021 Net of Tax
Items that will never be reclassified to profit or loss						
Remeasurement of defined benefit liabilities	4.7	–0.9	3.8	27.9	–5.8	22.1
Equity-accounted investees - share of other comprehensive income	0.1	–	0.1	–	–	–
Items that are or may be reclassified subsequently to profit or loss						
Foreign operations – foreign currency translation differences	–5.8	0.5	–5.3	5.4	–1.2	4.2
Cash flow hedges - effective portion of changes in fair value	–0.9	0.2	–0.7	0.1	–0.0	0.1
Cash flow hedges - reclassified to statement of profit or loss / statement of financial position	–	–	–	–	–	–
Total	**–1.9**	**–0.2**	**–2.1**	**33.4**	**–7.0**	**26.4**
Current tax benefit (expense)		0.2			–0.9	
Deferred tax benefit (expense)		–0.4			–6.1	
Total		**–0.2**	**–**	**–**	**–7.0**	

Within the Group, loans are agreed between the different subsidiaries. The loans in the United Kingdom and the loans to Polish entities are considered to form part of the net investment in the subsidiaries, and as such foreign exchange differences on these loans are recorded directly through other comprehensive income .

For income tax purposes, the foreign exchange differences on the loans in the United Kingdom are taxable or tax deductible. At the end of 2022, these loans were repaid through a financial restructuring and then used as a capital contribution in the United Kingdom. As a result, the balance as at the repayment date (€0.7 million) continues to form part of the translation differences reserve.

As the foreign exchange differences are recorded through other comprehensive income, the related current tax impact is also recorded through other comprehensive income for a positive amount of €0.5 million in 2022 (2021: €1.2 million negative).

Refer to note 15 for more information about the unrealized result of €4.7 million related to the remeasurement of defined benefit liabilities.

C. Reconciliation of effective tax rate

in millions of euro	Note		2022		2021
Profit before tax			22.2		20.8
Less share of profit of equity-accounted investees, net of tax			–4.3		–3.8
Profit before tax excluded the share of profit of equity-accounted investees, net of tax			17.9		17.0
Income tax using the Dutch domestic tax rate		25.8%	4.6	25.0%	4.3
Effect of tax rates in foreign jurisdictions		–1.8%	–0.3	1.0%	0.1
Change in tax rate	16A	–0.4%	–0.1	9.8%	1.7
Tax effect of:					
Non-deductible expenses/ non-taxable income		3.5%	0.6	8.4%	1.4
Tax incentives		–3.4%	–0.6	–5.3%	–1.0
(De)recognition of deferred tax assets		0.9%	0.2	8.1%	1.4
Prior year adjustments	16A	–2.4%	–0.4	2.2%	0.4
Total		**22.2%**	**4.0**	**49.2%**	**8.3**

2022

The non-deductible expenses mainly relate to the changes in the valuation of the put option and contingent consideration in the Netherlands (refer to Note 6 and 17) and non-tax-deductible costs in the United Kingdom. The non-taxable income mainly concerns the settlement of a tax-exempt claim in the United Kingdom.

2021

The change in tax rate 2021 (€1.7 million impact) mainly relates to the enacted updated tax rates in the Netherlands and the United Kingdom.

The non-deductible expenses and non-taxable income mainly relates to the changes in the valuation of the put option liability (refer to Note 6 and 17).

Refer to Note 17 for the underlying effective rate, which is adjusted for incidental items.

D. Movement in deferred tax balances

in millions of euro	Net balance at 1 january 2022	Recognised in profit or loss	Recognised in OCI	Acquisitions through business combinations / disposals	Reclass and other[1]	Net balance at 31 december 2022	Deferred tax assets	Deferred tax liabilities
								2022
Property, plant and equipment	−13.8	2.7	–	–	–	−11.1	1.9	−13.0
Right-of-use asset	−8.8	0.8	–		0.6	−7.4	–	−7.4
Intangible assets	−8.3	1.3	–	−0.8	0.1	−7.7	–	−7.7
Inventory and biological assets	–	0.1	–	–	–	0.1	0.1	–
Receivables and other assets	−0.1	–	0.3	–	0.1	0.3	0.5	−0.2
Derivatives	–	–	0.2	–	–	0.2	0.2	–
Employee benefits	3.6	−0.7	−0.9	–	−0.3	1.7	3.2	−1.5
Lease liabilities	9.0	−0.8	–	–	−0.4	7.8	7.8	–
Other non-current provisions and liabilities	–	–	–	–	–	–	–	–
Other liabilities	3.3	−0.3	–	–	0.2	3.2	3.4	−0.2
Tax losses and tax credits	1.0	0.2	–	–	–	1.2	2.4	−1.2
Offsetting	–	–	–	–	–	–	−17.0	17.0
Deferred tax assets (liabilities)	**−14.1**	**3.3**	**−0.4**	**−0.8**	**0.3**	**−11.7**	**2.5**	**−14.2**

[1] This mainly concerns translation differences on balance sheet items valuated in British pounds and Polish zloty's.

								2021
	Net balance at 1 january 2021	Recognised in profit or loss	Recognised in OCI	Acquisitions through business combinations / disposals	Reclass and other[1]	Net balance at 31 december 2021	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	−14.6	1.3	–	−0.3	−0.2	−13.8	1.9	−15.7
Right-of-use asset	−6.6	−1.9	–	–	−0.3	−8.8	–	−8.8
Intangible assets	−7.6	1.3	–	−1.9	−0.1	−8.3	0.0	−8.3
Inventory and biological assets	−0.0	–	–	–	–	–	–	–
Receivables and other assets	0.4	−0.2	−0.3	–	−0.0	−0.1	0.4	−0.5
Derivatives	0.0	–	−0.0	–	–	–	–	–
Employee benefits	9.9	−0.6	−5.8	–	0.1	3.6	4.6	−1.0
Lease liabilities	6.7	2.1	–	–	0.2	9.0	9.0	–
Other non-current provisions and liabilities	0.1	−0.1	–	–	–	–	–	–
Other liabilities	3.8	−0.6	–	0.1	–	3.3	3.8	−0.5
Tax losses and tax credits	1.8	−0.8	–	–	–	1.0	2.2	−1.2
Offsetting	–	–	–	–	–	–	−19.1	19.1
Deferred tax assets (liabilities)	**−6.2**	**0.5**	**−6.1**	**−2.1**	**−0.3**	**−14.1**	**2.8**	**−16.9**

[1] This mainly concerns translation differences on balance sheet items valued in British pounds and Polish zloty's.

The Group expects that its accruals for tax liabilities are adequate for all open years based on its assessment of many factors, including interpretations of tax law and prior experience. The Group off-sets tax assets and liabilities if, and only if, it has a legally enforceable right to do so. The Group recognises deferred tax assets to the extent that it is considered probable based on business forecasts that sufficient taxable profits will be available.

E. Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of tax losses incurred on the sale of real estate in the United Kingdom. These tax losses can only be utilised against a future tax gain on the sale of specific assets, such as real estate, the recovery of the deferred tax asset is therefore highly uncertain and as such not recognised. As at 31 December 2022, the unrecognised losses therefore amount to €6.1 million (31 December 2021: €6.2 million), with a tax effect of €1.5 million (31 December 2021: €1.5 million) . Furthermore, the remeasurement of future tax benefits in 2021 resulted in a write-down in the Netherlands. These unrecognised losses amounted per year end 2022 €6.4 million (31 December 2021: €6.6 million), with a tax effect of €1.2 million (31 December 2021: €1.2 million).

F. Tax Group

The Company and the Dutch subsidiaries, in which the Company has a 100% interest, form a tax group for the purpose of income tax, of which ForFarmers N.V. is the head of the tax group. If there is not a 100% interest, the Dutch subsidiary is an independent taxpayer. A number of smaller acquisitions at the end of 2022 are currently not part of the fiscal unity as well.

For VAT, a comparable tax group exists for the Dutch subsidiaries. The total current receivable or liability towards the tax authorities is accounted for in the statement of financial position of the head of the tax group (ForFarmers N.V.). Settlement of taxes within this tax group takes place as if each company is independently liable for tax. Each participating subsidiary is jointly and separately liable for possible liabilities of the tax group as a whole.

A number of companies in Germany form a tax group for the purposes of income tax ('Organschaft' for Körperschaftsteuer and Gewerbesteuer). Settlement of taxes within this tax group takes place as if each company is independently liable for tax.

The companies in the United Kingdom form a tax group for the purposes of income tax ('Group Relief') and VAT. Settlement of taxes within this tax group takes place as if each company is independently liable for tax.

In the other countries there is no tax group.

	2022	2021
Tax rates		
The Netherlands	25.80%	25.00%
Germany (average)	27.37%	27.94%
Belgium	25.00%	25.00%
Poland	19.00%	19.00%
United Kingdom	19.00%	19.00%

	2022	2021
Effective tax rate		
The Netherlands	36.03%	34.62%
Germany	30.65%	24.03%
Belgium	40.52%	9.39%
Poland	19.17%	18.40%
United Kingdom	50.84%	–8.59%

The above-mentioned effective tax rates deviate from the statutory tax rates mainly due to the impact of the following items:

The Netherlands

In 2022, the effective tax rate is higher than the statutory tax rate, in particular due to the remeasurement of deferred tax assets in relation to the earn-out put option liability.

In 2021, the effective tax rate was higher due to remeasurement of a deferred tax asset related to future tax losses, non-deductible expenses in relation to changes in the fair value of the put option liability and revaluation of the deferred tax liability due to the rate increase in 2022 in the Netherlands.

Based on the enacted Dutch tax law, the Dutch corporate income tax rates will increase from 25% to 25.8%. All deferred tax calculations are updated based on the adjusted deferred tax rates end of 2021. This adjustment has a negative impact on our Dutch deferred tax position.

Germany

The effective tax rate in 2022 is higher than the statutory tax rate mainly due to expenses because of settlement of corporate income tax returns filed of previous years (2021 lower due to non-tax-deductible expenses in the event of a loss before tax 2021).

Belgium
The effective tax rate in 2022 is higher than the statutory tax rate because of settlement of submitted tax returns from previous years in combination with tax losses (2021: lower than the statutory tax rate due to non-tax deductible expenses and not recognizing a deferred tax asset in a situation of losses before tax).

Poland
The effective tax rate in 2022 is slightly higher than the statutory tax rate due to non-tax deductible expenses (2021: lower than the statutory tax rate due to the finalisation of the corporation tax submissions of prior years).

United Kingdom
The effective tax rate in 2022 is higher than the statutory tax rate mainly due to an adjustment of the deferred tax position as well as a gain from settlement of tax return from of previous year in combination with tax losses (2021: negative, mainly due to the increased deferred tax rate and a net deferred tax liability).

G. Taxes on equity-accounted investees

Corporate income taxes on the results of HaBeMa are settled with the tax authorities by ForFarmers GmbH, Germany (indirect shareholder). The results of HaBeMa are accounted for based on the equity method and are presented net of tax in the consolidated statement of profit and loss. These corporate income tax charges are deducted from the share of profit of equity-accounted investees for an amount of €1.0 million (2021: €0.9 million).

Trade taxes ('Gewerbesteuer') applicable to HaBeMa are borne by the entity itself.

17. Alternative performance measures

The Executive Board of ForFarmers measures its performance primarily based on non-GAAP performance metrics (as per the tables below) not calculated in accordance with IFRS. These metrics exclude the impact of incidental factors from the IFRS values.

The Executive Board believes these underlying measures provide a better perspective of ForFarmers' business development and performance, as they exclude the impact of significant incidental items, which are considered to be non-recurring, and are not directly related to the operational performance of ForFarmers. The underlying metrics are reported at the level of operating expenses, EBITDA, EBIT and profit attributable to Shareholders of the Company.

Four types of adjustments are distinguished:
i) Impairments on tangible and intangible assets; ii) Business Combinations and Divestments and divestment related expenses, including amortisation of acquired intangible assets, the unwind of discount/fair value changes on earn-outs and options, and dividend relating to non-controlling interests at anticipated acquisitions; iii) Restructuring; and iv) Other, comprising other incidental non-operating items.

The Group’s definition of underlying metrics may not be comparable with similarly titled performance measures and disclosures by other companies.

2022

in millions of euro	IFRS	Impairments	Business Combinations and Divest-ments	Restructuring	Other	Total APM items	Underlying excluding APM items
EBITDA [1]	72.5		−1.6	−3.6	1.6	−3.6	76.1
EBIT	24.4	−2.6	−9.9	−3.6	1.6	−14.5	38.9
Net finance result			−1.1		–	−1.1	
Tax effect		0.6	1.9	0.9	0.2	3.6	
Profit attributable to Shareholders of the Company	18.0	−2.0	−9.1	−2.7	1.8	−12.0	30.0
Earnings per share in euro [2]	0.20	−0.02	−0.10	−0.03	0.02	−0.13	0.33

2021

in millions of euro	IFRS	Impairments	Business Combinations and Divest-ments	Restructuring	Other	Total APM items	Underlying excluding APM items
EBITDA [1]	72.9		1.7	−3.9	−3.0	−5.3	78.2
EBIT	22.6	−4.4	−6.8	−3.9	−3.0	−18.1	40.7
Net finance result			−2.5		–	−2.5	
Tax effect		1.0	1.7	0.9	–	3.6	
Profit attributable to Shareholders of the Company	12.0	−3.4	−7.6	−3.0	−3.0	−17.0	29.0
Earnings per share in euro [2], [3]	0.13	−0.04	−0.09	−0.03	−0.03	−0.19	0.32

[1] EBITDA is operating profit before depreciation, amortization and impairments.
[2] Earnings per share attributable to Shareholders of the Company.

The 2022 Alternative Performance Measures (APM) items before tax comprise:

- Impairments: €2.6 million regarding the impairment of the assets as a result of the announced closure of the mill in Oosterhout (The Netherlands).
- Business Combinations and Divestments: The net EBIT effect of €9.9 million relates to the amortisation of acquired intangible assets in the past (€8.3 million) and costs related to M&A activities (€1.6 million). In addition, there is a €1.1 million financing result (expense), mainly as a result of the interest accrual and remeasurement of the put option liability related to the acquisition of Tasomix and the contingent consideration acquisition De Hoop.
- Restructuring: €3.6 million restructuring costs regarding projects in various countries due to the announced costs efficiency program and the costs in relation to the announced closure of a mill in the Netherlands.
- Other: €2.3 million gain as a result of a release of a provision for claims and litigations against ForFarmers. Contrary, the €0.7 million net EBITDA impact (loss) relates to a recognized provision regarding a receivable on a third party.

The 2021 Alternative Performance Measures (APM) items before tax comprise:

- Impairments: €4.4 million regarding the impairments as a result of the announced closure of the mills in Ingelmunster (Belgium) and Bardenitz (Germany), as well as assets which are no longer in use.
- Business Combinations and Divestments: €1.7 million net EBITDA impact (gain) due to the disposal of a mill in the United Kingdom and a mill in Belgium (€2.1 million gain), €0.7 million regarding the sale of land, in relation to the construction of a new road along the mill in Lochem (the Netherlands) offset by due diligence expenses (€1.1 million) regarding a cancelled possible acquisition. The net EBIT effect of €6.8 million (loss) consist of the EBITDA gain of €1.7 million and a €8.5 million loss as a result of the amortisation of acquired intangible assets. Furthermore, there is a €2.5 million finance result (loss) mainly as a result of an accrual loss and remeasurement of the put-option liability (€2.3 million) regarding the acquisition of Tasomix.
- Restructuring: €3.9 million restructuring costs regarding project in various countries due to the announced costs efficiency program and the costs in relation to the closure of multiple bagged product warehouses in The Netherlands.
- Other: €3.0 million additions to the provisions as a result of ongoing lawsuits and claims against ForFarmers.

Considering the APM items the underlying effective tax rate 2022 is 22.7% (2021: 31.9%). The lower effective tax rate in 2022 is mainly due to the settlement of tax returns in previous years and an adjustment of the deferred tax positions, particularly in the United Kingdom. In 2021, the higher effective tax rate was mainly caused by the enacted increase of the British and Dutch tax rates.

Assets

18. Property, plant and equipment

Property, plant and equipment comprise owned assets and right of use assets.

in millions of euro	31 December 2022	31 December 2021
Assets		
Property, plant and equipment, owned	283.2	283.9
Right-of-use asset	28.6	33.8
Property, plant and equipment	**311.8**	**317.7**

A. Reconciliation of carrying amount property, plant and equipment (owned)

in millions of euro	Note	Land & Buildings	Plant & Machinery	Other operating assets	Assets under construction	Total
Cost						
Balance as at 1 January 2022		221.5	282.4	77.3	20.1	601.3
Acquisitions through business combinations		–	–	0.1	–	0.1
Divestments		–	–	–	–	–
Additions		2.0	14.3	2.4	15.6	34.3
Reclassification		1.9	13.7	0.8	−16.4	–
Reclassification to assets held for sale	26	–	0.3	–	–	0.3
Reclassification from right-of-use asset	18C	–	–	0.2	–	0.2
Disposals		−0.1	−1.2	−3.1	–	−4.4
Effect of movements in exchange rates		−3.0	−3.2	−1.8	−0.2	−8.2
Balance as at 31 December 2022		**222.3**	**306.3**	**75.9**	**19.1**	**623.6**
Accumulated depreciation and impairment losses						
Balance as at 1 January 2022		−103.0	−167.6	−46.8	–	−317.4
Divestments		–	–	–	–	–
Depreciation		−5.1	−14.6	−7.6	–	−27.3
(Reversal of) impairment losses on plant and equipment		−0.6	−2.0	–	–	−2.6
Reclassification		–	–	–	–	–
Reclassification to tangible assets, owned	20	–	–	–	–	–
Reclassification to assets held for sale	26	–	–	–	–	–
Reclassification from right-of-use asset	18C	–	–	−0.1	–	−0.1
Disposals		–	1.1	2.6	–	3.7
Effect of movements in exchange rates		0.7	1.8	0.8	–	3.3
Balance as at 31 December 2022		**−108.0**	**−181.3**	**−51.1**	**–**	**−340.4**
Carrying amounts						
Balance as at 1 January 2022		118.5	114.8	30.5	20.1	283.9
Balance as at 31 December 2022		114.3	125.0	24.8	19.1	283.2

in millions of euro	Note	Land & Buildings	Plant & Machinery	Other operating assets	Assets under construction	Total
Cost						
Balance as at 1 January 2021		211.7	257.8	77.0	11.3	557.8
Acquisitions through business combinations		3.5	5.7	0.6	-	9.8
Additions		2.6	10.1	2.8	22.1	37.6
Reclassification		2.2	10.0	1.2	–13.4	–
Reclassification to intangible assets	19	–	–	–	–	–
Reclassification to investment property	20	–	–	–	–	–
Reclassification to assets held for sale	26	–0.3	–0.3	–	–	–0.6
Reclassification from right-of-use asset	18C	–	–	–	–	–
Disposals		–1.4	–4.9	–6.3	–	–12.6
Other movement		–	–	–	–	–
Effect of movements in exchange rates		3.2	4.0	2.0	0.1	9.3
Balance as at 31 December 2021		**221.5**	**282.4**	**77.3**	**20.1**	**601.3**
Accumulated depreciation and impairment losses						
Balance as at 1 January 2021		–96.2	–154.5	–42.2	–	–292.9
Depreciation		–5.5	–14.1	–8.4	–	–28.0
(Reversal of) impairment losses on plant and equipment		–1.2	–1.8	–0.2	–	–3.2
Reclassification to investment property	20	–	–	–	–	–
Reclassification to assets held for sale	26	0.2	–	0.1	–	0.3
Reclassification from right-of-use asset	18C	–	–	–0.0	–	–0.0
Disposals		0.4	4.6	5.0	–	10.0
Other movement		–	–	–	–	–
Effect of movements in exchange rates		–0.7	–1.8	–1.1	–	–3.6
Balance as at 31 December 2021		**–103.0**	**–167.6**	**–46.8**	**–**	**–317.4**
Carrying amounts						
Balance as at 1 January 2021		115.5	103.3	34.8	11.3	264.9
Balance as at 31 December 2021		118.5	114.8	30.5	20.1	283.9

The assets acquired through business combinations relate to the various small acquisition in the Netherlands in 2022 and 2021, refer to Note 6 for more information.

The investments in 2022 consist of expenditures to maintain and enhance the performance and efficiency of the production facilities (€33.1 million) and investments in IT (€1.2 million). The investments in the production facilities include the expansion in Izegem (Belgium), the installation of a bagged line in Almelo (the Netherlands), adjustments of mills in Germany and the Netherlands and modernization initiatives of various installations in various other mills.

The reclassification from right-of-use assets relates to lease contracts where the purchase option has been exercised.

Of the 2022 additions of €34.3 million (2021: €37.6 million) an amount of €33.4 million (2021: €36.5 million) has been paid at year end.

B. Impairment loss

The impairment loss in 2022 of €2.6 million relates to the in 2022 announced closure of the mill in Oosterhout (the Netherlands).

The impairment loss in 2021 mainly relates to the in 2021 announced closure of the mills in Ingelmunster (Belgium) and Bardenitz (Germany) as well as the impairment of assets that are no longer in use.

C. Reconciliation of carrying amount right of use assets

in millions of euro	Note	Land & Buildings	Plant & Machinery	Other operating assets	Total
Cost					
Balance as at 1 January 2022		17.8	0.2	28.6	46.6
New lease contracts		–	0.3	2.6	2.9
Acquisitions through business combinations		0.6	–	–	0.6
Lease contracts ended		−0.9	–	−2.3	−3.2
Reclassification to tangible assets, owned	18A	−0.0	–	−0.2	−0.2
Remeasurement		–	–	0.2	0.2
Effect of movements in exchange rates		−0.5	−0.1	−0.9	−1.5
Balance as at 31 December 2022		**17.0**	**0.4**	**28.0**	**45.4**
Accumulated depreciation and impairment losses					
Balance as at 1 January 2022		−3.9	−0.1	−8.8	−12.8
Depreciation		−1.3	−0.1	−6.4	−7.8
(Reversal of) impairment losses on plant and equipment		–	–	–	–
Lease contracts ended		0.9	–	2.3	3.2
Reclassification to tangible assets, owned	18A	–	–	0.1	0.1
Effect of movements in exchange rates		0.2	–	0.3	0.5
Balance as at 31 December 2022		**−4.1**	**−0.2**	**−12.5**	**−16.8**
Carrying amounts					
Balance as at 1 January 2022		13.9	0.1	19.8	33.8
Balance as at 31 December 2022		12.9	0.2	15.5	28.6

in millions of euro	Note	Land & Buildings	Plant & Machinery	Other operating assets	Total
Cost					
Balance as at 1 January 2021		17.4	0.3	18.6	36.3
New lease contracts		0.0	0.1	12.4	12.5
Acquisitions through business combinations		–	–	0.2	0.2
Lease contracts ended		-0.1	-0.2	-3.3	-3.6
Reclassification to tangible assets, owned	18A	–	–	–	–
Remeasurement		0.0	0.0	-0.0	–
Effect of movements in exchange rates		0.5	-0.0	0.7	1.2
Balance as at 31 December 2021		**17.8**	**0.2**	**28.6**	**46.6**
Accumulated depreciation and impairment losses					
Balance as at 1 January 2021		-2.5	-0.1	-6.2	-8.8
Depreciation		-1.4	-0.2	-5.6	-7.2
(Reversal of) impairment losses on plant and equipment		-0.1	–	–	-0.1
Lease contracts ended		0.1	0.2	3.2	3.5
Reclassification to tangible assets, owned	18	–	–	0.0	0.0
Reclassification to tangible assets, owned	18A	–	–	0.0	0.0
Effect of movements in exchange rates		–	–	-0.2	-0.2
Balance as at 31 December 2021		**-3.9**	**-0.1**	**-8.8**	**-12.8**
Carrying amounts					
Balance as at 1 January 2021		14.9	0.2	12.4	27.5
Balance as at 31 December 2021		13.9	0.1	19.8	33.8

The new lease contracts mainly relate to lease cars and trucks in the Netherlands and the United Kingdom. The lease contacts ended mainly relate to lease cars in various countries. Furthermore, the lease contracts of some locations ended.

The assets acquired through business combinations relate to an acquisition in the Netherlands in 2022, refer to Note 6 for more information.

The reclassification to property, plant and equipment relates to lease contracts where the purchase option has been exercised.

D. Estimates and judgements right of use assets

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Some property leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group has estimated that the potential future lease payments, should it exercise all extension options, would result in an increase in the right-of-use asset and lease liability of €1.2 million (2021: €1.8 million).

Furthermore, the right-of-use asset is initially measured at cost, which mainly comprise the initial amount of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate for the specific asset category and specific lease term as the discount rate. To determine the incremental borrowing rate, the Group uses a build-up approach that starts with a risk-free interest rate, adjusted for a company specific credit risk and adjustments specific to the lease (e.g. duration, country, currency, security/nature of the asset) .

E. Lease expenses recognised in the profit or loss

in millions of euro	2022	2021
short-term leases	0.3	0.4
low-value assets, excluding short-term leases of low-value assets	0.1	0.1
variable lease payments	17.1	19.6
Total	**17.5**	**20.1**

The group does not apply IFRS 16 to short-term leases (less than 12 months and without a purchase option) and to leases of low-value assets (a value below €5 thousand). The expenses of these leases are, like variable lease expenses, recognised in profit or loss.

The variable lease payments mainly relate to lease payments for trucks and third party production. The decrease compared to 2021 is mainly due to a decrease in third party production and the outsourcing of transport activities.

F. Impairment loss right-of-use assets

There we no indicators of impairment of right of use assets in 2022.

The impairment loss in 2021 relates to the announced closure of the mill in Bardenitz (Germany).

19. Intangible assets and goodwill

A. Reconciliaton of carrying amount

in millions of euro	Note	Goodwill	Customer relations	Trade and brand names	Software	Intangible assets under construction	Total
Cost							
Balance as at 1 January 2022		117.6	83.4	4.2	25.0	0.7	230.9
Acquisitions through business combinations		3.4	3.1	–	–	–	6.5
Additions		–	–0.1	–	1.6	0.4	1.9
Reclassification		–	–	–	0.7	–0.7	–
Disposals		–	–	–	–	–	–
Other movement		–	–	–	–	–	–
Effect of movements in exchange rates		–2.0	–1.8	–	–0.1	–0.1	–4.0
Balance as at 31 December 2022		**119.0**	**84.6**	**4.2**	**27.2**	**0.3**	**235.3**
Accumulated amortisation and impairment losses							
Balance as at 1 January 2022		–59.6	–42.0	–2.9	–18.5	–	–123.0
Amortisation		–	–7.7	–0.5	–2.2	–	–10.4
Impairment losses on intangible assets		–	–	–	–	–	–
Reclassification		–	–	–	–	–	–
Disposals		–	–	–	–	–	–
Other movement		–	–	–	–	–	–
Effect of movements in exchange rates		2.0	1.4	–0.1	–	–	3.3
Balance as at 31 December 2022		**–57.6**	**–48.3**	**–3.5**	**–20.7**	**–**	**–130.1**
Carrying amounts							
Balance as at 1 January 2022		58.0	41.4	1.3	6.5	0.7	107.9
Balance as at 31 December 2022		61.4	36.3	0.7	6.5	0.3	105.2

in millions of euro	Note	Goodwill	Customer relations	Trade and brand names	Software	Intangible assets under construction	Total
Cost							
Balance as at 1 January 2021		108.2	70.6	3.3	22.0	0.7	204.8
Acquisitions through business combinations		8.1	10.7	0.9	0.0	–	19.7
Additions		–	–	–	2.2	0.8	3.0
Reclass from property, plant and equipment	18A	–	–	–	0.8	−0.8	–
Disposals		–	–	–	−0.1	–	−0.1
Other movement		–	–	–	−0.0	–	−0.0
Effect of movements in exchange rates		1.3	2.1	0.0	0.1	−0.0	3.5
Balance as at 31 December 2021		**117.6**	**83.4**	**4.2**	**25.0**	**0.7**	**230.9**
Accumulated amortisation and impairment losses							
Balance as at 1 January 2021		−58.3	−31.5	−2.5	−16.3	–	−108.6
Amortisation		–	−7.9	−0.5	−2.2	–	−10.6
Impairment losses on intangible assets		–	−1.2	–	–	–	−1.2
Reclass from property, plant and equipment	18A	–	–	–	–	–	–
Disposals		–	–	–	0.1	–	0.1
Other movement		–	–	–	0.0	–	0.0
Effect of movements in exchange rates		−1.3	−1.4	0.1	−0.1	–	−2.7
Balance as at 31 December 2021		**−59.6**	**−42.0**	**−2.9**	**−18.5**	**–**	**−123.0**
Carrying amounts							
Balance as at 1 January 2021		49.9	39.1	0.8	5.7	0.7	96.2
Balance as at 31 December 2021		58.0	41.4	1.3	6.5	0.7	107.9

The intangible assets acquired through business combinations relate to the various small acquisition in the Netherlands in 2022 and 2021, refer to Note 6 for more information.

