

Materiality assessment



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

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

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

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

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

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

Materiality assessment



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

Figure 2: Stakeholder engagement in our Materiality Assessment

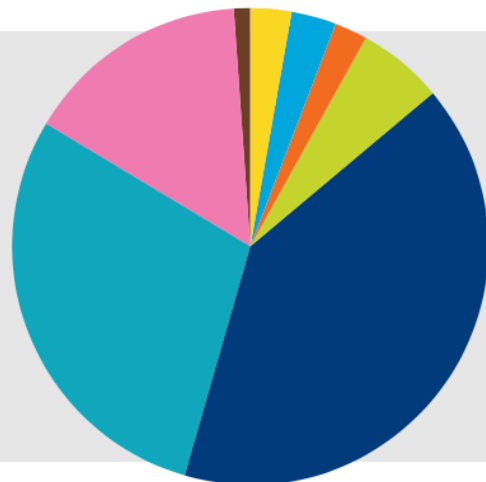
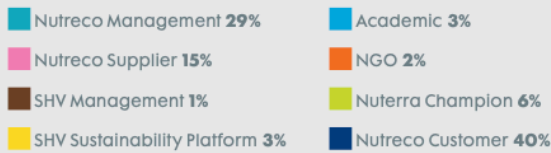
Stakeholder group	Number invited to participate	Key contact person managing the outreach
Nutreco Senior/Middle Managers (Hay Scale N12 and above)	190	Sustainability team: Jose Villalon (Nutreco) using Management Meeting contact list from Anja Tammens
SHV Executive Board	3	Sustainability team: Jose Villalon (Nutreco)
SHV Sustainability Platform	10	Sustainability team: Jose Villalon (Nutreco)
Nuterra Champions	38	Sustainability team: Trygve (Skretting), Sara (Trouw)
Suppliers	100 (60 Trouw, 40 Skretting)	Procurement team: James Rose (Skretting) and Jurrien Zanderberg (TN). Sustainability team Trygve Berg Lea (Skretting) and Sara Cuesta (Trouw Nutrition)
Customers	326 (10 from majority of OpCos - 160 from Trouw and 166 from Skretting)	Local sales and marketing: Nuterra Champions as contact person
NGOs	11	Sustainability team: Jose Villalon (Nutreco)
Academics	22 (10 from Trouw and 12 from Skretting)	R&D team: Leo den Hertog (TN) and Alex Obach (Skretting)

Results - Stakeholder overview

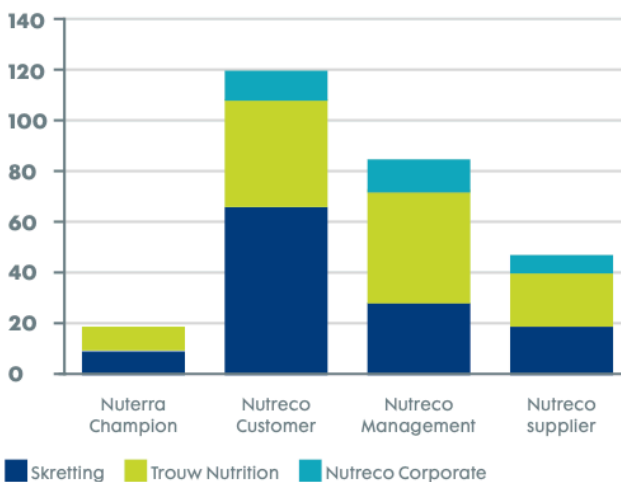


The questionnaire was sent to a total of 700 stakeholders with a total of 293 responses (42%). Of these, 35% came from internal stakeholders and 65% from external.