The 2022 additions regarding software mainly relate to investments to optimise the IT landscape.

B. Amortisation

The amortisation of customer relations, trademarks and software of €10.4 million (2021: €10.6 million) is included in the depreciation, amortisation and impairment expense.

C. Impairment test

(i) Impairment testing for cash generating units containing goodwill

Annually the Group tests for each cash generating unit the goodwill on impairment. The significant cash generating units are the countries in which the Group operates.

Goodwill is allocated to the cash generating units as follows:

in millions of euro	31 December 2022	31 December 2021
The Netherlands	46.7	43.3
Belgium	6.4	6.4
Germany	3.7	3.7
Other	4.6	4.6
Total	**61.4**	**58.0**

Result of the goodwill impairment test 2022

The goodwill impairment test 2022 shows that the recoverable amounts exceed the carrying amounts sufficiently for Netherlands, Germany and the cash-generating unit Other. For Belgium, the recoverable amount is equal to the book value. There is therefore no need to account for an impairment loss for the cash-generating units.

As part of the goodwill impairment test, management made a best estimate of, among others, the impact of nitrogen measures and of the 'warm restructuring' of pig farming on the results in the Netherlands. As a result of these estimates, the recoverable amount of the cash-generating unit in the Netherlands is significantly lower compared to the goodwill impairment test in 2021. The ultimate impact on the result may differ from the estimates made by management.

However, the recoverable amount exceeds the carrying amount of the cash-generating unit in the Netherlands per balance sheet date to such an extent that an impairment loss is not a realistic scenario.

Sensitivity

Since the recoverable amount for cash-generating unit Belgium is equal to the carrying amount, any adjustment to the estimates made by management may lead to a recoverable amount that is lower than the carrying amount.

For the cash generating unit Germany the difference between the recoverable amount and carrying amount decreased to €6.9 million (2021: 12.8 million). As a result, a reasonable adjustment of the estimates made by management can lead to a recoverable amount that is lower than the carrying amount of the cash-generating unit. The table below provides an overview of the main assumptions used in the goodwill impairment test 2022 of the activities in Germany and the changes that may lead to a recoverable amount equal to the carrying amount of the cash-generating unit:

In percentage	Discount rate pre-tax	Terminal value growth rate	Expected volume CAGR[1]
Assumptions used	10.69%	1.75%	−2.86%
Change	1.16%	−0.80%	−0.48%
Recoverable amount equals carrying amount	**11.85%**	**0.95%**	**−3.34%**

For all other cash-generating units with goodwill as at December 31, 2022, a reasonable adjustment to management's estimate will not result in a recoverable amount that is less than the carrying amount.

Result of the goodwill impairment test 2021
The goodwill impairment test 2021 showed that the recoverable amounts exceed the carrying amounts sufficiently for the cash generating units the Netherlands, Belgium, Germany and the Other cash generating units. Therefore there was no need for an impairment with respect to these cash generating units.

Information about the net realisable value including the key assumptions
For each cash generating unit, the goodwill is tested annually for impairment at the of the third quarter. Moreover, or each publication (annual report and half-year figures) it is assessed whether there is a trigger for goodwill impairment. This comprises, among others, assessments of most recent market developments, financial results and management projections.

For the goodwill impairment test, the recoverable amount of the various cash generating units is based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the cash generating units. The fair value measurement was categorized as a Level 3 fair value based on the inputs in the valuation technique used (see Note 4).

The key-assumptions for the calculation of the 2022 value in use for the remaining cash-generating units are included in the table below.

Discount rate pre-tax

In percentage	The Netherlands	Belgium	Germany
Discount rate pre-tax	10.05%	9.71%	10.69%
Terminal value growth rate	1.51%	1.59%	1.75%
Expected Total Feed volume CAGR in the forecast up to and including 2025	−1.05%	2.16%	−2.86%

The Total Feed volume, which consists of compound feed and co-products, 2022 is for all cash generating units below the level of 2021. This decrease mainly relates to the swine sector, in which a downward trend was noticeable in the last two years. De group expects that the market volume in the swine sector for the two coming years will be relatively stable.

Compared to the forecast of prior year, the expected volume for all cash generating units in the last year (2025) is about 14% lower. ForFarmers expects that the impact of the nitrogen policy in The Netherlands and Belgium and the growing pressure on the agricultural sector in Northwest Europe to become more sustainable, to move towards more extensive farming and to focus less on quantity (exports) and more on quality (welfare concept) will be noticeable after 2025.

The expected volume of 2025 in Belgium is 15% below the volume of 2021, despite the stable expected Total Feed Volume CAGR (on compound feed and co-products) 2022 – 2025 of 2.16%.

The key-assumptions used in the calculation of the value in use per cash generating unit in 2021 are included in the table below. The cash generating unit Other had the same assumptions as the cash generating unit The Netherlands.

Discount rate pre-tax

In percentage	The Netherlands	Belgium	Germany
Discount rate pre-tax	9.17%	10.41%	9.86%
Terminal value growth rate	0.35%	0.63%	0.63%
Expected Total Feed volume CAGR in the forecast up to and including 2025	0.50%	2.70%	−0.10%

The increase in the terminal value growth rate is due to higher interest rates and inflation in 2022 compared to 2021 and is not the result of expected volume growth.

The value in use of the cash generating units is determined based on the budget 2022 (2021: budget 2021) and the 3 year plan. The growth rate used for the period after 2025 is equal to the terminal value growth rate.

The key-assumptions in the projections are the expected CAGR for Total Feed volume development and the average underlying EBITDA/Gross profit margin (conversion rate), both directly derived from the budget and the year plans. The assumptions are based on past experience, analyses of the market developments and management projections.

To estimate the forecasted gross profit, an assessment has primarily been made on margin development, and not on sales price development. The commodity price development is hard to predict and, in general and if possible, these changes are passed on to customers. In determining the developments in the expenses the volume, inflation and cost savings are considered.

The used discount rate was a pre-tax measure based on the yield of 30-year government bonds, issued by the government in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally, and the systemic risk of the specific cash generating unit.

(ii) Impairment test on intangible assets other than goodwill

In 2022 there have been no indicators of impairment of right-of-use assets. In 2021, an impairment of €1.2 million is recorded on customer relationships, which relates to the loss of customer relationships capitalized upon acquisition in the Netherlands and the United Kingdom.

The Group recognized no material impairment on other intangible assets in 2022 and 2021.

20. Investment property

A. Reconciliation of carrying amount

in millions of euro	2022	2021
Balance at 1 January	0.6	0.9
Reclassification to/from tangible fixed assets	–	–
Reclassification to assets held for sale	–	–0.3
Balance as at 31 December	**0.6**	**0.6**
Cost	0.7	0.6
Accumulated depreciation	–0.1	–0.0
Carrying amounts at 31 December	**0.6**	**0.6**

Investment property comprises a number of industrial properties that are no longer in use for the Group's feed activities and which the Group intends to sell .

The reclassification to assets held for sale in 2021 relates to a feed mill in the Netherlands.

B. Fair value information

The fair value of investment property was determined by external, independent property valuators, having appropriate recognised professional qualifications and experience, and taking into account sales prices, which have currently been agreed upon.

The fair value measurement for investment properties was €0.7 million (31 December 2021: €0.7 million) and has been categorised as a Level 3 fair value based on the information derived from market transactions .

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Transaction price depends on:	The estimated fair value would increase (decrease) if:
Condition of the investment property.	• Assessed condition of the investment property would be better (worse).
Comparability of location.	• Location would be considered to be a more (less) preferred location.
Assessment of collectability of receivables related to specific investment property in the Netherlands.	• Collectability of related receivable would be assessed to be better (worse).

21. Equity-accounted investees

The table below shows the amount of equity-accounted investees:

in millions of euro	31 December 2022	31 December 2021
HaBeMa	30.8	27.8
Other	1.2	1.1
Total	**32.0**	**28.9**

The table below shows the share of profit of equity-accounted investees, net of tax:

in millions of euro	2022	2021
HaBeMa	4.1	3.8
Other	0.2	–
Total	**4.3**	**3.8**

Joint venture

HaBeMa Futtermittel Produktions- und Umschlagsgesellschaft GmbH & Co. KG (HaBeMa) is the only joint venture in which the Group participates. HaBeMa is one of the Group's suppliers and is principally engaged in trading of raw materials, storage and transhipment, production and delivery of compound feeds in Hamburg, Germany. HaBeMa is structured as a separate vehicle and the Group has a residual interest in the net assets of the entity. Accordingly, the Group has classified its interest in HaBeMa as a joint venture. The Group does not have any commitments or contingent liabilities relating to HaBeMa, except for the purchase commitments of goods as part of the normal course of business.

Corporate income taxes on the results of HaBeMa with regards to the residual interest of the Company are settled with the tax authorities by ForFarmers GmbH, Germany (indirect shareholder).

The results of HaBeMa are accounted for based on the equity method and are presented net of tax in the consolidated statement of profit and loss statement. These corporate income tax charges are deducted from the share of profit of equity-accounted investees for an amount of €1.0 million (2021: €0.9 million). Trade taxes ('Gewerbesteuer') applicable to HaBeMa are borne by the entity itself.

The following table summarises the financial information of HaBeMa as included in its own financial statements, adjusted for differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in HaBeMa.

in millions of euro	31 December 2022	31 December 2021
Percentage ownership of shares interest	50%	50%
Non-current assets	61.8	50.7
Cash and cash equivalents	–	3.2
Other current assets	63.0	27.6
Current assets	63.0	**30.8**
Loans and borrowings	–12.5	–5.5
Other non-current liabilities	–9.0	–11.1
Non-current liabilities	–21.5	**–16.6**
Loans and borrowings	–24.9	–2.9
Other current liabilities	–16.8	–6.4
Current liabilities	–41.7	–9.3
Net assets (100%)	**61.6**	**55.6**
Group's share of net assets (50%)	30.8	27.8
Carrying amount of interest in joint venture	**30.8**	**27.8**

in millions of euro	Note	31 December 2022	31 December 2021
Revenue		369.9	240.6
Depreciation and amortisation		–6.0	–5.9
Net finance result		0.1	–0.6
Income tax expense		–2.0	–1.8
Profit (100%)		10.2	9.3
Other comprehensive income (100%)		0.2	0.1
Profit and total comprehensive income (100%)		**10.4**	**9.4**
Profit (50%)		5.1	4.7
Group's share of tax expense of equity-accounted investee	16A	–1.0	–0.9
Group's share of profit, net of tax		**4.1**	**3.8**
Other comprehensive income, net of tax (50%)	16B	0.1	0.0
Group's share of profit and total comprehensive income, net of tax		**4.2**	**3.8**
Dividends received by the Group		**2.2**	**2.4**

22. Trade and other receivables

in millions of euro	Note	31 December 2022	31 December 2021
Trade receivables		281.2	229.0
Related party receivables	36	11.1	8.7
Loans to employees		0.2	0.2
Other investments		–	–
Derivatives	31.32	–	0.1
Taxes (other than income taxes) and social securities		6.4	9.9
Prepayments		3.4	4.6
Other receivables and accrued income		31.8	26.2
Total		**334.1**	**278.7**
Non-current		3.4	5.3
Current		330.7	273.4
Total		**334.1**	**278.7**

The increase in trade and other receivables is mainly explained by the increased prices of raw materials.

The increase in receivables from related parties is the result of the increase in raw material prices.

The decrease in tax receivables is the result of late settlement of the VAT positions in Germany in 2021.

The non-current trade and other receivables consist of:

- Receivables that will be due after one year, that are largely interest-bearing and mainly include loans to customers. If possible, securities were provided in the form of feed equivalents, participation accounts and real estate.
- Loans to Dutch employees, of which the level of interest is equal to the interest on Dutch state loans and at least equal to the interest referred to in Article 59 of the Wages & Salaries Tax Implementing Regulation 2001. The repayment of the loans is a minimum of 7.5% per annum of the principal amount starting from 2015. As a collateral with respect to repayment, a lien was established on the depositary receipts purchased with the loan amount, the market value of which per balance sheet date exceeds the balance of the loans. These loans have been provided as part of the participation plan 2007-2009. No new loans will be provided to employees as part of the participation plans. The policy is, in principle, not to provide loans to employees.

The prepayments, other receivables and accrued income mainly consist of unbilled revenue to customers and prepayments to suppliers. The increase is mainly due to rising raw material prices.

Information about the Group's exposure to credit and market risks, and impairment losses for trade and other receivables, is included in Note 32.

23. Inventories

in millions of euro	31 December 2022	31 December 2021
Raw materials	117.1	92.0
Finished products	19.9	14.1
Other inventories	15.1	10.4
Total	**152.1**	**116.5**

The increase in inventory is mainly explained by higher raw material prices.

Other inventories include trading inventories which are part of the Group's Total Feed business, and include, amongst others, specialty trade products, fertilizers and seeds. The increase of this inventory is due to higher raw material prices.

For important purchase commitments reference is made to the explanation of the commitments and contingencies under Note 35.

24. Biological assets

A. Reconciliation of carrying amount

in millions of euro	2022	2021
Balance at 1 January	8.5	6.2
Purchases of poultry livestock, feed and nurture	42.6	40.4
Sales of poultry livestock	–43.3	–39.5
Change in fair value	–1.7	1.4
Balance as at 31 December	**6.1**	**8.5**

As at balance sheet date the poultry livestock comprises of 1.5 million animals (2021: 1.2 million animals) with a value of €6.1 million (2021: €8.5 million). The decrease is the result of a younger poultry stock at year-end 2022 compared to 2021, as well as a lower fair value estimate. De poultry stock consists mainly of hens and some roosters, which are breeded until an age varying between 16 and 21 weeks and sold afterwards.
The total inventory consists of non-current assets.

B. Measurement of fair values

Fair value hierarchy

The fair value measurement for the roosters and hens is based on the full production costs plus a proportional share of the margin to be realised at sale. No active market with quoted market prices exists for these hens and therefore, the Executive Board considers the most recent market transaction price to be the most reliable estimate for fair value resulting in a fair value hierarchy Level 3.

Level 3 fair values

The following table shows a breakdown of the total gains (losses) recognised in cost of raw materials and consumables in respect of Level 3 fair values (poultry livestock).
The non-realised part of the adjustment in fair value is part of the revaluation of the biological assets at the balance date.

in millions of euro	2022	2021
Amounts recognised in statement of profit or loss		
Change in fair value (realised)	–	1.5
Change in fair value (unrealised)	–1.7	–0.1
Total	**–1.7**	**1.4**
Amounts recognised in statement of financial position		
Change in fair value (unrealised)	–1.5	0.2

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Livestock	Cost technique and transaction price.	Estimated reference price is based on most recent market transactions	The estimated fair value would increase (decrease) if:
Livestock comprises roosters and hens	The fair value of the hens and roosters is measured on the basis of production costs plus a proportional share of the margin to be realised at sale.	Proportional margin is allocated to the different phases of growth cycle on the basis of a percentage of completion method (0% - 91%), failure rate incl. mortality (7.0%)	• the number of animals were higher (lower) • the percentage of completion were higher (lower) • the failure rate including mortality was lower (higher)

C. Risk management of biological assets

The Group is exposed to the following risks relating to its livestock. These risks and management's strategies to mitigate them are described below.

Regulatory and environmental risks

The Group is subject to laws and regulations in various countries in which it operates. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws.

Supply and demand risk

The Group is exposed to risks arising from fluctuations in the price and sales volume of poultry livestock. The Group Committee performs regular industry trend analyses for hens and rooster volumes and pricing.

Risks related to animal diseases

The Group is exposed to the regular risks relating agricultural activities, amongst others risks related to diseases. The Group follows the developments in the market closely and adjusts its policy where required.

25. Cash and cash equivalents

The outstanding deposits are saving accounts which can be withdrawn immediately without cost. As such the Group considered these to be part of cash and cash equivalents.

in millions of euro	31 December 2022	31 December 2021
Deposits	1.3	0.2
Current bank accounts	67.1	68.1
Cash and cash equivalents in the statement of financial position	**68.4**	**68.3**
Bank overdrafts	−42.1	−34.5
Cash and cash equivalents in the statement of cash flows	**26.3**	**33.8**

The cash and cash equivalents are at the free disposal of the Group.

26. Assets held for sale

in millions of euro	2022	2021
Balance at 1 January	0.6	0.6
Reclassification from/to property, plant and equipment	−0.3	0.3
Reclassification from investment property	–	0.3
Disposals	–	−0.6
Currency translation adjustment	–	0.0
Balance as at 31 December	**0.3**	**0.6**

During 2021 the assets of a mill in Belgium and a mill in the United Kingdom are sold.

27. Equity

A. Share capital and share premium

in millions of euro	Ordinary shares (number)		Amount	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Ordinary shares – par value €0.01	95,218,821	95,218,821	144.5	144.5
Priority share – par value €0.01	1	1	–	–
In issue at 31 December – fully paid	**95,218,822**	**95,218,822**	**144.5**	**144.5**

As at 31 December 2022, the share capital consists of 95,218,821 ordinary shares and 1 priority share. At balance sheet date the shares were issued and fully paid up.
The share premium consists of the positive difference between the issue price and the nominal value of the issued shares.

On 14 April 2022, the General Meeting of Shareholders authorized the Board of Directors - upon approval of the Supervisory Board - to acquire For Farmers own shares (regardless of the class) up to a maximum of 10% of the issued capital of ForFarmers (determined at the time of the General Meeting). Based on that approval and, if granted, the authorization from the General Meeting of Shareholders in 2022, ForFarmers started on 2 December 2021 to repurchase its own shares for a maximum amount of €50 million. The share buyback program was temporarily suspended on March 15, 2022 and formally terminated on November 1, 2022. Under the current authorization, 138,541 shares have been repurchased for the benefit of the 2022 participation plans.

In 2022 ForFarmers repurchased 4,060,958 shares (2021: 2,064,046) for a total amount of €15.9 million (2021: €8.3 million). From the total number of repurchased shares, 138,541 shares (2021: 180,822) at an amount of €0.5 million (2021: €1.0 million) have been certified for employee participation plans, bringing the balance of repurchased shares, which are accounted for in the other reserves and retained earnings, to €22.8 million as of 31 December 2022 (2021: €7.4 million).

(i) Ordinary shares
All holders of ordinary shares have equal rights. Holders of these shares are entitled to dividend as declared from time to time, and are entitled to one vote per share at annual general meetings of shareholders of the Company. On the shares held by the Company no dividend is paid and no voting rights are excercised.

(ii) Priority share
The priority share is held by Coöperatie FromFarmers U.A. As a result of the treasury shares held by the Company, Coöperatie FromFarmers U.A., on the latest reference date of 1 January 2023, could exercise the voting right for 48.4% of votes to be cast on the total of ordinary shares on the shares it holds (refer to Note 1). Furthermore, the Coöperatie FromFarmers U.A. could give voting instructions with regard to the shares held by the Trust Office Foundation (9.5%), which would give Coöperatie FromFarmers U.A. 57.9% of voting rights. As priority share holder Coöperatie FromFarmers U.A.:

- has a recommendation right for four of the six members of the Supervisory Board;
- may appoint a member of the Supervisory Board as Chairman after consultation with the Supervisory Board;
- has an approval right as regards the decisions of the Executive Board regarding:
- moving the Company's head office outside the east of the Netherlands (Gelderland and Overijssel);
- an important change in the identity of nature of the Company or its enterprise as a result of (1) transfer of the enterprise or practically all of the enterprise to a third party or (2) entering into or breaking off a long-term partnership of the Company or a subsidiary thereof with another legal entity or company, or as fully liable partner in a limited partnership or general partnership, if such partnership or its termination represents a fundamental change to the Company;

- taking or disposing of a participating interest in the capital of a company to a value of at least a third of the amount of the Company's equity according to the balance sheet with explanatory notes or, in the event the Company draws up consolidated balance sheets, according to the consolidated balance sheet with explanatory notes, according to the most recently adopted annual accounts of the Company, or any of its subsidiaries;
- changes to the Company's articles of association;
- affecting a merger or division.

Please refer to the Corporate Governance Statement for the conditions for holding the priority share and the special control rights associated thereto if that voting right and/or voting instruction can be exercised or given for 50% or less.

The priority share is classified as equity, because the share does not contain any obligations to deliver cash or other financial assets and does not require settlement in a variable number of the Group's equity instruments.

B. Nature and purpose of reserves

(i) Treasury share reserve

The reserve for the Company's treasury shares comprises the cost of the Company's (depositary receipts) shares held by the Group. The treasury shares are accounted for as a reduction of the equity attributable to the owners of the parent.

Treasury shares are recorded at cost, representing the market price on the acquisition date, where the par value of treasury shares purchased is debited to the treasury share reserve. When treasury shares are sold or re-issued, the par value of the instruments is credited to the treasury share reserve. Any premium or discount to par value as result of the market price is shown as an adjustment to retained earnings.

At 31 December 2022, the Group held 5,834,026 of the Company's shares (31 December 2021: 1,911,609).

The movement in the treasury shares can be summarised as follows:

	Number of shares		Amount par value in thousand euro	
	2022	2021	2022	2021
Balance at 1 January	1,911,609	28,385	19	–
Repurchase Employee participation plan	138,541	190,000	1	2
Re-issuance Employee participation plan	–138,541	–180,822	–1	–2
Share buyback	3,922,417	1,874,046	39	19
Cancellation own shares	–	–	–	–
Balance as at 31 December	**5,834,026**	**1,911,609**	**58**	**19**

(ii) Translation reserve

The translation reserve comprises all foreign currency differences arising from the activities of foreign subsidiaries. The decrease in this (negative) reserve as at 31 December 2022 is caused by the revaluation of the pound sterling partly compensated by the devaluation of the Polish zloty.

(iii) Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect profit or loss. This relates to the result on derivatives for the acquisition of Tasomix and fuel hedges.

(iv) Other reserves and retained earnings

Other reserves are held by the Company for statutory purposes. Retained earnings comprise the balance of accrued profits that have not been distributed to the shareholders.

A reference is made to the section Other information regarding the result appropriation scheme under the Articles of Association.

For a further clarification of the other reserves and retained earnings a reference is made to Note 47 Shareholders' equity of the Company financial statements.

C. Dividends

The following dividends were declared and distributed by the Company in the year:

Distributed in the year

in millions of euro	2022	2021
€0.29 per qualifying ordinary share (2021: €0.29)	25.9	27.6
Total	**25.9**	**27.6**

In accordance with the dividend policy the payable dividend is adjusted for outstanding trade receivables and the receivable from the Coöperatie FromFarmers U.A. (€1.1 million in 2022). As a result the total dividend paid in 2022 amounts to €25.3 million (including €0.5 million dividend to the minority shareholder of ForFarmers Thesing Mischfutter GmbH & Co. KG). The treasury shares are not entitled to dividend.

After the respective reporting date, the following dividends were proposed by the Executive Board. The dividend is, after the approval of the shareholders meeting, payable on 26 April 2023. The dividends have not been recognised as liabilities and there are no tax consequences.

Proposed over the year

in millions of euro	Note	2022	2021
€0.20 per qualifying ordinary share (2021: dividend of €0.29)	47	17.9	27.1
Total		**17.9**	**27.1**

The dividend is based on the total number of shares issued at year end of 89,384,795 (2021: 93,307,212). The proposed dividend for the year 2022 of €17.9 million and does not contain special dividend.

The total proposed dividend in 2021 of €27,1 million consisted of a regular dividend of €17.4 million and a special dividend of €9.7 million.

D. Other comprehensive income accumulated in reserves, net of tax

in millions of euro	Note	Attributable to shareholders of the Company: Translation reserve	Hedging reserve	Other reserves and retained earnings	Total	Non- controlling interest	Total OCI
2022							
Remeasurement of defined benefit liabilities	15B, 16B	–	–	3.8	3.8	–	3.8
Foreign operations – foreign currency translation differences	16B	–5.3	–	–	–5.3	–	–5.3
Cash flow hedges - effective portion of changes in fair value	16B	–	–0.7	–	–0.7	–	–0.7
Equity-accounted investees - share of other comprehensive income	16B	–	–	0.1	0.1	–	0.1
Total		**–5.3**	**–0.7**	**3.9**	**–2.1**	**–**	**–2.1**

		Attributable to shareholders of the Company: Translation reserve	Hedging reserve	Other reserves and retained earnings	Total	Non- controlling interest	Total OCI
2021							
Remeasurement of defined benefit liabilities	15B, 16B	–	–	22.1	22.1	–	22.1
Foreign operations – foreign currency translation differences	16B	4.2	–	–	4.2	–	4.2
Cash flow hedges - effective portion of changes in fair value	16B	–	0.1	–	0.1	–	0.1
Equity-accounted investees - share of other comprehensive income	16B	–	–	–0.0	–0.0	–	–0.0
Total		**4.2**	**0.1**	**22.1**	**26.4**	**–**	**26.4**

28. Capital Management

Funding

ForFarmers' long term target is to have a net debt to normalised EBITDA ratio of maximum 2.5. Normalised EBITDA is defined as agreed in the covenant guidelines of the bank facility, as elaborated in more detail in the section Covenant guidelines.

The long term target is lower than the maximum allowed ratios in the credit facility.

Covenant guidelines

Existing guidelines for financial ratios:

- Leverage ratio, that is determined by net debt divided by normalised EBITDA. The leverage ratio shall not exceed 3.5.
- Interest coverage ratio, that is determined by normalised EBITDA divided by net finance expense and shall not be below 4.0.

Net debt means the total amount of all debts to credit institutions and other financial institutions (excluding financial lease commitments) less cash and cash equivalents.

EBITDA means operating profit (EBIT) after adding back amortisation and depreciation of assets and IFRS 16 impact correction.

Normalised EBITDA means, in respect of a relevant period, EBITDA for that relevant period:

- Including EBITDA of a business combination acquired during the relevant period for that part of the relevant period prior to its becoming a business combination;
- Excluding EBITDA attributable to any member of the Group (or to any business) disposed of during the relevant period prior to its disposal unless the purchase price in relation to such disposal has not yet been received during the relevant period, in which case EBITDA of the disposed member of the Group or business shall be included in normalised EBITDA provided that, in the event that the purchase price is partially (and not fully) received during the relevant period, EBITDA attributable to that member, calculated on a pro-rata basis, shall be included in normalised EBITDA.
- excluding exceptional items like restructuring, disposals, revaluations, (reversal of) impairments and disposals of assets associated with discontinued operations provided that the aggregated amount of such costs does not exceed 10% of EBITDA.
- including cost savings and synergies the Group reasonably expects to be achievable in the 18 months following as a result of any acquisition, restructuring, reorganisation or other similar initiative provided that these costs do not exceed 15% of EBITDA. When the costs exceed 7.5% of EBITDA the costs should be certified by an independent third party expert.

Net finance result means the net amount of financial income and expense less interest, commission, fees, discounts and other finance charges accrued in accordance with the applicable accounting standards during that relevant period.

ForFarmers fully complies with the terms and conditions of the covenants as per 31 December 2022 (2021: ditto).

ForFarmers' net debt to normalised EBITDA ratio at 31 December 2022 and 31 December 2021 are included in the table below:

in millions of euro	Note	2022	2021
Loans and borrowings	29	94.9	62.5
Lease liabilities	29.32	29.8	34.7
Bank overdrafts	32	42.1	34.5
Less: cash and cash equivalents	25	−68.4	−68.3
Net debt		**98.4**	**63.4**
Excluding IFRS 16 lease liabilities as per financing agreement		−29.8	−34.7
Net debt as per financing agreement		**68.6**	**28.7**
Operating profit before depreciation, amortisation and impairment (EBITDA)		72.5	72.9
Excluding impact IFRS 16 as per financing agreement		−8.8	−8.0
Other adjustments as per financing agreement		0.5	0.9
Normalised EBITDA		**64.2**	**65.8**
Leverage ratio (net debt to normalised EBITDA ratio)		1.07	0.44
Interest coverage ratio (normalised EBITDA to net financing interest expense on loans)		17.42	48.61

29. Loans and borrowings

in millions of euro	Note	31 December 2022	31 December 2021
Unsecured bank loans	29A	94.6	59.5
Lease liabilities		23.1	27.6
Loans from related parties		0.3	–
Total non-current		**118.0**	**87.1**
Lease liabilities		6.7	7.1
Loans from related parties	36F	–	3.0
Total current		**6.7**	**10.1**

The bank loans have no short term repayment obligations as at 31 December 2022 (31 December 2021: ditto). For information regarding the financing, please refer to Note 29B.

Information about the Group's exposure to interest rate, foreign currency and liquidity risks is disclosed in Note 32.

A. Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

	Currency	Nominal interest rate	Year of maturity	Face value 31 December 2022	Carrying amount 31 December 2022	Face value 31 December 2021	Carrying amount 31 December 2021
in millions of euro		%					
Unsecured bank loan (floating rate)	EUR	EURIBOR + 0.80%	2026	95.0	94.6	–	–
Unsecured bank loan (floating rate)	EUR	EURIBOR + 0.50%	2025	–	–	60.0	59.5
Total interest-bearing liabilities				**95.0**	**94.6**	**60.0**	59.5

B. Unsecured bank loans

(i) Refinancing

On 25 June 2019 ForFarmers signed a €300 million credit facility (multi-currency revolving facility) with an international syndicate of banks, consisting of ABN AMRO, HSBC, ING, KBC and Rabobank. On 27 March 2022 the facility has been extended by four banks with a new duration to 25 July 2026 worth €300 million. ForFarmers and the syndicate of banks replaced KBC by BNP Paribas. The same conditions are applicable.

A total nominal amount of €95.0 million (31 December 2021: €60.0 million) of this facility was used as at 31 December 2022.

The applicable interest is based on Euribor and/or Libor or Wibor (depending on the currency in which the facility is drawn) plus a margin between 0.5% and 1.55% (2021: ditto). The margin depends on the leverage ratio; on the basis of the 2022 ratio the Euro funding amounts to 0.80% (2021: 0.50%).

(ii) Other secured loan facilities

ForFarmers Thesing, Germany, has an unsecured financing agreement with Bremers Landesbank, with a maximum amount of €6.0 million. At the balance sheet date this financing agreement was not used (2021: ditto).

C. Secured bank loans

Lease liabilities are effectively also secured as the rights to the leased assets revert to the lessor in event of default.

D. Reconciliation of movements of liabilities to cash flows arising from financing activities

in millions of euro	Note	Other loans and borrow-ings	Lease liabilities	Reserves	Other reserves and retained earnings	Unappropri-ated result	Non-controlling interest	Total
Balance at 1 January 2022		62.5	34.7	−5.7	209.7	12.0	5.7	
Changes from financing cash flows								
Purchase of own shares	27	–	–	–	−15.4	–	–	−15.4
Proceeds from sale of treasury shares relating to employee participation plan	27	–	–	–	0.2	–	–	0.2
Repurchase of treasury shares relating to employee participation plan	27	-	-	-	−0.4	–	–	−0.4
Lease payments		–	−8.8	–	–	–	–	−8.8
Proceeds from borrowings	29	75.0	–	–	–	–	–	75.0
Redemption loan	29	−43.0	–	–	–	–	–	−43.0
Transaction costs related to borrowings		–	–	–	−0.1	–	–	−0.1
Dividend paid	27	–	–	–	−24.8	–	−0.5	−25.3
Total changes from financing cash flows		**32.0**	**−8.8**	**–**	**−40.5**	**–**	**−0.5**	**−17.8**
Acquisition of subsidiary		0.3	0.6	–	–	–	–	
Changes in fair value		–	0.2	–	–	–	–	
Effect of movements in exchange rates		–	−0.9	–	–	–	–	
Other changes[1]		0.1	4.0	−6.0	15.1	6.0	3.9	
Balance as at 31 December 2022		**94.9**	**29.8**	**−11.7**	**184.3**	**18.0**	**9.1**	

[1] Other changes includes among others non-cash movements and equity-related changes

in millions of euro	Note	Other loans and borrow-ings	Lease liabilities	Reserves	Other reserves and retained earnings	Unappropri-ated result	Non-controlling interest	Total
Balance at 1 January 2021		25.3	28.0	(10.1)	208.3	14.2	5.6	
Changes from financing cash flows								
Purchase of own shares	27	–	–	–0.0	–7.3	–	–	–7.3
Proceeds from sale of treasury shares relating to employee participation plan	27	–	–	–	0.7	–	–	0.7
Repurchase of treasury shares relating to employee participation plan	27	–	–	–	–1.0	–	–	–1.0
Lease payments		–	–8.0	–	–	–	–	–8.0
Proceeds from borrowings	29	68.0	–	–	–	–	–	68.0
Redemption bank loan	29	–28.0	–	–	–	–	–	–28.0
Transaction costs related to borrowings		–0.1	–	–	–	–	–	–0.1
Dividend paid	27	–	–	–	–26.4	–	–0.4	–26.8
Total changes from financing cash flows		**39.9**	**–8.0**	**–0.0**	**–34.0**	**–**	**–0.4**	**–2.5**
Acquisition of subsidiary		–	0.2	–	–	–	–	
Changes in fair value		0.2	–	–	–	–	–	
Effect of movements in exchange rates		–	1.0	–	–	–	–	
Other changes[1]		–2.9	13.5	4.4	35.4	–2.2	0.5	
Balance as at 31 December 2021		**62.5**	**34.7**	**–5.7**	**209.7**	**12.0**	**5.7**	

[1] Other changes includes among others non-cash movements and equity-related changes

30. Provisions

2022

in millions of euro	Soil decontam-ination	Demolition costs	Restructuring	Onerous contracts	Other	Total
Balance at 1 January 2022	0.7	2.2	–	1.1	4.0	8.0
Provisions made during the year	–	–	0.1	0.4	0.9	1.4
Provisions released during the year	−0.5	–	–	−0.1	−2.5	−3.1
Provisions used during the year	–	–	–	−1.0	−0.9	−1.9
Effect of discounting	–	–	–	–	–	–
Other movement	–	–	–	–	–	–
Translation difference	–	−0.1	–	–	−0.1	−0.2
Balance as at 31 December 2022	**0.2**	**2.1**	**0.1**	**0.4**	**1.4**	**4.2**
Non-current	0.2	2.1	–	0.1	0.1	2.5
Current	–	–	0.1	0.3	1.3	1.7
Balance as at 31 December 2022	**0.2**	**2.1**	**0.1**	**0.4**	**1.4**	**4.2**

2021

in millions of euro	Soil decontam-ination	Demolition costs	Restructuring	Onerous contracts	Other	Total
Balance at 1 January 2021	0.8	2.4	0.2	0.4	0.9	4.7
Provisions made during the year	–	–	–	1.0	3.7	4.7
Provisions released during the year	−0.1	−0.2	−0.1	−0.0	−0.6	−1.0
Provisions used during the year	–	−0.1	−0.1	−0.3	−0.2	−0.7
Effect of discounting	0.0	–	–	–	–	0.0
Other movement	–	–	–	–	–	–
Translation difference	−0.0	0.1	–	0.0	0.2	0.3
Balance as at 31 December 2021	**0.7**	**2.2**	**–**	**1.1**	**4.0**	**8.0**
Non-current	0.7	2.2	–	–	3.2	6.1
Current	–	–	–	1.1	0.8	1.9
Balance as at 31 December 2021	**0.7**	**2.2**	**–**	**1.1**	**4.0**	**8.0**

A. Soil decontamination

The soil decontamination provision relates to the expected unavoidable costs of cleaning polluted sites. The Group conducts periodical assessments to ascertain whether sites have been polluted. At the moment pollution has been determined the unavoidable costs to clean the site are estimated and provided for.

Release of the soil decontamination provision in 2022 is caused by a revised assessment of the facts and circumstances at the balance sheet date.

B. Demolition costs

The provision for demolition costs relates to assets in use and will be utilized at the end of the useful lifetime of these assets.

C. Restructuring

The changes in the restructuring provisions is mainly due to the result of the closing of certain feed mills and the announced efficiency program.

D. Onerous contracts

The provision made and the usage of the provision onerous contracts relates to forward sales contracts and a number of loss-making meat contracts.

E. Other

The provisions mainly decreased due to settlement of ongoing lawsuits and claims against ForFarmers. Forfarmers paid legal fees in 2022 which were lower than provided as at 31 December 2021. As result, the total amount of €2.3 million has been released.

Furthermore, ForFarmers is involved in several cases, of which the Group considers the impact to be not material, highly unlikely to result in a financial impact, or is unable to reliably estimate the magnitude of a potential impact (see also Note 35 regarding contingencies).

31. Trade and other payables

in millions of euro		31 December 2022	31 December 2021
Trade payables due to related parties	36	3.0	2.9
Other trade payables		368.1	300.8
Accrued expenses		64.6	53.3
Taxes (other than income taxes) and social securities		7.9	8.2
Contingent considerations	6	6.5	8.2
Derivatives	32	0.8	–
Put option liability	6	23.2	22.8
Total		**474.1**	**396.2**
Non-current		24.2	28.7
Current		449.9	367.5
Total		**474.1**	**396.2**

The increase in other trade payables is mainly related to increased in prices for raw materials and other costs.
The accrued expenses are, amongst others, related to invoices to be received and accrued personnel expenses. The increase in accrued expenses is mainly related to the increased prices for invoices still to be received in relation to energy and transport.
The decrease of the contingent considerations relates to the payments made.

The put option liability relates to the acquisition of Tasomix and concerns a long-term liability, which is discounted with a rate higher than 10%. The increase of this liability is mainly the result of the accretion of interest on the liability. For more information, regarding the contingent considerations and the put option liability, refer to Note 6, 17 and 32.
Information about the Group's exposure to relevant currency and liquidity risks is disclosed in Note 32C.

32. Financial instruments – Fair values and risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their Levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

in millions of euro	Note	Carrying amount				Fair value			31 December 2022
		Mandatory at FVTPL - others [1]	Fair value - hedging instru-ments	Amortized costs	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Fuel swaps used for hedging (derivatives)	32	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–
Financial assets not measured at fair value									
Equity securities (other investments)	23	–	–	–	–	–	–	–	–
Trade and other receivables [2]	22	–	–	334.1	334.1	–	–	–	–
Cash and cash equivalents	25	–	–	68.4	68.4	–	–	–	–
		–	**–**	402.5	402.5	–	–	–	–
Financial liabilities measured at fair value									
Contingent consideration	6,32	−6.5	–	–	−6.5	–	–	−6.5	−6.5
Put option liability	6,32	−23.2	–	–	−23.2	–	–	−23.2	−23.2
Forward exchange contracts used for hedging (derivatives)	32	–	–	–	–	–	–	–	–
Fuel swaps used for hedging (derivatives)	32	–	−0.8	–	−0.8	–	−0.8	–	−0.8
		−29.7	**−0.8**	–	−30.5	–	−0.8	−29.7	−30.5
Financial liabilities not measured at fair value									
Bank overdrafts	29	–	–	−42.1	−42.1	–	–	–	–
Loans and borrowings	29	–	–	−94.9	−94.9	–	–	–	–
Lease liabilities	29	–	–	−29.8	−29.8	–	–	–	–
Trade and other payables [3]	31	–	–	−443.6	−443.6	–	–	–	–
		–	**–**	**−610.4**	**−610.4**	**–**	**–**	**–**	**–**

[1] Fair value through profit and loss
[2] Excluding derivatives and other investments
[3] Excluding contingent considerations and the put option liability

in millions of euro	Note	Carrying amount: Mandatory at FVTPL - others [1]	Fair value - hedging instruments	Amortized costs	Total	Fair value: Level 1	Level 2	Level 3	Total
									31 December 2021
Financial assets measured at fair value									
Fuel swaps used for hedging (derivatives)	32	–	0.1	–	0.1	–	0.1	–	0.1
		–	**0.1**	**–**	**0.1**	**–**	**0.1**	**–**	**0.1**
Financial assets not measured at fair value									
Equity securities (other investments)	23	–	–	0.0	0.0	–	–	–	–
Trade and other receivables[2]	22	–	–	278.6	278.6	–	–	–	–
Cash and cash equivalents	25	–	–	68.3	68.3	–	–	–	–
		–	**–**	**346.9**	**346.9**	**–**	**–**	**–**	**–**
Financial liabilities measured at fair value									–
Contingent consideration	6.32	–8.2	–	–	–8.2	–	–	–8.2	–8.2
Put option liability	6.32	–22.8	–	–	–22.8	–	–	–22.8	–22.8
Forward exchange contracts used for hedging (derivatives)	32	–	–	–	–	–	–	–	–
Fuel swaps used for hedging (derivatives)	32	–	–	–	–	–	–	–	–
		–31.0	**–**	**–**	**–31.0**	**–**	**–**	**–31.0**	**–31.0**
Financial liabilities not measured at fair value									
Bank overdrafts	29	–	–	–34.5	–34.5	–	–	–	–
Loans and borrowings	29	–	–	–62.5	–62.5	–	–	–	–
Lease liabilities	29	–	–	–34.7	–34.7	–	–	–	–
Trade and other payables[3]	31	–	–	–365.2	–365.2	–	–	–	–
		–	**–**	**–496.9**	**–496.9**	**–**	**–**	**–**	**–**

[1] Fair value through profit and loss
[2] Excluding derivatives and other investments
[3] Excluding contingent considerations and the put option liability

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used. Related valuation processes are described in Note 4.

Financial instruments measured at fair value

Type	Valuation technique
Forward exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
Interest rate swaps and fuel swaps, commodity future contracts	The Group enters into derivative financial instruments with financial institutions with investment grade credit ratings. Derivative financial instruments are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include swap models and futures models, using present value calculations.
Contingent consideration and put option liability	The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate. The expected payment is determined by considering the possible scenarios of forecast sales volume / EBITDA developments, the receipt of the gross trade receivables, the anticipated net debt position, the amount to be paid under each scenario and the probability of each scenario. Significant unobservable inputs consists: • Forecast annual sales volume / EBITDA growth rate. • Forecast receipts gross trade receivables. • Forecast net debt position. • Risk-adjusted discount rate. The estimated fair value would increase (decrease) if: • the annual sales volume / EBITDA growth rate were higher (lower). • the receipts of the gross trade receivables vary positive (negative) from the standard payment terms. • the actual net debt postion varies positive (negative) from anticipated position. • the risk-adjusted discount rate were lower (higher).

Financial instruments not measured at fair value

Type	Valuation technique
Equity securities (non-current)	For investments in equity instruments that do not have a quoted market price in an active market for an identical instrument (i.e. a Level 1 input) disclosures of fair value are not required.
Loans and receivables (non-current)	Discounted cash flows.
Cash, trade and other receivables and other financial liabilities (current)	Given the short term of these instruments, the carrying value is close to the market value.
Other financial liabilities (non-current)	Discounted cash flows. The fair value of the long-term debts is equal to the carrying value as floating market-based interest rates are applicable consistent with the financing agreement.

C. Financial risk management

Risk management framework

The Executive Committee has overall responsibility for overseeing of the Group's risk management framework. The Executive Committee has established a Risk Advisory Board, which is responsible for developing and monitoring the Group's risk management policies. The Risk Advisory Board reports regularly to the Executive Committee, the Audit Committee and the Supervisory Board on its activities. The Group considers the acceptance of risks and the recognition of opportunities as an inherent part of realising its strategic objectives. Risk management contributes to the realisation of the strategic objectives and provides for compliance with corporate governance requirements. Through an active monitoring of risk management, the Group aims to create a high level of awareness in terms of risk control. The set-up and coordination of risk management takes place from the team Corporate Governance & Compliance.

The Group has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk;
- market risk.

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and from investments in debt instruments.

The carrying amount of financial assets represents the maximum credit exposure.

Trade and other receivable

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the default risk of the industry and/or country in which customers operate. Further details of concentration of revenue are included in Note 5 and 8.

The Group trades with creditworthy parties and has set up procedures to determine the creditworthiness. In addition, the Group has prepared directives to limit the scope of the credit risk at each party. Moreover, the Group continuously monitors its receivables and the Group applies a strict credit procedure. In accordance with this policy, customers are categorised, and depending on their credit profile the following risk-mitigating measures are taken:

- payment according to the payment terms per country;
- payment in advance, immediate payment upon receipt of the goods or provision of collateral;
- hedging by means of credit letters and bank guarantees;
- insurance of credit risk.

Receivables, that will be due after one year, are largely interest-bearing and mainly include loans to customers for which, if possible, securities were provided in the form of feed equivalents, participation accounts and real estate.

As a consequence of the distribution over geographic areas and product groups a significant concentration of credit risk in the trade receivables does not arise (no single customer is in 2022 individual responsible for more than 1.7% (2021: 1.5%) of the turnover. For a further explanation of the trade and other receivables reference is made to Note 22.

At 31 December 2022, the allowance for impairment in relation to trade and other receivables was as follows:

in millions of euro	31 December 2022	31 December 2021
Gross trade and other receivables	347.8	289.6
Allowance for impairment in respect of trade and other receivables	−13.7	−10.9
Total	**334.1**	**278.7**
Non-Current (including loans)	3.4	5.3
Current	330.7	273.4
Total	**334.1**	**278.7**

At 31 December 2022, the ageing of trade and other receivables was as follows:

in millions of euro	Not impaired accounts	Impaired accounts	Total
Not due	293.3	17.7	311.0
Past due < 30 days	15.6	4.4	20.0
Past due 31 - 60 days	1.7	2.1	3.8
Past due 61 - 90 days	1.2	0.8	2.0
Past due > 90 days	1.0	10.0	11.0
Gross amount	312.8	35.0	347.8
Allowance for impairment	**–**	**–13.7**	**–13.7**
Total	**312.8**	**21.3**	**334.1**
Overdue receivables	6.2%	49.4%	10.6%

The percentage overdue receivables (total of 10.6%) decreased, in spite of continuing challenging market conditions.

At 31 December 2021, the ageing of trade and other receivables was as follows:

in millions of euro	Not impaired accounts	Impaired accounts	Total
Not due	249.6	6.4	256.0
Past due < 30 days	14.8	2.1	16.9
Past due 31 - 60 days	3.0	1.7	4.7
Past due 61 - 90 days	0.7	1.2	1.9
Past due > 90 days	1.7	8.4	10.1
Gross amount	269.8	19.8	289.6
Allowance for impairment	**–**	**–10.9**	**–10.9**
Total	**269.8**	**8.9**	**278.7**
Overdue receivables	7.4%	67.6%	11.6%

The impaired accounts consist of trade and other receivables for which an impairment is applied. The Executive Committee believes that the unimpaired amounts are still collectible in full, based on historic payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available. The movement during the year in the allowance for impairment in respect of trade and other receivables was as follows:

in millions of euro	2022	2021
Balance at 1 January	10.9	12.3
Write-offs during the year	–0.6	–1.7
Releases during the year	–2.8	–3.1
Addition during the year	6.2	3.2
Translation difference	–	0.2
Balance as at 31 December	**13.7**	**10.9**
Non-current	0.7	1.1
Current	13.0	9.8
Balance as at 31 December	**13.7**	**10.9**

[1] The other change concerns a change in the presentation of receivables from trade debtors related to acquisitions made in the previous year.

Cash and cash equivalents

Cash and cash equivalents are kept by first-class international banks, i.e. banks with at least a credit classification of A-. Derivatives are only traded with financial institutions with a high credit rating, A+ to AA+.

Guarantees

In principal, the Group's policy is to not provide financial guarantees except for some of its Dutch subsidiaries, bank guarantees, guarantees to Insurance companies in the United Kingdom and guarantees to suppliers of the mill in Pionki (Poland). Refer to Note 35 for more information on other commitments and contingencies.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Furthermore the Group has financing agreements to mitigate the liquidity risk, for more information see Note 29.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and excluding the impact of netting agreements.

31 December 2022 Non-derivative financial liabilities

in millions of euro	Note	Carrying amount	Contractual cash flows				
			Total	< 1 year	1 - 2 years	2 - 5 years	> 5 years
Contingent consideration	6, 32	6.5	6.5	5.6	0.9	–	–
Put option liability	6, 32	23.2	32.4	–	–	32.4	–
Bank overdrafts	29	42.1	42.1	42.1	–	–	–
Bank loans	29	94.6	95.0	–	–	95.0	–
Lease liabilities	29	29.8	42.1	7.8	6.5	9.7	18.1
Debts from related parties	29	0.3	0.3	–	–	–	0.3
Trade payables and other payables[1]	31	440.6	440.8	440.7	0.1	–	–
Total		**637.1**	**659.2**	**496.2**	**7.5**	**137.1**	**18.4**

[1] Excluding related parties, contingent consideration and the put option liability

The Company has the availability of cash and cash equivalents at 31 December 2022 amounting to € 68.4 million .

31 December 2021 Non-derivative financial liabilities

in millions of euro	Note	Carrying amount	Contractual cash flows				
			Total	< 1 year	1 - 2 years	2 - 5 years	> 5 years
Contingent consideration	6, 32	8.2	8.2	2.5	5.2	0.5	–
Put option liability	6, 32	22.8	34.0	–	–	34.0	–
Bank overdrafts	29	34.5	34.5	34.5	–	–	–
Bank loans	29	59.5	60.0	–	–	60.0	–
Lease liabilities	29	34.7	46.5	8.3	7.3	13.0	17.9
Leningen van verbonden partijen	29	3.0	3.0	3.0	–	–	–
Trade payables and other payables[1]	31	362.3	362.3	361.5	0.8	–	–
Total		**525.0**	**548.5**	**409.8**	**13.3**	**107.5**	**17.9**

[1] Excluding related parties, contingent consideration and the put option liability

The Company has the availability of cash and cash equivalents at 31 December 2021 amounting to € 68.3 million.

As disclosed in Note 29, the Group has an unsecured bank loan that contains a loan covenant. A future breach of covenant may require the Group to repay the loan earlier than indicated in the above table. Under the agreement, the covenant is monitored on a regular basis by the treasury department and regularly reported to the Executive Committee to ensure compliance with the agreement. The covenants have been met as per the end of the year, refer to Note 29.

The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change. The future cash flows on loans and borrowings from financial institutions may be different from the amount in the above table as interest rates and exchange rates or the relevant conditions in the obligations change. Except for these financial liabilities, it is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

(iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of Group companies. The subsidiaries' functional currencies are the euro, pound sterling and Polish zloty. Most of their transactions, and resulting balance occur in their local and functional currency.

Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Group, primarily euro, but also pound sterling and Polish zloty.

Interest on borrowings is denominated in the currency of the borrowing. This provides an economic hedge without derivatives being entered into and therefore hedge accounting is not applied in these circumstances.

The Group's sales and purchase transactions are conducted in the functional currencies of the respective entity, therefore on the forecasted sales and purchase transactions the Group is not exposed to foreign currency risks.

The Group has no forward currency contracts to hedge foreign currency exposure at 31 December 2022 (31 December 2021: had no forward currency contracts to hedge foreign currency exposure) .

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is managed within the agreed limits per business unit.

Exposure to currency risk

The summary of quantitative data about the Group's financial assets and liabilities denominated per functional and foreign currency is as follows:

in millions	31 December 2022			31 December 2021		
	€	£	zł	€	£	zł
Trade and other receivables	173.1	101.5	218.2	146.1	80.8	167.8
Cash and cash equivalents less bank overdrafts	39.4	5.4	–89.6	52.7	–3.8	–66.3
Unsecured bank loans	–94.6	–	–	–59.5	–	–
Loans from related parties	–	–	–	–	–	–13.8
Lease liabilities	–13.3	–14.2	–2.9	–15.0	–16.5	–0.4
Trade and other payables	–294.7	–112.3	–246.4	–251.6	–86.6	–190.8
Net statement of financial position exposure	**–190.1**	**–19.6**	**–120.7**	**–127.3**	**–26.1**	**–103.5**

Net financial position in pound sterling and Polish zloty is used to finance assets in pound sterling and Polish zloty.

The important exchange rates that have been applied during the financial year are disclosed in Note 3.

Sensitivity analysis

No financial instruments in the consolidated financial statements are individually exposed to foreign currency risk. As such no sensitivity analyses is disclosed.

Interest rate risk

The Group tests the interest rate risk on potential financial impact. When the impact is not acceptable, the risk exposure is eliminated by fixing the rate.

This is achieved partly by entering into fixed-rate instruments, and partly by borrowing at a float rate and if considered necessary using interest rate swaps as hedges against fluctuations interest levels.

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments is as follows:

Carrying amount

in millions of euro	31 December 2022	31 December 2021
Fixed-rate instruments		
Financial assets	3.4	5.3
Variable rate instruments		
Financial liabilities	94.6	59.5

The financial assets relate to loans to customers, employees and other non-current receivables.

The financial liabilities relate to loans payable which mainly have the purpose of financing the non-current assets.

Fair value sensitivity analysis for fixed-rate instruments
The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss.

Cash flow sensitivity analysis for variable rate instruments
A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Except for tax effects, the impact on equity is considered equal to the impact on profit and loss as no variable-rate financial instruments impact equity directly.

	Profit or loss before tax		Equity	
in millions of euro	50 basis points increase	50 basis points decrease	50 basis points increase	50 basis points decrease
31 December 2022				
Variable-rate instruments	–0.5	0.5	–0.4	0.4
31 December 2021				
Variable-rate instruments	–0.3	0.3	–0.2	0.2

Commodity price risk
The major part of ForFarmers' cost of sales consists of raw materials. The raw materials markets are volatile due to uncertain weather conditions, yield expectations, depletion of natural resources, fluctuations in demand and growing prosperity.

The increased volatility inherently increases the risks related to raw material purchasing and hence the importance of risk management. The purchasing risk management policy is based on the risk appetite of the Group and is continuously monitored.

Part of the costs of the Group consist of energy and fuel costs. Changes in these prices affect the costs of production and transport of products of the Group. Higher costs by example for inbound logistics due to low water levels and costs as a result of the unfavourable pursching position may not in all instances be passed on in the sales prices, which may affect the result negatively. In the past years the prices of fuel and energy have been relatively volatile. Therefore, for the purchasing of energy, the Group has determined a purchasing policy. Part of this policy is to hedge price risks via financial instruments and commodity agreements. The enforcement of this purchasing policy is monitored. The developments on the markets for energy and fuels are followed closely.

During 2022 the Group has entered into derivatives to hedge the risks associated with changes in fuel prices. With respect to these cash flow hedges, maturities relate to realisation dates of hedged items and therefore cash flow hedge accounting is applied. Amounts of fair value presented in equity are recycled in the statement of profit or loss at realisation dates of hedged items. The contractual maturities of these derivatives will expire at different moments in 2023, with the corresponding cash settlement also taking place during different moments in 2023.

D. Derivative assets and liabilities designated as cash flow hedges

The following table indicates the periods in which the cash flows associated with cash flow hedges are expected to occur and the carrying amounts of the related hedging instruments.

	2022				Expected cash flows	2021				Expected cash flows
in millions of euro	Carrying amount	Total	1-6 months	6-12 months	More than one year	Carrying amount	Total	1-6 months	6-12 months	More than one year
Forward exchange contracts used for hedging										
Assets	–	–	–	–	–	–	–	–	–	–
Liabilities	–	–	–	–	–	–	–	–	–	–
Fuel swaps used for hedging										
Assets	–	–	–	–	–	0.1	0.1	0.1	–	–
Liabilities	–0.8	–0.8	–0.8	–	–	–	–	–	–	–
Total	**–0.8**	**–0.8**	**–0.8**	**–**	**–**	**0.1**	**0.1**	**0.1**	**–**	**–**

The following table indicates the periods in which the cash flows associated with cash flow hedges are expected to impact profit or loss and the carrying amounts of the related hedging instruments.

	2022				Expected impact	2021				Expected impact
in millions of euro	Carrying amount	Total	1-6 months	6-12 months	More than one year	Carrying amount	Total	1-6 months	6-12 months	More than one year
Forward exchange contracts used for hedging										
Liabilities	–	–	–	–	–	–	–	–	–	–
Fuel swaps used for hedging										
Assets	–	–	–	–	–	0.1	0.1	0.1	–	–
Liabilities	–0.8	–0.8	–0.8	–	–	–	–	–	–	–
Total	**–0.8**	**–0.8**	**–0.8**	**–**	**–**	**0.1**	**0.1**	**0.1**	**–**	**–**

Group composition

33. List of main subsidiaries

Subsidiaries	Registrated office	Interest[1]
The Netherlands		
ForFarmers Nederland B.V.	Lochem	100%
FF Logistics B.V.	Lochem	100%
PoultryPlus B.V.	Lochem	100%
Reudink B.V.	Lochem	100%
Stimulan B.V.	Lochem	100%
ForFarmers Corporate Services B.V.	Lochem	100%
FF Vleuten B.V.[2]	Eindhoven	60%
ForFarmers Poland B.V.	Lochem	100%
Germany		
ForFarmers GmbH	Vechta-Langförden	100%
ForFarmers Langförden GmbH	Vechta-Langförden	100%
ForFarmers BM GmbH	Rapshagen	100%
ForFarmers Hamburg GmbH & Co. KG[3]	Vechta-Langförden	100%
ForFarmers Thesing Mischfutter GmbH & Co. KG[3]	Rees	60%
ForFarmers Beelitz GmbH	Beelitz	100%
Pavo Pferdenahrung GmbH	Goch	100%
Belgium		
ForFarmers Belgium B.V.	Ingelmunster	100%
Poland		
Tasomix Sp. z o.o[5]	Biskupice Ołoboczne	60%
Tasomix Pasze Sp. z o.o[5]	Pionki	60%

Subsidiaries	Registrated office	Interest[1]
United Kingdom		
ForFarmers UK Holdings Ltd.	Bury St. Edmunds	100%
ForFarmers UK Ltd.	Bury St. Edmunds	100%
Joint venture		
HaBeMa Futtermittel GmbH & Co. KG Produktions- und Umschlagsgesellschaft[4]	Hamburg	50%

[1] Participating interests as per 31 December 2022.