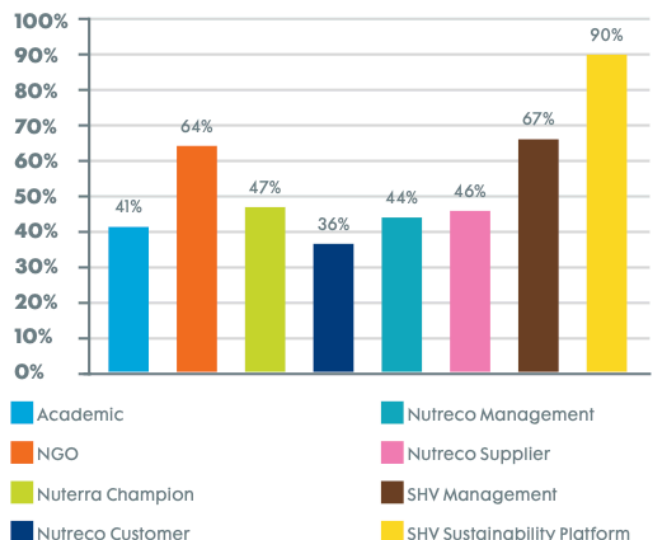
Respondents by Stakeholder group



Respondents by Stakeholder group

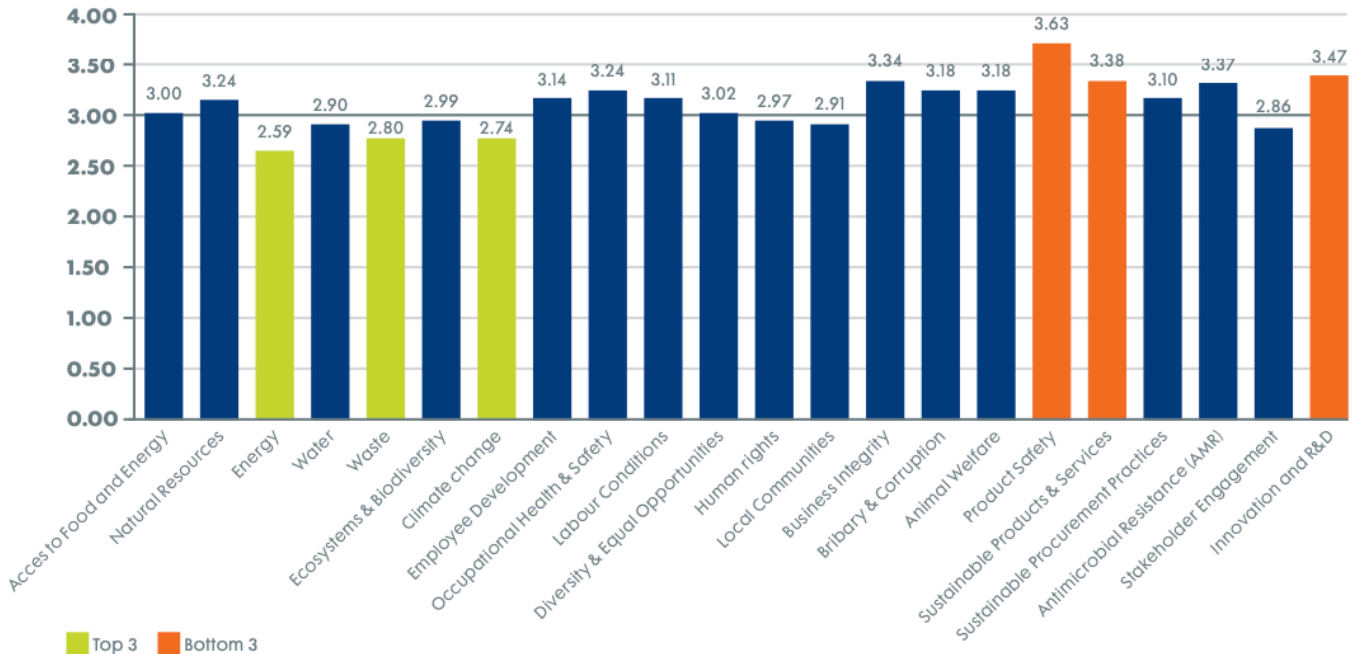


Response rate by Stakeholder group



Results - Average Scores for all Respondents

Figure 4: Materiality Assessment issue out scores



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

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

Opportunities to distinguish ourselves



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

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

Sustainable products and services

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

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

Sustainable procurement practices

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

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

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

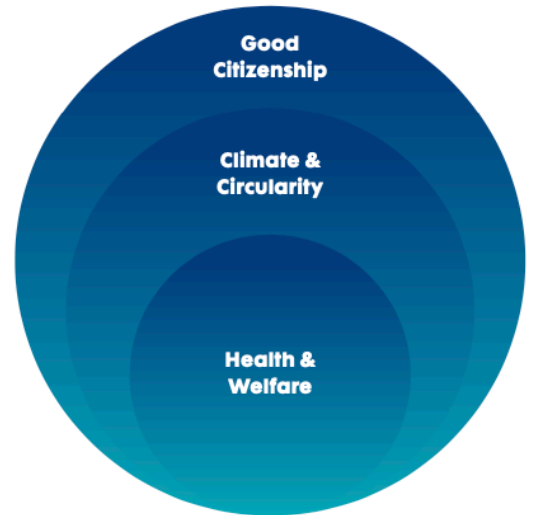
License to operate

Nutreco has been publicly reporting its sustainability performance since 2000. As a result, we recognize that, while we need to prioritize our efforts on the issues that matter most – our opportunities to distinguish ourselves – there are other “hygiene” issues that we need to report about in a transparent way and continue to make improvements on. Of the 19 total material issues highlighted by our materiality assessment, the NSP identified ten as issues that must be addressed if Nutreco is to continue as an outstanding corporate citizen in society today (see Figure 5). These “License to operate” issues are issues that require transparency in reporting as well as best practices for good governance and environmental performance.

Three sustainability pillars



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



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

Table 1: Main topics covered in RoadMap 2025

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

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



nuterra

Nutreco N.V.

Stationsstraat 77, Amersfoort, P.O. Box 299, 3800 AG Amersfoort, The Netherlands

T +31 (0)88 053 2405 E info@nutreco.com W www.nutreco.com

Trade Register no 16074305 Eindhoven (NL)