[2] Consolidated for 100% with a non-controlling interest

[3] The subsidiaries ForFarmers Hamburg GmbH & Co. KG and ForFarmers Thesing Mischfutter GmbH & Co. KG make use of the exemption under § 264b of the German Commercial Code.

[4] Equity accounted investee, see Note 21

[5] Is consolidated for 100% because at any time (after 2021)the remaining 40% can be purchased at the specified conditions.

34. Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that have material non-controlling interests (NCIs), before any intra-group eliminations.

in millions of euro	ForFarmers Thesing Mischfutter GmbH	ForFarmers Thesing Mischfutter GmbH & Co KG	Total
			31 December 2022
Non-current assets	40%	40%	
Non-current assets	0.2	11.8	12.0
Cash and cash equivalents	–	6.6	6.6
Other current assets	–	20.7	20.7
Current assets	**–**	**27.3**	**27.3**
Loans and borrowings	–	–5.3	–5.3
Other non-current liabilities	–	–1.6	–1.6
Non-current liabilities	**–**	**–6.9**	**–6.9**
Loans and borrowings	–	–0.4	–0.4
Other current liabilities	–0.0	–18.2	–18.2
Current liabilities	**–0.0**	**–18.6**	**–18.6**
Net assets	**0.2**	**13.6**	**13.8**
Carrying amount of NCI	0.1	5.4	5.5
Revenue	–	104.9	104.9
Profit attributable to shareholders of the Company	–	0.5	0.5
OCI	–	–	–
Total comprehensive income	**–**	**0.5**	**0.5**
Profit allocated to NCI	–	0.2	0.2
OCI allocated to NCI	–	–	–

Per 31 December 2022 the total book value of non-controlling interests amounts €9.1 million. Besides the above disclosed non-controlling interests ForFarmers Thesing Mischfutter GmbH and ForFarmers Thesing Mischfutter GmbH & Co KG the non-controlling interests per balance date consists of a immaterial non-controlling interest as a result of an acquisition in 2022.

in millions of euro	ForFarmers Thesing Mischfutter GmbH	ForFarmers Thesing Mischfutter GmbH & Co KG	Total
			2022
Cash flows from operating activities	–	7.0	7.0
Cash flows from investing activities	–	–1.0	–1.0
Cash flows from financing activities	–	–2.0	–2.0
Net increase (decrease) in cash and cash equivalents	**–**	**4.0**	**4.0**

The change in cash flows from operating activities compared to previous year is driven by changes in the working capital.

in millions of euro	ForFarmers Thesing Mischfutter GmbH	ForFarmers Thesing Mischfutter GmbH & Co KG	31 December 2021 Total
Percentage non-controlling interest	40%	40%	
Non-current assets	0.2	12.2	12.4
Cash and cash equivalents	–	3.0	3.0
Other current assets	0.1	18.2	18.3
Current assets	**0.1**	**21.2**	**21.3**
Loans and borrowings	–	–5.7	–5.7
Other non-current liabilities	–	–1.7	–1.7
Non-current liabilities	**–**	**–7.4**	**–7.4**
Loans and borrowings	–	–0.4	–0.4
Other current liabilities	–0.1	–11.4	–11.5
Current liabilities	–0.1	–11.8	–11.9
Net assets	**0.2**	**14.2**	**14.4**
Carrying amount of NCI	**0.1**	**5.6**	**5.7**
Revenue	–	84.0	84.0
Profit attributable to shareholders of the Company	0.0	1.1	1.1
OCI	–	–	–
Total comprehensive income	**0.0**	**1.1**	**1.1**
Profit allocated to NCI	–	0.5	0.5
OCI allocated to NCI	–	–	–

in millions of euro	ForFarmers Thesing Mischfutter GmbH	ForFarmers Thesing Mischfutter GmbH & Co KG	2021 Total
Cash flows from operating activities	–0.0	2.2	2.2
Cash flows from investing activities	–	–0.8	–0.8
Cash flows from financing activities	–	–1.6	–1.6
Net increase (decrease) in cash and cash equivalents	**–0.0**	**–0.2**	**–0.2**

35. Commitments and contingencies

General

The Company and its group companies are or may become party to various claims, legal and/or administrative proceedings and investigations in the ordinary course of business or otherwise (e.g. commercial transactions, product liability, health & safety and environmental pollution). Since the outcome of asserted claims and proceedings (potential or actual), or the impact of any claims or investigations that may arise in the future, cannot be predicted with certainty, the Group's financial position and results of operations could be affected materially by the outcomes.

Purchase commitments

The purchase commitments of the Group are as follows:

31 December 2022

in millions of euro	< 1 year	1 - 5 years	> 5 years	Total
Purchase commitments raw materials	659.6	2.4	–	662.0
Purchase commitments energy (gas/electricity)	46.6	8.6	–	55.2
Purchase commitments property, plant and equipment	2.7	–	–	2.7
Purchase commitments other	7.1	–	–	7.1
Total	**716.0**	**11.0**	**–**	**727.0**

31 December 2021

in millions of euro	< 1 year	1 - 5 years	> 5 years	Total
Purchase commitments raw materials	608.0	4.4	–	612.4
Purchase commitments energy (gas/electricity)	27.3	–	–	27.3
Purchase commitments property, plant and equipment	1.4	–	–	1.4
Purchase commitments other	4.5	0.0	–	4.5
Total	**641.2**	**4.4**	**–**	**645.6**

The increase in raw material prices resulted in a higher purchase commitment of raw materials as at 31 December 2022 (€662.0 million) compared to prior year (31 December 2021: € 612.4 million). The purchase commitments of raw materials are partly relating to existing sales contracts.

The increased energy commitment is a result of increased energy prices in conjunction with an increased duration of the commitment.

De purchase commitments other mainly consist of IT licenses.

A declaration of guarantee based on article 2:403 of the Dutch Civil Code has been issued by ForFarmers N.V. for the benefit of ForFarmers Nederland B.V., ForFarmers Corporate Services B.V., FF Logistics B.V., PoultryPlus B.V. and Reudink B.V.

For the credit facilities reference is made to Note 29.

36. Related parties

Beside the subsidiaries that operate within the Group (refer to the overview "List of main subsidiaries", Note 33) and the BOCM PAULS Ltd. (United Kingdom) Pension Scheme (see Note 15A), the Group has additional related parties and transactions, which are disclosed hereafter. The related party transactions that occurred in 2022 and 2021 were done at arm's length. Outstanding balances at the year-end are unsecured and interest free. There have been no guarantees provided or received for any related party receivables or payables. Furthermore, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2021: idem).

A. Stichting Beheer- en Administratiekantoor ForFarmers and Coöperatie FromFarmers U.A.

Stichting Beheer- en Administratiekantoor ForFarmers (until 23 May 2016 named Stichting Administratiekantoor ForFarmers) (hereinafter: 'Stichting Beheer') holds 8.91% (31 december 2021: 8.51%)) of the ordinary shares in ForFarmers N.V. as per 31 December 2022 and has issued depositary receipts in exchange for these shares. Coöperatie FromFarmers U.A. (hereinafter: de coöperatie) has a direct stake of 19,43% (2021: 19.43%), and an indirect stake of 26.02% (2021: 27.02%)of the ordinary shares of ForFarmers, and one priority share as per the aforementioned date. Depositary receipts are held by members of the Coöperatie, employees of ForFarmers or others. Members of the Coöperatie and employees of ForFarmers who own depositary receipts have the right to request their voting rights from Stichting Beheer.

Other depositary receipt holders cannot request voting rights. Stichting Beheer and the Coöperatie are related parties. Between the Coöperatie and a number of the members of the Coöperatie on one hand and the Group on the other hand, transactions (i.e. supply of goods and services) take place on a regular basis. Furthermore, ForFarmers provides certain support functions (e.g. administrative) for the Coöperatie.

The following table provides the total amount of transactions that have been entered into with ForFarmers N.V. and its group companies.

in millions of euro	2022	2021
Interest income	–	–
Interest expenses	–	–
Receivable from	–	0.2
Payable to	–	–

B. Executive Board and other key management

The Executive Board consist of 2.8 members in 2022 (2021: 3).

In the financial year remuneration for the Executive Board that were charged to the Company and its subsidiaries amounts of €2.0 million (2021: €3.3 million), which can be broken down as follows:

in millions of euro	2022	2021
Salary costs[1]	1.1	1.4
Performance bonus (short-term)[2]	0.4	0.3
Other compensation[3]	0.2	1.2
Post-employment benefits	0.2	0.2
Short-term employee benefits	**1.9**	**3.1**
Performance bonus (long-term)[4]	0.1	0.2
Participation plan[5]	–	0.0
Long-term employee benefits	**0.1**	**0.2**
Total[6] [7]	**2.0**	**3.3**
Other key management	0.2	–
Total Executive Board and other key management	**2.2**	**3.3**

[1] Including employer contributions social securities

[2] The performance bonus (short-term)relates to the performance in the year reported and is to be paid in the subsequent year.

[3] Other compensation mainly includes use of company cars, expenses, and pension compensation own arrangement. Other compensation include the end of service payments for Y.M. Knoop and A. van der Ven.

[4] The performance bonus (long-term)concerns the proportional part of the costs recognised during the vesting period of three years in which specified performance targets are to be met. After the third year, the final bonus amount will be determined and paid.

[5] The employee participation plan concerns the costs charged during the vesting period relating to the discount on the conditionally issued depositary receipts and does not reflect the value of vested depositary receipts already in possession of the members of the Executive Board.

[6] Concerns the total costs for the remuneration for the Executive Board in the financial year. Refer to the remuneration report in the Annual Report for the individual disclosure regarding the remuneration for the members of the Executive Board, as referred to in article 383 of Book 2 of the Dutch Civil Code.

[7] P. Wolleswinkel was appointed as a member of the Board of Directors of ForFarmers on 14 April 2022, but is included in the table for the entire year 2022, as he held the position of COO throughout 2022.

The following table includes the ownership for the Executive Board of the (depositary receipts for) shares at year end.

In numbers	2022	2021
(Depositary receipts of) shares	143,989	395,321

C. Supervisory board

In the financial year remuneration for members of the Supervisory Board, and former members of the Supervisory Board within the meaning of section 383 sub 1 of Book 2 of the Dutch Civil Code were charged to the Company and its subsidiaries for an amount of €0.4 million (2021: €0.4 million), which can be broken down as follows.

in millions of euro	2022	2021
Attendance fees	0.3	0.3
Commission fees	0.1	0.1
Other compensation[1]	0.0	0.0
Total[2]	**0.4**	**0.4**

[1] Relates to reimbursement for travel and fixed expenses

[2] Concerns the total costs for the remuneration for the Supervisory Board in the financial year. Refer to the remuneration report in the Annual Report for the individual disclosure regarding the remuneration for the members of the Supervisory Board.

In the regular course of business the Group enters into sales transactions with numerous members of the Supervisory Board. The related party transactions were carried out at arm's length.

The following table provides the total amount of transactions with affiliated entities of the members of the Supervisory Board.

in millions of euro	2022	2021
Sales to	1.0	1.0
Purchases from	–	0.1

The following table provides the total balances of receivables from and payables to the members of the Supervisory Board.

in millions of euro	31 December 2022	31 December 2021
Amounts owed by	–	–
Amounts owed to	–	–

The following table includes the ownership of the (depositary receipts of) shares and the number of participation accounts issued by the cooperative and which can be converted into depositary receipts.

In numbers	2022	2021
Depositary receipts/ shares[1]	–	9,640
Participation accounts[1, 2]	32,883	20,934
Total	**32,883**	**30,574**

[1] The members of the Supervisory Board with depositary receipts/ shares and/or participation accounts are also members of FromFarmers and received these through participation in the 'Equity on Name' (EON) registration process which ran in the period 2007 - 2017.

[2] The balance on the participation account can be converted into depositary receipts or shares of ForFarmers N.V.

The aforementioned members of Supervisory Board did not experience any impediment in the performance of their duties during the past year as a result of transactions that they conducted.

D. Executive Board Coöperatie FromFarmers U.A.

In the regular course of business the Group enters into sales transactions with members of the Executive Committee Coöperatie FromFarmers U.A. The related party transactions were carried out at arm's length.

The following table provides the total amount of transactions.

in millions of euro	2022	2021
Sales to	1.3	1.9
Purchases from	–	–

The following table provides the total balances of receivables from and payables to the members of the Executive Committee Coöperatie FromFarmers U.A.

in millions of euro	31 December 2022	31 December 2021
Amounts owed by	0.1	0.3
Amounts owed to	–	–

The transactions with, the receivables from and payables to the members of the Executive Committee of the Coöperatie FromFarmers U.A. include the transactions with and position to the members who are part of the Supervisory Board of ForFarmers N.V.

E. Joint venture and other participations

The following table provides the total amount of transactions that have been entered into with the joint venture HaBeMa and other participations:

in millions of euro	2022	2021
Sales to	23.7	15.3
Purchases from	62.5	55.2

The following table provides the total balances with the joint venture HaBeMa and other participations:

in millions of euro	31 December 2022	31 December 2021
Amounts owed by	3.6	2.4
Amounts owed to	3.0	2.9

F. Other

The following table provides the total amount of transactions that have been entered into with parties related to the minority shareholders of Tasomix (Poland):

in millions of euro	2022	2021
Sales to	36.3	22.5
Purchases from	0.8	0.4

The following table provides the total balances (excluding the contingent consideration and put option liability, refer to Note 6) with the minority shareholders of Tasomix (Poland):

in millions of euro	31 December 2022	31 December 2021
Amounts owed by	7.4	5.8
Amounts owed to	–	3.0

37. Events after the reporting period

Agreement 2Agriculture

On 1 July 2022 ForFarmers announced that ForFarmers UK and poultry feed company 2Agriculture had reached agreement on combining their businesses in a joint venture. The transaction was subject to regulatory approval from the Competition and Markets Authority (CMA) in the UK. In December 2022, the CMA reported its conclusion that competition in some parts of the country would become too limited.

The remedies offered by ForFarmers and 2Agriculture were not accepted by the CMA. At the beginning of February, both parties announced that they decided to abandon the proposed joint venture, considering the impact on their respective businesses, the duration and the costs that would be involved in the process and the impact the process had on both workers and farmers.

Others

No other events after the reporting period with significant impact on 2022 occurred.

38. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date:

- derivative financial instruments are measured at fair value;
- financial instruments, other than derivatives, stated at fair value at the first recognition and subsequently stated at amortised cost and upon deduction of possible impairments (the latter only in the case of financial instruments recognised as asset);
- first recognition of individual assets and liabilities in a business combination are measured based on acquisition method, with contingent considerations assumed in a business combination at fair value;
- biological assets are measured at fair value;
- tax liabilities for cash-settled share-based payment arrangements are measured at fair value; and
- the net defined benefit liability (asset) is measured at the fair value of plan assets, less the present value of the defined benefit obligation.

39. Significant accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.
Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control.
To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.
When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

In determining the value of the various intangible assets, assumptions have been made regarding the customer base, the value and the expected use of brand names. Assessing the fair value of the various property, plant and equipment requires assumptions regarding the remaining economic and technical life. In determining the fair value of the acquired assets and liabilities the Group focused in particular on the following aspects:

- the fair value of property, plant and equipment;
- identifiable trademarks, patents and brand names;
- identifiable customer relationships;
- the fair value of acquired receivables and debts;
- deferred tax liability associated to the acquired assets and liabilities.

Anticipated acquisition method

The Group applies the anticipated acquisition method where it has both the right and the obligation, through a put and call option arrangement, to acquire any remaining non-controlling interest in an existing subsidiary. Under the anticipated acquisition method the interests of the non-controlling shareholder are presented as already owned, even though legally they are still non-controlling interests. In other words as if the put option had been exercised already or the call option had been satisfied by the non-controlling shareholders. This is independent of how the exercise price is determined (e.g. fixed or variable) and how likely it is that the put or call option will be exercised. The obligation to acquire the non-controlling interest (i.e. put option liability) is accounted for as financial liability, where the initial measurement of the fair value recognised by the Group forms part of the contingent consideration. Subsequent changes in the fair value of the put option liability as well as dividends to non-controlling shareholders are recognised in the consolidated statement of profit or loss (finance expense).

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control
When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees
The Group's interests in equity-accounted investees comprise interests in a joint venture. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The interest in the joint venture is accounted for using the equity method. The interest is recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Discontinued operation
A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:
- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

Foreign currency
Foreign currency transactions
Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

Foreign currency differences are generally recognized in the statement of profit or loss and presented within net finance costs. However, foreign currency differences arising from the translation of the following items are recognised in OCI:
- an investment in equity securities designated as at FVOCI (except on impairment in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- qualifying cash flow hedges to the extent the hedges are effective.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into euro at exchange rates at the reporting date. The income and expenses of foreign operations are translated into euros at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

In the event the settlement of a monetary item that is to be received from or to be paid to a foreign operation is not planned, nor is this probable to occur in the near future, currency differences on such a monetary item will be considered as part of the net investment in the foreign operation. Accordingly, these currency differences are included in OCI and recognised in the translation reserve.

Financial instruments

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit & loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through OCI (hereafter: FVOCI)– debt investment; FVOCI – equity investment; or fair value through profit & loss (hereafter: FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment
The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. Due to the nature of activities of ForFarmers the main business model within the Group is to hold assets to collect contractual cash flows.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest
For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the financial asset. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Financial assets – Subsequent measurement and gains and losses
Financial assets at FVTPL
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost
These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss .

Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI.
On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recoverable part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Derivative financial instruments and hedge accounting
The Group holds derivative financial instruments to hedge its foreign currency, interest rate and commodity risk exposures. If the Group is involved with hybrid contracts, the Group applies the following with regard to the embedded derivatives in the hybrid contract.

Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and the following criteria are met:
- the economic characteristics and risk of the embedded derivative are not closely related to the economic characteristics and risks of the host contract;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivate; and
- the hybrid contract is not measured at fair value with changes in fair value recognised in profit or loss.

If an embedded derivative is separated from the hybrid contract, the host contract is accounted for in accordance with the determined policies for such a contract. The embedded derivative is accounted for in accordance with the Group's principles for the applicable derivatives.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates, commodity prices and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges
When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income (hereafter: OCI) and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Group designates the change of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ('forward points') is not separately accounted for as a cost of hedging.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve are immediately reclassified to profit or loss.

Share capital

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

Priority share

The priority share provides the holder of the share special rights regarding amongst others the appointment of members of the Board of Supervisory Directors as defined in the Articles of Association of the Company. The Group's priority share can only be held by Company itself or a Cooperation, provided that it may exercise twenty percent or more of the total votes on shares or depositary receipts to be cast in the capital of the Company. Besides, the priority share can be held by a party to be designated in writing by the board. The priority share is classified as equity, because the share does not contain any obligations to deliver cash or other financial assets and does not require settlement in a variable number of the Group's equity instruments.

Preference shares

The Company has the ability to issue preference shares. When preference shares are issued, these give the Stichting Continuïteit ForFarmers (the ForFarmers Continuity Foundation), with an independent board, the ability to obtain and exercise, on a temporary basis (up to two years), a majority of the voting rights at the General Meeting. This will work through the ownership of the preference shares issued. However, these protective rights are related to fundamental changes in the activities of an investee, or are rights that apply only in exceptional circumstances. As such, they cannot give the holder permanent power or prevent other parties from having power permanently and therefore de facto acquire control over the Company. At this moment no preference shares have been issued.

Repurchase and reissue of ordinary shares (treasury shares)

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. The par values of repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented within retained earnings.

Impairment

Non-derivative financial assets:

Financial instruments

The Group recognises loss allowances for expected losses (hereafter: ECLs) on:

- financial assets measured at amortised cost; and
- debt investments measured at FVOCI.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The Group considers most of the financial assets to have a low credit risk. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impairment financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being substantial past due; or
- it is probable that the debtor will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when there are no realistic prospects of recovery of the asset. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Equity-accounted investees

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in profit or loss, and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than goodwill, biological assets, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash flow Generating Units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Intangible assets and goodwill

Recognition and measurement

Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Research and development

Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets

Other intangible assets, including customer relationships, patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Goodwill is not amortised.

The estimated useful lives for current and comparative periods are as follows:

Trade and brand names:	2 – 20 years
Software:	3 – 5 years
Customer relationships:	10 – 20 years

The amortisation of the customer relationships is based on the historical development of the customer portfolio. The amortisation of trade and brand names depends on the period for which the trade and brand names will actually still be used.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Proceeds generated from assets are recorded through profit and loss already before its intended use. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Buildings:	10 – 50 years
Plant and Machinery:	7 – 30 years
Other operating assets:	4 – 20 years

Other operating assets comprise mainly vehicles, fixtures and fittings.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified accordingly. Any gain arising on remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property.

Investment property

Investment property is initially measured at cost minus depreciation and impairment .

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

After initial recognition, investment properties are measured at cost, as applied for Property, plant and equipment, including the depreciation method and estimated useful lives.

Biological assets

Biological assets are measured at fair value less costs to sell, with any change therein recognised in profit or loss.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Assets held for sale

Non-current assets, or groups comprising assets and liabilities which are to be disposed, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or groups to be disposed, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

Provisions

Provisions are created for liabilities of which it is likely that they will need to be settled, and of which the value can be reasonably estimated. A provision is created only if there is a liability that is legally enforceable or a constructive liability. The size of the provision is determined by the best estimate of the amounts required to settle the liabilities and losses concerned as per balance sheet date.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Restructuring

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

Soil decontamination

In accordance with the Group's published environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land, and the related expense, is recognised in the event the land is contaminated.

Onerous contracts

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payment transactions

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments (through the participation plans), whereby employees render services as consideration for equity instruments (equity-settled transactions). As the

Group will settle the employee tax obligations relating to these share-based payments, these are also considered share-based compensation (cash-settled transactions) .

Equity-settled transactions
The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The statement of profit or loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

As the depositary receipts for the employees of the Netherlands participation plan are fully issued during the year, the non-vested portion is not recognized within profit and loss, but rather accrued as other receivables within Trade and other receivables.
Over the service period the respective amounts are recognized within profit and loss.

Cash-settled transactions
The fair value of the employee tax amounts payable in respect of the equity-settled share-based payments, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to benefit. The liability is remeasured at each reporting date and at settlement date based on the fair value of the employee tax obligation.
Any changes in the liability are recognised in profit or loss.

Defined contribution plans
A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

The post-employment benefit plans of ForFarmers N.V. and its subsidiaries are defined contribution plans (except for the plans as noted under the last paragraph at the policy defined benefit plans below), which have been placed with insurance companies by means of collective defined contribution agreements. This implies that these entities are only subject to the obligation to pay the agreed contributions to the insurance companies.

Defined benefit plans
The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits
The Group's net liability for other long-term employee benefits relates to the amount of entitlements to cash or (depositary receipts for) shares that employees have accrued or have been conditionally awarded to employees in exchange for their services in the reporting period and prior periods. Contingent entitlements depend on the realization of personal objectives. The entitlements are discounted to determine the present value. Remeasurements are recognised in profit or loss in the period in which they occur.

Termination benefits
Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Revenue
Sale of goods
Revenue is recognised when customers obtain control of the goods. Customers obtain control when the goods are delivered to and have been accepted at their premises. Revenue is measured net of returns, trade discounts and volume rebates.

Rendering of services
The Group is involved in performing related services to agriculture. Revenue is recognised over time as the services are provided. The stage of completion is assessed based on surveys of work performed, in general this is based upon the time spent .

If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated based on their relative stand-alone selling prices.

Commissions
When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

Government grants
Government grants are initially recognised in the balance sheet as deferred income when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognized in the profit and loss on a systematic basis in the same period in which the expenses are recognised. Grants that compensate the Group for the cost of an asset are recognized in the profit and loss account through reduction of the depreciation costs over the period of the expected useful life.

Expenses
Costs of raw materials and consumables
This regards the costs of raw materials and consumables of the sold products or the costs for obtaining the sold products. The costs of raw materials and consumables are

calculated according to the first-in-first-out principle and include the change in the fair value of the biological assets.

Other operating expenses
Other operating expenses are determined taking into account the aforementioned accounting principles for valuation and recorded in the reporting year to which they relate. Foreseeable liabilities and potential losses stemming from causes occurring before the end of the financial year are recorded if they became known before the financial statements were made and the further conditions for recording provisions are met.

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

As a lessee
At commencement or on modification of a contract that contains a lease component, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.
In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability (see below for the remeasurement of the lease liability).

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate .

Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method.
It is remeasured when there is a change in future lease payments arising from a change

in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property and lease liabilities as separate lines in the statement of financial position.

Short-term leases and leases of low-value assets
The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets (a value below €5 thousand) and short-term leases (less than 12 months and without a purchase option). The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Operating profit
Operating profit is the result generated from the continuing principal revenue producing activities of the Group as well as other income and expenses related to operating activities. Operating profit excludes net finance costs, share of profit of equity accounted investees and income taxes.

Finance income and costs
Finance income comprises interest received on loans and receivables from third parties, dividend income, positive changes to the fair value of financial assets valued at fair value after incorporating changes in value in the profit and loss account, gains on hedging instruments that are recognised in the profit and loss account and reclassifications of amounts previously recognised in other comprehensive income.

Interest income is recognised in the profit and loss account as it accrues using the effective interest method.

Finance costs comprises interest expenses on borrowings and other obligations to third parties, dividend to non-controlling interest, fair value losses on financial assets at fair value through profit or loss, unwinding the discount on provisions and contingent consideration, impairment losses recognised on financial assets (other than trade receivables), losses on hedging instruments that are recognised in the profit and loss account and reclassifications of amounts previously recognised in other comprehensive income. Interest expenses are recognised in the consolidated profit and loss account as they accrue by means of the effective interest method.

Foreign currency gains and losses of trade receivables and trade payables are recognised as a component of the operating result. All other foreign currency gains and losses are reported on a net basis either as finance income or finance costs, depending on whether the foreign currency movements are in a net gain or net loss position.

Income tax
Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax
Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax is determined on the basis of the best estimate regarding the tax credit or tax loss, taking into consideration possible uncertainties with respect to income tax .

Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:
- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences and future taxable profits, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves .

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met .

Segmentation
The identified operating segments regard the individual countries within the Group for which financial information is available. The Executive Board jointly acts as Chief Operating Decision Body, reviews the internal management reports of each opearting segment on a monthly basis, in order to reach decisions on the allocation of the available resources to an operating segment and to determine the performances of the segment. Although each country is a separate operating segment, there is one overarching business model across all countries, i.e. delivering of Total Feed solutions. These operating segments can be aggregated into strategic clusters and reportable segments depending on economic characteristics, given that the nature of the products and services, the nature of the production processes, the type of customer, the methods used to distribute the products, and the nature of the regulatory environment, is similar. The Group has divided the operating segments respectively clusters into the following reportable segments:
- The Netherlands/Belgium
- Germany/Poland
- United Kingdom

Inter-segment pricing is determined on arm's length basis. Segment results include items directly attributable to a cluster as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise joint expenses, corporate expenses, corporate assets and corporate liabilities.

Cash flows

The cash flow statement has been prepared according to the indirect method. Cash flows in foreign currencies are converted to euro's against the exchange rate on the transaction date. Exchange rate differences for cash and cash equivalents are shown separately in the cash flow statement. Payments for interest and payments for income taxes have been included under cash flow from operating activities. Interest received and dividends received are included in the cash flow from investment activities. Dividends paid have been included under cash flow from financing activities. Transactions not involving an exchange of cash, including financial lease, are not included in the cash flow statement. The payment of lease instalments under the finance lease contract are shown as a cash-out under financing activities as far as the repayment is concerned and as a cash-out under operating activities as far as the interest is concerned.

40. Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 2022, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

Standards and interpretations issued but not yet effective up to the date of issuance of the Group's financial statements are listed below:

- Deferred Tax related to Assets and Liabilities arising fro a Single Transaction (Amendments to IAS 12) (no early adoption allowed);
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).
- Definition of Accounting Estimates (Amendments to IAS 8).
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IAS 28)

The amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements. The Group intends to adopt these standards and interpretations when they become effective.

Other standards and amendments on standards

The Group has performed an assessment on the possible effects of the amendments on standards and interpretations. The Group does not expect a significant impact on the current financial position and results and will apply these amended standards when endorsed by the EU.

Company financial statements

Company balance sheet

in millions of euro (before profit appropriation)	Note	31 December 2022	31 December 2021
Assets			
Other receivables		–	0.1
Equity-accounted investees	43	421.1	403.8
Deferred tax assets		0.2	–
Non-current assets		**421.3**	**403.9**
Other receivables		3.5	4.2
Receivables from group companies	44	20.3	22.6
Current tax assets		0.4	1.8
Cash and cash equivalents		–	4.2
Current assets		**24.2**	**32.8**
Total assets		**445.5**	**436.7**

in millions of euro (before profit appropriation)	Note	31 December 2022	31 December 2021
Equity			
Share capital		0.9	0.9
Share premium		143.6	143.6
Treasury share reserve		–	−0.0
Legal translation reserve		−10.5	−5.2
Legal hedging reserve		−1.2	−0.5
Other legal reserves		21.0	19.0
Retained earnings		163.3	190.7
Unappropriated result		18.0	12.0
Equity attributable to shareholders of the Company	47	**335.1**	**360.5**
Liabilities			
Provisions		–	–
Deferred tax liabilities		–	0.0
Non-current liabilities		**–**	**–**
Bank overdrafts		–	–
Trade and other payables		1.7	0.2
Debts to group companies	44	108.7	76.0
Current tax liabilities		–	–
Current liabilities		110.4	76.2
Total liabilities		**110.4**	**76.2**
Total equity and liabilities		**445.5**	**436.7**

The notes 41 to 51 are an integral part of the company financial statements.

Company statement of profit or loss

in millions of euro	Note	2022	2021
Revenue		–	–
Operating income		**–**	**–**
Wages and salaries		–	–
Other operating expenses		**–0.5**	**–0.6**
Operating expenses		**–0.5**	**–0.6**
Operating profit		–0.5	–0.6
Net finance result	49	–0.4	–0.2
Profit (loss) before tax		**–0.9**	**–0.8**
Income tax expense		0.2	0.2
Share of profit of equity-accounted investees, net of tax	43	18.7	12.6
Profit for the year		**18.0**	**12.0**

The notes 41 to 51 are an integral part of the company financial statements.

Notes to the company financial statements

41. General

The Company financial statements are part of the 2022 consolidated financial statements of ForFarmers N.V. (the 'Company').

For the accounting principles as well as the explanatory notes to the Company balance sheet and the statement of profit or loss account reference is made to the policies and explanatory notes to the consolidated statement of financial position and of profit and loss.

All amounts are presented in euro's and have been rounded to the nearest million, unless otherwise indicated .

42. Principles for the measurement of assets and liabilities and the determination of the result

The Company financial statements have been prepared in accordance with Title 9, Book 2 of the Netherlands Civil Code. For setting the principles for the recognition and measurement of assets and liabilities and determination of the result for its company financial statements, the Company makes use of the option provided in section 2:362(8) of the Netherlands Civil Code. This means that the principles for the recognition and measurement of assets and liabilities and determination of the result (hereinafter referred to as principles for recognition and measurement) of the company financial statements of the Company are the same as those applied for the consolidated EU-IFRS financial statements. Refer to Note 38 and 39 of the consolidated financial statements for a description of these principles. Participating interests in group companies Participating interests in group companies are accounted for in the company financial statements according to the equity method. Refer to the basis of consolidation accounting policy in the consolidated financial statements.

Result of participating interests

The share in the result of participating interests consists of the share of the Company in the result of these participating interests. In so far as gains or losses on transactions involving the transfer of assets and liabilities between the Company and its participating interests or between participating interests themselves can be considered unrealised, they have not been recognised.

43. Investments in subsidiaries

in millions of euro	Note	2022	2021
Carrying value at 1 January		403.8	364.9
Dividend paid		−83.1	–
Uitgifte van nieuwe aandelen		83.1	–
Share in results from participating interest, net of tax		18.7	12.6
Foreign operations – foreign currency translation differences, net of tax		−5.3	4.2
Remeasurement of defined benefit liabilities, net of tax		3.9	22.1
Other changes		–	–
Carrying value at 31 December		**421.1**	**403.8**

44. Receivables from and debts to group companies

The receivables from and debt to group companies are current.

45. Financial instruments

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

In the notes to the consolidated financial statements information is included about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. These risks, objectives, policies and processes for measuring and managing risk, and the management of capital apply also to the company financial statements.

Fair value

The fair values of the financial instruments stated on the balance sheet, including trade and other receivables, cash and cash equivalents, trade and other payables and debts to group companies are close to their carrying amounts.

46. Income taxes

A tax group is in place for the income tax between the Company and Dutch group companies in which the Company has a 100% interest. The total current receivable or liability towards the tax authorities is accounted for in the statement of financial position of the head of the tax group. The comparative figures of prior year have been adjusted. Settlement of the taxes within the tax group takes place as if each company is independently liable for tax.

47. Shareholders' equity

2022

in millions of euro	Note	Share Capital	Share premium	Treasury share reserve	Legal translation reserve	Legal hedging reserve	Other legal reserves	Retained earnings	Unappropriated result	Total
Balance as at 1 January 2022		0.9	143.6	–	–5.2	–0.5	19.0	190.7	12.0	360.5
Addition from unappropriated result		–	–	–	–	–	–	12.0	–12.0	–
Total comprehensive income										
Profit		–	–	–	–	–		–	18.0	18.0
Other comprehensive income	16, 27	–	–	–	–5.3	–0.7	–	3.9	–	–2.1
Total comprehensive income		**–**	**–**	**–**	**–5.3**	**–0.7**	**–**	**3.9**	**18.0**	**15.9**
Transactions with shareholders of the Company, recognised directly in equity										
Contributions and distributions										
Dividends	27	–	–	–	–	–	–	–25.9	–	–25.9
Purchase of own shares	27	–	–	–	–	–	–	–15.4	–	–15.4
Equity-settled share-based payments	14	–	–	–	–	–	–	–	–	–
Transfers		–	–	–	–	–	2.0	–2.0	–	–
Total transactions with shareholders of the Company		**–**	**–**	**–**	**–**	**–**	**2.0**	**–43.3**	**–**	**–41.3**
Balance as at 31 December 2022		0.9	143.6	–	–10.5	–1.2	21.0	163.3	18.0	335.1

in millions of euro	Note	Share Capital	Share premium	Treasury share reserve	Legal translation reserve	Legal hedging reserve	Other legal reserves	Retained earnings	Unappropriated result	Total
										2021
Balance as at 1 January 2021		0.9	143.6	–	−9.4	−0.6	17.7	190.7	14.1	357.0
Addition from unappropriated result		–	–	–	–	–	–	14.1	−14.1	–
Total comprehensive income										
Profit		–	–	–	–	–	–	–	12.0	12.0
Other comprehensive income	16, 27	–	–	–	4.2	0.1	–	22.1	–	26.4
Total comprehensive income		**–**	**–**	**–**	**4.2**	**0.1**	**–**	**22.1**	**12.0**	**38.4**
Transactions with shareholders of the Company, recognised directly in equity										
Contributions and distributions										
Dividends	27	–	–	–	–	–	–	−27.6	–	−27.6
Purchase of own shares	27	–	–	−0.0	–	–	–	−7.3	–	−7.3
Cancellation of own shares	27	–	–	–	–	–	–	–	–	–
Equity-settled share-based payments	14	–	–	–	–	–	–	0.0	–	0.0
Transfers		–	–	–	–	–	1.3	−1.3	–	0.0
Total transactions with shareholders of the Company		**–**	**–**	**−0.0**	**–**	**–**	**1.3**	**−36.2**	**–**	**−34.9**
Balance as at 31 December 2021		0.9	143.6	–	−5.2	−0.5	19.0	190.7	12.0	360.5

Share capital and share premium

in millions of euro	Ordinary shares (number)		Amount	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Ordinary shares – par value €0.01	95,218,821	95,218,821	144.5	144.5
Priority share – par value €0.01	1	1	–	–
In issue at 31 December – fully paid	**95,218,822**	**95,218,822**	**144.5**	**144.5**

At 31 December 2022, the share capital consists of 95,218,821 (31 December 2021: 95,218,821) ordinary shares and 1 (31 December 2021: 1) priority share. At balance sheet date the shares were issued and fully paid up. The share premium consists of the positive difference between the issue price and the nominal value of the issued shares.

On 14 April 2022, the General Meeting of Shareholders authorized the Board of Directors - upon approval of the Supervisory Board - to acquire For Farmers own shares (regardless of the class) up to a maximum of 10% of the issued capital of ForFarmers (determined at the time of the General Meeting). Based on that approval and, if granted, the authorization from the General Meeting of Shareholders in 2022, ForFarmers started on 2 December 2021 to repurchase its own shares for a maximum amount of €50 million. The share buyback program was temporarily suspended on March 15, 2022 and formally terminated on November 1, 2022. Under the current authorization, 138,541 shares have been repurchased for the benefit of the 2022 participation plans.

In 2022 ForFarmers repurchased shares 4,060,958 (2021: 2,064,046) for a total amount of € 15.9 million (2020: €8.3 million). From the total number of repurchased shares, 138,541 shares (2020: 180,822) at an amount of €0.5 million (2021: €1.0 million) have been certified for employee participation plans, bringing the balance of repurchased shares, which are accounted for in the other reserves and retained earnings, to €22.8 million as of 31 December 2022 (2021: €7.4 million).

Ordinary shares

Holders of these shares are entitled to dividends as declared from time to time, and are entitled to one vote per share at general meetings of the Company. On the shares held by the Company no dividend is paid and no voting rights are excercised.

Priority share

The priority share provides the holder of the share the right to appoint four out of the six Supervisory Directors as defined in the Articles of Association of the Company. With a stake of fifty percent or less the holder has this right for three of the six Supervisory Directors. As long as the holder has more than fifty percent of the voting rights it will also have the control right, after consultation with the Supervisory board, over how the role of the Chairman of the Board of Supervisory Directors of ForFarmers N.V. is detailed. Issues of new shares must be approved by seventy-five percent of the Board of Supervisory Directors. Pronouncements of the Board to make major acquisitions worth at least 33% of shareholders' equity according to the balance sheet with explanatory notes, or, if Forfarmers prepares a consolidated balance sheet, according to the consolidated balance sheet with explanatory notes according to the latest adopted annual statements of Forfarmers NV, require the approval of the holder of the priority share.

The Group's priority share can only be held by the Company or a Cooperation, provided that it may exercise twenty percent or more of the total votes on shares or depositary receipts to be cast in the capital of the Company.

The priority share is classified as equity, because the share does not contain any obligations to deliver cash or other financial assets and does not require settlement in a variable number of the Group's equity instruments.

Treasury share reserve

The reserve for the Company's treasury shares comprises the cost of the Company's (depositary receipts for) shares held by the Group. The treasury shares are accounted for as a reduction of the equity attributable the owners of the parent.

Treasury shares are recorded at cost, representing the market price on the acquisition date, where the par value of treasury shares purchased is debited to the treasury share reserve. When treasury shares are sold or re-issued, the par value of the instruments is credited to the treasury share reserve. Any premium or discount to par value as result of the market price is shown as an adjustment to retained earnings.

At 31 December 2022, the Group held 5,834,026 of the Company's shares.
At 31 December 2021, the Group held 1,911,609 of the Company's shares.

The movement in the treasury shares can be summarised as follows:

The movement of treasury shares	Number of shares		Amount par value in thousand euro	
	2022	2021	2022	2021
Balance at 1 January	1,911,609	28,385	19.1	–
Repurchase Employee participation plan	138,541	190,000	1.4	2.0
Re-issuance Employee participation plan	−138,541	−180,822	−1.4	−2.0
Share buyback	3,922,417	1,874,046	39.2	19.0
Cancellation own shares	–	–	–	–
Balance as at 31 December	**5,834,026**	**1,911,609**	**58.3**	**19.0**

Legal translation reserve

The legal translation reserve comprises all foreign currency differences arising from the activities of foreign subsidiaries. The decrease in this reserve as at 31 December 2022 is caused by the revaluation of the pound sterling partly compensated by the devaluation of the Polish zloty.

Legal hedging reserve

The legal hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect profit or loss. This relates to the result on derivatives for the acquisition of Tasomix and fuel hedges.

Other legal reserves

The other legal reserves contain the undistributed results and direct changes in equity of participating interest, revaluation of certain land within property, plant & equipment and revaluation of biological assets and the part that is related to previously granted loans to staff for the purchase of depositary receipts in the period 2007-2009. Forfarmers has not issued any new loans. Direct changes in equity do not include the changes in equity that derive from the relationship with the shareholder, such as paid-in share premium. The (change in the) legal reserve relating to participating interest is only recognised if, and to the extent that, ForFarmers N.V. cannot realise payment of the equity of the participating interest to itself without restrictions.

Retained earnings

Retained earnings comprise the balance of accrued profits that have not been distributed to the shareholder.

Pursuant to the Articles of Association a decision to distribute a dividend may be taken if and to the extent that equity exceeds the issued share capital plus the legal reserves.

A reference is made to the section Other information regarding the result appropriation scheme under the Articles of Association.

Unappropriated result

The result after tax is included in the item unappropriated result within equity.

Proposal for profit appropriation

ForFarmers aims to distribute dividend, taking into consideration long-term value creation, a healthy financial structure and sufficient earnings to execute its strategy. The dividend policy of ForFarmers is to pay out between 40% and 60% of the profit after taxes (the result after tax attributable to the shareholders of the Company) excluding non-recurring effects.

in millions of euro	2022	per share (€)
Underlying net profit attributable to Shareholders of the Company	30.0	
Pay-out ratio of approximately 60% of the underlying net profit	17.9	0.20
Special dividend	–	–
Dividend	**17.9**	**0.20**

This results in a proposed dividend distribution of €0.20 per ordinary share (based on 89,384,795 outstanding shares). The annual accounts will be presented to the Annual General Meeting of 13 April 2023 for adoption. The dividend is payable on 26 April 2023.

This method takes into account the strategy and a healthy balance sheet structure. Within these principles, ForFarmers N.V. aims for a stable development of the cash dividend paid to its shareholders. The Company will only make payments to the shareholders entitled to the distributable profit in so far as:

- the Company can continue to pay its outstanding debts after the distribution (the so-called distribution test), and
- the shareholders' equity exceeds the legal reserves and statutory reserves under the articles of association to be maintained (the so-called balance sheet test).

If the distribution or the balance sheet test is not passed, then the Executive Board will not approve the distribution (after agreement with the Supervisory Board). Preliminary tests revealed no indications that the proposed distribution of dividend will not be possible, but these tests have to be finalized (and the Executive Board has to approve the distribution, after agreement with the Supervisory Board) prior to the actual payment of the dividend.

Dividends

The following dividends were declared and paid by the Company for the year:

Distributed in the year

in millions of euro	2022	2021
€0.29 per qualifying ordinary share (2021: €0.29)	25.9	27.6
Total	**25.9**	**27.6**

The dividend is based on the total number of shares issued at year end of 89,384,795 (2021: 93,307,212). The treasury shares are not entitled to dividend.

After the respective reporting date, the following dividends were proposed by the Executive Board. The dividends have not been recognised as liabilities and there are no tax consequences for the Company.

Proposed over the year

in millions of euro	2022	2021
€0.20 per qualifying ordinary share (2021: dividend of €0.29)	17.9	27.1
Total	**17.9**	**27.1**

48. Net finance result

Net finance result amounts to € 0.4 million negative (2021: €0.2 million negative) and includes, among others, interest over receivables and debt to group companies, both current.

49. Credit facilities

The credit facility or ForFarmers N.V. only relates to the financing agreement (multicurrency revolving facility agreement) that was concluded with ABN AMRO, HSBC, ING, BNP Paribas and Rabobank and is free from securities. For a further explanation, a reference is made to Note 29 to the consolidated financial statements.

50. Commitments and contingencies

A declaration of guarantee based on article 2:403 of the Dutch Civil Code has been issued by ForFarmers N.V. for the benefit of ForFarmers Nederland B.V., ForFarmers Corporate Services B.V., FF Logistics B.V., PoultryPlus B.V. and Reudink B.V .

51. Remuneration of the supervisory board and the executive board

The remuneration of the board of supervisory directors and the statutory board of directors equals the remuneration of the board of supervisory directors and the statutory board of directors as declared in Note 36 of the explanatory notes to the consolidated financial statements. During the year under review, the average number of employees employed to the Company, converted into full-time equivalents, amounted to 3.3 employees (2021: 5.5 employees), who were all partially employed in the Netherlands.

Lochem, 22 February 2023

Executive Board ForFarmers N.V.
Theo Spierings, CEO
Roeland Tjebbes, CFO
Pieter Wolleswinkel, COO

Supervisory Board ForFarmers N.V.
Jan van Nieuwenhuizen, Chairman
Erwin Wunnekink, Vice-Chair
Roger Gerritzen
Vincent Hulshof
Annemieke den Otter
Marijke Folkers – In 't Hout

Other information

Result appropriation scheme under the articles of association

Articles 36, 37 and 38 of the articles of association of the Company read as follows:

Payments – General

Article 36

36.1 Payments may be made only to the extent that the Company's equity capital exceeds the amount of the paid up and called up part of its capital, plus the reserves that have to be maintained by virtue of the law.

36.2 The Executive Board may decide to make an interim payment, if the requirement of Article 36.1 has been satisfied, as evidenced by an interim statement of assets and liabilities, drawn up in accordance with article 105 (4) of Book 2 DCC, and if the payment in question concerns an interim payment of profits, with due observance of the sequence set out in Article 38.1.

36.3 There is no entitlement to payments in relation to preference shares or the priority share, other than as set out in the Articles 12.2, 38.1 and 39.3.

36.4 Payments are made in proportion to the aggregate nominal amount of the shares of the class in question. Notwithstanding the previous full sentence, payments on preference shares (or payments to the former holders of preference shares) are made in proportion to the amounts paid up, or paid up earlier, on those preference shares.

36.5 Those entitled to payments are the relevant shareholders, holders of a right of usufruct and holders of a right of pledge, depending on the circumstances of the case, on a date determined for that purpose by the Executive Board. This date shall not precede the date on which the payment is announced.

36.6 The General Meeting may resolve, with due observance of Article 32, that a payment will fully or partly be made in the form of shares in the Company's capital or in kind, instead of in cash.

36.7 Payments will be made available on a date to be determined by the Executive Board and, if a payment in cash is concerned, in a currency to be determined by the Executive Board.

36.8 A claim for payment shall lapse upon expiry of a period of five years after the payment became available.

36.9 When calculating the amount or the distribution of a payment, the shares held by the Company in its own capital are not considered. No payment is made to the Company on shares held by it in its own capital.

Payments – Reserves

Article 37

37.1 All reserves maintained by the Company are attached to the ordinary shares only, unless expressly provided otherwise in this Article 37.

37.2 The General Meeting is authorized to resolve to make a payment at the expense of the Company's reserves, with due observance of Article 32.

37.3 Without prejudice to the provisions of Articles 37.4 and 38.2, payments at the expense of a reserve shall be made on those shares only to which such reserve is attached.

37.4 The Executive Board may resolve to charge amounts to be paid up on shares to the Company's reserves, regardless as to whether those shares are issued to existing shareholders.

Payments – Profit

Article 38

38.1 With due observance of Article 36.1, any profits appearing from the Company's annual accounts regarding a specific financial year shall be distributed in the sequence set forth below:

a. to the extent that preference shares were withdrawn without the payment specified in Article 12.2 (b) having been made in full and without such a deficit subsequently having been paid in full as set forth in this Article 38.1 or Article 38.2, an amount equal to such a deficit, or remaining deficit, will be paid out to the one or the ones who was or were holding preference shares the moment the withdrawal took effect;
b. to the extent that any Preference Payment (or any part thereof) on previous financial years has not yet been effected in full as set forth in this Article 38.1 or Article 38.2, an amount equal to such a deficit, or remaining deficit, will be paid out on the preference shares;
c. the Preference Payment on the financial year to which the annual accounts relate will be paid out on the preference shares;
d. the Executive Board determines which part of the remaining profits will be added to the Company's reserves;
e. from what is left of the profits remaining thereafter an amount equal to the nominal amount of the priority share will be paid out on the priority share; and
f. with due observance of Article 32, the profits remaining thereafter shall be at the disposal of the General Meeting in order to be paid out on the ordinary shares.

38.2 To the extent that the payments set forth in Article 38.1 (a) up to and including (c) (or any part of these) cannot be made from the profits appearing from the annual accounts, a deficit of that kind will be paid out at the expense of the Company's reserves, with due observance of the Articles 36.1 and 36.2.

38.3 Payments of profits are made, with due observance of Article 36.1, after the adoption of the annual accounts showing that such is permitted.

Special provision in the articles of association regarding governance

Trust Office Foundation

The management of the ForFarmers Trust Office Foundation operates independently of the Company. The ForFarmers Trust Office Foundation holds ordinary capital shares in the Company and is intended, inter alia, for (i) the acquisition of ordinary shares for management purposes (ii) the issue of depositary receipts, (iii) where applicable, the acquisition, disposal and encumbrance of shares for its own account, (iv) the exercise of rights associated with the ordinary shares it holds and (v) the granting of proxies for the exercise of voting rights as well as the acceptance of voting instructions as regards the exercise of the voting right, all in accordance with the Trust terms & conditions. The Articles of Association, Trust terms & conditions and the Report of the ForFarmers Trust Office Foundation (in Dutch: "Stichting Beheer- en Administratiekantoor ForFarmers") are on the Company's website. As aforementioned, only Coöperatie FromFarmers U.A. may issue binding voting instructions for the shares held by the aforementioned foundation (and for which voting rights have not been requested).

The Trust Office Foundation shall only accept ordinary shares for management purposes against issue of depositary receipts to (i) a holder of depositary receipts within the context of exercising a share claim, (ii) someone entitled to the balance of a participation account held with Coöperatie FromFarmers U.A. within the context of a conversion, (iii) an employee as part of an participation plan, (iv) Coöperatie FromFarmers U.A. or (v) a party designated by the aforementioned Cooperative.

Priority shareholder

The priority share is held by Coöperatie FromFarmers U.A. As a result of the treasury shares held by the Group Coöperatie FromFarmers U.A., on the latest reference date of 1 January 2022, could exercise the voting right for 48.4% of votes to be cast on the total of ordinary shares. Furthermore, the Coöperatie FromFarmers U.A. could give voting instructions with regard to the shares held by the Trust Office Foundation, giving it a total voting right of 57.9%. As priority share holder Coöperatie FromFarmers U.A.:

i. has a recommendation right for four of the six members of the Supervisory Board;
ii. may appoint a member of the Supervisory Board as Chairman after consultation with the Supervisory Board;
iii. has an approval right as regards the decisions of the Executive Board regarding:

1. moving the Company's head office outside the east of the Netherlands (Gelderland and Overijssel);
2. an important change in the identity of nature of the Company or its enterprise as a result of (1) transfer of the enterprise or practically all of the enterprise to a third party or (2) entering into or breaking off a long-term partnership of the Company or a subsidiary thereof with another legal entity or company, or as fully liable partner in a limited partnership or general partnership, if such partnership or its termination represents a fundamental change to the Company;
3. taking or disposing of a participating interest in the capital of a company to a value of at least a third of the amount of the Company's equity according to the balance sheet with explanatory notes or, in the event the Company draws up consolidated balance sheets, according to the consolidated balance sheet with explanatory notes, according to the most recently adopted annual accounts of the Company, or any of its subsidiaries;
4. changes to the Company's articles of association;
5. affecting a merger or division

Please refer to the Corporate Governance Statement for the conditions for holding the priority share and the special control rights associated thereto if that voting right and/or voting instruction can be exercised or given for 50% or less.

Protective measures

The Company has entered into a call-option agreement with regard to preference shares with Stichting Continuïteit ForFarmers (ForFarmers Continuity Foundation). This Continuity Foundation was established to safeguard the identity, strategy, independence and continuity of the enterprise affiliated with the Company. Stichting Continuïteit ForFarmers is fully independent and has independent management. Furthermore, Coöperatie FromFarmers U.A. holds a priority share to which rights are associated as provided for in the Company's Articles of Association.

The appointment of Executive Board members furthermore only occurs by binding recommendation from the Board, and material decisions of the General Meeting of Shareholders (such as issues of shares, dividends, amendment to the articles of association, mergers, divisions and demergers) may only be made on the proposal of the Executive Board with the approval of the Board.

Branch offices

The Company itself does not have branches outside the Netherlands. For the list of main subsidiaries (including foreign subsidiaries) of the Company, a reference is made to Note 33 of the notes to the consolidated financial statements.

Independent auditor's report

The auditor's report with respect to the consolidated financial statements and the company financial statements is set out on the next pages.

Independent auditor's report

To: the Annual General Meeting of Shareholders and the Supervisory Board of ForFarmers N.V.

Report on the audit of the financial statements 2022 included in the annual report

Our opinion

In our opinion:

- the accompanying consolidated financial statements give a true and fair view of the financial position of ForFarmers N.V. as at 31 December 2022 and of its result and its cash flows for year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- the accompanying company financial statements give a true and fair view of the financial position of ForFarmers N.V. as at 31 December 2022 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the financial statements 2022 of ForFarmers N.V. ('the Company') based in Lochem. The financial statements include the consolidated financial statements and the company financial statements.

The consolidated financial statements comprise:

1. the consolidated statement of financial position as at 31 December 2022;
2. the following consolidated statements for 2022: the statement of profit or loss, the statements of comprehensive income, changes in equity and cash flows; and
3. the notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

1. the company balance sheet as 31 December 2022;
2. the company statement of profit or loss for 2022; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of the Company in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of going concern, fraud and non-compliance with laws and regulations, climate and the key audit matter was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

Summary

Materiality

- Materiality of EUR 6.0 million
- 0.18% of revenues

Group audit

- Audit coverage of 87% of revenue
- Audit coverage of 89% of total assets

Fraud/Noclar, Going concern and Climate related risks

- Fraud & Non-compliance with laws and regulations (Noclar) related risks: we identified the presumed risks of management override of controls and revenue recognition.
- Going concern related risks: no significant going concern risks were identified.
- Climate related risks: we considered the impact of climate-related risks on the financial statements and described our approach and observations in the section 'Audit response to climate-related risks'.

Key audit matter

- Remeasurement of Tasomix put option liability

Opinion

Unqualified

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 6.0 million (2021: EUR 4.0 million). The materiality is determined with reference to revenues as we consider revenues the most appropriate benchmark. Materiality increased compared to last year along with the trend of increasing revenues. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Supervisory Board that misstatements identified during our audit in excess of EUR 0.3 million would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

The Company is at the head of a group of components. The financial information of this group is included in the financial statements of the Company.

Because we are ultimately responsible for the auditor's report, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for components reporting for group audit purposes. Decisive were the size and/or the risk profile of the components or operations.

In order to obtain sufficient audit coverage on the relevant financial statement line items, we have also included non-significant components in our group audit scope.

In total, we have selected 14 components where we performed audits of the complete reporting package and/or audit of specific items. For these components we have:

- performed audit procedures ourselves at group level in respect of, amongst others, the valuation of the Tasomix put option liability, the annual goodwill impairment test, the Dutch tax position which includes the valuation of deferred tax assets and we performed audit of specific items for 2 components;
- made use of the work of local KPMG auditors and 1 non-KPMG auditor for 11 components for which an audit of the complete reporting package was performed and for 1 component for which an audit of specific items was performed. These entities are located in the Netherlands, Belgium, Germany, Poland and the United Kingdom.

The group audit team provided detailed instructions to all component auditors who were part of the group audit, covering the significant audit areas and set out the information required to be reported back to the group audit team. Virtual meetings were held with all component auditors that participated in the group audit, to discuss the audit approach and the audit findings and observations reported to the group audit team.

For the residual population not in scope we performed analytical procedures in order to corroborate that our scoping remained appropriate throughout the audit. None of the remaining components represented more than 4% of total group revenue or total group assets.

Our procedures as described above can be summarized as follows:

Revenue

84%	3%	13%
Audit of the complete reporting package	Audit of specific items	Central procedures population remaining

Total assets

80%	9%	11%
Audit of the complete reporting package	Audit of specific items	Central procedures population remaining

By performing the procedures mentioned above at group components, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the financial statements.

Audit response to fraud & non-compliance with laws and regulations related risks

In chapters "Corporate Governance" and "Risk Management" of the annual report, the Executive Board describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations.

As part of our audit, we have gained insights into the Company and its business environment, and assessed the design and implementation of the Company's risk assessment in relation to fraud and non-compliance. Our procedures included, among others, assessing the Company's code of conduct, whistleblowing procedures and inspecting the incidents register. Furthermore, we performed relevant inquiries with the Executive Board, Supervisory Board and other relevant functions, such as Internal Audit and the Legal Counsel. As part of our audit procedures, we:

- assessed other positions held by the Executive Board and Supervisory Board members and paid special attention to procedures and governance in view of possible conflicts of interest;
- evaluated correspondence with supervisory authorities and regulators, such as tax and health and safety authorities, as well as legal confirmation letters.

In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable to the Company and identified the following areas as those most likely to have an indirect material effect on the financial statements: feed safety, environmental law and health and safety law.

We, together with our forensics specialists, evaluated the fraud and non-compliance risk factors to consider whether those factors indicate a risk of material misstatement in the financial statements.

Based on the above and on the auditing standards, we identified the following fraud risks that are relevant to our audit and responded as follows:

Management override of controls (a presumed risk)

Risk:

- The Executive Board is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Responses:

- We evaluated the design and the implementation of internal controls that mitigate fraud risks, such as controls related to journal entries.
- We performed a data analysis of high-risk journal entries, specifically those posted on revenues and cost of sales. Where we identified instances of unexpected journal entries or other risks through our data analytics, we performed additional audit procedures to address each identified risk, including testing of postings back to source information.
- We verified the accuracy of material post-closing entries recorded in the general ledger with source information.
- We evaluated key estimates and judgments for bias by the company's management, including retrospective reviews of prior years' estimates with respect to remeasurement of the Tasomix put option liability and goodwill for the CGUs Germany and Belgium.
- We assessed the appropriateness of changes compared to prior year in the methods and underlying assumptions used to prepare accounting estimates.
- We incorporated elements of unpredictability in our audit by varying our scoping related to components with an audit of specific items-scope.

Revenue recognition (a presumed risk)

Risk:

- According to auditing standards, there is a presumed risk of fraudulent revenue recognition.
- Based on our evaluation of fraud risk factors, we identified a risk in relation to overstatement of revenues via non-routine journal entries posted in revenue accounts.

Responses:
- We evaluated the design and the implementation of internal controls related to non-routine journal entries posted in revenue accounts.
- We performed data analyses on the revenue accounts to identify non-routine journal entries posted in revenue accounts.
- Where we identified instances of unexpected non-routine journal entries in revenue accounts or other risks through our data analytics, among other things, manual postings on revenue accounts which were not reversed during the year, we performed additional audit procedures to address each identified risk, including testing of transactions back to source information.
- We verified the accuracy of material post-closing entries recorded in the general ledger on revenue related accounts.

Our evaluation of procedures performed related to fraud and non-compliance with laws and regulations did not result in a key audit matter.

We communicated our risk assessment, audit responses and results to the Executive Board and Supervisory Board.

Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.

Audit response to going concern related risks

The Executive Board has performed its going concern assessment and did not identify significant going concern risks. Therefore, the financial statements are prepared under the going concern assumption. Our main procedures to assess the Executive Board's assessment were:
- we considered whether the Executive Board's assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit;
- we inspected the financing agreement for terms of conditions that could lead to significant going concern risks, including the term of the agreement and any covenants;
- we analysed whether the headroom of the ratios included in the financing agreement is sufficient or if it gives rise to the risk of the covenants in the financing agreement being breached;
- we analysed the company's financial position as at year-end and compared it to the previous financial year in terms of indicators that could identify significant going concern risks.

The outcome of the abovementioned procedures did not give reason to perform additional audit procedures on the Executive Board's going concern assessment.

Audit response to climate-related risks

The company has set out its ambitions relating to climate change in the Executive Board's Report. The company has an ambition to reduce, by 2030, their absolute scope 1 and 2 emissions by 75% per ton of feed, compared to 2015, and the scope 3 (upstream) emissions of feed materials by 30%, compared to 2020.

Management has assessed, at a high level, against the background of the company's business and operations, how climate-related risks and opportunities and the company's own targets could have a significant impact on its business or could impose the need to adapt its strategy and operations.

Also, regarding the impact of feed-related nitrogen emissions on biodiversity, which is closely related to climate change, the company has assessed the potential impact of the ongoing public debate regarding the reduction of animal feed-related nitrogen emissions. In particular, this uncertainty is related to potential future legislation that may negatively affect live-stock population and thereby the demand for animal feed that the company produces and sells to its customers.

Management has considered the impact of both transition and physical risks resulting from climate change on the financial statements in accordance with the applicable financial reporting framework, more specifically on the valuation of non-current assets. Management prepared the financial statements, including considering whether the implications from climate-related risks and targets have been appropriately accounted for and disclosed, and concluded that no material impact is identified on the 2022 financial statements which is disclosed in chapter ''Risk Management'' of the Executive Board's Report and note 19 to the financial statements.

As part of our audit we performed a risk assessment of the impact of climate-related risk and the targets set by the company in respect of climate change on the financial statements and our audit approach. In doing this we performed the following:

- Understanding management's processes: we made enquiries with Executive Board and Supervisory Board on the climate risk assessments integrated in the structural risk management approach of the company, we assessed management's 2025 strategic plan and 2023 business plan which both incorporates targets and strategic actions relating to climate change to understand management's assessment against the background of the company's business and operations of the potential impact of climate-related risk and opportunities on the company's financial statements and the company's preparedness for this.
- We made enquiries of management to understand the process by which climate related narrative is developed and the governance process in place over the narrative.
- We have considered the presence of climate related fraud risk factors. The climate related fraud risk factor we have assessed relates to the pressure resulting from potentially increasing regulation and the political debate regarding nitrogen;
- Used KPMG climate risk experts to assist in our understanding of the Company's risk assessment as to how climate-related risks and opportunities may affect the company and its accounting for the valuation of non-current assets as reflected in the current year's financial statements.

Based on our risk assessment procedures we concluded that climate related risks have no material impact on the current financial statements under the applicable financial reporting framework.

Furthermore we have read the 'Other information' with respect to climate-related risks as included in the annual report and considered the material consistency with the financial statements, our knowledge obtained through the audit, in particular as described above and our knowledge obtained otherwise.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

Compared to last year the key audit matter with respect to acquisition accounting is not included, as there were no significant acquisitions in 2022. Furthermore compared to prior year, the key audit matter with respect to the valuation of trade receivables is not included, as individual trade receivables positions are low and write-offs of trade receivables were limited over the last years, even during Covid-19 affected period and years with animal diseases.

Remeasurement of Tasomix put option liability

Description

As part of the acquisition accounting for Tasomix in 2018, the company recognized a put option liability for the remaining 40% of the shares of Tasomix of EUR 30.0 million at acquisition date.

The company is required to remeasure this liability at fair value at each period-end. The remeasurement of this liability was significant to our audit due to the judgments and assumptions involved, which are affected by the forecasted EBITDA and the forecasted net debt of Tasomix, the discount rate and the exercise date.

The fair value remeasurement in 2022 resulted in an adjustment with a net effect of EUR 0.4 million (increase). As per 31 December 2022, the put option liability amounts to EUR 23.2 million. The adjustment is recorded in the net finance costs in the income statement and has been disclosed in note 6, 12, 17 and 32 of the financial statements.

Our response
We have evaluated the design and implementation of the internal controls related to the remeasurement of the put option liability. We challenged the applied model and management's key assumptions included in the fair value remeasurement for the put option liability, through performing, among other procedures, a retrospective review, a verification of the consistency with the data included in the management's latest mid-term plan for Poland and by comparing the data used to external and historical data, such as external market growth expectations and by analysing sensitivities in the company's valuation model.

We assessed the adequacy of the disclosures in note 6, 12, 17 and 32 to the financial statements 2022.

Our observation
We consider management's key assumptions and estimates used to determine the put option liability to be within the reasonable range.

We consider the disclosures in note 6, 12, 17 and 32 to the financial statements to be adequate.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information.

Based on the following procedures performed, we conclude that the other information:
- is consistent with the financial statements and does not contain material misstatements; and
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and other information.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Executive Board is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF
Engagement
We are the auditor of the Company since 2014. We were re-engaged by the General Meeting of Shareholders as auditor of the Company on 14 April 2022 for the year 2022.

No prohibited non-audit services
We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audits of public-interest entities.

European Single Electronic Format (ESEF)
The Company has prepared its annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion the annual report prepared in XHTML format, including the (partly) marked-up consolidated financial statements as included in the reporting package by the Company, complies in all material respects with the RTS on ESEF.

The Executive Board is responsible for preparing the annual report including the financial statements in accordance with the RTS on ESEF, whereby the Executive Board combines the various components into one single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF. We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting). Our examination included among others:
- Obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package;
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
  - Obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files have been prepared in accordance with the technical specifications as included in the RTS on ESEF;
  - Examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

Description of responsibilities regarding the financial statements

Responsibilities of the Executive Board and the Supervisory Board for the financial statements
The Executive Board is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Executive Board is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. In that respect Executive Board, under supervision of the Supervisory Board, is responsible for the prevention and detection of fraud and non-compliance with laws and regulations, including determining measures to resolve the consequences of it and to prevent recurrence.

As part of the preparation of the financial statements, the Executive Board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Executive Board should prepare the financial statements using the going concern basis of accounting unless the Executive Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Executive Board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements
Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A further description of our responsibilities for the audit of the financial statements is included in appendix of this auditor's report. This description forms part of our auditor's report.

Amstelveen, 22 February 2023

KPMG Accountants N.V.
T. van der Heijden RA

Appendix: Description of our responsibilities for the audit of the financial statements

Appendix

Description of our responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Board;
- concluding on the appropriateness of Executive Board's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are solely responsible for the opinion and therefore responsible to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. In this respect we are also responsible for directing, supervising and performing the group audit.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audits of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Sustainability assurance report of the independent auditor

The sustainability assurance report is set out on the next pages

Assurance report of the Independent auditor

To: the Executive Board and Supervisory Board of ForFarmers N.V.

Our conclusion

We have reviewed a selected number of sustainability indicators in the Annual Report 2022 (hereafter: 'the Annual Report') of ForFarmers N.V. (hereafter: the Company) based out of Lochem for the year ended 31 December 2022. A review is aimed at obtaining a limited level of assurance.

Based on the procedures performed nothing has come to our attention that causes us to believe that the selected sustainability indicators are not prepared, in all material respects, in accordance with the reporting criteria as described in the sections 'Our mission: For the Future of Farming' and 'Going Circular For the Future of Farming' of the Annual Report.

The sustainability indicators in scope consist of the following indicators:

- Nitrogen efficiency (only for the Netherlands)
- Greenhouse gas emissions (scope 1 and 2) in kg of CO_2 equivalents per tonne of feed produced and in total tonnes of CO_2 equivalents
- Percentage of sustainable soy bean meal and palm oil purchases
- Number of LTI's (Lost Time Incidents) and LTI frequency per country
- Number of feed safety incidents of non-compliance with regulations and voluntary codes

The sustainability indicators are disclosed in the Annual Report.

Basis for our conclusion

We performed our review in accordance with Dutch law, including Dutch Standard 3000A 'Assurance-opdrachten anders dan opdrachten tot controle of beoordeling van historische financiële informatie (attest-opdrachten) (assurance engagements other than audits or reviews of historical financial information (attestation engagements)).

Our responsibilities in this regard are further described in the 'Auditor's responsibilities' section of our report.

We are independent of the Company in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence). Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Reporting Criteria

The selected sustainability indicators need to be read and understood together with the reporting criteria. The Company is solely responsible for selecting and applying these reporting criteria, taking into account applicable law and regulations related to reporting.

The reporting criteria used for the preparation of the selected sustainability indicators are the applied internal reporting criteria as disclosed in the sections 'Our mission: For the Future of Farming' and 'Going Circular For the Future of Farming' of the Annual Report.

Materiality

Based on our professional judgement we determined materiality levels for each of the selected sustainability indicators. When evaluating our materiality levels, we have taken into account quantitative and qualitative considerations as well as the relevance of information for both stakeholders and the company.

We agreed with the Supervisory board that misstatements which are identified during the review and which in our view must be reported on quantitative or qualitative grounds, would be reported to them.

Scope of the group review

The Company is at the head of a group of components. The sustainability information incorporates the consolidated information of the full group.

Our group review procedures consisted of both review procedures at corporate (consolidated) level and at site level. Our selection of sites in scope of our review procedures is primarily based on the site's individual contribution to the consolidated information. Furthermore, our selection of sites considered relevant reporting risks and geographical spread.

By performing our review procedures at site level, together with additional review procedures at corporate level, we have been able to obtain sufficient and appropriate assurance evidence about the group's sustainability information to provide a conclusion about the sustainability information.

Responsibilities of the Executive Board and the Supervisory Board for the sustainability indicators

The Executive Board is responsible for the preparation of the selected sustainability indicators in accordance with the applicable criteria as included in the sections 'Our mission: For the Future of Farming' and 'Going Circular For the Future of Farming' of the Annual Report, including the identification of expected users and the applicability of the used criteria for those expected users.

Furthermore, the Executive Board is responsible for such internal control as it determines is necessary to enable the preparation of the selected sustainability indicators that is free from material misstatement, whether due to fraud or error.

The Supervisory Board is, amongst other things, responsible for overseeing the Company reporting process.

Auditor's responsibilities for the review of the sustainability indicators

Our responsibility is to plan and perform our review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

The procedures performed to obtain a limited level of assurance are aimed to determine the plausibility of information and vary in nature and timing, and are less in extent, compared to a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We apply the 'Nadere Voorschriften Kwaliteitssystemen' (NVKS, Regulations for Quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have exercised professional judgement and have maintained professional skepticism throughout the review, in accordance with the Dutch Standard 3000A, ethical requirements and independence requirements.

Our review included among others:

- Performing an analysis of the external environment and obtaining an understanding of relevant societal themes and issues, and the characteristics of the company;
- Evaluating the appropriateness of the reporting criteria used, their consistent application and related disclosures in the selected sustainability indicators.

This includes the evaluation of the results of stakeholder dialogue and the reasonableness of estimates made by the Executive Board;

- Obtaining an understanding of the reporting processes for the selected sustainability indicators, including obtaining a general understanding of internal control relevant to our review;
- Identifying areas of the selected sustainability indicators where a material misstatement, whether due to fraud or error, are most likely to occur, designing and performing assurance procedures responsive to these areas, and obtaining assurance information that is sufficient and appropriate to provide a basis for our conclusion. These procedures included, amongst others:
- Interviewing management and relevant staff at the corporate level and site level responsible for the strategy, policy and results;
  - Interviewing relevant staff responsible for providing the information for, carrying out internal control procedures over, and consolidating the data in the selected sustainability indicators;
  - Determining the nature and extent of the review procedures for the group components and locations. For this, the nature, extent and/or risk profile of these components are decisive. Based thereon we selected the components and locations to perform a review, and these were held in Rees (Germany) and Biskupice and Pionki (Poland). The site visit reviews are aimed at, on a local level, validating source data and evaluating the design and implementation of internal controls and validation procedures;
  - Obtaining assurance information that the selected sustainability indicators reconciles with underlying records of the company;
  - Reviewing, on a limited test basis, relevant internal and external documentation;
  - Performing an analytical review of the data and trends.
- Evaluating the consistency of the selected sustainability indicators with the information in the report which is not included in the scope of our review;
- Evaluating the presentation, structure and content of the selected sustainability indicators;
- Considering whether the selected sustainability indicators as a whole, including the disclosures, reflects the purpose of the reporting criteria used.

We have communicated with the and the Supervisory Board regarding, among other matters, the planned scope and timing of the review and significant findings that we identify during our review.

Amstelveen, 22 February 2023

KPMG Accountants N.V.

T. van der Heijden RA

Overview financial history

Consolidated statement of financial position

In millions of euro	2022	2021	2020	2019	2018
Property, plant and equipment	311.8	317.7	292.5	291.4	261.6
Intangible assets and goodwill	105.2	107.9	96.3	139.8	168.0
Other fixed assets	44.3	41.5	39.6	41.3	41.8
Non-current assets	**461.3**	**467.1**	**428.4**	**472.4**	**471.4**
Current assets	559.1	476.3	388.3	393.1	402.3
Total assets	**1,020.4**	**943.4**	**816.7**	**865.5**	**873.7**
Equity	335.1	360.5	356.9	413.2	435.6
Non-controlling interests	9.1	5.7	5.6	5.1	5.2
Total equity	**344.2**	**366.2**	**362.5**	**418.4**	**440.8**
Non-current liabilities	175.6	162.8	132.5	115.1	142.5
Current liabilities	500.6	414.5	321.7	332.0	290.5
Total equity and liabilities	**1,020.4**	**943.4**	**816.7**	**865.5**	**873.7**
Average capital employed	497.9	484.0	496.4	547.0	434.5
Net debt	98.4	28.7	–15.8	7.0	17.1
Solvency ratio(1)	33.7%	38.8%	44.4%	48.3%	50.4%
Equity as a percentage of total liabilities	50.9%	63.5%	79.8%	93.6%	101.8%
ROACE on underlying EBITDA[2]	15.3%	16.2%	19.4%	16.2%	23.0%
ROACE on underlying EBIT[2]	7.8%	8.4%	12.4%	10.2%	17.6%

[1] Solvency ratio is equity divided by total assets.
[2] ROACE means underlying EBIT(DA) divided by 12-month average capital employed

Consolidated statement of profit or loss

In millions of euro	2022	2021	2020	2019	2018
Revenue	3,315.0	2,670.5	2,351.9	2,463.1	2,404.7
Gross profit	494.8	436.3	433.2	440.7	443.4
Operating profit	24.4	22.6	24.2	14.2	75.9
Net finance result	–6.5	–5.6	1.9	10.7	–4.4
Profit before tax	22.2	20.8	30.2	27.6	74.5
Profit for the year	18.2	12.5	14.7	18.0	59.2
Profit attributable to shareholders of the Company	18.0	12.0	14.2	17.7	58.6
Compound feed (in million tonnes)	6.28	6.82	6.80	7.08	6.95
DML (in million tonnes)	2.49	2.55	2.62	2.71	2.78
Fertilizer (in million tonnes)	0.12	0.14	0.15	0.14	0.14
Other (in million tonnes)	0.14	0.16	0.17	0.15	0.15
Volume Total Feed (x million tonnes)	**9.03**	**9.67**	**9.74**	**10.10**	**10.02**
Number of employees at year-end (in fte's)	2,468	2,444	2,502	2,570	2,654
Underlying EBITDA[1]	76.1	78.2	96.2	88.5	100.1
Underlying EBITDA as % of revenue	2.3%	2.9%	4.1%	3.6%	4.2%
Underlying EBITDA as % of gross profit	15.4%	17.9%	22.2%	20.1%	22.6%
Underlying EBIT[1]	38.9	40.7	61.6	55.7	76.8
Underlying EBIT as % of revenue	1.2%	1.5%	2.6%	2.3%	3.0%
Underlying profit[1, 2]	30.0	29.0	46.3	42.1	63.4
Underlying profit per share[1, 2]	0.33	0.32	0.49	0.43	0.62
Dividend (€ million)	17.9	27.1	27.6	27.4	30.1
Dividend per share (€)	0.20	0.29	0.29	0.28	0.30
Impact of acquisitions and divestments on revenue	0.2%	4.4%	0.0%	4.7%	3.6%
Impact of acquisitions and divestments on gross profit	0.1%	4.5%	0.1%	3.9%	2.3%
Impact of acquisitions and divestments on operating profit (EBIT)	0.0%	26.4%	0.0%	1.2%	–3.2%
Impact of acquisitions and divestments on operating profit before depreciation (EBITDA)	0.1%	9.0%	0.1%	5.1%	0.6%

[1] Underlying metrics are Alternative performance measures (APM) not defined by IFRS. These measures are used as the Group believes they provide a better perspective of ForFarmers' business development and performance. For a reconciliation between IFRS measures and underlying measures, reference is made to Note 17 of the financial statements.

[2] Underlying profit is an APM since 2017

Non-financial indicators

	Target by 2025	2022	2021	2020	2019	2018
Social						
Number of employees (FTE)		2,468	2,444	2,502	2,570	2,654
Gender Diversity (total) (% female)		22%	22%	21%	20%	19%
Gender Diversity (new hires) (% female)		27%	24%	29%	26%	23%
Retention rate (% of FTE at 1 January)		82%	83%	86%	81%	84%
Lost Time Incidents (LTI) (#) [1]	<18	17	28	24	36	59
LTI Frequency Rate (per 200,000 hours worked) [1]	<0.5	0.65	1.05	0.87		
Investment training & Development (expenses in €k)		1,688	1,237	1,283	1,867	2,238
Internal promotions into senior management (#)		1	2	2	2	1
Cumulative participation rate in open share participation plans		10%	13%	15%	18%	19%
Absentee rate (% of total FTE)		3.8%	3.4%	3.0%	2.5%	3.2%
Environmental						
Greenhouse gas emissions Production scope 1+2 (kg CO_2/T) [1]		12.0	18.6	19.7	18.3	20.7
Greenhouse gas emissions Logistics scope 1 (kg CO_2/T) [1]		8.0	8.0	8.7	8.5	8.3
Greenhouse gas emissions per tonne scope 1+2 change (y-o-y, %)		−25%	−6%	6%	−8%	−1%
Greenhouse gas emissions Raw Materials scope 3 incl land use change (kg CO_2/T)		1,073.0	819.0	958.0		
Energy usage Production (kWh per tonne)	<52.97	57.64	58.75	58.86		
Energy usage Logistics (kWh per tonne)	<2.95	3.18	3.25	3.28		
Renewable energy (% of total energy usage)	50%	15.3%	11.5%	9.1%		
Suppliers signing Sedex code (% of total suppliers)	85%	85%	85%	79%	83%	80%
Sustainable palm oil purchases (%) [1]	100%	70%	70%	70%	70%	70%
Sustainable soy bean meal purchases (%) [1]	100%	75%	75%	75%	75%	75%
Phosphate efficiency dairy NL (%) [1]			38.3%	39.6%	39.6%	38.4%
Phosphate efficiency Finishers NL (%) [1]			56.2%	54.6%	54.1%	54.6%
Phosphate efficiency broilers regular NL (%) [1]			72.3%	62.7%	62.9%	64.5%
Phosphate efficiency broilers animal welfare concepts NL (%) [1]			60.0%	53.1%	52.2%	49.3%
Nitrogen efficiency dairy NL (%)			29.6%	29.8%	29.6%	29.4%

Non-financial indicators

	Target by 2025	2022	2021	2020	2019	2018
Nitrogen efficiency Finishers NL (%)			42.9%	42.9%	41.4%	41.9%
Nitrogen efficiency broilers regular NL (%)			63.1%	61.3%	61.5%	61.3%
Nitrogen efficiency broilers animal welfare concepts NL (%)			53.0%	51.6%	50.7%	52.0%
Feed material not suited for human consumption (% of total) [2]		67%	64%	64%		
Sustainable innovation (% of total innovation projects)		57%	42%	39%		
Number of feed safety incidents (#) [1]	13	5	3	8	9	16

[1] Reviewed by independant auditor
[2] The Netherlands, Belgium and Germany

Glossary

[Dutch] Corporate Governance Code	The Corporate Governance Code applies to all companies with a registered office in the Netherlands, whose shares or depositary receipts thereof are admitted to trading on a regulated market or multilateral trading facility within the EU, or a comparable market or trading facility outside the EU.
Additives	Ingredients that are added to feed to improve the feed, for instance with respect to shelf life, taste, odour or nutritional value.
AGM	Annual General Meeting of Shareholders.
Agrifirm	Dutch cooperative of farmers and horticulturists with subsidiaries in multiple countries in and outside Europe. Strategic partner of ForFarmers for the purchase of fertilisers, seeds and crop protection products in NL.
AMR	Anti-Microbial Resistance.
AMX	The AMX Index (short for Amsterdam Mid Cap Index) is a stock market index composed of Dutch companies, ranking 26-50 in size, which trade on the Euronext Amsterdam stock exchange.
AScX Index	The AScX Index (short for Amsterdam Small Cap Index) is a stock market index composed of Dutch companies, ranking 51–75 in size, which trade on the Euronext Amsterdam stock exchange.
Bedding products	Products such as chopped straw, flax or wood shavings that are used as bedding in barns.
Better Life concept	Quality label developed by 'Dierenbescherming' (The Dutch Society for the Protection of Animals) in the Netherlands for products that are produced with extra care for animal welfare. The number of stars (1, 2 or 3) indicates the extent to which producers meet the quality requirements.
Blend	Mixture consisting of various (unground) raw materials, minerals and pre-mix.
Board	The Supervisory Board of ForFarmers N.V.
BPO	Business Process Optimisation is part of the strategic pillar Optimal Business Operations of the Build to Grow 2025 strategy. The aim is to enhance customer experience in a (cost)efficient way by harmonising and standardising the way of working across departments.
Broiler parent stock	Produce hatching eggs which are delivered to the hatchery where the broiler chicks are born.
Build to Grow 2025	ForFarmers' strategy to further enhance the organization, through organic growth and by means of acquisitions in existing markets and in two new growth markets, possibly outside of Europe
Carbon capture	Capturing carbon dioxide.
CEO	Chief Executive Officer of ForFarmers N.V.
CFO	Chief Financial Officer of ForFarmers N.V.
Co-products	Products derived from the manufacturing process of human food, such as brewers' grains, which are used for animal feed.
Code of Conduct	These are the values, company principles and rules of conduct that apply to everyone who works at ForFarmers. These specify, inter alia, the rules of integrity and responsibilities for both the organisation and the employee.
Company	ForFarmers N.V.
Compliance Officer	Person, employee of the company, who is responsible for monitoring and managing regulatory compliance issues within an organisation.
Compound feed	The collective name for dry animal feeds composed of different ingredients to give them certain properties.
Concentrates	A highly concentrated supplementary feed that is diluted at the farm with raw materials available there.
COO	Chief Operating Officer, Director responsible for a specific ForFarmers cluster (operating segment).
Coöperatie FromFarmers U.A.	Coöperatie (Cooperative) FromFarmers U.A. is the majority shareholder of ForFarmers N.V. and has some 4,500 members, which are predominantly active in the ruminant, swine and poultry sectors.
Corn silage	Forage crop that is harvested with a chipper as whole plant and then stored in a silo at the cattle farm. Serves as cattle feed.
Disclosure Committee	A disclosure committee is a group tasked with reviewing all proposed disclosures prior to their release. This committee is mandatory for publicly held companies.
DML	DML stands for Dry, Moist and Liquid co-products. See also co-products.
Employee participation plan	ForFarmers introduced an employee share ownership plan in 2015 for permanent staff through which employees could purchase a maximum of € 5,000 of ForFarmers depositary receipts per person at a discount. A lock-up period applies to the purchased depositary receipts.
EPS	Earnings per share.
ESG	Environmental & Social Governance.
Executive Board	The executive board of the company (ForFarmers N.V). The Company's statutory management board composed of three members, the CEO, CFO and COO.
Executive Team	ForFarmers' Executive Team is composed of three members of the Executive Board, the five country managing directors, and the three directors for M&A, Supply Chain and HR.

FAO	Food and Agriculture Organization of the United Nations.
Feed Chain Alliance	Feed Chain Alliance Standard (before GMP) is a quality system. managed by OVOCOM, a Belgian platform for animal feed sector.
Feed conversion	The amount of feed an animal consumes as compared to the produce of the animal as a ratio. The aim is to get a higher output with a diminishing amount of feed.
Feed efficiency	Ratio which indicates how many kilos of animal product (milk, meat, eggs) are made from one kilo of feed.
Feed equivalents	The key for allocating equity to members. A member that has feed equivalents can use them by acquiring feed or other products. Members receive a credit on their participation account linked to the use of feed equivalents. This credit consists of the right to depositary receipts.
Feed evaluation system	Programme with an overview of all of the nutrients per raw material, the degree to which these nutrients are available for the various animals at various ages and the specific nutrient requirements of animals in various phases of life. This data is combined with the available raw materials in order to give the animal exactly those nutrients that it needs in the most (cost) efficient manner.
Feed performance	The final result that is achieved from the feed, such as feed intake, growth, milk production, etc.
Feed solutions	A supply of feed products that provides for the specific needs of an animal in terms of nutrition.
Feed system	The (technical) way the farmer delivers the feed to his animals.
Feed2Milk	Feed2Milk is the ForFarmers' approach to feed for dairy cattle. It allows a better assessment of the nutritional value of the feed and as a result, higher milk production, better feed efficiency and healthier animals.
FEFAC	European Feed Manufacturers' Federation.
Fermentation	Process through which lactic acid bacteria convert (pig) feed into a healthy, tasty mash with high levels of lactic acid, leading to more efficient feed usage, lower feed costs and healthier pigs.
Fertiliser	Administration of fertilisers (nitrogen, phosphate, potassium, etc.) to the soil for optimal crop growth. Both animal and chemical fertilisers.
FFEEC	ForFarmers European Employees Council. The Europe-wide employee representative which consists of employee representatives from the Netherlands, Belgium, Germany and the United Kingdom. It discusses subjects that concern several countries.
Forage / roughage	Unperishable products that are specifically cultivated for livestock feed purposes, such as grass and corn silage.
ForFarmers dealers	ForFarmers works in the cattle sector in the Netherlands through regional dealers. These are independent businesses which sell ForFarmers products and advise livestock farmers on various issues, including feed recommendations and business development.
ForFarmers European Employees Council	FFEEC, the Europe-wide employee representative which consists of employee representatives from the Netherlands, Belgium, Germany and the United Kingdom. It discusses subjects that concern several countries.
ForFarmers Group	The Company along with the legal persons or companies with which the Company has organisational links forming an economic unit as referred to in Article 2:24b of the Dutch Civil Code. Also referred to as the 'Company'.
ForFarmers N.V.	Also referred to as the 'Company'.
GMO	A GMO is an animal, plant, or other organism whose genetic structure has been changed by genetic engineering. GMO is an abbreviation for 'genetically modified organism'.
GMP+	GMP+ FSA (Feed Safety Assurance) is an internationally recognised scheme to certify the safety of animal feed in all links of the animal feed chain, including the companies supplying raw materials.
GRI	The Global Reporting Initiative is a guideline for sustainability reporting. The GRI's goal is to make sustainability reporting a "standard practice" for all companies and to bring sustainability reports to the same level as financial ones.
Group	The Company along with the legal persons or companies with which the Company has organisational links forming an economic unit as referred to in Article 2:24b of the Dutch Civil Code.
GWP	Global Warming Potential is the internationally used designation for the extent to which a greenhouse gas can contribute to global warming.
GWP100 v GWP	The extent to which a greenhouse gas can contribute to global warming in a 100-year period of 1 kg of gas compared to 1 kg of CO_2.
IFRS	The International Financial Reporting Standards (IFRS) are an accounting standard for company annual reports. Companies in the EU listed on the stock exchange are required to report in this manner since 1 January 2005.
Integrated feed solutions	A combination of feed products, related advice and resources in order to first establish and then achieve the customer's business objectives and monitor results.
Issued ordinary shares	Issued Shares relates to the total number of shares that are sold to and held by shareholders of the company and include treasury shares (i.e., repurchased shares held by the company).

'Kringlooplandbouw' or Circular Farming	Circular farming is a form of sustainable farming in which the cycle of substances is closed. The available resources are used in the most efficient way possible whereby the outflow and inflow of resources are optimally balanced.
LCA	LifeCycle Analysis. Demonstrates the environmental performance of the entire production chain.
Like-for-like (LFL)	Excluding translation effects of currency and the net effect of acquisitions and divestments.
Liquid co-products	Liquid products derived from the manufacturing process of human food, such as whey, brewer's yeast or glucose syrup, and which are used as animal feed.
LTI	Lost Time Incident. Accidents at work that lead to one day or more of absence from work.
Material aspect	A main aspect of the ForFarmers sustainability strategy. It is an indicator for the GRI guidelines.
Materiality analysis	Analysis in which it is determined whether a subject is or is not significant to stakeholders of ForFarmers or to ForFarmers itself. Often used in relation to sustainability.
Materiality matrix	A manner (matrix) in which the importance of Corporate Social Responsibility (including sustainability) issues is plotted in 2 dimensions; the relevant importance of the issues to the stakeholder groups and the importance of the issue to the company.
Micro-ingredients	Vitamins, minerals, medicines and other substances used in very small quantities and weighed in milligrams, micrograms or parts-per-million (ppm).
Milk€fficient	A programme developed by ForFarmers that combines determining factors of dairy farm results and enables farmers to understand different scenario's how they can improve returns.
MSCI Netherlands Index	The MSCI Netherlands Index is designed to measure the performance of the large and mid-cap segments of the Netherlands market.
NIC	ForFarmers' Nutrition Innovation Centre works, inter alia, on improving the technical performance of feed, such as feed efficiency and optimal animal growth, and on developing innovative nutritional solutions to contribute to good animal health. The NIC also focuses on making our products more sustainable as well as the farming industry as a whole.
NL GAAP	NL GAAP (also Dutch GAAP) stands for Dutch Generally Accepted Accounting Principles and is used in order to indicate the system of reporting and accounting principles that is applicable in the Netherlands. ForFarmers reported according to NL GAAP until and including 2014. As of 2015, the Company reports according to IFRS.
Nitrogen and nitrogen crisis	Nitrogen oxides and ammonia end up in the environment mainly as a result of livestock farming including manure applications in farming, and emissions from traffic and industry. The Dutch government needs to take measures to reduce emissions of these reactive forms of nitrogen, following a ruling of the Council of State in May 2019.
NOVA	A concept for sows. The NOVA products provide a higher milk production per sow, more piglets per litter, a higher weaning weight per piglet and a longer lifespan for sows.
Nutreco	International organisation, operating worldwide in the animal feed and fish feed sector. Strategic partner of ForFarmers.
Nutrient requirements	A specific animal's need for nutrients such as amino acids, energy, essential fats, vitamins, minerals and trace elements.
Nutrient value	Nutritional value, for example, levels of protein, oil, fibre, ash, starch, sugar, calcium, phosphorous, or sodium.
Nutrition Innovation Centre (NIC)	Department within ForFarmers responsible for nutrition, research and innovation.
Nutritional matrix	Schedule of nutrients and the nutrient requirements of different animals in various phases of life, which forms the basis for the feed solutions that ForFarmers provides.
Nutritional total solutions	Total solution offered to cover all livestock feed needs of any type.
Organisation	ForFarmers Group. The company headed up by ForFarmers N.V. and/or ForFarmers Group. When 'the Organisation' is referred to, it means ForFarmers Group.
Outstanding ordinary shares	Outstanding Shares are the number of issued shares minus the number of treasury shares (i.e. repurchased shares held by the company)
Palm oil	Vegetable oil extracted from the fruit of the palm tree.
Participation account	The participation in the capital of Coöperatie FromFarmers (the proprietary rights per member) registered a member which can be converted by the member into depositary receipts.
Pavo	Company specialising in horse feed for both recreational and competitive horses, with branches in the Netherlands and Belgium and sales in practically all of Europe. A subsidiary of ForFarmers.
Performance feed	Feed aimed at high performance of the animal (e.g. compound feed, specialties etc.).
Phosphate efficiency	Indicator of how efficiently a livestock farm handles phosphates.
Phytases	Phytases are enzymes that improve phosphorus digestion in pigs and poultry.

Plant	The name of a ForFarmers business unit that focuses on agriculturists, contractors and cattle farmers that produce forage.
PoultryPlus	Breeding organisation for broiler chickens with sales in the Netherlands, Germany, Belgium, Switzerland and Austria. A subsidiary of ForFarmers.
Premixes	Mixture of vitamins, (trace) minerals and additives that are added to the feed in order to meet the animal's needs.
Priority share	The priority share is held by Coöperatie FromFarmers U.A. The priority shareholder has the rights as specified in the ForFarmers Articles of Association.
Priority shareholder	The priority share is held by Coöperatie FromFarmers U.A.
Reudink	Animal feed supplier specialised in organic animal feeds, operating in the Netherlands, Germany and Belgium. A subsidiary of ForFarmers.
Risk Advisory Board (RAB)	Risk Advisory Board is composed of the CFO, Director Supply Chain, Director Reporting, Tax & Risk. The Internal Auditor participates in meetings as an observer.
Roots in the top layer of soil	The quantity and distribution of root growth in the top layer of soil.
Roughage+	Farming approach in which the soil, fertiliser, crop growth and management of planting and harvesting are properly synchronised with each other.
RSPO	Round Table on Sustainable Palm Oil. Round Table for responsibly produced palm oil. (www.rspo.org)
RTRS	Round Table Responsible Soy. Round Table for responsibly produced soy. (www.responsiblesoy.org)
Ruminants	Ruminants have four stomachs. They chew the feed again in the mouth after it has been in the rumen. Examples are dairy cattle, beef cattle, goats, and sheep.
SDGs	The Sustainable Development Goals are a collection of 17 global goals set by the United Nations, to Transform our World.
SecureFeed	Organisation that guarantees the food safety of animal feeds in the Netherlands. SecureFeed develops and manages a common system for monitoring and risk assessment of raw materials and their suppliers. Dutch dairy farmers are obliged to purchase from SecureFeed members.
Sedex code	Supplier Ethical Data Exchange.
Seeds	Seeds from cultivated crops for planting. Collective name for the entire range of seeds for grasses, grains, maize etc.
Semi-finished products	Raw materials that have already been processed but need to be further processed to make a finished product.
Single raw materials / straights	Raw materials, including types of grain such as wheat and maize, which the farmer mixes with other feed products at the farm.
Slurry	A mixture of solid and liquid manure (urine and dung) from animal origin.
Soybean meal	Also known as 'soya meal', 'soya bean meal' or 'soybean meal'. Heat-treated product that remains after extraction of soy oil from the soybean. Serves as protein-rich raw material for cattle feed.
Special feed	Feed for animals in a specific phase of life or with specific requirements.
Stackable co-products	Co-products with a lot of moisture that are not fluid but stackable, for example potato starch.
Statutory Board (of the Company)	The executive board of the company fundamentally composed of three members.
Stichting Beheer	See Stichting Beheer- en Administratiekantoor ForFarmers.
Stichting Beheer- en Administratiekantoor ForFarmers	The ForFarmers Trust Office Foundation holds shares in the capital of the Company and its purpose is, inter alia, to acquire and administrate shares for safekeeping against the granting of depositary receipts and to exercise the voting rights attached thereto and other control rights.
Stichting Continuïteit ForFarmers	The ForFarmers Continuity Foundation. This Foundation was set up to safeguard the identity, strategy, independence and continuity of the Company headed up by the organisation. It is fully autonomous and has a fully independent management.
Strategic partnership	Close cooperation with other specialist players in the market with the goal of reinforcing each other in terms of knowledge, innovation and purchasing.
Sunflower seed meal	A protein-rich co-product of the extraction of oil from sunflower seed.
Supervisory Board	The Supervisory Board (the Board) is composed of six members and is tasked with the supervision of the Executive Board's strategy and of the general affairs of the company and the organisation linked to it.
Sustainability Advisory Board	Composed of three members of ForFarmers' Executive Committee, one member of the ForFarmers Supervisory Board and six external members. Its role is to provide advice on ForFarmers' sustainability strategy and on major trends and issues that should be taken into account.
Terra+	A total feed approach, introduced in 2017 by ForFarmers, with which dairy farms can improve the quality and output of forage.
Toll manufacturing	Manufacture (of feeds) for third parties based on specifications provided by these third parties.
Tools	Collective name for apps, checklists, programmes, analyses, etc. that ForFarmers offers its customers in order to monitor results or to adjust and improve management.

Total Feed	A ForFarmers strategy to offer livestock producers a complete package consisting of feed solutions, corresponding advice and resources in order to establish the customer's business objectives and to monitor the results thereof.
Total Feed approach	See Total Feed.
Total Feed Business	See Total Feed.
Translac	Feed concept for cows in the period around calving.
UFAS	Universal Feed Assurance Scheme. The AIC (Agricultural Industries Confederation) have developed a range of Trade Assurance Schemes covering areas of the agri-supply industry. UFAS deals with the production and delivery of compound feeds and the supply of feeds to farms.
ULTRA	Feed concept for finishers (pigs).
VIDA	Brand name for one of ForFarmers' feeds for piglets.
Virtual chain integration	Companies in a virtual (supply) chain share information across the supply chain to derive additional value e.g. provenance / traceability.
Vital	A new approach by Reudink for organic cattle farmers to positively influence the feed intake and health of young animals.
Wellfare concept	Livestock concepts with extra focus on animal welfare.

About ForFarmers' 2022 sustainability reporting

ForFarmers aims to provide a balanced, reliable and clear view of its sustainability approach and performance. This document provides specific information on the management and reporting methods used to arrive at the externally assured sustainability data, results and topics included in the sustainability reporting. ForFarmers references to ESG reporting is guided by the World Economic Forum report: Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation (September 2020)

Sustainability reporting content and scope

The content disclosed in the sustainability reporting is based on the material topics identified by ForFarmers and its stakeholders following its materiality assessment. It is also shown in which part of the value chain the material topic has an impact. These material topics and related boundaries define the sustainability reporting content.

Materiality determination process

Every two years we conduct an extensive survey among stakeholders, which we then record in a materiality matrix. In 2021 we asked just over 300 internal and external stakeholders what they considered important when it comes to our activities and role in society.
This time the process involved an online questionnaire containing a number of quantitative and qualitative questions structured around Environmental, Social and Governance (ESG) themes. These were focused on the following topics:

- What do our stakeholders think are the most important ESG themes in society right now
- How do our stakeholders feel about certain sustainability dilemmas and trade offs
- How do our stakeholders feel about the adoption of new technologies such as gene editing
- What do our stakeholders think will be the impact of forthcoming policy and legislation such as the European Green Deal and Farm to Fork strategy

The outcomes of the stakeholder dialogue were used to update the y-axis of ForFarmers' materiality matrix.
The x-axis of the matrix was updated using the expertise of ForFarmers Sustainability Task Force.
The sustainability information in the annual report includes the sustainability performance of all operating segments, business units and group departments of ForFarmers. The reporting includes all entities in which ForFarmers, directly or indirectly, exercises management control. For some of the sustainability KPIs, the scope is more narrowly defined, as is shown in the table below.

ForFarmers excludes companies or businesses acquired during the current and prior reporting period from the reporting scope. The reason behind this is that newly acquired companies or businesses first need to be integrated into the ForFarmers organisation and become familiar with the ForFarmers way of working, before the reliability of the reported figures can be ensured. As a result of this policy, De Hoop Mengvoeders (De Hoop), is included in the scope for 2022 reporting for the first time.

Sustainability reporting criteria

The policies ensure that consolidated information is recorded on a uniform basis with reference to the Global Reporting Initiative (hereafter: GRI) standards issued by the Global Sustainability Standards Board as a reference. Details regarding compliance with GRI (GRI content index) can be found in the sustainability section on the corporate website.

For each sustainability KPI, ForFarmers has defined specific reporting criteria, see table below:

Sustainability KPI	Definition used	Specifics on scope	External Assurance
100% responsibly sourced palm oil and soy bean meal by 2030 **Responsible sourced soy bean meal and palm oil purchases**	ForFarmers considers soy meal sustainable when certificates are bought from soy programmes that have successfully passed the benchmarking process against the baseline criteria established in the FEFAC Soy Sourcing Guidelines and displayed on FEFAC's customised page on ITC Standards Map.[1] ForFarmers considers palm oil & palm oil derivatives sustainable when RSPO (Roundtable on Sustainable Palm Oil) certificates are bought for the equivalent tonnage of palm oil included in the raw materials used by ForFarmers.	Organic soy meal used (e.g. Reudink, ForFarmers UK organic) or sold (e.g. as straights) is excluded from the scope of the sustainable soy meal target as certificate schemes are only applicable to conventional soy and it is therefore not logical to buy conventional certificates against organic soy used/sold.	Yes
85% Suppliers signed Sedex Code of Conduct	The number of suppliers who are members of Sedex expressed as a % of spend over the reporting period. Includes suppliers of raw materials, DML products and indirect procurement	No specific exclusions	No
Take leadership position on reduction CO_2 emissions of feed materials (scope 3 upstream)	ForFarmers uses FeedPrint to calculate the CO_2 emissions of the major feed materials. Our formulation team now also uses this information to calculate the upstream emissions (scope 3) based on materials being delivered to the feed mill. Where materials are used by ForFarmers which are not yet in FeedPrint (usually micro-ingredients), alternative sources of information for example from Nevedi are used until 100% of the formula is included.	No specific exclusions	No
Take leadership position on % non human edible feed materials in diets	ForFarmers uses the FAO definition and categorisation of human edible and non-edible feed materials. All feed and DML materials are categorised and converted to an 88% dry matter basis. The volume of materials categorised as by-products, grass and leaves, oil seed cakes and other non-edible are divided by the total to produce a % non-human edible feed materials over the reporting period	Poland is currently excluded	No
Largest mill carbon neutral as proof of concept	Scope 1 and 2 greenhouse gas emissions associated with production at the Lochem 12 plant are reported for the reporting period. The energy generated from the biomass boiler and solar panels is converted into CO_2 and included in the total.	Transport and offices are not included in the calculation	No
50% renewable energy	Current reporting includes the primary energy used from the biomass boiler at Lochem, solar panels at Lochem and a number of locations in the UK, the biodiesel content of the diesel used in logistics and the % renewable energy included in the electricity supply in each country. The energy from these sources (converted into kWh) is expressed as a percentage of the total primary energy usage (kWh).	ForFarmers only reports on the scope 1 and scope 2 emissions from ForFarmers controlled compound feed plants for bagging and bulk. The emissions from storage and blend facilities, treatment and drying of raw materials and the pet food factory in Calveslage, Germany are excluded from the scope.	No
10% energy/fuel reduction per tonne compared to 2020	Primary energy usage per fuel type is recorded (either in kWh or litres) for the reporting period. Primary energy usage is divided either by production volume or logistics volume (in the case if diesel).	ForFarmers only reports on the scope 1 and scope 2 emissions from ForFarmers controlled compound feed plants for bagging and bulk. The emissions from storage and blend facilities, treatment and drying of raw materials and the pet food factory in Calveslage, Germany are excluded from the scope.	No
GHG emissions	Greenhouse gas (GHG) emissions are emissions related to gas that contributes to the greenhouse effect by absorbing infrared radiation. The GHG emissions are categorised by scope: Direct (scope 1) GHG emissions: GHG emissions from sources that are owned or controlled by ForFarmers (production and logistics). For the diesel emissions, the tank-to-wheels cycle is applied; Energy indirect (scope 2) GHG emissions: GHG emissions that result from the generation of purchased or acquired electricity consumed by ForFarmers. The market-based method for reporting on scope 2 GHG emissions is applied as of 2019. In the full tables, the total GHG/tonne shown is calculated using the volume produced using each energy type (not total volume).	ForFarmers only reports on the scope 1 and scope 2 emissions from ForFarmers controlled compound feed plants for bagging and bulk. The emissions from storage and blend facilities, treatment and drying of raw materials and the pet food factory in Calveslage, Germany are excluded from the scope.	Yes

[1] ForFarmers also uses other soy bean derivatives (e.g. soy oil) in production but is not buying additional certificates for those as they are covered via the certificates already bought for soy meal.

Sustainability KPI	Definition used	Specifics on scope	External Assurance
Take leadership position in phosphate and nitrogen efficiency	The calculated value for phosphate and nitrogen efficiency indicates the amount of phosphate and nitrogen which is taken up via feed deposited in animals and animal products. In other words, the phosphate and nitrogen efficiency value informs about the phosphate and nitrogen utilisation on the farm.	The scope of both phosphate and nitrogen efficiency calculations is restricted to dairy cows, swine and poultry in the Netherlands. The results are always one year behind due to the availability of the data. Considering that (reliable) data which is required for the calculation of phosphate efficiency is only available for Dutch farmers, the scope is restricted to The Netherlands only.	Nitrogen efficiency only
Lost Time Incident Frequency Rate @0.5 per 100 FTE and a 50% reduction in number of LTIs compared to 2019	A Lost Time Incident is defined as any unplanned event that results in personal injury, where the injured party is unable to work during their next scheduled day. This also includes employees, contractors and visitors who have an accident on our (customer's) premises, at a company organised event or during driving on our (contractor's) lorries. Excluded are driving to and from normal or contracted place of work. The LTI Frequency Rate per quarter is calculated by the following formula: (200.000 hours x LTIs per quarter) / total hours worked (= contract hours + overtime hours) per quarter. This is in line with the formula used in GRI, the international standards for sustainability reporting.	No specific exclusions	Yes
Reduction of 50% of Feed Safety Incidents compared to 2017	An incident is considered a feed safety incident when human health and/or animal health is at risk. Total number of feed safety incidents regarding non-compliance with regulations and voluntary codes concerning the health and safety impact of products and services, resulting in a fine or penalty; resulting in a warning or via external audits (minor incidents excluded).	No specific exclusions	Yes

With respect to the KPI reporting, there is one change in the scope of external assurance compared to 2021. In 2022, nitrogen efficiency (in the Netherlands) was included in scope and phosphate efficiency was excluded.

As the sustainability data is derived from various sources across the value chain and differs in maturity, ForFarmers continues to work on improving the sustainability data collection processes and control environment. In this respect, the Executive Board and Team asked ForFarmers' external auditor (KPMG) to provide limited assurance on a number of the sustainability KPIs in the 2022 annual report as indicated above. KPMG's assurance report, including details of the work they carried out, can be found in the Annual Report 2022.

Furthermore, ForFarmers has several environmental certifications: in Germany ForFarmers is ISO 50001 certified and in the UK there are ISO 50001 and 14001 certifications. ISO 50001 supports ForFarmers to use energy more efficiently through the development of an energy management system and ISO 14001 helps ForFarmers to enhance the environmental performance through the development of an environmental management system.

ForFarmers uses publicly available conversion factors to covert energy use (kWh or litre) to CO_2. The factors used are shown below.

Coefficients to GHG (in kg of CO_2)

Production	Country	From	To	2022	2021
Gas	Netherlands	KWh	Kg of CO_2	0,182	0,182
Gas	Germany	KWh	Kg of CO_2	0,182	0,182
Gas	Belgium	KWh	Kg of CO_2	0,182	0,182
Mazout (gas replacer)	Belgium	KWh	Kg of CO_2	n/a	0,278
Gas	Poland	KWh	Kg of CO_2	0,182	0,182
Gas	UK	KWh	Kg of CO_2	0,183	0,185
Electricity	Netherlands	KWh	Kg of CO_2	0,034	0,392
Electricity	Germany	KWh	Kg of CO_2	0,252	0,280
Electricity	Belgium	KWh	Kg of CO_2	0,149	0,205
Electricity	Poland	KWh	Kg of CO_2	0,634	0,697
Electricity	UK	AIC	Kg of CO_2	0,193	0,377
Woodchips	Netherlands	KWh	Kg of CO_2	0	0,000
Solar	Netherlands	KWh	Kg of CO_2	0	0,000
Solar	UK	KWh	Kg of CO_2		
Gas oil	UK	KWh	Kg of CO_2	0,257	0,278
Kerosene	UK	KWh	Kg of CO_2	0,248	0,247
Medium oil	UK	KWh	Kg of CO_2	n/a	0,268
Gas Oil	Poland	KWh	Kg of CO_2	0,278	0,278
Coal	Poland	KWh	Kg of CO_2	0,306	0,306
Diesel	All countries	litres	Kg of CO_2	2,558	2,4740

Governance related to Sustainability

ForFarmers has a two-tier governance approach to sustainability in the form of the Sustainability Advisory Board and the Sustainability Task Force. Due to the handover of CEO responsibilities, the Sustainability Advisory Board did not meet formally, however an informal briefing on the updated strategy was provided in December. In addition there were a number of changes to the membership of the Advisory Board and additional members will be recruited in 2023

The Sustainability Advisory Board is scheduled to meet twice a year and is chaired by the CEO of ForFarmers (see note above). The role of the Sustainability Advisory Board is to provide advice on ForFarmers' sustainability strategy and on major trends and challenges that should be taken into account. The Sustainability Advisory Board is composed of two members of ForFarmers' Executive Team, one member of ForFarmers' Supervisory Board and a number of external members who are all major players in ForFarmers' supply chain, academia and NGOs.

	Sustainability advisory board		Sustainability task force	
Purpose	• Provide oversight of ForFarmers sustainability performance • Provide input from key external stakeholders		• Working group which reviews progress against implementation plan • Identifies gaps in current performance and agree corrective actions	
Composition	**Chairman** Theo Spierings, CEO		**Chairman** Nick Major, Corporate Affairs Director	
	Director Supply Chain	Arthur van Och	**Director Investor Relations**	Caroline Vogelzang
	Director Corporate Affairs	Nick Major	**Director Supply Chain**	Arthur van Och
			Internal Auditor	Jan Louissen
			Risk and Internal Control	Stephen Uren
	Supplier	Prof. Leo den Hartog	**Business Owners**	
	Food Industry	Erwin Wunnekink	**Health and Safety**	Arthur van Och
	NGO	Sijas Akkerman	**Nutritional Innovation**	Ad van Wesel
			Formulations & Lab	Wilco Engberts
			Quality	Manfred Hessing
			Raw Materials	Falko Weinberg

Composed of one member of the Executive Team and nine senior managers, the Sustainability Task Force is responsible for the implementation of ForFarmers' sustainability approach. Each business owner is responsible for a specific sustainability focus area. The task force coordinates improvement measures with respect to KPIs and provides relevant information to the Executive Board and Team and the Supervisory Board. Within the Executive Team, the director Supply Chain is responsible for ForFarmers' sustainability approach. ForFarmers' Corporate Affairs Director is Chairman of the Task force and is responsible for driving the sustainability agenda and to continually improve performance.

Sustainability management approach

Sustainability data is integrated in ForFarmers' internal reporting processes. Each sustainability focus area has assigned a business owner for coordinating the sustainability performance on the respective pillar and determining future actions and initiatives. The collected data is reviewed by the business owner. On a quarterly basis[1] the sustainability data is consolidated by the Corporate Affairs Director and reviewed by Finance and Internal Audit. Several internal controls, including sanity checks and qualitative analysis, are performed to ensure the accuracy and completeness of the data used to calculate the KPI performance. The sustainability performance is then discussed within the Sustainability Task Force as well as the country management teams to discuss the current status and next steps. Subsequently it is submitted to the Executive Board and Team and the Supervisory Board for evaluation.

[1] Excluding phosphate and nitrogen efficiency as these are reported annually, and one year behind, due to the availability of data.

Stakeholder dialogue

ForFarmers recognises the importance of understanding the views of its stakeholders. They challenge us, they share their expectations and concerns, they raise issues, they provide feedback and they collaborate with us. ForFarmers identified two stakeholder groups: level A stakeholders have been defined as those directly involved in the ForFarmers supply chain (employees, suppliers, customers, processors, and retailers). Level B includes all other stakeholder groups (shareholders, members, NGOs, regulators, government, media, investors and banks). Engagement with these stakeholders is key for ForFarmers and takes place regularly on a formal and informal basis. We communicate with the stakeholders through various channels and at a variety of levels. The following table provides an overview about how ForFarmers engages with each stakeholder group, what has been shared and discussed during these engagements with them and, subsequently, ForFarmers' responses to these raised topics. This is in addition to the separately, formally organized stakeholder dialogue to update the materiality matrix.

Stakeholders Level A	Engagement with stakeholders	Expectations shared and topics discussed	Expectations/topics addressed in ForFarmers' reporting
Employees	• Day-to-day contact • Employee intranet continuously • Employee magazine half-yearly • Regular team meetings • Bi-annual employee survey • Regular employee councils • Management conferences half-yearly	• Best-in-class employer • Safe working environment • Fair remuneration • Flexible working arrangements • Openness and transparent communications • Support tor social projects	Our innovation and sustainability agenda: Going Circular For the Future of Farming and in particular the following sustaianbility focus areas: **4.** People and Society Developing Talent For The Future of Farming
Suppliers	• Day-to-day contact • Code of conduct when relevant • Regular audits • meetings and visits continuously • Contracts and specifications when applicable	• Partnership approach • Fair pricing • Honour all obligations • Openness and transparency • Traceability • Feed safety • Responsible sourcing • Green house gas emissions	Our innovation and sustainability agenda: Going Circular For the Future of Farming and in particular the following sustaianbility focus areas: **1.** Feed Resources **2.** Feed Production **3.** Feed Solutions **4.** People and Society
Customers	• Day-to-day contact • Website and social media continuously • 3-4 magazines per year • Monthly digital newsletter • Ouarterly sounding boards • Advertising and promotions when relevant • Regular events	• Fair pricing • On-time, in-full delivery • Product quality • Technical advice and support • Innovation • Feed efficiency and feed safety • Support tor industry initiatives • Resource (phosphate/nitrogen) efficiency • Animal health and welfare • Antimicrobial resistance	Our innovation and sustainability agenda: Going Circular For the Future of Farming and in particular the following sustaianbility focus areas: **1.** Feed Resources **2.** Feed Production **3.** Feed Solutions **4.** People and Society
Processors	• Day-to-day contact • Regular technical meetings and projects	• Technical advice and support • Innovation • Openness and transparency • Traceability • Feed safety • Resource efficiency • Animal health and welfare • Antimicrobial resistance • Responsible sourcing • Green house gas emissions	Our innovation and sustainability agenda: Going Circular For the Future of Farming and in particular the following sustaianbility focus areas: **1.** Feed Resources **2.** Feed Production **3.** Feed Solutions **4.** People and Society
Retailers	• Day-to-day contact • Regular technical meetings and projects	• Technical advice and support • Innovation • Openness and transparency • Traceability • Feed safety • Resource efficiency • Animal health and welfare • Antimicrobial resistance • Responsible sourcing • Green house gas emissions	Our innovation and sustainability agenda: Going Circular For the Future of Farming and in particular the following sustaianbility focus areas: **1.** Feed Resources **2.** Feed Production **3.** Feed Solutions **4.** People and Society

Stakeholders Level B	Engagement with stakeholders	Expectations shared and topics discussed	Expectations/topics addressed in ForFarmers' reporting
Shareholders	• Annual shareholder meeting • Publication and presentation of annual and half-year results • Quarterly trading updates • Regular roadshows • Annual Report	• Return on investment • Openness and transparency • Strong culture and values • Dividend performance • Clear strategy • Sustainability approach • Reporting and disclosure	Our innovation and sustainability agenda: Going Circular For the Future of Farming Developing Talent For The Future of Farming Governance and Compliance Financial Statements Appendix: Sustainability Reporting
Members	• Regular meetings and events • Newsletter/member magazine 3-4 per year • Continuously via website	• Strong culture and values • Openness and transparency • Long-term management focus • Resource efficiency • Animal health and welfare • Antimicrobial resistance	Our innovation and sustainability agenda, Going Circular For the Future of Farming and in particular the following sustainability focus areas: **1.** Feed Resources **2.** Feed Production **3.** Feed Solutions **4.** People and Society Developing Talent For the Future of Farming
NGOs	• Participation in conferences when relevant • Ad hoc meetings	• Sustainable practices • Openness and transparency • Responsible sourcing of raw materials • Animal health and welfare • Environmental impact of livestock production	Our innovation and sustainability agenda, Going Circular For the Future of Farming and in particular the following sustainability focus areas: **1.** Feed Resources **2.** Feed Production **3.** Feed Solutions **4.** People and Society Developing Talent For the Future of Farming
Regulators	• Membership of national and European trade associations • Regular site visits and certification audits	• Compliance with regulations and standards • Responsible sourcing of raw materials • Animal health and welfare • Environmental impact of livestock production • Cooperation between national competent authorities and company schemes	Our innovation and sustainability agenda, Going Circular For the Future of Farming and in particular the following sustainability focus areas: **1.** Feed Resources **2.** Feed Production **3.** Feed Solutions **4.** People and Society Developing Talent For the Future of Farming
Government	• Membership of national and European trade associations • Technical groups and committees when applicable	• Compliance with regulations and standards • Contribution to policy consultations • Development and implementation of regulations and standards • Development of policy	Our innovation and sustainability agenda, Going Circular For the Future of Farming Developing Talent For the Future of Farming Appendix: Sustainability Reporting
Media	• Interviews when relevant • Press releases when relevant	• Transparency • Sustainability approach • Specific projects and initiatives	Annual Report and ForFarmers website
Investors and banks	• Annual Report • Regular roadshows • Investor conferences and meetings when relevant	• Transparent reporting and disclosure • Corporate governance • Sustainability approach	Our innovation and sustainability agenda: Going Circular For the Future of Farming Developing Talent For the Future of Farming Financial Statements Appendix Sustainability Reporting

Through this structural stakeholder engagement with all stakeholder groups, ForFarmers identifies emerging topics that are important for the company to consider in relation to strategic topics.

Memberships

As an important player in the livestock and feed industry, ForFarmers collaborates with industry associations and partnerships to further sustainability progress within the industry. ForFarmers' memberships include, among others, European Feed Manufacturers Federation (FEFAC) of which a ForFarmers employee is the immediate past President and national feed associations (Nevedi in the Netherlands, Deutscher Verband Tiernahrung (DVT) in Germany, the Belgian Feed Association (BFA) and the Agricultural Industries Confederation (AIC) in the UK). Tasomix is not a member of the Polish Feed Association. Through these memberships ForFarmers helps to represent, promote and defend the interests of the European compound feed industry with the National and European Institutions and international bodies.
A comprehensive list of all our memberships can be found on the website.

Corporate governance statement for 2022

This statement sets out how ForFarmers applies the Dutch Corporate Governance Code. It also discusses risk management and control, financial reporting and the composition of the Executive Board.

The corporate governance of ForFarmers is established based on Dutch law, the company's articles of association and regulations stemming from the Dutch Corporate Governance Code (hereinafter: the code). The Executive Board and the Supervisory Board are responsible for the corporate governance of ForFarmers and discuss this topic annually, deviating from several individual provisions.

The Dutch Corporate Governance Code

Long-term value creation

The Executive Board is responsible for managing the company and safeguarding the continuity of ForFarmers and its affiliated enterprise. It has developed a vision on long-term value creation and formulated a fitting strategy in consultation with the Supervisory Board. The value creation model outlines the contribution that ForFarmers makes on a social, sustainability and economic level.

The Executive Board expands on its vision on value creation in the annual report. It also explains the strategy it pursues to create value and how people have been working on it over the past year. The annual report also contains a report by the Supervisory Board in which the latter reports on its involvement in the realisation of the strategy and the supervision of its implementation.

Internal risk management and control systems

ForFarmers has appropriate internal risk management and control systems in place (hereinafter: internal systems). In the Risk Management section, the Executive Board sets out the main financial and non-financial risks associated with the company's strategy and activities. It also expands on the company's risk appetite and the mitigating measures that have been put in place. It monitors and assesses the design and operation of the internal systems, in part with the help of the internal auditor. The board discusses the effectiveness of the design and operation of the internal systems with the audit committee and reports on this to the Supervisory Board. In addition, the principles and best practice provisions relating to the appointment, evaluation and performance of the external auditor's work are subscribed to.

Effective management and supervision

The Executive Board and the Supervisory Board are composed in such a way that the required expertise, background, skills and (in the case of the Supervisory Board) independence are guaranteed, enabling members to fulfil their tasks. The composition is in line with the principles and best practice provisions on effective governance and supervision.

Executive Board and Executive Team

The Executive Board of ForFarmers works with an Executive Team that manages the operational activities. This team consists of the members of the Executive Board and people who help the Executive Board fulfil its tasks. The CEO appoints the Executive Team members in consultation with the Supervisory Board. The members of the Executive Board are appointed by the AGM and only on a binding nomination by the Supervisory Board. However, the AGM may override the binding nature of a nomination by an absolute majority at a meeting in which at least one third of the company's issued share capital is represented. In that case the Supervisory Board must make a new nomination. The AGM may suspend or dismiss members of the Executive Board if a majority at a meeting in which at least one third of the issued share capital is represented so decides.

Supervisory Board

The Supervisory Board consists of six people and is tasked with supervising the policy of the Executive Board and the general course of affairs in the company. The Supervisory Board is also focused on the effectiveness of the internal systems and the integrity and quality of financial reporting. With regard to the independence of members of the Supervisory Board, reference is made to the Deviations section of the Code.

The Supervisory Board meets annually with the Executive Board according to a set schedule. Additional meetings are scheduled if necessary. Executive Team members who are not members of the Executive Board occasionally expand on topics for which they are responsible at Supervisory Board meetings.

The Supervisory Board evaluates at least once a year its own performance, that of the committees and the performance of the individual Supervisory Board members. The desired profile and the composition, competencies and expertise of the Supervisory Board are also discussed at that time. This evaluation takes place without the Executive Board being present.

The Supervisory Board discusses the performance of the Executive Board as a team and that of the individual Executive Board members at least once a year. The conclusions attached to the findings are also discussed, in part with a view to the succession of Executive Board members. In addition, the diversity policy is regularly discussed.

The members of the Supervisory Board are appointed by the AGM for a maximum period of four years. This appointment takes place on a binding nomination by the Supervisory Board. The AGM may override the binding nature of a nomination by an absolute majority at a meeting in which at least one third of the company's issued share capital is represented. In that case the Supervisory Board must make a new nomination.

The cooperative has the right to nominate four of the six members of the Supervisory Board if it has more than fifty percent of the voting rights or can exercise more than 50 percent of the voting rights on the most recent reference date of 1 January. In that case the cooperative, in consultation with the Supervisory Board, can appoint a Supervisory Board member as chair. If less than fifty percent of the voting rights can be exercised, the cooperative has the right to nominate three of the six Supervisory Board members and the Supervisory Board will appoint the chairman in consultation with the cooperative.

These situations are also applicable to the dismissal of the chair, although a dismissed chair shall continue their term of office as a member of the Supervisory Board without holding the title of chair. The AGM has the power to suspend or dismiss a member of the Supervisory Board at any time. Such a decision is taken by an absolute majority at a meeting in which at least one third of the issued share capital is represented, unless the decision is taken at the proposal of the Supervisory Board, in which case the decision may be taken regardless of what portion of the issued share capital is represented at the meeting.

Remuneration

ForFarmers applies the principles and best practice provisions of the Code with regard to remuneration. The annual report contains a remuneration report which gives an account of how the remuneration policy was implemented in the year under review. The Supervisory Board determines the remuneration of the individual members of the Executive Board at the proposal of the Remuneration Committee. The remuneration policy is established by the AGM and is reviewed regularly. The Supervisory Board submits amendments to the AGM for adoption. The revised remuneration policy for the Executive Board was adopted by the AGM of 14 April 2022, at which time the remuneration of the Supervisory Board was also set for the 2022 financial year.

In selecting what information about variable remuneration to include in the Remuneration Report, the Supervisory Board weighs the interests of transparency and share price and market sensitivity. The Supervisory Board has the power to adjust the variable remuneration if it has been granted based on inaccurate information. ForFarmers has the right to claw back that part of the variable remuneration from members of the Executive Board. The Supervisory Board is authorised to adjust the level of the variable component of the remuneration for members of the Executive Board where its allocation was dependent, in whole or in part, on attaining certain targets or on certain circumstances to an appropriate level if paying it would be unacceptable based on standards of fairness and reasonableness.

In the event of early termination of their employment contract by ForFarmers, members of the Executive Board will receive a maximum of one year's salary. The same applies to members of the Executive Board who are not eligible for reappointment. No severance payment is made if the contract is terminated early at the initiative of the Executive Board member or if the Executive Board member is guilty of culpable or negligent conduct. The Supervisory Board has the power to withhold or reduce the aforementioned severance pay if it is of the opinion that a payment equalling one year's fixed salary would be unacceptable based on the reason for the dismissal. Severance pay is payable immediately upon termination of the contract. The Main elements in the contracts of members of the Executive Board have been published on the Company's website in accordance with the Code.

General Meeting of Shareholders

ForFarmers largely applies the principles and best practice provisions relating to the General Meeting of Shareholders (AGM). The company's registered share capital equals € 4,500,000.01 and is divided into 225 million ordinary shares, 225 million preference shares (of which none are issued) and one priority share (which is issued). Each share has a nominal value of € 0.01. ForFarmers has no provisions that restrict voting rights. Each share grants the right to cast one vote at the AGM.

The ordinary shares are listed on Euronext Amsterdam (FFARM). Furthermore, depositary receipts have been issued with the cooperation of the Company. The board of Stichting Beheer- en Administratiekantoor ForFarmers (the ForFarmers Trust Office Foundation) operates independently of ForFarmers. The Trust Office Foundation follows the voting instructions given by the Cooperative, exercises voting rights and grants proxy votes.

Members of the Cooperative can hold a participation account with the Cooperative that can be converted into ForFarmers shares or depositary receipts for shares. The Cooperative grants proxy votes to participation account holders to enable them to vote and attend the AGM.

The Executive Board or the Supervisory Board shall, with due observance of the Policy on bilateral contacts, inform all shareholders and other parties on the financial markets simultaneously about matters that could affect the share price. Analyst meetings and press conferences are announced in advance via our website and can be followed via a live stream. Analyst presentations and presentations given during the AGM are posted on the company's website prior to or after the meeting in question. If price-sensitive information is provided during a General Meeting of Shareholders or answering shareholders' questions has led to the provision of price-sensitive information, such information shall be made public without delay. No analyst meetings, investor presentations or direct discussions with investors take place shortly before the publication of regularly scheduled financial information, such as half-year and annual results.

It is important to the Supervisory Board and the Executive Board that as many shareholders as possible participate in decision-making at shareholders' meetings. ForFarmers facilitates this by giving shareholders the opportunity to issue a proxy with voting instructions. Convening notices, agendas and documents for discussion at shareholders' meetings are published in a timely manner. The agenda for shareholders' meetings state which items on the agenda are discussion items and which are voting items.

Decisions by the Executive Board regarding any major change in the identity or nature of ForFarmers are subject to approval by the AGM. This may for example concern the transfer of the company to another party, the commencement of termination of a long-term collaboration or the acquisition or disposal of a stake in the capital of another company amounting to at least one third of the value of the assets. The ordinary shares and preference shares carry no special control rights.

The AGM can decide to amend the Articles of Association by a simple majority of votes at the proposal of the Executive Board and subject to the approval of the Supervisory Board. Such a decision can only be taken by the AGM with prior or simultaneous approval from the priority shareholder. The same applies for decisions regarding entering into a merger or undertaking a demerger.

Those entitled to attend meetings may propose agenda items for shareholders' meetings. Items proposed in writing by one or more parties who are entitled to attend meetings and individually or jointly represent at least 3 per cent of the issued share capital of the Company will be included in the convening notice or announced in the same way provided that the Company receives the reasoned request or proposed resolution no later than 60 days before the date of the AGM. In addition, shareholders' meetings can be convened by parties who are entitled to attend meetings and jointly represent at least 10 per cent of the issued share capital of the Company.

Members of the Cooperative who can demonstrate that a participation account is held in their name with the Cooperative are in principle admitted to the AGM. A report is written of each shareholders' meeting and made available to the shareholders. The results of the voting on each of the agenda items are published on the company's website within 15 calendar days of the shareholders' meeting.

Governance structure

ForFarmers has a two-tier management structure with a separate Executive Board and a Supervisory Board. The principles and best practice provisions relating to the one-tier governance structure therefore do not apply. The company does endorse the principles and best practices relating to conflicts of interest. The Executive Board Regulations and Supervisory Board Regulations include rules for handling potential conflicts of interest. These regulations include rules regarding the holding of and undertaking of transactions in securities by members of the Supervisory Board and Executive Board.

Deviations from the Code

All deviations from the Code are expanded on in the corporate governance section of the annual report. A few of the deviations are discussed in more detail below.

Decree implementing article 10 of the EU takeover directive

In accordance with the provisions of Article 1, paragraph 1 of the Decree implementing Article 10 of the EU Takeover Directive the following information is provided and explained insofar as this has not been done already.

Capital structure: distributions

With due observance of the Articles of Association the profits as shown in the Company's annual accounts for any financial year shall be allocated as follows and in the following order:

If preference shares are cancelled without full payment of the distribution having been made, an amount equal to the remaining shortfall will be distributed to the persons or parties who were holders of preference shares at the time the cancellation came into effect. If any preference distribution for previous financial years has not yet been fully made, an amount equal to the remaining shortfall will be distributed with on preference shares. A distribution for the financial year to which the financial statements pertain shall then be made with ono the preference shares.

At that time and subject to the approval of the Supervisory Board, the Executive Board will determine which part of the remaining profit will be added to ForFarmers' reserves. An amount equalling the nominal amount of the priority share will be distributed on the priority share from the remaining profit. Any profit then remaining will be attributable to the AGM for distribution on the ordinary shares. ForFarmers will use its reserves to cover the deficit if it cannot pay the distributions from its annual profit.

Restrictions on transfer of shares

ForFarmers imposes no restrictions on the transfer of shares, except for the restriction provided for in the Articles of Association regarding the transfer of preference shares or the priority share and the quality requirements applicable to the priority share. Any transfer of preference shares or the priority share shall be subject to prior approval by the Executive Board. The priority share may only be held by the Company itself, or a cooperative whose members, in the opinion of the Executive Board, are primarily active in the agricultural sector, in any case including Coöperatie FromFarmers U.A., and which has voting rights or can issue voting instructions in connection with at least 20% of all shares as determined in the Articles of Association, or a party to be designated in writing by the Executive Board.

Depositary receipts for shares in the company's capital may only be transferred by means of a deed drawn up by the parties for that purpose as well as acknowledgment in writing by Stichting Beheer- en Administratiekantoor ForFarmers (the ForFarmers Trust Office Foundation). The board of the Trust Office Foundation may only grant approval for the delivery of depositary receipts if the delivery occurs in connection with the execution of a pledge.

Ordinary shares may only be converted using the trading platform operated

by Captin B.V. A similar rule applies to the transfer of a participation account held by a member of the Cooperative and is set out in the Cooperative's Articles of Association.

Conversion of a participation account into ordinary shares may take place through the same trading platform.

If a private offer for a business unit or participating interest valued in excess of the threshold specified by law is made public, the Executive Board, after consultation with the Supervisory Board, shall publicly announce its opinion with regard to the offer along with the reasons for its opinion as soon as possible.

Substantial holdings

As at 31 December 2022 the following entities held a stake of 3% or more in ForFarmers, according to the Register of Substantial Holdings of the Netherlands Authority for the Financial Markets (AFM):

	Capital interest [1]	Registration date
Coöperatie FromFarmers U.A. (direct and indirect) [2]	49.99%	18 Oct. 2017
Stichting Beheer- en Administratiekantoor ForFarmers [2]	9.69%	31 Mar. 2017
ForFarmers N.V. [3]	5.02%	24 Feb. 2022
D. Lindenbergh	5.0%	11 Apr. 2022

[1] Based on 106,261,040 issued ordinary shares, being the number of issued ordinary shares at the time of registration with the AFM. On 11 September 2020 the shares that had been repurchased via the share buy-back programme were withdrawn, resulting in 95,218,821 issued ordinary ForFarmers shares at that date.

[2] As at 31 December 2022 the capital interest of Coöperatie FromFarmers UA was 45.45% and of Stichting Beheer- en Administratiekantoor ForFarmers was 8.91%, based on 95,218,821 issued ordinary shares.

[3] As at 31 December 2022, the capital interest of ForFarmers N.V. is 6.13%, based on 95,218,821 issued ordinary shares.

Employee participation plan

The company has a participation plan in place for senior management (including the Executive Team) and another for other employees. In principle, employees were invited to take part annually.

Every year participants in the participation plan for senior management may purchase ordinary shares or depositary receipts for ordinary shares up to an amount that does not exceed the maximum variable and /or short-term bonus for which they are eligible based on their contract. Ordinary shares and depositary receipts thereof obtained under this participation plan are subject to a lock-up period of five years and a discount of 20% on the standard acquisition price.

Every year participants in the participation plan for other employees may purchase ordinary shares or depositary receipts for ordinary shares for any of the following amounts: € 1,000, € 2,000, € 3,000, € 4,000 or € 5,000. Ordinary shares or depositary receipts thereof obtained under this participation plan are subject to a lock-up period of three years as well as a discount of 13.5% on the standard acquisition price, granted in the form of an allotment of additional ordinary shares or depositary receipts thereof. In the Netherlands this discount consisting of the allotment of additional ordinary shares or depositary receipts thereof is granted at the beginning of the lock-up period, with these additional ordinary shares or depositary receipts thereof also being subject to the lock-up period. In other countries the discount is granted in the form of additional ordinary shares or depositary receipts thereof allotted after the end of the lock-up period.

The Supervisory Board determines annually whether the employee participation plans can be implemented.

Shareholder agreements

Except for the restrictions that apply to ordinary shares or depositary receipts thereof obtained under an employee participation plan the Company is not aware of any agreements involving a shareholder which could lead to a restriction on the transfer of ordinary shares or depositary receipts thereof or to restriction of the voting rights.

Provisions relating to a change of control in important agreements

The €300 million credit facility that ForFarmers has entered into with banks includes a change-of-control clause, which stipulates that the banks that are a party to the facility must be notified of any change of control. In that case the banks in question have the option of demanding early redemption. Change-of-control clauses are also included in various agreements and cooperation agreements to which the Company or its subsidiaries are party. Such information is not published due to potential competitive sensitivity.

Change of control clauses in employment contracts and contracts of assignment

There are no agreements with members of the Executive Board or other employees that provide for a payment in the event of the employment being terminated as a result of a public offer.

Decree on disclosure of non-financial information
The following information is provided and explained in accordance with the provisions of the Decree on the disclosure of non-financial information.

Social and HR policy
ForFarmers' Human Resources strategy is focused on attracting and retaining qualified people and helping them develop. The company's approach is geared towards learning and applying best practices. This improves the effectiveness, efficiency and vitality of the organisation and staff alike, with ForFarmers seeking to strike a balance between the needs of the company and those of its employees.

In our social and HR policy, we assume equal opportunities, as set out in the Code of Conduct.
The company has a zero-tolerance policy on discrimination and uses measures including the HR annual cycle to ensure that business decisions are based on relevant qualifications, performance and other job-related factors.
ForFarmers devotes a great deal of attention to providing a safe workplace and good working conditions and has established a KPI for reducing the number of Lost Time Incidents (LTIs).

Environment and respect for human rights
Sustainability is part of ForFarmers' mission, business profile, and core values. Feeding the growing global population in a sustainable way is a challenge that will require optimum use of raw materials and natural resources such as energy, land and water.
ForFarmers contributes to this for example by improving feed efficiency: using less feed to produce more animal proteins. We have also set targets to incorporate more and more co-products and residual flows in our feed. These ingredients are residual flows from the food industry or are not suitable for human consumption. By doing so, we combat waste and contribute to making the sector more sustainable.

In addition, the company has set specific objectives to operate more sustainably in its own production activities, in the supply chain and on-farm. ForFarmers is committed to safeguarding the safety of people, processes and products, and seeks to establish fair and responsible working conditions throughout the chain. ForFarmers has a Code of Conduct in place, also to ensure a sound environmental policy and respect for human rights at its suppliers.

Anti-corruption and anti-bribery policy
ForFarmers has a zero-tolerance policy on bribery and corruption and endorses this stance in the Code of Conduct. The company expects its staff to work with people who understand that corruption and bribery are unacceptable. The anti-corruption and anti-bribery policy includes due diligence procedures when hiring staff and entering into business relations, as well as procedures for reporting bribery and corruption.

Diversity policy
The Supervisory Board has drawn up a diversity policy for the composition of the Executive Board, the Supervisory Board and the Executive Team. This policy sets out the specific objectives regarding diversity in general and aspects of diversity specific to the company, including nationality, age, gender, education and experience.
The Supervisory Board considers these aspects to be of particular importance to ForFarmers because together they contribute to a varied perspective in the formation of opinions and in doing so support innovation. These aspects also contribute to giving and receiving supported feedback and enabling careful decision-making. The Supervisory Board realises that ForFarmers still has steps to take to fully comply with the Diversity Act in force as of 1 January 2022 in the Netherlands. The Board also intends to work on all points of the new Corporate Governance Code in 2023.

This corporate governance statement explains the diversity policy and its implementation in relation to the objectives of the policy, the way in which the policy is implemented and the results of the policy in the past financial year. If the composition of the Executive Board and the Supervisory Board deviates from the objectives of the policy and/or the male-to-female ratio target, the corporate governance statement also expands on the current situation, the measures being taken to achieve the objectives and the desired timeframe.

1. Diversity in terms of knowledge and experience
ForFarmers aims to ensure the presence of a substantial level of knowledge and experience in the Executive Board and Executive Team in the following 11 areas: (1) national and international agribusiness, (2) management of a listed company, (3) financial matters, administrative organisation and internal control, (4) strategy, (5) sales and marketing, (6) manufacturing and logistics, (7) innovation, research and development, (8) safety and the environment, (9) personnel and organisation, (10) IT and (11) legal matters.

Each member of the Executive Board and Executive Team has the knowledge and experience relevant to their range of duties and keeps up with developments in agribusiness. The Executive Board and Executive Team members have attended compliance and awareness courses that are relevant for listed companies and were made aware of these when joining the Executive Board or Executive Team. The topics covered included handling price-sensitive information and communication.

The areas of knowledge and experience sought by ForFarmers in composing the Supervisory Board are stated in the Profile of the Supervisory Board. They are set out in more detail in the Composition of the Supervisory Board and Committees section in the Annual Report for 2022 which also comprises an overview of the specific knowledge and experience of each Supervisory Board member.

Pieter Wolleswinkel was nominated by the Supervisory Board for appointment to the Executive Board at the AGM of 14 April 2022 due to his extensive knowledge and experience in livestock farming as well as his management experience. His background and education, commercial focus and sustainability ambitions were decisive factors for the Supervisory Board.

On 14 April 2022 Marijke Folkers–in 't Hout was nominated for appointment to the Supervisory Board and Vincent Hulshof and Roger Gerritzen were nominated for reappointment to the board. The Supervisory Board was particularly focused on diversity with regard to knowledge and experience within the agricultural sector, as well as on gender. The Supervisory Board expanded on this when discussing the agenda item at the AGM. The nominations for the appointment and reappointments were made on the recommendation of the Cooperative. The reappointments also considered the continuity of the Supervisory Board.

This policy resulted in the presence of a significant level of knowledge and experience in the areas relevant to the Executive Board, the Executive Team and the Supervisory Board in 2022. This is expected to remain the case in the coming years.

2. Gender diversity
ForFarmers aims for at least 30% of the positions on the Executive Board and the Executive Team to be occupied by both men and women. In line with Dutch legislation at least one third of the seats on the Supervisory Board must be held by both men and women.

In 2022, the Executive Team initially comprised two women and eight men. The two female members of the Executive Team left ForFarmers during the year. The vacancies that have arisen have not yet been filled, in anticipation of the further tightening of the organization. The Executive Team currently consists entirely of men. Part of the revised strategy and the resulting organizational tightening is to further shape the plan for creating more diversity.
For upcoming vacancies, explicit attention will be paid to improving diversity. In case of equal suitability of candidates, decisions will be made in a way to enhance diversity.

3. Diversity in terms of nationality
It is important to ForFarmers that there is diversity in terms of nationalities on the Executive Team. That is why there is an objective in place that at least two members of the Executive Team members do not have Dutch nationality. Moreover, we want the managing director of a country in which we operate to be a national of the country in question.

At the beginning of 2022, the Executive Team consisted of eleven members and later in the year eight. This was the result of the first step of tightening up the organization and of the departure of some members to positions elsewhere. Of the eight members of the executive team, four have a non-Dutch nationality. The objective of diversity in relation to nationality has therefore been achieved.

4. Diversity in terms of age

ForFarmers does not consider diversity in terms of age to be suitable to link to a specific objective. We do acknowledge that knowledge and experience come with age and that young people are generally more open to new developments. The company aims to achieve a balanced mix of ages in the composition of the Executive Board, Supervisory Board and Executive Team but does not set any specific targets.

During the AGM of 14 April 2022 Pieter Wolleswinkel was appointed to the Executive Board and Marijke Folkers-in 't Hout to the Supervisory Board. Their appointments meant an average age reduction on both in the Executive Board and the Supervisory Board. There was already a balanced mix in terms of age in the Executive Team.

Colophon

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Realisation Annual Report:

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This annual report, including the financial statements, is a translation of the original Dutch text. In case of any difference in interpretation between the translation and the original Dutch text, the latter shall prevail.

Forward-looking statements

This document could contain forward-looking statements, which, rather than referring to historical facts, refer to the Executive Board's expectations based on current insights and assumptions which are subject to known and unknown risks and uncertainties, and may cause the actual results, presentations or events to differ materially from the statements in this annual report. Many of these risks and uncertainties are linked to factors over which ForFarmers has no control and/or which it is unable to accurately estimate, such as, for example, the effect of general economic or political circumstances, price development and the availability of raw materials, animal diseases or interest-rate and currency fluctuations ForFarmers accepts no obligation or responsibility whatsoever to update forward-looking statements contained in this document, irrespective of whether they reflect new information, future events or otherwise, subject to ForFarmers' legal obligation to do so.

Third-party market data

Statements regarding market share, including the group's competitive position, contained in this annual report are based on outside sources including governmental reports and statistics, broker research reports and specialised research institutes, in combination with management estimates.